# ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2024

Charitable Registered Society number: 30939R. RSH Number: L4279

**Annual Report 2023-24:**

# What's inside our annual report

**Introduction:**

# Who we are

## About RHP

We are a leading housing association in the South West of London owning 7,677 homes and managing 10,805 homes within our group.

## Our purpose

Providing safe, secure homes – opening the door to life opportunities.

Our purpose is why we exist. It's what drives us to provide our customers with homes they can be proud of and services they can trust.

## Our vision

Our vision is to be trusted as a socially responsible housing provider which is high performing, community-connected and values based.

Our vision describes our long-term aspirations and ultimately where we want our work to lead us.

## Our strategic pillars

**Socially responsible:** providing safe, secure homes in a way that's environmentally sustainable.

Investing in housing for those who cannot access the private market.

Exploring strategic partnerships and growth opportunities to enable us to add value and protect homes for local communities.

**High-performing:** delivering efficient, reliable services.

A proactively managed, commercially astute business, which maximises value and reduces waste.

A reputation for knowing our stuff and making it happen.

**Community-connected:** strongly connected to communities, whether local, or through a common purpose.

A positive presence working with similar-minded organisations.

Understanding our customers, their individual and collective needs, and using our influence to voice their priorities.

**Values-based:** guided by our values in our decision-making.

Working with customers to deliver outcomes which matter.

Creating an environment where talented people who care can make a difference. An ethical and inclusive organisation which people love working with and for.

# Introduction:

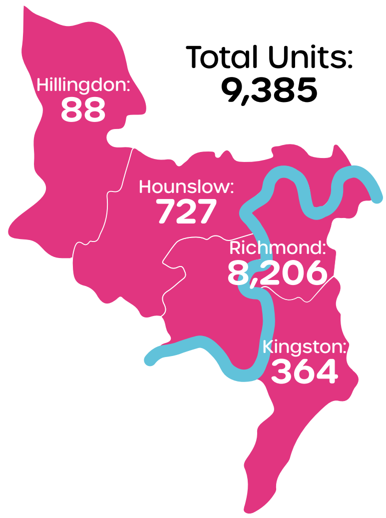
# Where we are and what we do

## Our location

RHP Association operates principally in the four London Boroughs of Richmond upon Thames, Kingston upon Thames, Hounslow and Hillingdon in West and South West London.

The map illustrates the spread of our existing properties for the parent company only in our areas of operation.  The Group also owns one office building, 18 shops, 4 halls and 917 garages.

Co-op Homes owns and manages 1,420 homes across West London, Slough and Reading.




| Housing properties owned or managed at year end | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Total social housing stock owned or managed at year end (number of dwellings) Including 208 shared ownership properties (2023: 166) | **7,422** | 7,376 | 7,298 | 7,283 | 7,209 |
| Leaseholder properties serviced | **1,963** | 1,962 | 1,984 | 1,990 | 1,998 |
| **Total Association** | **9,385** | 9,338 | 9,282 | 9,273 | 9,207 |
| **Co-op Homes owned or managed units** | **1,420** | 1,804 | 1,722 | 1,548 | 1,254 |
| | **10,805** | 11,142 | 11,004 | 10,821 | 10,461 |

## What we do

RHP Group's focus is on providing safe and secure homes in its core areas of operation. 86% of the Group's income is derived from social housing lettings.

RHP Group does not distribute its profits to members. All surpluses from our core social housing activities are used to improve our services and provide capacity for us to build more new homes for current and future generations and to service debt.

All profits that we make from commercial activities such as the letting of office space, shops and garages and surpluses from the sale of tranches of shared ownership properties are invested in improvements in our existing stock and to subsidise our development of new, affordable homes for rent and shared ownership.

During the year we invested £17.0m in improving existing homes, £26.6m in delivering new homes and £11.6m on repairing homes.

## Introduction:

# Achievements at a glance

GROUP **TURNOVER**
**£70.6m**

RSH **GOVERNANCE & VIABILITY** RATING OF
**G1/V1**
REAFFIRMED

GROUP **OPERATING SURPLUS** OF
**£16.3m**

A (Stable)
**CREDIT RATING**
(Standard & Poors)

SOCIAL HOUSING **OPERATING COST** PER UNIT
**£6,049**

INVESTED
**£17.0m**
in improving existing homes

**£26.6m**
in delivering new homes

**£11.6m**
on repairing homes

**BS9997**
Accreditation of our Fire Safety Managment System and

**4★**
BRITISH **SAFETY COUNCIL** AWARD

PROVIDED HOMES FOR
**324**
new customers

**TOP EMPLOYERS** CERTIFICATION 2024

**GOLD AWARD**
for Mind Workplace Wellbeing Index

Provided
**50 PEOPLE**
including RHP customers with training throughout the year

AND HELPED **13 CUSTOMERS** GET INTO WORK

# Strategic report

Strategic report:

# Chair and Chief Executive's Report

Sarah Thomas
**Chief Executive**

We are pleased to present our annual report and financial statements for the year ended 31 March 2024.

We have had a challenging 12 months due to a range of external and internal factors. Along with the rest of the sector, we are in unprecedented times when it comes to the delivery of our services, following the continued impact of the covid pandemic, Brexit and inflationary increases.

It has also taken longer than we had hoped to embed our new repairs service 'RHP Home', which launched in June 2023 in partnership with Kier Places.

These factors have had a knock-on impact on our service, and we have not delivered to the levels we aspire too, which has seen a rise in complaints as a result.

As well as putting in place corrective action to improve our repairs service, we also recognised that we were not set up in the right way to resolve customer queries at the first point of contact.

We listened to customer feedback on the areas we needed to improve, and developed a new structure that addressed these issues. This included decentralising our call centre and moving call handlers into different service areas, so that customers are put straight through to experts who can resolve their issue at first point of contact.

The new structure was finalised by the end of March 2024 and since it went live to customers in April, we have seen significant improvements to our call wait and handling times.

Keeping our customers and their homes safe continues to be our top priority. We have strong compliance performance with gas, electrical, asbestos, lifts, and water treatment, have maintained our BS9997 accreditation of our fire safety management system, and all of our high-rise buildings have been registered with the building safety regulator.

*"Keeping our customers and their homes safe continues to be our top priority"*

Strategic report:

# Chair and Chief Executive's Report

We have invested in further improvements to tackle damp and mould issues, including introducing a dedicated team to take ownership of cases, proactively contacting customers at risk of damp and mould, and launching our 'Healthy Homes' campaign which provides practical advice on how to prevent condensation, damp, and mould.

During the year we invested £28.6m in maintaining and improving our existing homes, and have received positive feedback about our kitchen, bathroom, and roof replacement programmes.

We have continued to listen to customers and use their insight to help improve and shape our services. Examples during the year include involving customers in the selection of the new diagnostic tool for our online repairs system, the development of a new customer engagement strategy, and seeking feedback on our website.

We are a positive presence out on our estates, and are pleased to report continued high satisfaction levels with our caretaking and grounds maintenance services.

We have started to do more detailed work in the community and building our partnership relationships with local organisations. An example of this is our work with Richmond Furniture Scheme (RFS), who sell refurbished furniture at a low cost. As well as referring customers to RFS, we have also partnered with them for Richmond Council's Mega Skip Days, and donate items to them from our bulk clearance.

Additionally, RHP's Skills Academy has gone from strength to strength. Based at one of our community centres, the Academy aims to empower local people by offering a range of free training opportunities to build employability and life skills. The accredited courses include construction, DIY, childcare, CV writing, and sewing workshops. In 2023/24 13 customers aged 14 to 68 have secured employment or pursued further education, as a result of the training they've received.

We remained financially strong, and maintained a strong credit rating from S&P, as well as our G1/V1 status with the regulator.

This financial strength has enabled us to continue with our development programme. During the year we completed 125 new accessible and sustainable homes, including a number of much needed family size homes.

During a year of high levels of change and challenges with service delivery it is not surprising that employee engagement has decreased. Although our scores are still good compared to other organisations across the UK, they are not at the levels we aspire to.

Interestingly though, our employee turnover has decreased which is a sign that our colleagues remain committed to working for us, and recognise that things will improve.

Our employer brand remains strong, and we were recognised externally by being awarded Top Employers certification for the second year in a row, as well as maintaining Investors in People Platinum status..

## Looking ahead

We spent the second half of the year developing a new vision and strategy, which launched in April 2024.

You can read more about our plans for the future on page 18.

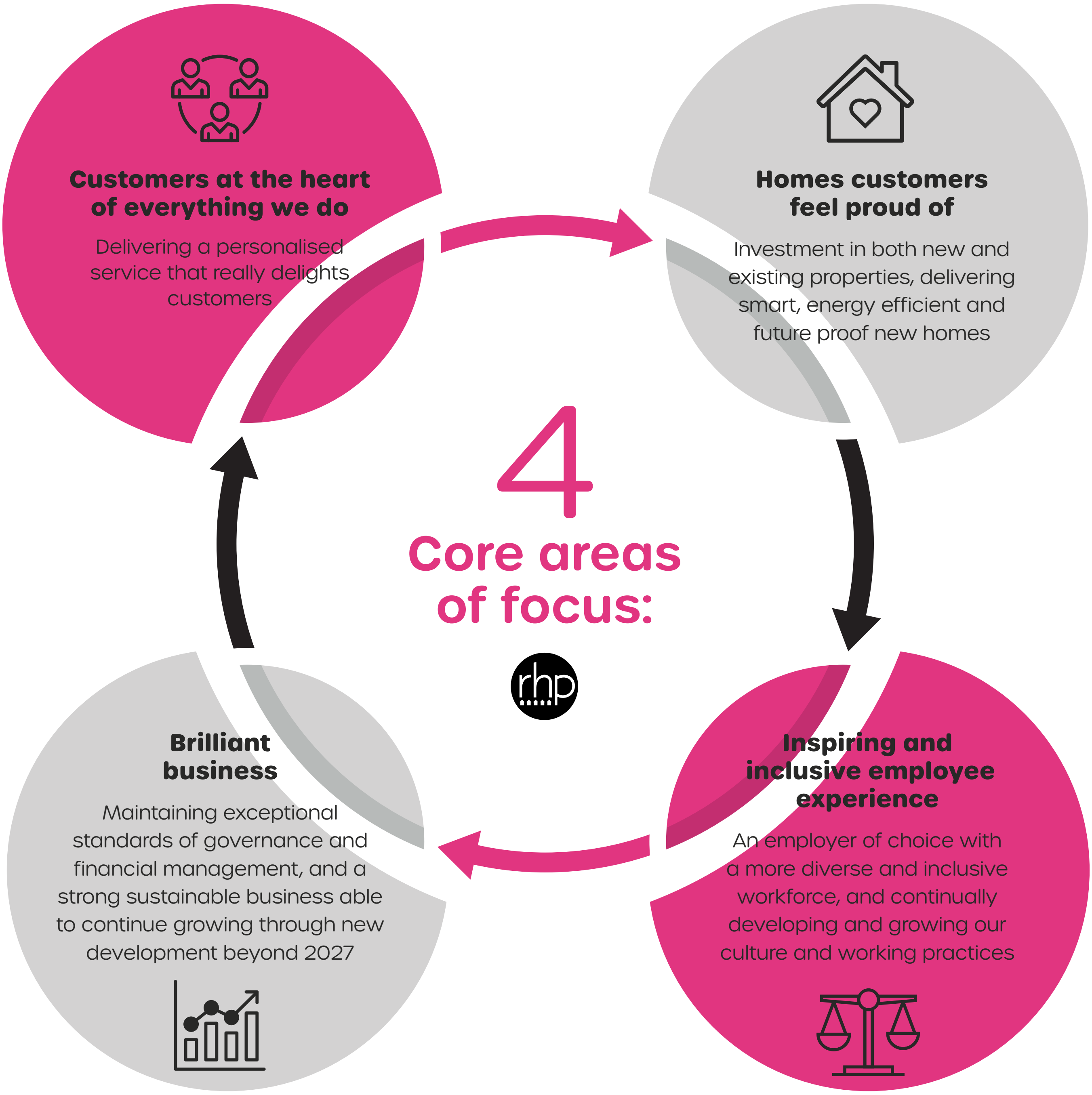
We are confident that our new strategy, and robust plan for the year, combined with our strong culture will lead to improved performance and an increase in both customer and colleague satisfaction in 2024/25.

## Strategic report:

# Delivery against last year's corporate strategy

Looking back at past strategy and what we delivered:

**4 Core areas of focus:**



## Strategic report:

# Customers at the heart of everything we do

Rebuild trust and confidence in RHP. This includes our repairs and maintenance service, so customers feel we are looking after their homes and ensuring a safe environment for them to live in.

### Targets

Our key priorities against this strategic pillar for the year were:

- Mobilisation of new repairs and maintenance, and compliance contracts, as well as successful demobilisation of previous contracts.
- Launch of new repairs system for colleagues and customers.
- Maintain and improve our other services to customers: caretaking, complaints management, rent collection, understanding of vulnerable customers.
- Deliver the consumer standards with a focus on communities and neighbourhoods.

### Performance

| KPIs | Target for 23-24 | Year end performance |
|---|---|---|
| Emergency repairs in timescale (from 1 June) | 95% | 89.1% |
| Urgent repairs in timescale (from 1 June) | 90% | 92.7% |
| Responsive repairs in timescale (from 1 June) | 90% | 78.7% |
| Customer satisfaction with repairs (TSM) (Q3 & Q4 only) | 64% | 50% |
| Right first time for a repair | 85% | 77% |
| Maximum number of stage 2 complaints | 10 | 32 |
| Customer satisfaction with communal areas (caretaking/grounds) | 75% | 71% |
| Rent collection levels sustained | >98.8% | 99.1% |

In June 2023 we launched our new repairs service RHP Home, in partnership with Kier Places. At the same time, we also started a new gas and compliance contract with Smith & Byford.

Although the mobilisation of these new contracts was successful, it has taken longer than expected to embed our new repairs service. This is partly due to continued external challenges being faced by the whole sector including labour and supply shortages, and partly due to early teething problems with delivery.

Improvements have been made throughout the year, however we still ended under target for time taken to complete a repair.

The repairs performance had a direct correlation to overall customer satisfaction and complaints. Our number of stage two complaints increased, with the majority relating to repairs.

To make it easier for customers to request a repair, and to enable us to fix more repairs first time, we launched a new online repairs portal. We gained customer feedback during this process, including inputting into the selection of the supplier, and testing the portal before it went live.

The portal includes an improved diagnostic tool which provides more specific options for customers to select in terms of the type of repair they need. At the end of March 2024, nearly 30% of repairs were being requested online.

We are a positive presence out in our communities, and are pleased to report continued high satisfaction levels with our caretaking and grounds maintenance services.

# Customers at the heart of everything we do

## Performance (continued)

We also strive to help keep our local neighbourhoods safe, and have maintained strong partnership working with the police and local agencies to tackle and prevent anti-social behaviour.

Despite the tough economic climate, we have met our targets for rent collection. We continue to offer tailored support and signposting to any customers who are struggling to pay their rent, as well as access to our hardship fund.

RHP's Skills Academy has had a successful year, offering free accredited training in areas such as construction (including a special focus on women in construction) and childcare. As well as life skills such as sewing and DIY classes.

## Connecting with new beginnings


**Zuby's story**

*"The Academy has opened so many doors to me, like giving me the confidence of turning a sari into a dress, which I would never have done otherwise. The skills I've learnt will carry me forward to a more sustainable future with creative goals"*

# Strategic report:

# Homes customers feel proud of

Deliver our planned maintenance programme, including our sustainability plan, and re-let homes quicker. Deliver new homes, grow our pipeline, and progress our regeneration programme.

## Targets

Our key priorities against this strategic pillar for the year were:

- Deliver £17m of improvements to our homes, including the 23/24 plan for progression to net-zero.
- Reduction in re-let times and improvement in void loss.
- Increased support for customers who experience damp and mould.
- Deliver Year 1 of new stock condition survey cycle, incorporating any additional requirements.
- Deliver development and regeneration programme and improve pipeline.
- Manage identified risks and implement effective action plans to eliminate these as soon as reasonably practical for customers, colleagues, and the public.
- Develop and execute effective policies and processes to manage risks before legislation is implemented to meet our legal, regulatory and Building Safety Regulator obligations.
- Successfully engage customers via the Residents Engagement Strategy and address individual requirements across all age groups and diversities in a variety of methods.
- Clear responsibility for residents and Building Safety in our seven high rise blocks.

## Performance

| KPIs | Target for 23-24 | Year end performance |
|---|---|---|
| Planned programmes for 23/24 | Delivered | Delivered |
| Average number of days to re-let homes | 90 days | 242 days |
| Decent homes standard achieved | 100% | 99.73% |
| Homes improved to EPC C | 330 | 131 |
| Compliance KPIs achieved (big 6) | 100% | 5 achieved, 1 did not achieve* |
| RHP homes handed over | 206 | 125 |
| Homes in contract | 78 | 106 |
| Severe & extreme damp & mould cases (4 in April) | Reduced | Increased: 19 |

*not using TSM methodology

# Strategic report:

# Homes customers feel proud of

## Performance (continued)

We made great progress in the year however in delivering our planned investment programme, providing customers with improved homes. We managed to deliver:

- £2.1m kitchens
- £0.5m bathrooms
- £0.6m windows
- £2.2m new boilers
- £3.2m new roofs

We had our highest number of new homes completions for several years providing 125 new homes for customers. This was despite the tricky development market including contractor failures.

We relet 282 homes, many of which went to people who had been in temporary accommodation for long periods of time, however recognise our turnaround time to re-let was significantly poorer than we aim to achieve, and are progressing a detailed improvement programme to deliver to this metric in 24/25.

We are pleased to report that 80% of our homes have a recent stock condition survey and 88% an EPC certificate. This quality data on our homes helps inform our fully costed and funded plan to achieve 100% EPC A-C by 2030. We have recently been awarded £2.6m of funding from the Social Housing Decarbonisation Fund to support us in delivery of one of our retrofit programmes which will drastically improve the energy efficiency in 191 non-traditional build homes.

## Connecting with new beginnings

**Victoria's story**

*"After being unsettled for so long, I can't wait for my children to get to know the area.*

*We couldn't ask for more, it's great to have somewhere we can finally call home."*

## Strategic report:

# Brilliant business

Our business maintains core hardlines for safety and financial management, ensuring we remain robust for today and tomorrow.

### Targets

Our key priorities against this strategic pillar for the year were:

- Deliver budget and maintain compliance with financial covenants.
- Evolve risk management and control. Have a good understanding of external and internal risks and a plan in place to manage these.
- Explore opportunities to grow our business - this could be assets, social value, or partnerships.
- Deliver our data strategy with a step change in data governance and quality.
- Adapt and deliver our technology strategy and plan for the year.
- Deliver our value for money strategy.
- Deliver ongoing improvements in cyber security.

### Performance

| KPIs | Target for 23-24 | Year end performance |
| --- | --- | --- |
| Operating surplus (Association only) | £17.5m | £15.6m |
| Sales targets | 46 | 16 |
| G1 rating | Maintained | Maintained |
| Viability grading | No lower than V2 | V1 |
| Cyber Essential Plus | Achieved | Not achieved |

We are facing substantial headwinds in the global and local economy and specifically in the social housing sector. Volatile energy prices, increasing costs of insurance and construction costs, insolvencies of contractors and challenges for our customers in the cost-of-living crisis are all hitting our organisation. Despite this, we continue to carefully manage our finances, work in partnership with other organisations to deliver value for money and are confident about our long-term financial strength.

We maintained a strong credit rating from S&P and maintained our G1/V1 status with the regulator. We didn't however achieve our target operating surplus, in part due to challenges in delivering our empty homes and sales and development programmes and choosing to make investments in order to support our customers and improve our service. These decisions are considered very carefully in order to appropriately balance investment, financial strength and to make sure we keep our customers safe and improve our service.

We also worked hard to deliver our cyber essential plus accreditation in the year, recognising cyber risks are amongst the largest faced in the organisation, however due to a change in supplier, this accreditation will be achieved in 24/25.

Our performance against our value for money strategy is reported in Page 25.

### Connecting with spreading warmth

#### Ronald's story

In November 2023, we launched the seventh year of our Winter Warmers campaign, dedicated to assisting our older customers in staying safe and connected throughout the winter season.

Our housing team personally called all customers over 80 who live independently, and sent them a directory of local resources offering support. Customers over 90 were also gifted a hamper including biscuits and a cosy blanket, as well as a home MOT check, and those over 100 received a personal visit from members of our housing team to check in face-to-face.

Ronald, pictured here, was one of those customers who were delighted by the visit.

## Strategic report:

# Inspiring and inclusive employee experience

Build the foundations for a more customer centric culture, where everyone plays their part in a first-time resolution customer experience. Continue to focus on the areas that matter most for our people, so they can be the best version of themselves, and in turn, do the best for our customers.

### Targets

Our key priorities against this strategic pillar for the year were:

- Research, plan and implement a first point of contact resolution culture where customer experience is at the centre of priorities, ways of working and measurement of our success.
- Be the employer of choice who attracts and retains brilliant and diverse talent, by being known for our leading employment practices.
- Integrate RHP Home employees into the Group, setting them up for success to deliver an excellent service in line with our values.
- Deliver the next phase of our inclusion strategy with a particular focus on health, disability, and improving our data to better meet our customers' and employees' individual needs.
- Launch our manager and employee expectations (linked to our values), to provide greater clarity around the behaviours we expect to see across different levels.

### Performance

| KPIs | Target for 23-24 | Year end performance |
|---|---|---|
| Customer satisfaction | 63% | 59% |
| Colleague satisfaction | 86% | 80% |
| Colleagues proud to work for RHP Group | 86% | 73% |
| Voluntary employee turnover | 15% | 9.1% |
| RHP Home colleague satisfaction | 86% | 92% |
| Glassdoor rating | at least 4.7 | 4.7 |
| Customers satisfaction with complaints (Q3 & Q4 only) | 50% | 21% |

It has been a year of change for the organisation. Firstly, in June 2023, we brought our repairs service in-house by setting up our subsidiary RHP Home. This included completing the TUPE transfer of employees from our previous repairs contract, recruiting and inducting new RHP Home colleagues, and carrying out training for existing teams.

Mid-way through the year our colleagues experienced further change as we initiated a restructure of our operational teams, to help address issues with our service and improve both our customer and colleague experience.

This included decentralising our call centre and moving call handlers into different service areas, so that customers can be put through directly to experts that can resolve their issue at first contact.

The new structure was finalised by the end of March and since it went live to customers in April 2024, we have seen significant improvements in our call waiting and handling times.

As expected during periods of high levels of change and uncertainty, our colleague engagement scores have been impacted with both satisfaction and pride decreasing.

## Strategic report:

# Inspiring and inclusive employee experience

### Performance (continued)

However, voluntary turnover (which is also an indicator of engagement) reduced significantly throughout the year. This could signal that although engagement is currently low, colleagues recognise the positives of working for RHP and are hopeful for the future.

One aspect of our employee offer that we know people particularly value is our benefits package. In fact, 97% of employees agreed that our benefits and rewards compare well against other organisations.

We also continued our focus on providing an inclusive employee experience. This has included increasing the diversity of our Board and Leadership Team, having a 0.8% gender pay gap (in favour of women), delivering training and awareness sessions on neurodiversity, and continuing support in areas such as the menopause and fertility.

Our employer brand remains strong, and we are continuing to be able to recruit high caliber candidates. This was further bolstered in January 2024 when we gained Top Employers certification for the second year in a row, as well as maintaining our Investors in People Platinum status.

### Connecting with new beginnings

**Nigel's story**

*"I started work at RHP as a Caretaker and after a couple of years expressed an interest to progress into another area of the business. I was given support to apply for a role as a surveying apprentice, and was successful!*

*As well as gaining lots of valuable experience learning on the job, I'm also being funded to gain a qualification and hope to progress to be a qualified surveyor. I'm so grateful to RHP for helping me to reach my potential"*

# Looking ahead

## Our vision

Our vision describes our long-term aspirations and ultimately where we want our work to lead us.

We recognised we needed to adapt our vision to enable us to respond to internal and external challenges, protect the parts of RHP that matter most, and thrive in a changing world.

Our vision is to be trusted as a socially responsible housing provider which is high performing, community-connected and values based.

*"Our vision is to be trusted as a socially responsible housing provider which is high performing, community-connected and values based."*

## Our strategy (2024 - 2027)

With a new vision, it meant that we also needed to look at our longer-term strategy, so everything aligned.

Given the pace of change within the sector and the need to be agile to respond to this, we have moved from a five-year to a three-year strategy.

One key change is that we have updated our strategic pillars to reflect the four areas of focus in our vision (Socially responsible/ High-performing/ Community-Connected/ Values-based).

To reflect the direction of the updated vision, there are several key differences with the new strategy compared to the previous one. These include exploring strategic partnerships and growth opportunities to enable us to add value and protect homes for local communities; becoming more connected to our customers and the communities we serve; and using our influence to voice our customers' priorities.

However, there are also points of comparison too, including a continued commitment to invest in both new and existing homes, a focus on getting core service delivery right, improving our online service offer, and providing an inspiring employee experience that sets us apart from others.

## Strategic report:

# Our 3 year goals

### Socially responsible

Providing safe, secure homes in a way that's environmentally sustainable.

Investing in housing for those who cannot access the private market.

Exploring strategic partnerships and growth opportunities to enable us to add value and protect homes for local communities.

- Build as many new, sustainable homes as we can, focusing on local peoples' needs and affordability.
- Invest in our existing homes so that they meet the decent homes and energy standards.
- Keep customers and their homes safe by meeting building safety regulations and statutory measures in property compliance.
- Deliver our regeneration programme so that these sites contribute as much as possible to meeting housing needs in local areas.
- Explore opportunities to expand our social impact through strategic partnerships, acquisitions, or teaming up with other housing providers to protect homes and communities.
- Sustain long-term financial stability and high standards of governance to safeguard the social benefit.

### High-performing

Delivering efficient, reliable services.

A proactively managed, commercially astute business, which maximises value and reduces waste.

A reputation for knowing our stuff and making it happen.

- Improve our repairs service and deliver our housing and estate management services to upper quartile performance for London-based organisations.
- Implement high quality case management to provide a better customer experience and reduce service failure.
- Maximise income and housing supply by reducing the time homes are empty.
- Provide customers with easier, more accessible services, and reduce waste, by evolving our technology and data to expand online services and shift to predictive asset and repair management.
- Understand and manage our assets to maximise value for money and social impact.
- Resolve complaints and disrepair claims efficiently and effectively to minimise impact on customers and cost to the organisation.

## Strategic report:

# Our 3 year goals

### Community-connected

Strongly connected to communities, whether local, or through a common purpose.

A positive presence working with similar-minded organisations.

Understanding our customers, their individual and collective needs, and using our influence to voice their priorities.

### Values-based

Guided by our values in our decision-making.

Working with customers to deliver outcomes which matter.

Creating an environment where talented people who care can make a difference. An ethical and inclusive organisation which people love working with and for.

- Be a visible presence in our communities, building positive relationships with customers, local stakeholders and organisations.
- Develop our data and insight capabilities so we have a clear understanding of customer and neighbourhood needs and vulnerabilities, in order to sustain tenancies.
- Explore partnerships with organisations where together, we can deliver more value in our communities, than we could on our own.
- Optimise external communication to increase transparency, regain trust and build influence so we can be an advocate of customers' priorities.
- Provide employment, apprenticeship and training opportunities for people living in our communities.

- Work in partnership with customers through engagement activities to deliver outcomes which matter.
- Promote and protect an ethical and inclusive culture in which colleagues can be the best version of themselves and customers feel valued.
- Create and sustain an inspiring place to work, with leading employment practices which attract and retain talented people.
- Embed our values so that they are the DNA of the organisation and evident in our actions and decisions.
- Deliver skills and career development programmes which meet professional and legislative standards and have a long-lasting impact.

## Strategic report:

# Our delivery plan (2024-2025)

Linked to the three-year priorities under each strategic pillar, our delivery plan sets out what progress we aim to make in year one of our strategy.

Key areas of focus in the plan include: improving our Tenant Satisfaction Measures; meeting the requirements of the consumer standards and Building Safety Act; taking action to increase our visibility in our local communities and connection with customers; investing in existing homes and building more accessible and sustainable homes; improving the quality of our data so we can better tailor our services; exploring partnership opportunities to grow our business; and building our brand to be an employer of choice.

### 1. Socially responsible

| KPIs | Target for 24-25 |
|---|---|
| Homes completed | 35 |
| Homes signed into contract | 70 |
| Stock investment programme delivered | £19.2m |
| Meet Building Safety Act requirements | Delivered |
| 100% compliance with gas, electricity, water, lifts, fire and asbestos (the big 6) | Delivered |
| Automate compliance Tenant Satisfaction Measures | Delivered |
| 100% compliance with Awaab's law timescales | 100% |
| Ham Close foundations built | 60 properties |
| Regeneration opportunities evaluated | 2 |
| Opportunities to grow our business | Delivered |
| Rent collected as a % of due | 98.8% |
| V2 and G1 compliance | Delivered |

### 2. High performing

| KPIs | Target for 24-25 |
|---|---|
| Meet consumer standards requirements | Delivered |
| Repairs completed on target | Delivered |
| Introduce case management standards | Delivered |
| Void loss | £630k |
| Satisfaction with our communal areas | 73.5% |
| Move website platform | Delivered |
| Satisfaction it is easy to request a repair through the online portal | 85% |
| Percentage of repairs raised online | 35% |
| New asset management system | Delivered |
| Data platform phase one | Delivered |
| Better management of core property and customer data | Delivered |
| Average disrepair case duration | 6.5 months |
| Percentage of complaints escalating to stage 2 | 10% |

### 3. Community-connected

| KPIs | Target for 24-25 |
|---|---|
| Implement four estate plans | 4 |
| Satisfaction we make a positive contribution to the neighbourhood | 62% |
| Increase connection with customer with face-to-face hubs and a digital forum | Delivered |
| Satisfaction with Anti Social Behaviour handling | 55% |
| Census of all tenants | Delivered |
| Apprenticeships supported through partnerships | 4 |
| Hill Social Value fund year one | Delivered |
| Customer communication strategy | Delivered |
| Raise customer voices using our partnerships | Delivered |
| Number of apprenticeships employed | 5 |

### 4. Values-based

| KPIs | Target for 24-25 |
|---|---|
| Satisfaction we listen to views and act | 52% |
| Refresh inclusion strategy | Delivered |
| Colleague satisfaction | 86% |
| Voluntary turnover | 15% |
| Glassdoor rating | 4.5 stars |
| Employee representative groups | Delivered |
| Develop workforce planning framework | Delivered |
| Incorporate manager expectations into performance management framework | Delivered |
| Percentage of eligible employees with housing management qualifications | TBC |
| Agreement RHP has a lasting impact on career | 80% |

## Strategic report:

# Financial review and funding

| (£'000) | 2024 | 2023 RESTATED | 2022 RESTATED |
|---|---|---|---|
| Turnover | 70,612 | 66,884 | 62,346 |
| Operating costs and cost of sales | (56,015) | (50,091) | (49,313) |
| Gain on sale of fixed assets | 1,735 | 1,390 | 3,107 |
| **Operating surplus** | **16,332** | **18,183** | **16,140** |
| Net interest charge and fair value adjustments | (6,719) | (7,010) | (7,325) |
| **Surplus for the year** | **9,613** | **11,173** | **8,910** |
| **Operating margin** | **21%** | **25%** | **21%** |
| **Social Housing Operating cost per unit** | **£6,049** | **£5,007** | **£4,803** |
| Housing Properties at cost less depreciation | 479,229 | 447,460 | 428,589 |
| Net current assets | 14,381 | 36,639 | 41,818 |
| **Total net assets** | **161,951** | **153,304** | **140,394** |

### Highlights

This set of results demonstrates continued strong performance across the group despite the economic headwinds. Investment in existing homes continues to be a key priority, in particular in relation to fire safety, damp and mould remediation and energy efficiency improvements. Although we didn't hit our operating surplus target due to unexpected areas of spend, we still delivered strong margins, and continue to have the capacity to deliver a healthy pipeline of new homes and the financial strength to make the investments required in improving our services and homes.

Our turnover grew to £70.6m (2023: £66.9m) reflecting an increase in income from social housing lettings. With rental income capped below the underlying inflation rate for the year along with an increase in the level of investment we made in our properties, our cost base grew at a higher rate. Operating surplus fell to £16.3m (2023: £18.2m) as a result of these factors. The resultant operating margin of 21% benchmarks favourably with prior year indicators for our peer group.

The net book value of our housing properties increased by £32m in the year demonstrating our commitment to investing in new homes as well as our existing properties. We also sold 16 shared ownership properties in the year generating income of £2.7m (2023: £3.3m).

*"This set of results demonstrates continued strong performance across the group despite the economic headwinds."*

**£16.3m**

**Group operating surplus**

(2023: 18.6m)

**£2.7m**

**Total comprehensive income**

(2023: 3.3m)

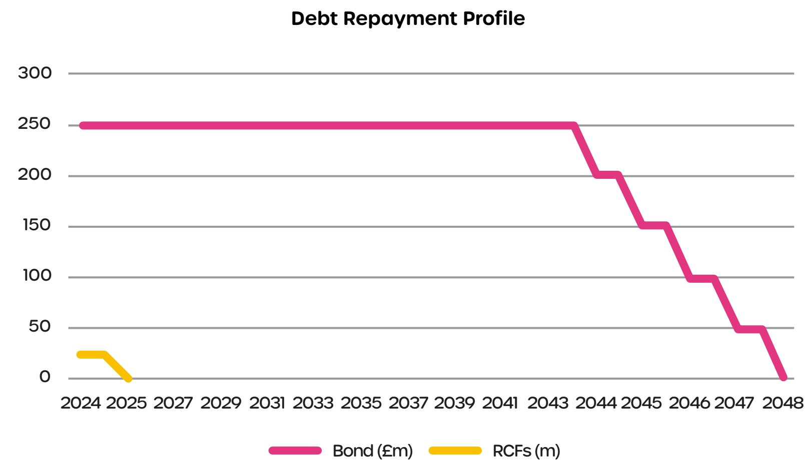
# Financial review and funding

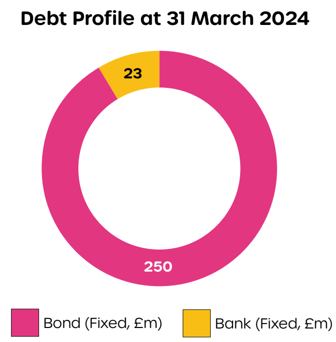
## Funding and treasury management

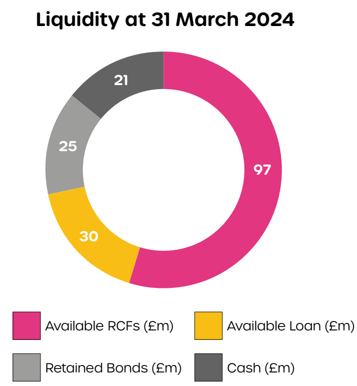
The following table shows a summary of RHP's total loan portfolio as at 31 March 2024:

| Lender | Total Facility £m | Drawn £m | Available £m | Final Repayment Date |
|---|---|---|---|---|
| Lloyds RCF | 120 | 23 | 97 | Dec 2027 |
| NatWest Term Loan | 30 | 0 | 30 | Feb 2038 |
| RHP Finance PLC (Bond) | 275 | 250 | 25 | Feb 2048 |
| **Total Facility** | **425** | **273** | **152** | - |

RHP is fully funded until at least December 2027, including all of our current planned or pipeline developments. At 31 March 2024, £110m (17%) of the Group's stock remained unencumbered.



Strategic report:

# Financial review and funding

## Key treasury risks:

### Funding and liquidity risk

Detailed 3 year rolling cashflow forecasts are prepared and reviewed each month and reviewed quarterly by our Group Investment Committee and the Board.

Longer term forecasts are also prepared in line with our business plan assumptions, and these are reviewed by the Board at least twice per year.

At all times we hold a minimum of £5m in available liquidity.

### Interest rate risk

At the year-end, 100% (2023: 100%) of the Group's borrowings including the listed bond were at fixed rates. The fixed rates of interest for RHP range from 0.79% to 3.25% while the fixed rates for Co-op Homes range from 1.56% to 10.5%. Our effective cost of borrowing was 2.58% at the year-end (2023: 2.58%).

The Group has not entered into any standalone interest rate swaps and so does not have any mark to market exposure. RHP did however execute a fix on £23m of drawn revolving credit facility in November 2019, which locked the debt at a rate of 0.73% until maturity in August 2024.

### Counterparty risk

At 31 March 2024 all cash investments were held with counterparties who meet the criteria set out in our Treasury Management Policy which requires that the Group seeks to minimise the risk of financial loss or liquidity exposure resulting from the insolvency of any counterparty.

Counterparty risk from our development partners is actively monitored through checks with reputable agencies in addition to requiring various bonds and retentions depending on the contractor's profile.

### Loan covenant compliance

The Group's loan covenants are based primarily on interest cover, asset cover and gearing ratios. Covenants are monitored monthly with performance reported to the Board quarterly and were comfortably met throughout the year and at the year-end for all loan facilities.

### Intragroup loans

The net proceeds from the 2015 bond issue, 2020 tap and retained bond sale have been on-lent by RHP Finance plc to RHP. At the year-end, RHP owed RHP Finance plc £270.7m (2023: £271.6m). This includes an amount of notional premium and capitalised issue costs of £20.7m, which are amortised annually and netted off against our annual financing costs.

RHP and its subsidiary Co-op Homes have agreed an £11m intercompany loan facility which took effect from 1 April 2021. At 31 March 2024, £2.2m (2021: £1m) of this loan was outstanding. This facility will expire on 1 April 2026.

RHP has also made available working capital facilities to its subsidiaries RHP Develop Ltd and RHP Home (Repairs) Ltd. RHP Develop Ltd has a working capital facility of £2m. At 31 March 2024, £1.25m of this facility was in use (2023: £0.75m). RHP Home (Repairs) Ltd has a working capital facility of £1m. At 31 March 2024, £0.5m of this facility was in use (2023: Nil).

**Strategic report:**

# Value for money

Our Value for Money (VfM) Strategy defines our approach to delivering value for money across the business in order to meet our strategic goals. The VfM strategy is directly aligned with the overall business strategy and embedded into all levels of decision making across the business.

Our aim is to 'spend our customers' money wisely' in order to deliver our corporate strategy.

Whilst the recent high levels of inflation that have impacted the economy appear to be easing slightly, the pressures on our cost base remain, which means our continued focus on delivering value for money is as central to our purpose as ever. With our customers still dealing with the cost of living crisis we must demonstrate our ability to maximise our resources to deliver value for money.

How we spend money as a business requires careful planning. As an organisation we have ambitions around investing in our existing homes, delivering an excellent service to our customers and building much needed new homes. We have to prioritise our spend in a way that maximises our ability to achieve these goals over the long term. Our effective use of resources is a crucial part of this planning process.

We publicly report our performance on VfM every year in our statutory accounts including performance against sector scorecard benchmarking, our targets for the following year and detailed narrative on areas where we performance has deviated positively or negatively from expectations. We also highlight any areas of improvement.

Spending our customers money wisely does not simply mean cutting our costs. It is also about freeing up resource to maximise our ability to make a positive impact for our customers and the communities we operate in.

To deliver value for money our strategy focuses on the following key objectives:

- Delivering efficient reliable services to our customers
- Maximising the value of our assets and resources and minimising waste to sustain our long term financial stability
- Work with partners, contractors and suppliers to enhance the service that we can provide
- Recruit and retain talented people that can help us deliver our goals.

**When considering VfM we assess our delivery against the following 4E's principle:**

## 1. Economy

We use our resources carefully to save expense, time or effort. We ensure that we obtain competitive prices for quality goods and services.

## 2. Efficiency

We ensure that we maximise our output, generating more from the resources we have and the investments we make.

## 3. Effectiveness

The outputs we deliver need to achieve the desired outcomes for the organization and for our customers.

## 4. Equity

Ensuring that the benefits of our expenditure are distributed fairly across our customers.

We will also consider our impact on the Environment as a fifth E. To be a socially responsible organization our work towards protecting our environment and providing sustainable homes is paramount.

## Strategic report:

# Value for money

### How have we delivered value for money

In this increasingly difficult economic climate it can be challenging to evaluate our ability to provide VfM. With the high levels of inflation that we are experiencing, reducing our spend becomes harder and the emphasis on efficiency and effectiveness of services becomes vital.

A key method of measuring how we deliver on these factors is through benchmarking performance against our peer group.

Housemark provide benchmark data annually based on our VfM metrics. A summary of our performance is shown in the table below. We continue to benchmark our performance against peers with upper quartile performance to underline our ambition. The general trend for all indicators has been a downward one however our performance against the benchmarks has strengthened.

| Metric | Upper Quartile 21/22 | Upper Quartile 22/23 | RHP 22/23 Actual | RHP 23/24 Target | RHP 23/24 Actual |
|---|---|---|---|---|---|
| 1. Social Housing Cost per Unit | £5,180 | £5,598 | £5,198 | £5,791 | **£6,049** |
| 2. Operating margin | 21.8% | 20.3% | 25.1% | 22.1% | **20.7%** |
| 3. Operating margin (social housing lettings) | 26.9% | 24.4% | 28.3% | 24.9% | **23.6%** |
| 4. Units Developed (as a % of units owned) | 1.7% | 1.6% | 0.5% | 2.9% | **1.6%** |
| 5. Gearing | 37% | 42% | 57% | 55% | **55%** |
| 6. Reinvestment % | 7.4% | 7.3% | 6.0% | 7.1% | **8.3%** |
| 7. Return on Capital Employed (ROCE) | 3.0% | 2.6% | 3.6% | 3.3% | **3.2%** |
| 8. EBITDA MRI interest cover | 135% | 115% | 132% | 128% | **137%** |

### How will we continue to deliver value for money?

RHP is committed to making sure that all decisions provide the best value for money in support of our strategic vision to maintain financial strength.

Whilst the Board has overall responsibility for delivering Value for Money, everyone within the organisation is expected to play their part in keeping VfM at the heart of decision making. We will also involve our customers where appropriate in checking performance in order to drive value and ensure we obtain the best value and quality possible.

# Strategic report:

# Value for money

Our Corporate Strategy contains our 4 strategic pillars and the VfM strategy supports our objectives within this framework.

## Our Strategic Pillars are:

**Socially responsible**

**High-performing**

**Community-connected**

**Values-based**

Our VFM strategy supports these 4 pillars in the following ways:

- Investing in sustainability in our homes by both building new homes that are energy efficient for customers and improving our existing homes improving the EPC ratings of our properties.
- Exploring opportunities to grow our business through strategic partnerships or acquisitions to deliver economies of scale and help protect homes and communities.
- Secure funding that is sufficient to deliver our investment aspirations whilst sustaining our long term financial stability.

- Improve the efficiency of our repairs service.
- Reduce the time our homes are left empty to ensure we are making the best use of our assets and maximizing our income.
- Improve our data on our homes so that we can understand and manage our assets more efficiently.

- Work with our partners to deliver on social value commitments contained within our contracts.
- Build stronger connections with local organisations who can help us deliver benefits to our customers.
- Gather better data on our customers to enable us to tailor our services based on need.

*"Investing in sustainability in our homes by both building new homes that are energy efficient for customers and improving our existing homes improving the EPC ratings of our properties."*

- Create and sustain an inspiring place to work to attract and retain talented people to help us best deliver our goals and harness ideas on efficiency and effectiveness through collaborative innovation.
- Develop skills in procurement and contract management across the business through launch of toolkit and training sessions to help control costs and enforce service standards.

## Strategic report:

# Value for money

### How will we measure our progress in achieving Value for Money?

In order to evaluate our achievements in attaining value for money, appropriate targets have been put in place to measure our performance. Our key performance indicators are reported and reviewed on a monthly basis and will continue to be benchmarked against our peer group on an annual basis.

We will also report our performance against value for money targets on an annual basis within our Annual Report and Financial Statements.

Delivering VfM requires us to demonstrate delivery of strong customer satisfaction metrics but ensuring this is not at the detriment of metrics measuring the financial strength of our business.

We benchmark our performance using the Regulator Of Social Housing VfM Metrics. Our targets have been set to align against the 24/25 budget for the Group as a whole.

| Metric | Target 24/25 |
|---|---|
| 1. Headline Social Housing Cost per Unit | £6,396 |
| 2. Operating margin | 24.9% |
| 3. Operating margin (social housing lettings) | 29.1% |
| 4. Units Developed (as a % of units owned) - social | 0.7% |
| 5. Gearing | 51% |
| 6. Reinvestment % | 8.5% |
| 7. Return on Capital Employed (ROCE) | 4.0% |
| 8. EBITDA MRI interest cover | 112% |

# Risk and internal controls

## Internal Controls Assurance

The Board has overall responsibility for the system of internal control and risk management across the Group and for reviewing its effectiveness. The Group Audit Committee is responsible on behalf of the Board for monitoring this system and reporting on its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. It can only provide reasonable, and not absolute, assurance against material misstatement or loss.

## Key elements of the Group's internal control framework include:

- Board approved terms of reference and delegated authorities for Group Audit, Group Investment, Governance & Reward and Service Delivery and Transformation Committees.
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks. The Executive Directors regularly consider reports on these risks and the Chief Executive is responsible for reporting to the Group Board any significant changes affecting key risks.

The framework is made up of:

- Internal audit assurance. The Group's internal audit function is delivered through a specialist third party organisation which has a direct reporting line to the Group Audit Committee. The internal audit programme is designed to review key areas of risk.
- Robust strategic and business planning processes, with detailed financial budgets and forecasts. These are reviewed and approved by the Board and actual performance versus budget/forecast is monitored throughout the year by the Executive Directors, the Board and the Group Investment Committee.
- Regular reporting to the Executive Directors, the Group Investment Committee and the Service Delivery and Transformation Committee on key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes. These reports and the outcomes of these reviews are reported to the Board at each meeting throughout the year.
- Formal recruitment, retention, training and development policies for all employees.
- Established authorisation and appraisal procedures for all significant new initiatives and commitments.
- A Treasury Management Policy, reviewed by the Group Investment Committee on an annual basis.
- Board approved Whistle Blowing, Anti-Fraud, Anti-Bribery, tax evasion, Modern Slavery Act and Anti-Money Laundering Policies, covering prevention, detection and reporting of fraud, and the recovery of assets.
- Policies on payments and expenses to employees and Board members.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Group Audit Committee to regularly review the effectiveness of the system of internal control. The Board receives quarterly reports from the Group Audit Committee together with minutes of Group Audit Committee meetings.

The Group Audit Committee and Board have received the Chief Executive's annual review of the effectiveness of the system of internal control for the Group, and the annual report of the internal auditor. In their annual report, the internal auditors confirmed that the Group's systems of internal control continue to demonstrate a strong internal control environment.

The Board has reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2024 and up to the date of signing these financial statements. It has not identified any weaknesses sufficient to cause material misstatement or loss which require disclosure in the financial statements.

RHP consider risk management to be vitally important to ensure we take good care of our customers, our homes, our people and our business. The pace of change of the external environment requires that proactive and strong risk management has never been of greater importance. This includes creative thinking, strong management and good visibility of potential and emerging risks and well considered mitigations.

## Strategic report:

# Risk and internal controls

### Key strategic risks and how we are managing them:

| Area focus and Risk detail | Comments and Risk Mitigation |
|---|---|
| **Ensuring we are managing and maintaining our customers' homes.**<br><br>We place huge importance on ensuring the safety and good quality of our customers' homes.<br><br>Events over recent years have spotlighted substantial areas for improvement across the housing sector including poor levels of fire and building safety, damp and mould and inadequate systems and processes for capturing and managing customer's concerns. Insufficient focus and controls in this area can cause customers significant harm and, in some cases, lead to death.<br><br>Ensuring we are carefully listening to our customers when they raise concerns and having controls and processes in place to capture their feedback and that from customers who don't contact us is key to the success of our business and an increased focus of the Regulator through the Social Housing White Paper requirements. Failure to do so may result in harm to a customer but also regulatory consequences, reputational damage or fines.<br><br>Additionally, our customer's homes are also our assets. Inadequate maintenance programmes will result in a reduction in asset value and longevity. A key risk across property portfolios is one of obsolescence of stock should maintenance and regeneration programmes be insufficiently funded.<br><br>Poorly managed maintenance and safety programmes, such as not undertaking regular gas and electrical checks, insufficient investment in components within homes or insufficient data about our assets and their components can all result in harm to our customers' homes or our customers.<br><br>We also need to carefully manage the neighbourhoods our customers live in. This includes understanding and sensitively managing anti-social behaviour. | **In order to manage and monitor these risks, there are number of key areas of focus:**<br><br>▶ Dedicated health and safety teams and close monitoring by the Board of key metrics associated with our safety compliance activities.<br><br>▶ Detailed and regularly reviewed stock investment programmes based on stock condition surveys and a continual focus on improving our knowledge of our stock.<br><br>▶ Following detailed surveys of our stock, we are reassured that fire safety and cladding issues are not substantial, we have prioritised rectification programmes based on detailed surveys.<br><br>▶ An organisation wide data governance and improvement programme, designed to ensure our property data is accurate and is delivering good decision making and escalation of issues.<br><br>▶ Programmes in learning and development and monitoring to ensure our staff and contractors are mindful of health and safety requirements and the condition of our customer's homes and are focused on warning signs about issues with our homes.<br><br>▶ Increased focus across the Board and our organisation on ensuring we are listening to and engaging with our customers. This includes our customer scrutiny group and detailed customer insight work as part of our redesign of our services.<br><br>▶ We are progressing with our detailed response to the Social Housing White Paper requirements, ensuring a transformed approach to our relationship with our customers.<br><br>▶ Additional investment in our support of customers and improvements in neighbourhoods to manage ASB.<br><br>▶ Regular internal and external audits on specialist areas. |

Strategic report:

# Risk and internal controls

| Area focus and Risk detail | Comments and Risk Mitigation |
|---|---|
| **Prudent and careful management of our finances and investment choices.**<br><br>As more pressure is placed on our finances through fire safety work, the drive to net zero carbon emissions, inflation and the need to build more homes to ease the housing crisis, close management is required of our finances.<br><br>Failure to do so may result in insufficient funding to support key areas of spend, of particular importance in keeping customers safe. In the worst scenario, inadequate management of our finances will result in foreclosure by the banks or intervention by the Regulator and our organisation no longer able to operate.<br><br>As the economic environment in which we operate becomes more volatile, inflation and interest rates increase and cost of living increases, we anticipate an increased risk of our customers struggling with their rent payments and an increased uncertainty in our future cashflows. We also anticipate an increased risk of unsustainable cost increases or supplier insolvencies.<br><br>Our financial capacity and investment choices are significantly influenced by government regulation. Changes in the rent regime and building safety requirements can require substantial changes to our investment focus and strategy.<br><br>Increasing regulatory and environmental obligations put financial pressure on smaller organisations, requiring innovative partnerships and ways of working to ensure ongoing efficiencies. | **Key areas of focus in financial management:**<br><br>▶ Proactively considering with the Board our investment choices to ensure continual reassessment of our strategic areas of focus and rebalancing between financial prudence and investment.<br><br>▶ Detailed action and resource plan to support our customers through the current economic uncertainty and inflationary environment to ensure we sustain tenancies wherever possible.<br><br>▶ Agility and flexibility in financial forecasting, stress testing, spending commitments and funding arrangements.<br><br>▶ Proactively managing our investors and credit rating agencies, providing transparent, regular information on our financial performance to sustain interest in our organisation as an investment.<br><br>▶ Reconsidering our areas of focus on delivery of value for money and effective procurement.<br><br>▶ Improvements in ways of working and contract management of our key partners.<br><br>▶ Ensuring a close eye on government regulation, changes and best practice relating to the sector and in particular, government policy direction is key to our agility in our strategy. |

| Area focus and Risk detail | Comments and Risk Mitigation |
|---|---|
| **Long term strategic view of our technology portfolio.**<br><br>As technology advances quickly and customers' expectations as consumers grow, we need to be able to keep pace with these changes. Failure to do so will result in us not taking advantage of efficiencies in our operating model, frustrating our customers, and in severe scenarios, weakness in our technology resulting in cyber-attacks, full systems outages and inability to manage our business or our customer's homes.<br><br>Lack of a well-considered, long term and agile approach to processes and procedures, technology and end to end data flows will prevent us from delivering efficient, value for money services and evolving them quickly with changing customer requirements and in worst case, lead to substantial and sustained disruption to our services to our customers and our ability to function as a business. | ▶ We are progressing with a transformation programme to reduce the complexity of our technology portfolio, the number of systems interfaces and update both technology, processes and ways of working.<br><br>▶ This is an organisation wide programme, bringing risks in itself, and will be the beginning of a long-term continual rolling programme of improvement of our technology portfolio and ways of working.<br><br>▶ In parallel we have taken a fresh look at our disaster recovery planning to ensure we are able to adequately manage these worst-case scenarios should they occur.<br><br>▶ We continue to ensure up to date and effective working controls and systems to protect our operations and data from attacks. |

# Strategic report:

## Risk and internal controls

| Area focus and Risk detail | Comments and Risk Mitigation |
|---|---|
| **Close and careful data management.**<br><br>Poor management of our customer, property, or employee data can result in poor quality, inaccurate or missing data on either customers or our properties.<br><br>There is a significant risk of both financial and reputational damage and in a worst-case scenario, serious detriment to our customers' health or lives as a result of inaccurate data, breaches in confidential data, for example, customer's bank account details or missing critical health and safety data. | ▶ Although we currently operate with strong manual reconciliation and control processes, we are progressing with an organisation wide data governance and management improvement programme. This will enable us to improve and maintain confidence in the quality, accuracy and integrity of our data.<br><br>▶ We employ a data protection officer to support our improvement in data protection and deliver detailed programmes of training and continual improvement.<br><br>▶ Our technology improvement programme also includes a reduction in the number of systems and layers of integration or interfaces, thereby reducing the risks of data transfer or different 'versions of the truth'. |

| Area focus and Risk detail | Comments and Risk Mitigation |
|---|---|
| **Ensuring we retain and attract the best people.**<br><br>We cannot deliver our core services to our customers without having strong talent aligned to our purpose and strategy.<br><br>We need to continue to focus on being an attractive organisation to work for in order to engage the best talent in this challenging recruitment market, and perhaps more importantly retain the excellent talent already in the organisation.<br><br>A significant reduction in employee satisfaction and our attractiveness as an organisation will restrict our ability to recruit or retain the right skills and resources and therefore support our customers and manage our business. It could also result in escalating employee costs in order to pay for key roles in areas of shortage.<br><br>Without a strong and diverse Board and Executive Team, we are not ensuring strong governance of the organisation and diversity and innovation in thinking. | ▶ We maintain excellent learning and development programmes including specific areas of focus on health and safety, management skills, and change management.<br><br>▶ We have a well-established approach to flexible working and extensive mental health support programmes.<br><br>▶ Our generous benefits package supports employees through challenges and significant changes in their life such as bereavement or maternity.<br><br>▶ We continue to focus on employee engagement and cultural strength to ensure we retain and develop the best people and have made good progress with our inclusion strategy to ensure we encourage diversity of thought in our organisation. |

## Strategic report:

# Environmental, Social, Governance

At RHP, we believe in the need for sustainability. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities.

We aim to elevate our environmental efforts in the decade ahead, anchored by our strong governance and sustainable financial performance. Our approach to ESG components is essential to how we create a better business and a better society and we believe in demonstrating excellence in not only what we do, but how we do it.

Our relationships with our customers are long-term, so it is vital that our strategy and its execution ensure that we are a sustainable business. Our purpose is to support local communities by providing good quality and affordable homes and excellent landlord services to meet a range of needs of people who cannot otherwise afford to live locally. As a UK charity, we have a responsibility to take the lead on making positive improvements for people and the planet.

> *"we have a responsibility to take the lead on making positive improvements for people and the planet."*

## Environmental

Our 3 key areas of focus with respect to the environmental impact that we have are:

### 1. Green buildings

- Development of green buildings which meet a minimum EPC Rating of B or above on:
  - construction of new homes
  - regeneration of communities
- Retrofit pilot in Barnes to deliver EPC "C" targets.
- BREEAM certified office building.

### 2. Renewable energy

- Investing in projects aimed at integrating renewables into the energy system for buildings. This includes using photovoltaics to generate clean energy.

### 3. Energy efficiency

- SMART technology: installation of energy saving technology aimed at delivering savings in residents homes and improving energy usage.
- Recently upgraded pool car fleet to all electric, trial of electric vehicle charging points on estates and amazon lockers.

As at 31 March 2024 86% of all of our homes had up to date EPC assessments.

## Strategic report:

# Environmental, Social, Governance

### Social

The following details our 2 key areas of focus in relation to social focus and our governance approach:

#### 1. Affordable housing:

- Financing the construction of new Social and Affordable Housing in the United Kingdom.
- This will also include refinancing of existing Social or Affordable Housing. Homes will comply with the Government definition of Social or Affordable Housing (including Shared Ownership with relevant income thresholds) and may include other forms of supported or sheltered housing.

#### 2. Socio-economic advancement and empowerment:

- Support services aimed at enhancing the lives of our customers, employees and communities. This includes promoting equal opportunities, improving wellbeing and offering financial support to ensure healthy lives and promote wellbeing for all.
    - Financial support services
    - Commercial & entrepreneurial support and work skills
    - Digital Inclusion training and equipment
    - Mental and physical health support
    - Apprenticeships – social value clause with repairs and compliance partners
    - New community support team funded jointly with our commercial partners Hill, Kier and Smith & Byford

### Governance

We have a strong approach to the governance of the organisation.

- Since our inception in 2000 we have retained a G1/V1 governance and viability rating from the regulator (or equivalent), most recently confirmed December 2023 following the annual stability check.
- RHP adopted the NHF 2020 Code of Governance with effect from 1st April 2021 and Board members joining from that date will serve a maximum tenure of 6 years. Our first report on compliance with the new code was in the 2021-22 accounts.
- Maximum Group Board members of 11 (currently 10) plus the Chief Executive – no constituency quotas since January 2015.
- Strong controls and governance including internal audit, risk frameworks and detailed risk management, detailed stress testing of business plan, excellent health and safety management.

# The Board's report

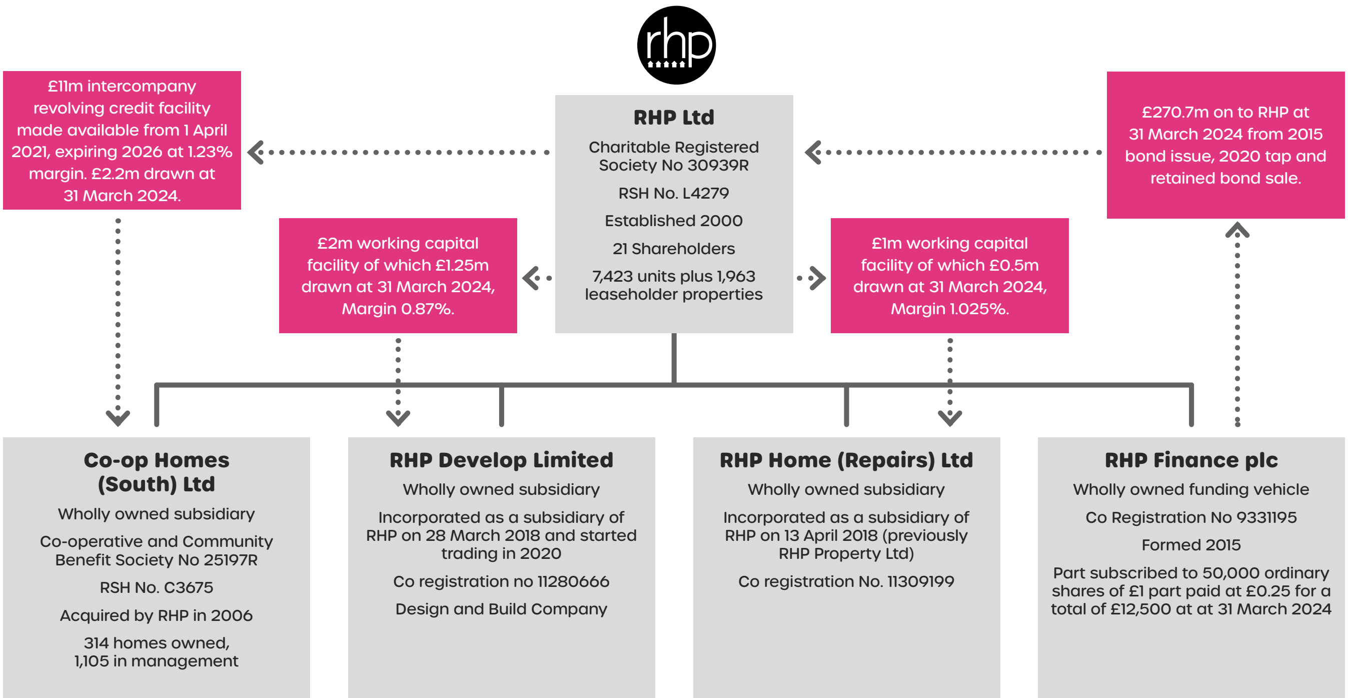
# The Board's report:

# Our Group structure

The RHP Group consists of five entities.

RHP (the parent Association) being a Registered Co-operative and Community Benefit Society (registration number 30939R) regulated by the Regulator of Social Housing (registration number L4279). RHP has four subsidiaries:

1. Co-op Homes (South) Ltd, which is also a Registered Co-operative and Community Benefit Society, owns a small portfolio of homes and provides a comprehensive management service to co-ops predominantly in London and the South East.
2. RHP Finance plc, which was established to raise funds from the capital markets for the Group.
3. RHP Develop Limited which started trading in support of our development activities in 2020.
4. RHP Home (Repairs) Limited. Started trading as employer of repairs and maintenance operatives from 1 June 2023.




## About us:

Registered office: 8 Waldegrave Road, Teddington, Middlesex, TW11 8GT

## Auditors:

PKF Littlejohn LLP, 15 Westferry Circus, London, E14 4HD

# The Board and Corporate Governance

The RHP Board, which is our ultimate governing body, sets the overall aims and objectives of the RHP Group and ensures that RHP and its subsidiaries are meeting these aims and objectives and keeping within their legal and ethical obligations. The Board is also responsible for protecting and ensuring the financial wellbeing of the Group.

## Code of Governance and compliance with relevant law, legislation, and standards

RHP has adopted the NHF 2020 Code of Governance and can confirm full compliance with the following exceptions:

- The Board agreed that, to facilitate succession planning, members previously appointed with the expectation of serving a maximum of nine years may retain that expectation, subject (as has always been the case) to a review before each new term to ensure this is in the best interests of the organisation. All new appointments are subject to a maximum expected tenure of six years with any further extension on a case-by-case basis and only where it is in the clear best interests of the organisation.
- The Board acted swiftly to ensure strong continued leadership by appointing Keith Jenkins as interim Chair in October 2022. Time constraints did not permit an open recruitment process but a robust, externally facilitated process has subsequently been run to satisfy the Board of his suitability as a long-term appointment.

The Group Board also confirms that we've met the economic and consumer standards as set out in the Regulator of Social Housing's Regulatory framework for registered providers of Social Housing. The Group Board has carried out an assessment, made enquiries and gained appropriate assurance that we comply with all regulatory standards.

We were rated G1/V1 at our last in-depth assessment by the Regulator of Social Housing in March 2023.

The Group Board has also received assurance on the Group's compliance with all other relevant laws and guidelines including Anti-Fraud, Anti-Bribery, Modern Slavery, Anti-Money Laundering, GDPR and tax evasion legislation.

The detailed arrangements by which RHP exercises control and oversight of Co-op Homes, RHP Finance plc and its other subsidiaries are set out in framework documents covering governance, controls, operational controls, financial controls and Group internal controls.

## Auditor

On 4 January 2024 BDO LLP resigned as auditors and PKF Littlejohn were appointed on 29 January 2024. Their audit report can be found on pages 42 – 44.

## Board Members

The Group's Board members are drawn from a wide background bringing together professional, commercial and local experience. Our Group Board is committed to RHP's culture, ethos, values and objectives. As at 31 March 2024, the Group Board comprised 11 members, including the Chief Executive, with all members selected based upon the skills and experience that they can contribute.

The Board's report:

# The Committees

The work of the RHP Board is supported by committees, a structure which allows in-depth scrutiny of important strategic issues. The committees are:

## Group Audit Committee (GAC)

**(4 meetings per year)**

Chair: Christopher Ling

The committee's responsibilities include, but are not limited to the following matters:

- Oversight of the integrity of RHP's financial statements and review of the clarity and completeness.
- Oversight of risk management and internal control arrangements.
- Oversight of compliance with legal and regulatory requirements.
- Oversight of the external auditor's performance, objectivity, qualifications and independence; the approval of non-audit services; recommendation to the Board of the nomination of the external auditors for shareholder approval and approval of their fees.
- Review of the programme and performance of internal auditors.

## Service Delivery and Transformation Committee (SDTC)

**(4 meetings per year)**

Chair: Jane Gallifent (resigned 13 June 2024)

The committee's responsibilities include, but are not limited to the following matters:

- Ensuring compliance with the RSH's Regulatory Framework and commitments made during the stock transfer.
- Oversight of policies and procedures for allocation, letting, management and maintenance of RHP's homes and monitoring associated key performance indicators.
- Actively seeking the views of customers on improvements to service delivery and reviewing ways of further developing services.

## Group Governance and Reward Committee (GGRC)

**(4 meetings per year)**

Chair: Jenine Langrish

The committee's responsibilities include, but are not limited to the following matters:

- Ensuring effective and best practice governance arrangements including development of policies and procedures.
- Reviewing compliance with regulatory requirements.
- Reviewing reward and engagement strategies for RHP Group.
- Reviewing the Chair's performance and the effectiveness of the Board.

## Group Investment Committee (GIC)

**(4 meetings per year)**

Chair: Suzanne Avery (resigned 30 June 2024)

The committee's responsibilities include, but are not limited to the following matters:

- Reviewing the Group's overall strategies on development, asset management, sustainability and treasury management.
- Approval of associated policies and new development schemes.
- Monitoring development, asset management and treasury activities.
- Oversight of planning for future funding requirements.
- Oversight of capital investment projects including technology, office buildings and stock acquisition.

# The Board

## KEITH JENKINS

**Chair**
**Committee:** GGRC

## SUZANNE AVERY

**Committee:** GIC (Chair), GGRC, resigned 30 June 2024

## JANE GALLIFENT

**Committee:** GIC, SDTC (Chair), resigned 13 June 2024

## SHABANA JAMIL

**Committee:** GAC, SDTC

## JENINE LANGRISH

**Committee:** Senior Independent Director, GGRC (Chair), GAC

## CHRISTOPHER LING

**Committee:** GIC, GAC (Chair)

Chris is also on the RHP Finance plc Board

## FAITH LOCKEN

**Committee:** GAC, GIC

## SARAH THOMAS

**Committee:** GIC, GGRC

Sarah is also Board Chair of RHP Develop Ltd, RHP Home (Repairs) Ltd and RHP Finance plc

## ANTONIO SHABBIR

**Committee:** GAC, SDTC

Antonio is also on the RHP Finance plc Board

## FELICE WEBBE

**Committee:** SDTC

## SARAH WELLER

**Committee:** SDTC

### Resigned during the year:

Alex Molnar (resigned 6 September 2023)

### Executive team

Corinna Bishopp (Executive Director of Finance and Commercial Servies and Deputy Chief Executive)

Julian Chun (Executive Director of Homes)

Lucy Graley (Executive Director of Customer Services) (resigned 17 April 2024)

Amit Patel - (interim Executive Director of Strategy, Transformation and Culture) (resigned 16 June 2023)

Argiri Papathos (Executive Director of Corporate Services and Company Secretary) (appointed 2 January 2024)

Sarah Thomas (Chief Executive - appointed 1 April 2023)

# The Board's report:

# Inclusion

We are committed to increasing diversity and inclusion within our organisation. This means reflecting critically on issues of diversity and inclusion within all that we do, identifying and taking appropriate actions to reduce inequality.

## Our Inclusion strategy has three main goals:

1. Develop and sustain an inclusive organisation
2. Recruit, retain and advance a diverse organisation
3. Integrate diversity, equity and inclusion into what we do

## Our journey so far

### Goal 1: Develop and sustain an inclusive organisation

- Set up our Inclusion Network to help drive positive change, raise awareness, and open up conversations
- Started our journey to become one of the first 'Fertility friendly' organisations in the UK, as well as introducing a fertility loan and policy.
- Increased support around the Menopause including developing a new policy and introducing our 'Menopause meets'.
- Rolled out an Inclusion training programme in partnership with MindGym
- Named as 'Family friendly employer of the year' at the 2022 Personnel Today awards
- 91% of employees feel that they are treated fairly regardless of their age, disability, race, ethnic origin, sex or sexual orientation.

### Goal 2: Recruit, retain and advance a diverse organisation

- Started using more diverse jobs boards and recruitment agencies – led to increase in diversity of applicants
- Increased diversity at Board level
- Trialed sending questions to candidates in advance to support those that are neurodiverse
- Members of the Inclusion network have been involved in the recruitment of senior roles
- 27% of employees who were promoted in 2022/23 are Black, Asian and Global Ethnic ethnicity resulting in a higher level of representation at our manager level

### Goal 3: Integrate diversity, equity and inclusion into what we do

- Used customer personas (which were developed following a number of interviews with a diverse range of customers) to map out the new repairs service so we can better meet individual needs.
- Inclusion is built into all major procurements and our repairs partners have signed up to an Inclusion charter. This is a standing agenda item at Core Group meetings.
- Our mean gender pay gap has decreased to 0.2%

## Gender Pay Gap

The gender pay gap is a historical look back at April 2023, as outlined by the requirements for the review. We're proud of the following key statistics:

- Females make up 52% of our workforce (stayed the same from April 2022)
- Mean Gender Pay gap is 0.8% in favour of females (April 2022 = 0.2% in favour of males)
- Median Gender Pay Gap is 9.3% in favour of females (April 2022 = 26.42% in favour of females)

We are confident that our approach to pay is fair and transparent. We place huge importance on providing equity across the Group.

## The Board's report:

# Statement of the Responsibilities of the Board

The Group Board is responsible for preparing the strategic report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Society Act 2014 requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including the financial reporting standard 'FRS 102'.

Under the Co-operative and Community Benefit Society Act 2014 the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Group and Association for that period. In preparing these financial statements, the Board is 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 Housing SORP 2018, Statement of Recommended Practice Registered Housing for registered social housing providers, have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The Board is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on RHP's website in accordance with UK legislation governing the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. The Group Board's responsibilities extend to the maintenance and integrity of the corporate and financial information included on the Group's website.

### Going concern

The Board reviews RHP Group's business plan at least every 6 months and have been content that these plans are affordable and that the financial statements should be prepared on a going concern basis.

The current volatile and uncertain economic environment has meant that the Executive Team and Board have been reviewing revised financial plans for the next five years more frequently reflecting updated economic information to ensure RHP Group can remain a going concern. Our modelling included significant reductions in rent collected, caps on inflation in rent increases, significant cash requirements for failing developments or other supplier support and substantial slowdowns in development and sales programmes.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities, totalling £127m, the Board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Group's ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

The Group Board approves the RHP Group financial plan which is submitted annually to the Regulator in the form of a Financial Forecast Return (FFR). The Group Board is satisfied that the plan is robust and can maintain covenant compliance throughout. The plan can withstand composite risk events occurring without breaching lender covenants which confirms the future viability of the Group.

By order of the Board

Keith Jenkins: Group Chair

Date: 15 August 2024

# Independent auditors report to the members of Richmond Housing Partnership Limited

## Opinion

We have audited the financial statements of Richmond Housing Partnership Limited (the 'parent association') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated and Parent Association Statements of Comprehensive Income, the Consolidated and Parent Association Statements of Financial Position, the Consolidated and Parent Associations Statements of Changes in Reserves, the Consolidated and Parent Association Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 parent association's affairs as at 31 March 2024 and of the group's and parent association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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

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

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

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

# Independent auditors report to the members of Richmond Housing Partnership Limited

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The board is responsible for the other information contained within the annual report. Our opinion on the group and parent association financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Act 2014 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- proper accounting records have not been kept by the parent association; or
- the parent association's financial statements are not in agreement with the books of account; or
- we have not obtained all the information and explanations we required for our audit.

## Responsibilities of the board

As explained more fully in the Statement of the Responsibilities of the Board, the board is responsible for the preparation of the group and parent association financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 group and parent association financial statements, the board is responsible for assessing the group's and the parent 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 board either intend to liquidate the group or the parent association or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

# Independent auditors report to the members of Richmond Housing Partnership Limited

## Auditor's responsibilities for the audit of the financial statements (continued)

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

- We obtained an understanding of the group and parent association and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research, and application of experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent association in this regard to be those arising from the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, employee legislation, tax legislation, and health and safety laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent association with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes, review of legal correspondence and communications with the Regulator.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to indicators of impairment of tangible assets; allocation of costs between first and subsequent shared ownership tranches sales; useful economic lives of assets; and assumptions within the calculation of pension liabilities.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

## Use of our report

This report is made solely to the association's members as a body, in accordance with Section 87 of 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 association's members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Littlejohn LLP
Statutory auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

# financial statements

## Statement of Comprehensive Income

### For the year to 31 March 2024

| | Note | GROUP 2024 £'000 | GROUP RESTATED 2023 £'000 | ASSOCIATION 2024 £'000 | ASSOCIATION RESTATED 2023 £'000 |
|---|---|---|---|---|---|
| Turnover | 2 | 70,612 | 66,884 | 67,035 | 63,496 |
| Cost of sales | 2 | (2,366) | (3,205) | (2,366) | (3,205) |
| Operating costs | 2 | (53,649) | (46,886) | (50,847) | (44,178) |
| Gain on sale of fixed assets | 2,5 | 1,735 | 1,390 | 1,735 | 1,390 |
| **Operating surplus** | 6 | **16,332** | **18,183** | **15,557** | **17,503** |
| Interest receivable and other income | 7 | 1,164 | 598 | 1,375 | 691 |
| Interest payable | 8 | (6,752) | (7,158) | (6,716) | (7,134) |
| Movement in fair value of investment properties | 15 | (1,131) | (450) | (1,131) | (450) |
| **Surplus before tax** | | **9,613** | **11,173** | **9,085** | **10,610** |
| Gift aid and donations | | - | - | 8 | 13 |
| Taxation | 11 | - | - | - | - |
| **Surplus for the year** | | **9,613** | **11,173** | **9,093** | **10,623** |
| Actuarial (loss)/gain on pensions | 9 | (966) | 1,737 | (884) | 1,774 |
| **Total comprehensive income for the year** | | **8,647** | **12,910** | **8,209** | **12,397** |

The results relate wholly to continuing activities.

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 33.

The notes on pages 50 to 90 form part of these financial statements.

# Statement of Financial Position

## As at 31 March 2024

| | | GROUP | | ASSOCIATION | |
|---|---|---|---|---|---|
| | | | RESTATED | | RESTATED |
| **FIXED ASSETS** | **Note** | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| Tangible fixed assets – housing properties | 12 | 479,229 | 447,460 | 455,603 | 425,723 |
| Other tangible fixed assets | 13 | 6,243 | 6,268 | 6,235 | 6,257 |
| Intangible fixed assets | 14 | 4,484 | 4,998 | 4,484 | 4,998 |
| Investment properties | 15 | 5,738 | 6,657 | 5,738 | 6,657 |
| Investments | 16 | - | - | 13 | 13 |
| | | **495,694** | **465,383** | **472,073** | **443,648** |
| **CURRENT ASSETS** | | | | | |
| Properties held for sale | 17 | 3,724 | 6,888 | 3,724 | 6,888 |
| Trade and other debtors | 18 | 8,470 | 9,645 | 11,874 | 10,895 |
| Short term investments | | - | 5,000 | - | 5,000 |
| Cash and cash equivalents | | 27,933 | 40,680 | 25,985 | 38,775 |
| | | **40,127** | **62,213** | **41,583** | **61,558** |
| Creditors: amounts falling due within one year | 19 | (25,746) | (25,574) | (25,144) | (24,535) |
| **Net current assets** | | **14,381** | **36,639** | **16,439** | **37,023** |
| **Total assets less current liabilities** | | **510,075** | **502,022** | **488,512** | **480,671** |
| Creditors: amounts falling due after more than one year | 20 | (344,678) | (345,593) | (335,099) | (335,783) |
| Provision for liabilities | 26 | (94) | (94) | - | - |
| Net pension liability | 9 | (3,352) | (3,031) | (2,918) | (2,602) |
| **Total net assets** | | **161,951** | **153,304** | **150,495** | **142,286** |
| **RESERVES** | | | | | |
| Income and expenditure reserve | | 161,951 | 153,304 | 150,495 | 142,286 |
| **Total reserves** | | **161,951** | **153,304** | **150,495** | **142,286** |

The notes on pages 50 to 90 form part of these financial statements.

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 33.

The financial statements were approved and authorised for issue by the Board of directors on 15 August 2024 and signed on its behalf by:

**Keith Jenkins**
Chair of the Board

**Christopher Ling**
Chair of Group Audit Committee

**Sarah Thomas**
Chief Executive

**Argiri Papathos**
Company Secretary

# Statement of Changes in Reserves

## For the reporting date to 31 March 2024

| GROUP | Income and expenditure reserve £'000 |
|---|---|
| **Balance at 31 March 2022** | **140,394** |
| Surplus for the year | 11,173 |
| Actuarial gain on defined benefit pension scheme | 1,737 |
| **Balance at 31 March 2023** | **153,304** |
| Surplus for the year | 9,613 |
| Actuarial loss on defined benefit pension scheme | (966) |
| **Balance at 31 March 2024** | **161,951** |

| ASSOCIATION | Income and expenditure reserve £'000 |
|---|---|
| **Balance at 31 March 2022** | **129,889** |
| Surplus for the year | 10,623 |
| Actuarial gain on defined benefit pension scheme | 1,774 |
| **Balance at 31 March 2023** | **142,286** |
| Surplus for the year | 9,093 |
| Actuarial loss on defined benefit pension scheme | (884) |
| **Balance at 31 March 2024** | **150,495** |

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 33.

The notes on pages 50 to 90 form part of these financial statements.

# Consolidated Statement of Cash Flows

## For the year ended 31 March 2024

| CASH FLOWS FROM OPERATING ACTIVITIES | 2024 £'000 | RESTATED 2023 £'000 |
|---|---|---|
| Operating surplus for the year | 16,332 | 18,183 |
| Depreciation charges and impairment | 9,421 | 8,190 |
| Decrease in properties for sale | 2,871 | 1,250 |
| Decrease/(increase) in debtors | 945 | (4,724) |
| Difference between net pension expense and cash contribution | (905) | (759) |
| Release of social housing grant | (468) | (446) |
| Decrease in creditors | (1,373) | (174) |
| Disposal of properties | 976 | 657 |
| **Net cash generated from operating activities** | **27,799** | **22,177** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase and improvement of housing properties | (37,405) | (24,465) |
| Social housing grant received | 332 | 3,688 |
| Purchase of other fixed assets | (1,693) | (3,291) |
| Cash Investments | 5,000 | 5,000 |
| | **(33,766)** | **(19,068)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Interest received | 1,164 | 599 |
| Interest paid | (7,831) | (8,080) |
| Loan arrangement fees | (93) | (1,112) |
| Repayments of borrowings | (20) | (63) |
| | **(6,780)** | **(8,656)** |
| **Net change in cash and cash equivalents** | **(12,747)** | **(5,547)** |
| **Cash and cash equivalents at the beginning of the year** | **40,680** | **46,227** |
| **Cash and cash equivalents at the end of the year** | **27,933** | **40,680** |

The notes on pages 50 to 90 form part of these financial statements.

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 33.

### LEGAL STATUS

RHP is a Public Benefit Entity, registered in the United Kingdom under the Co-operative and Community Benefit Societies Act 2014 (No IP030939) and with the Regulator of Social Housing (L4279) as a social housing provider.

## 1a. Accounting Policies

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

The accounts are prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below.

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.

The Board is satisfied that the current accounting policies are the most appropriate for the Group.

The financial statements are presented in Sterling (£)..

### PARENT COMPANY DISCLOSURE EXEMPTIONS

In preparing the financial statements of the parent company, the Association has taken advantage of the following disclosure exemptions available under FRS 102:

- no cash flow statement has been presented for the Association
- disclosures in respect of the Association'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 Association as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied consistently.

### BASIS OF CONSOLIDATION

The Group financial statements are the result of the consolidation of the financial statements of RHP and its subsidiaries. Intercompany transactions and balances between companies are eliminated in full.

### GOING CONCERN

The Board reviews RHP Group's business plan at least every 6 months and have been content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Whilst the economic environment remains volatile and unpredictable the Executive Team and Board have continued to review revised financial plans for the next five years more frequently to reflect updated economic information and ensure RHP Group can remain a going concern. The modelling included significant reductions in rent collected, caps on rent increases, sustained periods of high interest, significant cash requirements for failing developments or other supplier support and substantial slow downs in development and sales programmes.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities, totalling £127m, the Board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Group's ability to continue as a going concern for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed.

We are confident therefore to prepare the accounts on a going concern basis.

### TURNOVER

Turnover comprises rental income receivable in the year, net of rent and service charge losses from voids, proceeds from shared ownership first tranche sales measured at the fair value of the consideration received or receivable, sales of properties built for sale and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Government grants are accounted for using the accrual method and non-government grants are accounted for using the performance method. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

## 1a. Accounting Policies (continued)

### OPERATING SEGMENTS

There are publicly traded securities within the Group and therefore a requirement to disclose information about the Group operating segments under IFRS8. Segmental information is disclosed in note 3 and as part of the analysis of housing properties in note 12. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group rather than geographical locations. As permitted by IFRS 8 this is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The Group Board do not routinely receive segmental information disaggregated by geographical location.

### TAX

The tax expense for the period comprises current and deferred tax. 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 tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

### VAT

RHP, RHP Home and Co-op Homes are registered as a VAT group. A large proportion of RHP's income comprises rental income, which is exempt for VAT purposes and gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT. Recoverable VAT arising from partially exempt activities is credited to the consolidated Statement of Comprehensive Income. RHP Develop Limited is registered with HMRC for VAT and sits outside the RHP VAT Group and the VAT is fully recoverable.

### EMPLOYEE BENEFITS

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The Group participates in two funded multi-employer defined benefit schemes, the Social Housing Pension Scheme (SHPS) and the Wandsworth Council Pension Fund (WCPF) (Previously London Borough of Richmond Pension Fund (LBRPF)).

There are 3 schemes provided by SHPS, final salary defined benefit and career average (CARE) and defined contribution. The former 2 schemes are closed to future accrual. The latter scheme is open to new members.

RHP was part of the London Borough of Richmond Upon Thames Pension Fund which has now merged with the Wandsworth Council Pension Fund, and so Richmond Housing Partnership participates in the merged Wandsworth Council Pension Fund. The WCPF is now closed to future accrual.

The employer contributions in respect of the defined contribution scheme are charged to the statement of comprehensive income as they are incurred.

For financial years ending on or after 31 March 2019, sufficient information is available to account for the obligations in SHPS on a defined benefit basis. The defined benefit schemes provided by SHPS and WCPF are accounted for using defined benefit accounting.

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. Under defined benefit accounting, the current service cost and costs from settlements and curtailments are charged against 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 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.

## 1a. Accounting Policies (continued)

### HOUSING PROPERTIES

Housing properties which are either constructed or acquired are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period, directly attributable administration costs and expenditure incurred in improving or reinvesting in existing properties.

Housing properties for rent are split between land, structure and major components with a substantially different economic life. Housing properties in the course of construction are stated at cost and are not depreciated. They are transferred to completed properties when they are ready for letting or sale.

Shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset. The fixed asset portion is split between land and structure as the rights and obligations towards improving the property reside with the resident.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Only the direct overhead costs associated with new developments or improvements are capitalised. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets in the consolidated statement of comprehensive income.

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated. For the period ending 31 March 2024, interest has been capitalised at an average rate of 3.11% (2023: 3.11%) which reflects the weighted average effective interest rate on the Group's borrowing.

### DEPRECIATION OF HOUSING PROPERTIES

Freehold land is not depreciated on account of its indefinite useful economic life. Depreciation is charged on a straight-line basis over the expected economic useful lives of each component part of housing properties.

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.

The Group's housing properties held on leases are amortised over the life of the lease or their estimated useful lives in the business if shorter. 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 on a straight-line basis as follows:

| | |
|---|---|
| Structure | 100 years |
| Kitchens and doors | 20 years |
| Bathroom and windows | 30 years |
| Central Heating and sprinklers | 15 years |
| Electrical and water tanks | 40 years |
| Lifts | 25 years |
| Roofs | 50 years |

### DONATED LAND

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation.

## 1a. Accounting Policies (continued)

### OTHER TANGIBLE FIXED ASSETS

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.

Depreciation is provided on a straight-line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives which are as follows:

| | |
|---|---|
| Office Building | 95 years |
| Furniture, fixtures and fittings | 8 years |
| Computers and office equipment | 3 to 7 years |
| Motor vehicles | 3 years |

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus / deficit for the year.

### INTANGIBLE FIXED ASSETS

Intangible fixed assets are capitalised software costs and are stated at cost less amortisation. Amortisation is provided on a straight-line basis on the cost of software to write them down to their estimated residual values over the expected useful lives of 3 to 7 years.

### INVESTMENT PROPERTIES

Investment properties consist of commercial properties (shops) and other properties (rental space in main office building) not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value determined annually by external 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 as non-operating income or expenditure as a reflection of the nature of the investment.

Under the original section 16, FRS102 required the Association to account for the floor space that its subsidiary, Co-op Homes (South) Limited, occupies at 8 Waldegrave Road as a tangible fixed asset. RHP has elected to account for the floor space as a tangible fixed asset in both the Association and Group accounts and to use the historical cost and depreciate as if the amount was always held at cost in both the Association and Group financial statements.

### INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are measured at cost less accumulated impairment. RHP holds 50,000 £1 ordinary shares in RHP Finance Plc, part subscribed at 25p. RHP holds 1 £1 ordinary share in RHP Develop Limited and RHP Home (Repairs) Limited. RHP holds 1 £5 ordinary share in Co-op Homes (South) Limited.

### PROPERTIES FOR SALE 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 included in turnover. The remaining element, "staircasing element", is classed as Property Plant and Equipment and included in completed housing property at cost less any provision for impairment.

Sales of subsequent tranches are treated as a part disposal of property and included in operating surplus. 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.

### 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.

## 1a. Accounting Policies (continued)

### FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial Instruments are initially recorded at transaction price less issue costs. Subsequent measurement depends on the designation of the instrument as follows: Bonds, loans, short term borrowings and overdrafts are held at amortised cost where they meet the relevant criteria of section 11 of FRS102.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at the undiscounted value of amounts expected to be received. Any losses arising from impairment are recognised in the income statement in other operating expenses.

The bond is classified as a basic financial instrument as per Section 11, Financial Reporting Standard 102 (FRS 102). The bond will be held long term, is non-speculative, and has a positive fixed interest rate.

After the amounts are recognised at the initial transaction price, these loans are measured at amortised cost. The 2020 bond transactions were sold at a premium. This premium is held as a notional amount of loan on the balance sheet and amortised annually.

### SHORT TERM INVESTMENTS

Short term investments comprise notice deposit accounts maturing within 3 to 12 months.

### CASH

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, and deposits accounts with notice periods up to 3 months that form an integral part of the Group's cash management.

### SOCIAL HOUSING GRANT

Social housing grant (SHG) is receivable from the Greater London Authority (GLA). Grants received for housing properties are recognised as income over the useful life of the housing property structure and, where applicable, its individual components (excluding land).

SHG due from the GLA or received in advance is included as a current asset or liability. SHG is subordinated to the repayment of loans by agreement with the GLA. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grants Fund and included in the balance sheet in creditors.

### OTHER GRANTS

Other grants include grants from local authorities. Grants in respect of revenue expenditure are credited to other comprehensive income when performance conditions are met, or entitlement occurs.

### PROVISIONS

The Group has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on stock transfers, overage for gap funding and restructuring. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Co-op Homes leases for temporary social housing properties contain repair covenants relating to the upkeep of the properties. These lease covenants can give rise to dilapidation works or claims during or at the end of the related lease.

Co-op Homes accounts for these costs in accordance with FRS 102 (provisions and contingencies) which requires a provision to be recognised when there is an obligation at the reporting date regarding works or repairs at the related property.

### 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.

### GIFT AID

Charitable donations made between group entities are shown in the financial statements at the value of the donation. All such transactions are eliminated on consolidation. Gift aid payments are treated as distributions of reserves within the accounts of the subsidiaries.

## 1b. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

### IMPAIRMENT

In considering whether there is an impairment of the Group's tangible and intangible assets, 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 larger cash generating unit, the viability and expected future performance of that unit.

Management have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value - Social Housing (EUV-SH) or depreciated replacement cost. Management have also considered impairment based on their assumptions to define cash or asset generating units.

The impairment calculation is carried out on the units according to their tenure as this was the smallest identifiable group of assets within the scheme (each tenure deemed to be a cash generating activity in accordance with FRS102). The recoverable amount of an asset is considered by FRS102 to be the higher of its value in use and its fair value less costs to sell.

Management identify any impairment indicators which may affect any homes or schemes. Such triggers include increasing void losses, government policy changes, any significant damage or repairs required to any homes or any material change to the costs of a development.

The insolvency of the original developer of our scheme at Onslow Mills was considered an indicator of impairment having led to an increased build cost. The scheme consists of 24 shared ownership units with a carrying value before impairment of £13.4m. The valuation at 31 March 2024 confirmed that the Market Value - Vacant Possession (MV-VP) of the shared ownership units remained lower than the carrying value for this scheme, and that the impairment of £3.5m was still appropriate (2023: £3.5m).

A review was carried out on other development schemes where costs have increased. The scheme at Staines Road has resulted in a provision of £1.8m (2023: £1.8m). The current provision is still necessary but deemed adequate.

### USEFUL LIVES OF DEPRECIABLE ASSETS

Management reviews its estimates of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent home standards which may require more frequent replacement of key components.

### FAIR VALUE MEASUREMENT – INVESTMENT PROPERTIES

Applying section 16.2 Financial Reporting Standard 102 (FRS 102), sub-leases with tenants at the head office and the small portfolio of commercial units are classified as investment properties.

After recognising the properties at their initial cost, each reporting period requires the properties to be measured at fair value. Management instruct a reputable valuation firm to carry out their assessment of value with any movement being recognised in other comprehensive income. The fair value of investment properties was £5.7m at 31 March 2024 (2023: £6.7m).

### SHARED OWNERSHIP

Our shared ownership viability assessments assume a first tranche portion based on affordability and expected sales forecasts. We complete a sensitivity analysis on each property to ensure that the homes are affordable. This means that in higher value areas we may need to reduce the assumed first tranche sale percentage in order to ensure that the homes meet the affordability criteria of the relevant local authority or the GLA's income caps. The resulting reduction in income is modelled to ensure that the scheme remains viable within RHP's approved financial parameters. If not, we will amend our offer for the scheme prior to submission to the developer or landowner.

### RECOVERY OF PROPERTIES DEVELOPED FOR SALE

Properties developed for sale are carried on the statement of financial position at the lower of cost or net realisable value. Cost is taken as the production cost which includes an appropriate proportion of attributable overheads. Net realisable value is based on estimated sale proceeds after allowing for further costs to completion and selling costs.

### PENSIONS

Key judgements have been made in respect of the critical underlying assumptions in relation to the estimate of the SHPS and WCPF defined benefit scheme obligations such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. The assumptions used are consistent with those used by qualified actuaries in their valuation of fund assets and liabilities. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

## 2. Particulars of turnover, cost of sales, operating expenditure and operating surplus

| GROUP 2024 | Turnover £'000 | Cost of sales £'000 | Operating costs £'000 | Gain on sale of fixed assets £'000 | Operating surplus/(deficit) £'000 |
|---|---|---|---|---|---|
| **Social housing lettings (note 3)** | 60,886 | - | (46,488) | - | **14,398** |
| **Other social housing activities** | | | | | |
| First tranche shared ownership sales | 2,701 | (2,366) | - | - | **335** |
| Development | - | - | (371) | - | **(371)** |
| Impairment | - | - | - | - | **-** |
| Management fees | 1,235 | - | (1,259) | - | **(24)** |
| Gain on sale of fixed assets | - | - | - | 1,735 | **1,735** |
| **Total social housing activities** | **64,822** | **(2,366)** | **(48,118)** | **1,735** | **16,073** |
| **Non-social housing activities** | | | | | |
| Leasehold services | 3,034 | - | (3,064) | - | **(30)** |
| Leasehold major repairs | 1,049 | - | (1,519) | - | **(470)** |
| Garages | 1,101 | - | (358) | - | **743** |
| Commercial | 579 | - | (457) | - | **122** |
| Other | 27 | - | (133) | - | **(106)** |
| **Total** | **70,612** | **(2,366)** | **(53,649)** | **1,735** | **16,332** |

| GROUP 2023 RESTATED | Turnover £'000 | Cost of sales £'000 | Operating costs £'000 | Gain on sale of fixed assets £'000 | Operating surplus/(deficit) £'000 |
|---|---|---|---|---|---|
| **Social housing lettings (note 3)** | 57,060 | - | (40,897) | - | **16,163** |
| **Other social housing activities** | | | | | |
| First tranche shared ownership sales | 3,275 | (3,205) | - | - | **70** |
| Development | - | - | (385) | - | **(385)** |
| Impairment | - | - | (259) | - | **(259)** |
| Management fees | 1,206 | - | (1,117) | - | **89** |
| Gain on sale of fixed assets | - | - | - | 1,390 | **1,390** |
| **Total social housing activities** | **61,541** | **(3,205)** | **(42,658)** | **1,390** | **17,068** |
| **Non-social housing activities** | | | | | |
| Leasehold services | 2,270 | - | (2,276) | - | **(6)** |
| Leasehold major repairs | 1,513 | - | (1,115) | - | **398** |
| Garages | 1,034 | - | (240) | - | **794** |
| Commercial | 520 | - | (377) | - | **143** |
| Other | 6 | - | (220) | - | **(214)** |
| **Total** | **66,884** | **(3,205)** | **(46,886)** | **1,390** | **18,183** |

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 33.

## 2. Particulars of turnover, cost of sales, operating expenditure and operating surplus

| ASSOCIATION 2024 | Turnover £'000 | Cost of sales £'000 | Operating costs £'000 | Gain on sale of fixed assets £'000 | Operating surplus/(deficit) £'000 |
|---|---|---|---|---|---|
| **Social housing lettings (note 3)** | 58,394 | - | (44,847) | - | **13,547** |
| **Other social housing activities** | | | | | |
| First tranche shared ownership sales | 2,701 | (2,366) | - | - | **335** |
| Development | - | - | (401) | - | **(401)** |
| Management Fees | 109 | - | (109) | - | **-** |
| Gain on sale of fixed assets | - | - | - | 1,735 | **1,735** |
| **Total social housing activities** | **61,204** | **(2,366)** | **(45,357)** | **1,735** | **15,216** |
| **Non-social housing activities** | | | | | |
| Leasehold services | 3,034 | - | (3,064) | - | **(30)** |
| Leasehold major repairs | 1,049 | - | (1,519) | - | **(470)** |
| Garages | 1,101 | - | (358) | - | **743** |
| Commercial | 620 | - | (457) | - | **163** |
| Other | 27 | - | (92) | - | **(65)** |
| **Total** | **67,035** | **(2,366)** | **(50,847)** | **1,735** | **15,557** |

| ASSOCIATION 2023 RESTATED | Turnover £'000 | Cost of sales £'000 | Operating costs £'000 | Gain on sale of fixed assets £'000 | Operating surplus/(deficit) £'000 |
|---|---|---|---|---|---|
| **Social housing lettings (note 3)** | 54,763 | - | (39,321) | - | **15,442** |
| **Other social housing activities** | | | | | |
| First tranche shared ownership sales | 3,275 | (3,205) | - | - | **70** |
| Development | - | - | (409) | - | **(409)** |
| Impairment | - | - | (259) | - | **(259)** |
| Gain on sale of fixed assets | - | - | - | 1,390 | **1,390** |
| **Total social housing activities** | **58,038** | **(3,205)** | **(39,989)** | **1,390** | **16,234** |
| **Non-social housing activities** | | | | | |
| Leasehold services | 2,270 | - | (2,276) | - | **(6)** |
| Leasehold major repairs | 1,513 | - | (1,115) | - | **398** |
| Garages | 1,034 | - | (240) | - | **794** |
| Commercial | 635 | - | (377) | - | **258** |
| Other | 6 | - | (181) | - | **(175)** |
| **Total** | **63,496** | **(3,205)** | **(44,178)** | **1,390** | **17,503** |

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 33.

## 3. Income and expenditure from social housing lettings

| GROUP | General needs housing £'000 | Affordable housing £'000 | Key workers £'000 | Temporary housing £'000 | Supported housing £'000 | Shared ownership £'000 | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|---|---|---|---|
| Rents receivable net of identifiable service charges | 42,783 | 9,379 | 622 | 29 | 2,362 | 1,020 | **56,195** | 52,583 |
| Service and other charges receivable | 2,597 | 115 | 31 | - | 1,191 | 234 | **4,168** | 3,978 |
| Charges for support services | - | - | - | - | 57 | - | **57** | 54 |
| Amortised government grants | 231 | 146 | 2 | - | 45 | 42 | **466** | 445 |
| **Turnover from social housing lettings** | **45,611** | **9,640** | **655** | **29** | **3,655** | **1,296** | **60,886** | **57,060** |
| Management | (10,289) | (1,399) | (190) | (49) | (670) | (308) | **(12,905)** | (10,317) |
| Service charge costs | (7,740) | (1,054) | (143) | (7) | (1,274) | (236) | **(10,454)** | (8,933) |
| Rents payable | - | - | - | (17) | - | - | **(17)** | (15) |
| Routine maintenance | (5,332) | (703) | (95) | (1) | (358) | (92) | **(6,581)** | (5,084) |
| Planned maintenance | (4,077) | (530) | (72) | - | (253) | (76) | **(5,008)** | (6,203) |
| Major repairs expenditure | (2,896) | (400) | (54) | - | (200) | (123) | **(3,673)** | (2,971) |
| Bad debts | (403) | (55) | (8) | (2) | (26) | (13) | **(507)** | (428) |
| Depreciation | (4,917) | (1,524) | (68) | - | (679) | (44) | **(7,232)** | (6,711) |
| Accelerated depreciation | (138) | (14) | (2) | - | (7) | (3) | **(164)** | (218) |
| Other costs | 53 | - | - | - | - | - | **53** | (17) |
| **Operating costs on social housing lettings** | **(35,739)** | **(5,679)** | **(632)** | **(76)** | **(3,467)** | **(895)** | **(46,488)** | **(40,897)** |
| **Operating surplus/(deficit) for social housing lettings** | **9,872** | **3,961** | **23** | **(47)** | **188** | **401** | **14,398** | **16,163** |
| **Void losses** | (910) | (262) | (10) | (7) | (193) | (6) | **(1,388)** | **(1,019)** |

## 3. Income and expenditure from social housing lettings

| ASSOCIATION | General needs housing £'000 | Affordable housing £'000 | Key workers £'000 | Supported housing £'000 | Shared ownership £'000 | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|---|---|---|
| Rents receivable net of identifiable service charges | 40,607 | 9,379 | 622 | 2,362 | 1,020 | **53,990** | 50,555 |
| Service and other charges receivable | 2,443 | 115 | 31 | 1,191 | 234 | **4,014** | 3,842 |
| Charges for support services | - | - | - | 57 | - | **57** | 54 |
| Amortised government grants | 98 | 146 | 2 | 45 | 42 | **333** | 312 |
| **Turnover from social housing lettings** | **43,148** | **9,640** | **655** | **3,655** | **1,296** | **58,394** | **54,763** |
| Management | (9,910) | (1,399) | (190) | (670) | (308) | **(12,477)** | (9,978) |
| Service charge costs | (7,627) | (1,054) | (143) | (1,274) | (236) | **(10,334)** | (8,830) |
| Routine maintenance | (4,977) | (703) | (95) | (358) | (92) | **(6,225)** | (4,723) |
| Planned maintenance | (3,758) | (530) | (72) | (253) | (76) | **(4,689)** | (5,946) |
| Major repairs expenditure | (2,896) | (400) | (54) | (200) | (123) | **(3,673)** | (2,971) |
| Bad debts | (392) | (55) | (8) | (26) | (13) | **(494)** | (401) |
| Depreciation | (4,513) | (1,524) | (68) | (679) | (44) | **(6,828)** | (6,321) |
| Accelerated depreciation | (101) | (14) | (2) | (7) | (3) | **(127)** | (151) |
| **Operating costs on social housing lettings** | **(34,174)** | **(5,679)** | **(632)** | **(3,467)** | **(895)** | **(44,847)** | **(39,321)** |
| **Operating surplus for social housing lettings** | **8,974** | **3,961** | **23** | **188** | **401** | **13,547** | **15,442** |
| **Void losses** | (888) | (262) | (10) | (193) | (6) | **(1,359)** | **(1,045)** |

## 4. Units of housing stock

Accommodation in management for each class of accommodation in the Group and the Association was as follows:

| GROUP | Opening balance | Additions | Disposals | Change in use | 2024 Closing balance |
|---|---|---|---|---|---|
| **Social housing – managed directly** | | | | | |
| General needs housing | 6,095 | - | (3) | 2 | 6,094 |
| Affordable housing | 810 | 31 | - | - | 841 |
| Intermediate | 87 | 48 | - | - | 135 |
| Supported housing | 390 | - | - | - | 390 |
| Shared ownership | 166 | 46 | (4) | - | 208 |
| Market – non-social | 9 | - | - | - | 9 |
| **Total units in ownership** | **7,557** | **125** | **(7)** | **2** | **7,677** |
| Accommodation managed on behalf of others | 1,583 | - | (459) | - | 1,124 |
| Accommodation managed on our behalf | 40 | - | - | 1 | 41 |
| **Total units managed or owned** | **9,180** | **125** | **(466)** | **3** | **8,842** |
| Leasehold | 1,962 | 4 | - | (3) | 1,963 |
| **Total units in management (including Leasehold)** | **11,142** | **129** | **(466)** | **-** | **10,805** |

| ASSOCIATION | Opening balance | Additions | Disposals | Change in use | 2024 Closing balance |
|---|---|---|---|---|---|
| **Social housing – managed directly** | | | | | |
| General needs housing | 5,795 | - | (3) | 2 | 5,794 |
| Affordable housing | 810 | 16 | - | - | 826 |
| Intermediate | 87 | 48 | - | - | 135 |
| Supported housing | 390 | - | - | - | 390 |
| Shared ownership | 166 | 46 | (4) | - | 208 |
| Market – non-social | 9 | - | - | - | 9 |
| **Total units in ownership** | **7,257** | **110** | **(7)** | **2** | **7,362** |
| Accommodation managed on behalf of others | 79 | - | (60) | - | 19 |
| Accommodation managed on our behalf | 40 | - | - | 1 | 41 |
| **Total units managed or owned** | **7,376** | **110** | **(67)** | **3** | **7,422** |
| Leasehold | 1,962 | 4 | - | (3) | 1,963 |
| **Total units in management (including Leasehold)** | **9,338** | **114** | **(67)** | **-** | **9,385** |

## 5. Surplus On Sale Of Fixed Assets

| GROUP & ASSOCIATION 2024 | Shared ownership staircasing £'000 | Right to buy £'000 | Right to acquire £'000 | Lease extensions £'000 | Other £'000 | 2024 Total £'000 |
|---|---|---|---|---|---|---|
| Disposal proceeds | 1,014 | - | 878 | 828 | - | 2,720 |
| Cost of disposals | (902) | - | (75) | - | - | (977) |
| Write back of amortised grant | (8) | - | - | - | - | (8) |
| **Surplus** | **104** | **-** | **803** | **828** | **-** | **1,735** |

| GROUP & ASSOCIATION 2023 RESTATED | Shared ownership staircasing £'000 | Right to acquire £'000 | Right to acquire £'000 | Lease extensions £'000 | Other £'000 | 2023 Total £'000 |
|---|---|---|---|---|---|---|
| Disposal proceeds | 1,097 | 463 | 409 | 913 | 51 | 2,933 |
| Amounts payable to LBRuT under RTB clawback agreement | - | (431) | - | - | - | (431) |
| Transfer to Trust Deed Account | (464) | - | - | - | - | (464) |
| Cost of disposals | (576) | (16) | (31) | - | (21) | (644) |
| Selling costs | (2) | (1) | (1) | - | - | (4) |
| **Surplus** | **55** | **15** | **377** | **913** | **30** | **1,390** |

Right to buy disposals are accounted for in accordance with London Borough of Richmond upon Thames (LBRuT) clawback agreement. Funds from other disposals of properties transferred from LBRuT are held in a Trust Deed Account in equal parts for RHP and LBRuT. Trust Deed Account funds can be used by RHP for future Affordable Housing developments.

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 33.

## 6. Operating surplus

This is arrived at after charging:

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| Depreciation of housing properties | 7,238 | 6,719 | 6,834 | 6,329 |
| Accelerated depreciation on component replacements | 164 | 217 | 127 | 151 |
| Depreciation of other tangible fixed assets | 301 | 243 | 298 | 236 |
| Amortisation of intangible fixed assets | 1,719 | 1,165 | 1,719 | 1,165 |
| Impairment of housing properties | - | 259 | - | 259 |
| Operating lease rentals | | | | |
| - Land and buildings | 14 | 15 | - | - |
| - Vehicles | 74 | 80 | 74 | 80 |
| - Office equipment and computers | 53 | 50 | 53 | 50 |
| Auditors' remuneration (excluding VAT) | | | | |
| - For audit of statutory accounts | 95 | 94 | 78 | 74 |
| - For service charge audit | 11 | 13 | 11 | 13 |

## 7. Interest receivable & other similar income

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| Interest receivable and other similar income | 1,164 | 598 | 1,375 | 691 |

## 8. Interest payable

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| Loans and bank overdrafts | 7,973 | 8,081 | 7,957 | 8,069 |
| Interest on RCGF | 12 | 1 | 12 | 1 |
| Interest charge on pensions | 130 | 135 | 110 | 123 |
| Amortised finance costs | 224 | 485 | 224 | 485 |
| | **8,339** | **8,702** | **8,303** | **8,678** |
| Interest capitalised on construction of housing properties (Note 12, 17) | (1,587) | (1,544) | (1,587) | (1,544) |
| **Total** | **6,752** | **7,158** | **6,716** | **7,134** |

## 9. Employees

| | GROUP 2024 £'000 | GROUP 2023 £'000 | ASSOCIATION 2024 £'000 | ASSOCIATION 2023 £'000 |
|---|---|---|---|---|
| **Average monthly number of employees expressed in full time equivalents:** | | | | |
| Administration | 122 | 105 | 82 | 82 |
| Development | 12 | 11 | 12 | 11 |
| Housing, support and care | 181 | 166 | 181 | 166 |
| Maintenance operatives | 21 | - | - | - |
| **Total** | **336** | **282** | **275** | **259** |

Full time equivalents are calculated based on a standard working week of 36 hours.

| **EMPLOYEE COSTS** | GROUP 2024 £'000 | GROUP 2023 £'000 | ASSOCIATION 2024 £'000 | ASSOCIATION 2023 £'000 |
|---|---|---|---|---|
| Wages and salaries | 13,340 | 11,107 | 11,049 | 10,113 |
| Social security costs | 1,377 | 1,157 | 1,142 | 1,049 |
| Other pensions costs | 1,109 | 1,490 | 917 | 773 |
| **Total employee costs** | **15,826** | **13,754** | **13,108** | **11,935** |

| **PENSIONS COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME** | GROUP 2024 £'000 | GROUP 2023 £'000 | ASSOCIATION 2024 £'000 | ASSOCIATION 2023 £'000 |
|---|---|---|---|---|
| Actuarial loss on SHPS pension | (966) | (603) | (884) | (566) |
| Actuarial gain on WCPF pension | - | 2,340 | - | 2,340 |
| **Total actuarial (loss)/gain on pensions** | **(966)** | **1,737** | **(884)** | **1,774** |

## 9. Employees (continued)

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| SHPS pension net defined liability | 3,352 | 3,031 | 2,918 | 2,602 |
| WCPF pension net defined asset/(liability) | - | - | - | - |
| **Net pension liability** | **3,352** | **3,031** | **2,918** | **2,602** |

The Association's employees are members of the Social Housing Pension Scheme (SHPS) or of the Wandsworth Council Pension Fund (WCPF) (formerly London Borough of Richmond Pension Fund (LBRPF)). The employees of our subsidiaries are members of the SHPS. Further information on each scheme is given below.

The SHPS liability on scheme benefit review recognises the potential additional liabilities to arise as a result of the upcoming court case to review and compare the changes that have been made to the benefits provided to scheme members, with the requirements of the scheme documentation. The provision has been made in accordance with estimated figures produced by the scheme actuary.

## Social Housing Pension Scheme

### DEFINED CONTRIBUTION PENSION SCHEME

Employer contributions in respect of this scheme are charged to the Statement of Comprehensive Income as incurred.

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| Employer contributions | 1,005 | 863 | 917 | 772 |

### DEFINED BENEFIT PENSION SCHEME

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

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

## 9. Employees (continued)

| RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION | GROUP 2024 £'000 | ASSOCIATION 2024 £'000 |
|---|---|---|
| Defined benefit obligation at start of period | 17,180 | 14,853 |
| Current service cost | - | - |
| Expenses | 25 | 21 |
| Interest expense | 826 | 714 |
| Contributions by plan participants | - | - |
| Actuarial losses due to scheme experience | 167 | 170 |
| Actuarial gains due to demographic assumptions | (173) | (141) |
| Actuarial gains due to changes in financial assumptions | (210) | (222) |
| Benefits paid and expenses | (400) | (292) |
| **Defined benefit obligation at end of period** | **17,415** | **15,103** |

| RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS | GROUP 2024 £'000 | ASSOCIATION 2024 £'000 |
|---|---|---|
| Fair value of plan assets at start of period | 14,149 | 12,251 |
| Interest income | 697 | 604 |
| Loss on plan assets (excluding amounts included in interest income) | (1,182) | (1,077) |
| Contributions by the employer | 799 | 699 |
| Contributions by plan participants | - | - |
| Benefits paid and expenses | (400) | (292) |
| **Fair value of plan assets at end of period** | **14,063** | **12,185** |

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£485k) (2023: (£8,958k)) (Group) and (£473k) (2023: £(8,064k)) (Association).

## 9. Employees (continued)

| DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME | GROUP 2024 £'000 | ASSOCIATION 2024 £'000 |
|---|---|---|
| Current service cost | - | - |
| Expenses | 25 | 21 |
| Net interest expense | 129 | 110 |
| **Defined benefit costs recognised in statement of comprehensive income (SoCI)** | **154** | **131** |

| DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME | GROUP 2024 £'000 | ASSOCIATION 2024 £'000 |
|---|---|---|
| Loss on plan assets (excluding amounts included in net interest cost) | (1,182) | (1,077) |
| Experience losses arising on the plan liabilities | (167) | (170) |
| Gains arising from changes in the demographic assumptions | 173 | 141 |
| Gains arising from changes in the financial assumptions | 210 | 222 |
| **Total loss recognised in other comprehensive income** | **(966)** | **(884)** |

## 9. Employees (continued)

| ASSETS | GROUP 2024 £'000 | GROUP 2023 £'000 | ASSOCIATION 2024 £'000 | ASSOCIATION 2023 £'000 |
|---|---|---|---|---|
| Absolute return | 549 | 154 | 476 | 133 |
| Alternative risk premia | 447 | 27 | 387 | 23 |
| Credit relative value | 461 | 534 | 399 | 462 |
| Distressed opportunities | 496 | 428 | 430 | 371 |
| Emerging markets debt | 182 | 76 | 158 | 66 |
| Global equity | 1,401 | 264 | 1,214 | 229 |
| Infrastructure | 1,421 | 1,616 | 1,231 | 1,399 |
| Insurance-linked securities | 73 | 357 | 63 | 309 |
| Private Equity | 12 | - | 10 | - |
| Liability driven investment | 5,724 | 6,515 | 4,959 | 5,642 |
| Long lease property | 91 | 427 | 79 | 370 |
| Net current assets | 24 | 36 | 21 | 31 |
| Opportunistic Illiquid credit | 549 | 605 | 476 | 524 |
| Private debt | 553 | 629 | 479 | 545 |
| Property | 564 | 609 | 489 | 527 |
| Risk sharing | 823 | 1,042 | 713 | 902 |
| Secured income | 420 | 649 | 364 | 562 |
| High yield | 2 | 50 | 2 | 43 |
| Cash | 277 | 102 | 240 | 88 |
| Currency Hedging | (6) | 28 | (5) | 24 |
| Opportunistic Credit | - | 1 | - | 1 |
| **Total assets** | **14,063** | **14,149** | **12,185** | **12,251** |

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

| KEY ASSUMPTIONS | 2024 % | 2023 % |
|---|---|---|
| Discount rate | 4.92 | 4.84 |
| Inflation (RPI) | 3.11 | 3.17 |
| Inflation (CPI) | 2.79 | 2.79 |
| Salary growth | 3.79 | 3.79 |
| Allowance for commutation of pension for cash at retirement | 75% of maximum allowance | 75% of maximum allowance |

## 9. Employees (continued)

Mortality assumptions adopted at 31 March 2024 imply the following life expectancies at the age of 65:

| | 2024 |
|---|---|
| Male retiring in 2024 | 20.5 |
| Female retiring in 2024 | 23.0 |
| Male retiring in 2044 | 21.8 |
| Female retiring in 2044 | 24.4 |

### WANDSWORTH COUNCIL PENSION FUND (WCPF)

The Wandsworth Council Pension Fund is a multi-employer scheme, which is administered by Wandsworth Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. RHP was part of the London Borough of Richmond Upon Thames Pension Fund which has now merged with the Wandsworth Council Pension Fund, and so Richmond Housing Partnership participates in the merged Wandsworth Council Pension Fund. This scheme is now closed to future accrual with a deficit management agreement in place with the scheme which enables RHP's share of the deficit to be managed without triggering a termination debt. We have used our office building as security to effectively manage future deficit contributions.

| | 2024 % | 2023 % |
|---|---|---|
| Rate of increase in pensions in payment | 2.90 | 2.85 |
| Discount rate | 4.85 | 4.80 |

| FAIR VALUE OF EMPLOYER ASSETS: | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Equities | 8,124 | 7,175 |
| Other bonds | 2,099 | 2,033 |
| Property | 1,792 | 1,670 |
| Cash | 489 | 497 |
| Multi asset fund | 1,414 | 1,316 |
| **Total fair value of employer assets** | **13,918** | **12,691** |

## 9. Employees (continued)

| LIFE EXPECTANCY FROM AGE 65 (YEARS): | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Retiring today** | | |
| Males | 20.8 | 21.1 |
| Females | 23.3 | 23.5 |
| **Retiring in 20 years** | | |
| Males | 22.0 | 22.3 |
| Females | 24.7 | 25.0 |

The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110%. These base tables are then projected using the CMI 2022 model allowing for long term rate of improvement of 1.25%, smoothing parameter of 7.0 and a 2022 weighting of 25%.

| NET PENSION ASSET/(LIABILITY) AS AT: | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Present Value of funded liabilities | (10,929) | (11,093) |
| Fair value of employer assets (bid value) | 13,918 | 12,691 |
| Surplus | 2,989 | 1,598 |
| Impact of asset ceiling | (2,989) | (1,598) |
| **Net defined liability** | - | - |

| THE AMOUNTS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME ARE AS FOLLOWS: | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Net interest on the defined pension liability | 1 | 60 |
| Admin expenses | 8 | 7 |
| **Total charged to current year Statement of Comprehensive Income** | **9** | **67** |

| RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Opening defined benefit obligation | 11,093 | 15,809 |
| Experience gain on defined benefit obligations | 44 | 1,012 |
| Interest cost | 519 | 407 |
| Change in financial assumptions | (1) | (5,095) |
| Change in demographic assumptions | (147) | (703) |
| Estimated benefits paid | (579) | (337) |
| **Closing defined benefit obligation** | **10,929** | **11,093** |

## 9. Employees (continued)

| RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF EMPLOYER ASSETS | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Opening fair value of employer assets | 12,691 | 13,494 |
| Other actuarial gains | - | 17 |
| Contributions by the employer | - | 42 |
| Estimated benefits paid | (579) | (337) |
| Interest on assets | 595 | 347 |
| Admin expenses | (8) | (7) |
| Return on assets less interest | 1,219 | (865) |
| **Closing fair value of employer assets** | **13,918** | **12,691** |

The total return on the fund assets for the year to 31 March 2024 is £1,814k (2023: (£518k)).

| RECONCILIATION OF ASSET CEILING | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Opening impact of asset ceiling | 1,598 | - |
| Interest on impact of asset ceiling | 77 | - |
| Actuarial losses/(gains) | 1,314 | 1,598 |
| **Closing impact of asset ceiling** | **2,989** | **1,598** |

## 10. Board members and executive directors

The executive directors are the key management personnel for RHP and the Group. Their emoluments (salaries, bonuses, and benefits in kind) are disclosed below together with those of non-executive Board Members.

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| Executive directors' emoluments | 739 | 816 | 739 | 736 |
| Pension contributions in respect of services as directors | 74 | 79 | 74 | 68 |
| Amounts paid to non-executive directors | 105 | 102 | 82 | 82 |
| **Total** | **918** | **997** | **895** | **886** |

The total amount payable to the Chief Executive, who is a Board member and is the highest paid director in respect of emoluments was £214k (2023: £195k). The pension entitlement of the Chief Executive is identical to those of other members.

The remuneration of the Chief Executive per housing unit owned or managed was £22 (2023: £19). The aggregate remuneration paid to all executive directors per housing unit owned or managed was £92 (2023: £97).

The full time equivalent number of employees who received remuneration (including directors) earning over £60k (including salaries, bonuses and benefit in kind but excluding pension contributions) is shown below:

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| £60,000 - £69,999 | 15 | 12 | 13 | 12 |
| £70,000 - £79,999 | 9 | 2 | 8 | 2 |
| £80,000 - £89,999 | 3 | 4 | 3 | 4 |
| £90,000 - £99,999 | 4 | 5 | 4 | 5 |
| £100,000 - £109,000 | 1 | 2 | - | 2 |
| £110,000 - £119,000 | 2 | 2 | 2 | 1 |
| £140,000 - £149,999 | 1 | - | 1 | - |
| £150,000 - £159,999 | 1 | 1 | 1 | 1 |
| £160,000 - £169,999 | 1 | 1 | 1 | 1 |
| £170,000 - £179,999 | - | 1 | - | 1 |
| £190,000 - £199,999 | 1 | - | 1 | - |

## 11. Taxation

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| **UK CORPORATION TAX** | **2024 £'000** | **RESTATED 2023 £'000** | **2024 £'000** | **RESTATED 2023 £'000** |
| Surplus on ordinary activities before tax | 9,613 | 11,173 | 9,085 | 10,610 |
| Surplus on ordinary activities multiplied by the effective rate of: | | | | |
| Corporation tax in the UK of 25% (2023:19%) | 2,403 | 2,123 | 2,271 | 2,016 |
| Exempt from corporation tax | (2,403) | (2,123) | (2,271) | (2,016) |
| **Current tax charge for the year** | - | - | - | - |

The prior year restatement relates to the treatment of disposal proceeds transferred to the Trust Deed Account as detailed in note 33.

## 12. Tangible fixed assets - housing properties

| GROUP | PROPERTIES HELD FOR LETTING Completed £'000 | PROPERTIES HELD FOR LETTING Under construction £'000 | SHARED OWNERSHIP PROPERTIES Completed £'000 | SHARED OWNERSHIP PROPERTIES Under construction £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Historic cost** | | | | | |
| At 1 April 2023 | 417,822 | 61,537 | 30,469 | 20,516 | 530,344 |
| Works to existing properties | 13,294 | - | 1 | - | 13,295 |
| Additions – construction costs | - | 20,207 | - | 6,344 | 26,551 |
| Schemes completed | 31,481 | (31,481) | 13,419 | (13,419) | - |
| Reclassifications | - | 8,982 | - | (8,982) | - |
| Disposals | (109) | - | (907) | - | (1,016) |
| Disposals - components | (1,043) | - | - | - | (1,043) |
| **At 31 March 2024** | **461,445** | **59,245** | **42,982** | **4,459** | **568,131** |
| **Depreciation** | | | | | |
| At 1 April 2023 | 78,728 | - | 42 | - | 78,770 |
| Depreciation charged in year | 7,238 | - | - | - | 7,238 |
| Released on disposal | (46) | - | (2) | - | (48) |
| Released on disposal – components | (879) | - | - | - | (879) |
| **At 31 March 2024** | **85,041** | **-** | **40** | **-** | **85,081** |
| **Impairment** | | | | | |
| At 1 April 2023 | 1,503 | - | 235 | 2,376 | 4,114 |
| Transfer from properties held for sale | - | - | - | - | - |
| Schemes Completed | - | - | 2,376 | (2,376) | - |
| Charge for the year | - | - | - | - | - |
| Released in the year | - | - | (293) | - | (293) |
| **At 31 March 2024** | **1,503** | **-** | **2,318** | **-** | **3,821** |
| **Net Book Value** | | | | | |
| **At 31 March 2024** | **374,901** | **59,245** | **40,624** | **4,459** | **479,229** |
| At 31 March 2023 | 337,591 | 61,537 | 30,192 | 18,140 | 447,460 |

The impairment relates to the social rented and shared ownership units at Onslow Mills and Staines Road and is detailed in note 1b significant judgements and estimates.

## 12. Tangible fixed assets - housing properties

| ASSOCIATION | PROPERTIES HELD FOR LETTING | | SHARED OWNERSHIP PROPERTIES | | |
|---|---|---|---|---|---|
| | **Completed £'000** | **Under construction £'000** | **Completed £'000** | **Under construction £'000** | **Total £'000** |
| **Historic Cost** | | | | | |
| At 1 April 2023 | 392,891 | 59,743 | 30,469 | 20,516 | 503,619 |
| Works to existing properties | 12,884 | - | 1 | - | 12,885 |
| Additions – construction costs | - | 18,287 | - | 6,344 | 24,631 |
| Schemes completed | 27,771 | (27,771) | 13,419 | (13,419) | - |
| Reclassification | - | 8,982 | - | (8,982) | - |
| Disposals | (109) | - | (907) | - | (1,016) |
| Disposals - components | (935) | - | - | - | (935) |
| **At 31 March 2024** | **432,502** | **59,241** | **42,982** | **4,459** | **539,184** |
| **Depreciation** | | | | | |
| At 1 April 2023 | 73,740 | - | 42 | - | 73,782 |
| Depreciation charged in year | 6,834 | - | - | - | 6,834 |
| Released on disposal | (46) | - | (2) | - | (48) |
| Released on disposal – components | (808) | - | - | - | (808) |
| **At 31 March 2024** | **79,720** | **-** | **40** | **-** | **79,760** |
| **Impairment** | | | | | |
| At 1 April 2023 | 1,503 | - | 235 | 2,376 | 4,114 |
| Reclassification | - | - | - | - | - |
| Schemes Completed | - | - | 2,376 | (2,376) | - |
| Charge for the year | - | - | - | - | - |
| Released in the year | - | - | (293) | - | (293) |
| **At 31 March 2024** | **1,503** | **-** | **2,318** | **-** | **3,821** |
| **Net book value** | | | | | |
| **At 31 March 2024** | **351,279** | **59,241** | **40,624** | **4,459** | **455,603** |
| At 31 March 2023 | 317,648 | 59,743 | 30,192 | 18,140 | 425,723 |

The impairment relates to the social rented and shared ownership units at Onslow Mills and Staines Road and is detailed in note 1b significant judgements and estimates.

## 12. Tangible fixed assets - housing properties (continued)

| HOUSING PROPERTIES | GROUP 2024 £'000 | GROUP 2023 £'000 | ASSOCIATION 2024 £'000 | ASSOCIATION 2023 £'000 |
|---|---|---|---|---|
| Freehold | 442,606 | 416,353 | 421,277 | 396,856 |
| Long leasehold | 36,623 | 31,107 | 34,326 | 28,867 |
| **Total housing properties** | **479,229** | **447,460** | **455,603** | **425,723** |

| INTEREST CAPITALISATION | GROUP 2024 £'000 | GROUP 2023 £'000 | ASSOCIATION 2024 £'000 | ASSOCIATION 2023 £'000 |
|---|---|---|---|---|
| Interest capitalised in the year | 1,457 | 1,544 | 1,457 | 1,544 |
| Cumulative interest capitalised to date | 10,778 | 9,303 | 10,778 | 9,303 |
| Effective interest rate used on interest capitalised in the year | 3.11% | 3.11% | 3.11% | 3.11% |

## 13. Other fixed assets

| GROUP | Freehold office £'000 | Temporary social housing improvements £'000 | Furniture, fixtures & fittings £'000 | Computers, office equipment & vehicles £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 April 2023 | 7,354 | 100 | 2,647 | 842 | 10,943 |
| Transferred from investment properties | (283) | - | - | - | (283) |
| Additions | - | - | 255 | 233 | 488 |
| Reclassification | - | - | - | - | - |
| **At 31 March 2024** | **7,071** | **100** | **2,902** | **1,075** | **11,148** |
| **Depreciation & Impairment** | | | | | |
| At 1 April 2023 | 1,850 | 94 | 2,089 | 642 | 4,675 |
| Transferred from investment properties | (71) | - | - | - | (71) |
| Charged in the year | 29 | 1 | 120 | 151 | 301 |
| **At 31 March 2024** | **1,808** | **95** | **2,209** | **793** | **4,905** |
| **Net book value** | | | | | |
| **At 31 March 2024** | **5,263** | **5** | **693** | **282** | **6,243** |
| At 31 March 2023 | 5,504 | 6 | 558 | 200 | 6,268 |

| ASSOCIATION | Freehold offices £'000 | Furniture, fixtures & fittings £'000 | Computers, office equipment & vehicles £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2023 | 7,354 | 2,543 | 760 | 10,657 |
| Transferred to investment properties | (283) | - | - | (283) |
| Additions | - | 255 | 233 | 488 |
| Reclassification | - | - | - | - |
| **At 31 March 2024** | **7,071** | **2,798** | **993** | **10,862** |
| **Depreciation & Impairment** | | | | |
| At 1 April 2023 | 1,850 | 1,958 | 592 | 4,400 |
| Transferred to investment properties | (71) | - | - | (71) |
| Charged in the year | 29 | 118 | 151 | 298 |
| **At 31 March 2024** | **1,808** | **2,076** | **743** | **4,627** |
| **Net book value** | | | | |
| **At 31 March 2024** | **5,263** | **722** | **250** | **6,235** |
| At 31 March 2023 | 5,504 | 585 | 168 | 6,257 |

## 14. Intangible fixed assets

| GROUP & ASSOCIATION | Computer software £'000 |
|---|---|
| **Cost** | |
| At 1 April 2023 | 8,917 |
| Additions | 1,205 |
| **At 31 March 2024** | **10,122** |
| **Amortisation** | |
| At 1 April 2023 | 3,919 |
| Charged in the year | 1,719 |
| **At 31 March 2024** | **5,638** |
| **Net book value** | |
| **At 31 March 2024** | **4,484** |
| At 31 March 2023 | 4,998 |

## 15. Investment properties

| GROUP & ASSOCIATION | £'000 |
|---|---|
| At 1 April 2023 | 6,657 |
| Transferred to other fixed assets | 212 |
| Additions | - |
| Movement in fair value | (1,131) |
| **At 31 March 2024** | **5,738** |

RHP's investment properties are the commercial element of the office building and a small portfolio of shops. These were valued as at 31 March 2024 by Savills, professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

In valuing the commercial element of 8 Waldegrave Road, the investment method was adopted with the Net Initial Yield assumed at 4.98% and the Equivalent Yield assumed at 12.78%. This reflects a capital value of around £176 psf. The valuation represents a reduction in the year that reflects current levels of demand in the South East commercial rental market.

The remaining commercial properties have been valued on the basis of the existing commercial use, and a variety of capitalisation rates have been adopted dependent upon the characteristics of the individual assets. These are described in the relevant sections of the valuation report prepared by Savills.

## 16. Investments

The financial statements consolidate the results of RHP Finance Plc and Co-op Homes (South) Limited (a Registered Provider), RHP Develop Ltd and RHP Home (Repairs) Ltd.

The Association has the right to appoint members to the Boards of the four subsidiaries and thereby exercise control over them. RHP is the ultimate parent undertaking.

The Association exerts control over Co-op Homes (South) Limited by nature of its intercompany loan agreements and governance arrangements. As at 31 March 2024 the Association held one £5 share in Co-op Homes (South) Limited.

RHP Finance Plc raises finance for the use of RHP and its subsidiaries. It is a company limited by shares with 100% shares held by the Association. As at 31 March 2024, the Association had part-subscribed to all 50,000 £1 shares for £0.25p a share for a total of £12,500.

RHP Home (Repairs) Ltd was incorporated on 13 April 2018 and commenced trading in June 2023. The Company provides repairs for RHP managed properties. As at 31 March 2024 the Association held one £1 share in the Company.

RHP Develop Ltd was incorporated on 28 March 2018 and started trading in 2020. The Company provides development services for the Group. As at 31 March 2024 the Association held one £1 share in the Company.

| ASSOCIATION | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Investment in RHP Finance Plc | 13 | 13 |
| Investment in RHP Home (Repairs) Limited | - | - |
| Investment in RHP Develop Limited | - | - |
| Investment in Co-op Homes Limited | - | - |
| **Total** | **13** | **13** |

## 17. Properties held for sale

| GROUP & ASSOCIATION | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Shared ownership properties:** | | |
| Work in progress | 313 | 7,868 |
| Completed properties held for sale | 4,820 | 136 |
| Impairment | (1,409) | (1,116) |
| **At 31 March** | **3,724** | **6,888** |
| **Capitalised interest included in the above** | **224** | **524** |

The impairment relates to units at Onslow Mills and Staines Road and is detailed in note 1b significant judgements and estimates.

## 18. Trade and other debtors

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **RESTATED 2023 £'000** | **2024 £'000** | **RESTATED 2023 £'000** |
| **Debtors receivable within one year** | | | | |
| Rent and service charges receivable | 3,660 | 3,024 | 3,343 | 2,775 |
| Less: provision for bad and doubtful debts | (1,016) | (1,057) | (818) | (873) |
| | **2,644** | **1,967** | **2,525** | **1,902** |
| Other debtors | 2,442 | 4,636 | 1,870 | 4,314 |
| Amount owed by subsidiary undertakings | - | - | 4,199 | 1,750 |
| Prepayments and accrued income | 3,384 | 3,042 | 3,280 | 2,929 |
| **Total Debtors** | **8,470** | **9,645** | **11,874** | **10,895** |

The Association provided Co-op Homes (South) Limited with a revolving loan facility of £11m taking effect from 1 April 2021 and expiring in 2026. This is secured via a floating charge over Co-op Homes' assets. At 31 March 2024, £2.2m had been drawn down.

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 34.

## 19. Creditors: amounts falling due within one year

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| Bank loans (Note 21) | 42 | 35 | - | - |
| Trade creditors | 397 | 871 | 309 | 411 |
| Rent and service charges received in advance | 2,113 | 2,328 | 1,959 | 2,167 |
| Recycled capital grant fund (Note 22) | 35 | 83 | 35 | 83 |
| Deferred capital grant (Note 23) | 559 | 546 | 425 | 412 |
| Amounts owed to subsidiary undertakings | - | - | 2,114 | 1,666 |
| Other creditors | 3,116 | 3,628 | 2,447 | 3,078 |
| Accruals and deferred income | 19,484 | 18,083 | 17,855 | 16,718 |
| **Total** | **25,746** | **25,574** | **25,144** | **24,535** |

## 20. Creditors: amounts falling due after more than one year

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | 2024 £'000 | RESTATED 2023 £'000 | 2024 £'000 | RESTATED 2023 £'000 |
| Bank loans and borrowings (Note 21) | 292,621 | 293,388 | 21,794 | 21,663 |
| Recycled Capital Grant Fund (Note 22) | 227 | 152 | 227 | 82 |
| Amount owed to subsidiary undertaking | - | - | 270,748 | 271,619 |
| Deferred temporary social housing grant | 3 | 3 | - | - |
| Deferred income | 2,979 | 2,979 | 2,979 | 2,979 |
| Deferred capital grant (Note 23) | 48,760 | 48,983 | 39,263 | 39,352 |
| Commercial deposits | 88 | 88 | 88 | 88 |
| **Total** | **344,678** | **345,593** | **335,099** | **335,783** |

The restatement of the prior year relates to the treatment of Trust Deed Account funds as detailed in note 34.

## 21. Loans and borrowings

| GROUP 2024 | Bank loans £'000 | 2048 Bond £'000 | Total £'000 |
|---|---|---|---|
| In one year or less, or on demand | 42 | - | 42 |
| In more than one year but not more than two years | 1 | - | 1 |
| In more than two years but not more than five years | 23,003 | - | 23,003 |
| More than five years | 75 | 250,000 | 250,075 |
| | **23,121** | **250,000** | **273,121** |
| Capitalised finance costs | (1,206) | - | (1,206) |
| Capitalised bond premium and issue costs | - | 20,748 | 20,748 |
| **Total loans and borrowings** | **21,915** | **270,748** | **292,663** |

| GROUP 2023 | Bank loans £'000 | 2048 Bond £'000 | Total £'000 |
|---|---|---|---|
| In one year or less, or on demand | 35 | - | 35 |
| In more than one year but not more than two years | 31 | - | 31 |
| In more than two years but not more than five years | 23,002 | - | 23,002 |
| More than five years | 73 | 250,000 | 250,073 |
| | **23,141** | **250,000** | **273,141** |
| Capitalised finance costs | (1,337) | - | (1,337) |
| Capitalised bond issue costs | - | 21,619 | 21,619 |
| **Total loans and borrowings** | **21,804** | **271,619** | **293,423** |

## 21. Loans and borrowings (continued)

| ASSOCIATION 2024 | Bank loans £'000 | Loan from RHP Finance Plc £'000 | Total £'000 |
|---|---|---|---|
| In one year or less, or on demand | - | - | - |
| In more than one year but not more than two years | - | - | - |
| In more than two years but not more than five years | 23,000 | - | 23,000 |
| More than five years | - | 250,000 | 250,000 |
| | **23,000** | **250,000** | **273,000** |
| Capitalised finance costs | (1,206) | - | (1,206) |
| Capitalised bond premium and issue costs | - | 20,748 | 20,748 |
| **Total loans and borrowings** | **21,794** | **270,748** | **292,542** |

| ASSOCIATION 2023 | Bank loans £'000 | Loan from RHP Finance Plc £'000 | Total £'000 |
|---|---|---|---|
| In one year or less, or on demand | - | - | - |
| In more than one year but not more than two years | - | - | - |
| In more than two years but not more than five years | 23,000 | - | 23,000 |
| More than five years | - | 250,000 | 250,000 |
| | **23,000** | **250,000** | **273,000** |
| Capitalised finance costs | (1,337) | - | (1,337) |
| Capitalised bond issue costs | - | 21,619 | 21,619 |
| **Total loans and borrowings** | **21,663** | **271,619** | **293,282** |

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

The 2048 bond was issued by RHP Finance Plc with the proceeds on-lent to RHP under the terms of a loan agreement at a coupon rate of 3.25%. In respect of the listed bond, the amount drawn reflects the net proceeds received. The premium received is held as a loan obligation and released to income annually until maturity

Our £23m drawn facility with Lloyds is at a fixed interest rate. The total revolving credit facility with Lloyds for £120m expires in December 2027. We will draw down the £30m term loan facility with NatWest in 2024/25. This matures in 2038.

At 31 March 2024 the Group had undrawn fully secured loan facilities of £127m (2023: £127m) plus £25m of retained bonds which could be sold to investors.

## 22. Recycled capital grant fund

| GROUP | 2024 £'000 | 2023 £'000 |
|---|---|---|
| At 1 April | 235 | 191 |
| Grant recycled on disposals (Note 23) | 144 | 43 |
| Repaid in the year | (59) | - |
| Utilised in the year | (70) | - |
| Interest accrued in the year | 12 | 1 |
| **Balance at 31 March** | **262** | **235** |

| ASSOCIATION | 2024 £'000 | 2023 £'000 |
|---|---|---|
| At 1 April | 165 | 121 |
| Grant recycled on disposals (Note 23) | 144 | 43 |
| Repaid in the year | (59) | - |
| Utilised in the year | - | - |
| Interest accrued in the year | 12 | 1 |
| **Balance at 31 March** | **262** | **165** |

## 23. Deferred capital grant

| | GROUP £'000 | ASSOCIATION £'000 |
|---|---|---|
| At 1 April 2023 | 49,529 | 39,765 |
| Grant received in the year | 392 | 392 |
| Write back of amortised grant | 8 | 8 |
| Grant recycled on disposals (Note 22) | (144) | (144) |
| Released to income in the year | (466) | (333) |
| **At 31 March 2024** | **49,319** | **39,688** |
| | | |
| Due within one year | 559 | 425 |
| Due after more than one year | 48,760 | 39,263 |
| **At 31 March 2024** | **49,319** | **39,688** |

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| Total accumulated social housing grant received or receivable at 31 March | 54,672 | 54,424 | 42,570 | 42,322 |

## 24. Financial assets and liabilities

Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition, less principal repayments and plus or minus any amortised original premium or discount (calculated using the effective interest rate method).

### BOND

The bond is accounted for as a basic financial instrument. Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

### INTERCOMPANY LOAN

Co-op Homes have an £11m revolving facility at a margin of 1.23%. RHP has issued a working capital loan to RHP Develop Ltd of £1,250k at a margin of 0.87%. RHP has also issued a working capital loan to RHP Home (Repairs) Ltd of £500k at a margin of 1.025%.

### FINANCIAL RISKS

The Group has a variety of controls in place to manage liquidity risk, credit risk, and exchange risk and minimise financial loss. The most important aspects are:

- For investments, where viable, all counterparties must meet the Group's minimum credit rating of A-1 long term and P-1 short term.
- There is no speculative use of derivatives, currency or other instruments.

The debt maturity profile is shown in note 21.

The fixed rate financial liabilities have a weighted average interest rate of 2.58% at 31 March 2024 (2023: 2.58%).

### LIQUIDITY RISK

A detailed action plan for arrears and Universal Credit is being delivered. We continue to adopt a flexible approach for customers unable to pay their rent due to the challenging economic conditions currently faced. Our focus continues on cost reduction and liquidity management in order to mitigate these risks as far as possible.

A robust process of cashflow forecasting is in place which covers the short, medium and long term requirements in order that liquidity requirements can be actively managed. We have carried out additional stress testing as a result of the current economic situation. Our treasury management policy requires cash or available loan facilities for committed activities to be in place 12-18 months in advance of anticipated need with cashflow forecasts being reported monthly to the Executive Group and quarterly to the Board.

### FOREIGN CURRENCY RISK

Other than short-term debtors, the Group's financial assets comprise cash held in deposit accounts and cash at bank. They are sterling denominated and attract interest at rates that vary with bank rates.

### CAPITAL RISK MANAGEMENT

All our debt agreements (bond and loan agreements) contain financial and information-based covenants which we are obliged to comply with. The bond contains financial covenants relating to asset cover whilst the loan agreements contain interest cover, gearing and asset cover-based covenants.

Compliance with funder covenants are closely monitored and are reported within the monthly management accounts and quarterly reports to the Group Investment Committee. We are not anticipating any breach in banking covenants as a result of the recent economic uncertainty.

Our debt portfolio and minimum cash balance requirements ensure that we have sufficient liquidity at low rates of interest to deliver our committed development ambitions and keep our business safe. The Group is fully funded until at least December 2027.

Our strong underlying credit rating and broader investor base now provide greater diversification of funding options for the organisation going forward. We have been scenario modelling frequently as a result of the recent economic turbulence and do not anticipate any breach of our loan covenants in any of the realistic scenarios considered.

### INTEREST RATE RISK

The Group has minimal exposure to interest fluctuations due to 100% of its debt being at fixed rates (£250m bond and £23m fixed rate loan).

## 25. Net debt reconciliation

| GROUP | Restated 1 April 2023 £'000 | Cash flows £'000 | Non Cash Movements £'000 | 31 March 2024 £'000 |
|---|---|---|---|---|
| **Cash and cash equivalents:** | | | | |
| Cash and cash equivalents | 40,680 | (12,747) | - | 27,933 |
| | **40,680** | **(12,747)** | **-** | **27,933** |
| **Borrowings**: | | | | |
| Loans due within one year | (35) | 20 | (27) | (42) |
| Loans due after one year | (23,106) | - | 27 | (23,079) |
| Bond finance | (250,000) | - | - | (250,000) |
| Loan and bond arrangement fees | 2,592 | 93 | (275) | 2,410 |
| Bond discount | 1,054 | - | (42) | 1,012 |
| Bond premium | (23,928) | - | 964 | (22,964) |
| | **(293,423)** | **113** | **647** | **(292,663)** |
| **Total net debt** | **(252,743)** | **(12,634)** | **647** | **(264,730)** |

## 26. Provision for liabilities

| PROVISION FOR END OF LEASE DILAPIDATIONS COSTS | GROUP £'000 |
|---|---|
| As at 1 April 2023 | 94 |
| Paid in year | - |
| **At 31 March 2024** | **94** |

Provisions relate to costs associated with the upkeep of properties under repair covenants entered by Co-op Homes. Co-op Homes accounts for these costs in accordance with FRS 102 (provisions and contingencies) which requires a provision to be recognised when there is an obligation at the reporting date regarding works or repairs at the related property.

## 27. Members

The Association is a charitable registered society and therefore has no equity share capital. Each member agrees to contribute £1 in the event of the Association winding up.

| NUMBER OF MEMBERS | 2024 | 2023 |
|---|---|---|
| **At 1 April** | 21 | 21 |
| Joining during the year | 2 | 2 |
| Leaving during the year | (3) | (2) |
| **At 31 March 2024** | **20** | **21** |

## 28. Leases

Operating lease payments amounting to £141k (2023: £103k) are due within one year. The leases to which this relates are as follows:

| GROUP | 2024 Land & buildings £'000 | 2024 Vehicles, office equipment & computers £'000 | 2024 Total £'000 | 2023 Land & buildings £'000 | 2023 Vehicles, office equipment & computers £'000 | 2023 Total £'000 |
|---|---|---|---|---|---|---|
| **Lease payments** | | | | | | |
| Within one year | 9 | 132 | 141 | 15 | 88 | 103 |
| One to five years | 5 | 113 | 118 | 34 | 87 | 121 |
| Beyond five years | - | - | - | 6 | - | 6 |
| **Total** | **14** | **245** | **259** | **55** | **175** | **230** |

| ASSOCIATION | 2024 Land & buildings £'000 | 2024 Vehicles, office equipment & computers £'000 | 2024 Total £'000 | 2023 Land & buildings £'000 | 2023 Vehicles, office equipment & computers £'000 | 2023 Total £'000 |
|---|---|---|---|---|---|---|
| **Lease payments** | | | | | | |
| Within one year | - | 132 | 132 | - | 88 | 88 |
| One to five years | - | 113 | 113 | - | 87 | 87 |
| Beyond five years | - | - | - | - | - | - |
| **Total** | **-** | **245** | **245** | **-** | **175** | **175** |

## 29. Capital commitments

| | GROUP | | ASSOCIATION | |
|---|---|---|---|---|
| | **2024 £'000** | **2023 £'000** | **2024 £'000** | **2023 £'000** |
| **Commitments contracted but not yet provided for:** | | | | |
| Construction or purchase of housing properties | 89,291 | 98,763 | 84,291 | 98,763 |
| **Commitments approved by the Board but not yet contracted for:** | | | | |
| Construction or purchase of housing properties | 13,442 | 13,482 | 13,442 | 13,482 |
| **Total capital commitments** | **102,733** | **112,245** | **97,733** | **112,245** |
| **Capital commitments for the Group and Association will be funded as follows:** | | | | |
| Social Housing Grant | 35,349 | 30,923 | 35,349 | 30,923 |
| Cash and cash equivalents | 25,985 | 40,680 | 25,985 | 40,680 |
| Cash Investments | - | 5,000 | - | 5,000 |
| Borrowings | 41,399 | 35,642 | 36,399 | 35,642 |
| **Total capital commitments** | **102,733** | **112,245** | **97,733** | **112,245** |

## 30. Contingent liabilities

In 2017, 195 housing properties were acquired from another housing association. These properties have been accounted for using the performance model as required by SORP 2018. The associated grant of £6.033m has been recognised as a contingent liability to RHP. This contingent liability will be realised if the assets to which the grant relates are disposed and will be recycled appropriately.

The company participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. SHPS is administered by The Pensions Trust (TPT) who have undertaken an historical review of the application of benefits and have concerns about the application of changes in inflation on payments and revaluation and have applied to the courts for a review of their historical approach. At this stage we do not have certainty on the potential outcome of this court case, however early indications suggest a potential additional liability for RHP Group of £697k (£545k Association only).

## 31. Related parties

During the year there were two tenants, Felice Webbe and Alex Molnar, and one leaseholder, Shabana Jamil, who were members of the Board.  Ms Webbe paid £140.85 per week (2023: £131.64 per week) and had no amounts outstanding to RHP at 31 March 2024. Mr Molnar paid £227.39 per week (2023: £211.94 per week). Mr Molnar resigned as a board member during the year and had no amounts outstanding to RHP at 31 March 2024 (2023: £nil). Ms Jamil paid service charges of £2,641.21 (2023: £1,273.68) and had no amounts outstanding to RHP at 31 March 2024. The tenancies and lease are on normal commercial terms and none of these individuals were able to use their position to their advantage.

Co-op Homes (South) Limited and RHP are both regulated by the Regulator of Social Housing.

### TRANSACTIONS WITH UNREGULATED SUBSIDIARIES

RHP Finance Plc is an unregulated subsidiary of the Group. In 2015 RHP invested £12.5k in the share capital of its non-regulated subsidiary and received a £138.6m loan from this entity at a coupon rate of 3.25%. Audit fees of £6k and other administrative expenses of RHP Finance Plc are borne by RHP, the immediate and ultimate parent undertaking.

RHP Home (Repairs) Ltd was incorporated as a subsidiary of RHP on 13 April 2018 and started trading in June 2023. As at 31 March 2024 the Association held one £1 share in the Company. RHP Home (Repairs) Ltd has a working capital facility of £1m agreed with its parent, RHP Ltd. At 31 March 2024, £500k had been utilised. Interest is payable quarterly at 1.025% margin plus 3-month compounded SONIA plus 0.1193% credit adjustment spread.

RHP Develop Ltd was incorporated as a subsidiary of RHP on 28 March 2018 and started trading in 2020. As at 31 March 2024 the Association held one £1 share in the Company. RHP Develop Ltd has a working capital facility of £2m agreed with its parent, RHP Ltd. At 31 March 2024, £1,250k had been utilised (2023: £750k). Interest is payable quarterly at 0.87%.

## 32. Post balance sheet events

On 21 June 2024 we exchanged contracts for the acquisition of 201 social housing properties. The units are currently owned by another housing association and are all located within our existing geographical area. The transaction is for £22m and we are expecting to bring the units within our management in September 2024.

## 33. Prior year adjustment

The Trust Deed Account holds funds from staircasings or disposals on the open market of properties that were included in the Transfer Agreement between RHP and London Borough of Richmond upon Thames (LBRUT). The funds can be used by RHP for future Affordable Housing developments and has historically been held by LBRUT. In 2022/23 an agreement was made whereby the funds would be held by RHP in a separate Trust Account. Disposals in 2022/23 generated £464k of proceeds that were recognised in the year as a gain on disposal. In 2023/24 the cumulative fund value of £2.5m was transferred from LBRUT to RHP.

This has generated a prior year adjustment as the funds relate to historic disposals. The adjustment in the prior year recognises the £2.5m as a debtor and also reduces the gain on disposals by the £464k in the year. The cumulative fund value of £3m is recognised as deferred income.

| RESTATEMENT OF OPERATING SURPLUS | GROUP £'000 | ASSOCIATION £'000 |
|---|---|---|
| Operating surplus for the year to 31 March 2023 | 18,647 | 17,967 |
| Proceeds from disposals transferred to deferred income | (464) | (464) |
| **Restated operating surplus at 31 March 2023** | **18,183** | **17,503** |

| RESTATEMENT OF TRADE AND OTHER DEBTORS | GROUP £'000 | ASSOCIATION £'000 |
|---|---|---|
| Balance at 1 April 2022 | 7,130 | 8,380 |
| Trust Deed Account fund held by London Borough of Richmond upon Thames | 2,515 | 2,515 |
| **Restated balance at 1 April 2022** | **9,645** | **10,895** |

| RESTATEMENT OF CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | GROUP £'000 | ASSOCIATION £'000 |
|---|---|---|
| Balance at 1 April 2022 | (342,614) | (332,804) |
| Funds generated from disposals in the year | (464) | (464) |
| Trust Deed Account fund held by London Borough of Richmond upon Thames | (2,515) | (2,515) |
| **Restated balance at 1 April 2022** | **(345,593)** | **(335,783)** |