ANNUAL REPORT & STATEMENT OF ACCOUNTS

Year ended 31 March 2022

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

Annual Report 2021-22:

What's inside our annual report

Annual Report 2021-22:

Board, Executive Directors and Advisors

Charitable Registered Society number	30939R
Regulator of Social Housing registration number	L4279
Registered Office	8 Waldegrave Road, Teddington, Middlesex, TW11 8GT
Board	Abolade Abisogun OBE (appointed 30 March 2022) Suzanne Avery Simon Devonshire OBE (Chair) (appointed 28 July 2021, resigned 22 June 2022) David Done OBE Jane Gallifent Shabana Jamil (appointed 30 March 2022) Jenine Langrish (Senior Independent Director) Christopher Ling Alex Molnar John Newbury (Chair) (resigned 28 July 2021) Toby D'Olier Antonio Shabbir (observer) (appointed 30 March 2022) Stephen Speak Nigel Taylor (Senior Independent Director) (resigned 28 July 2021) Sarah Weller
Chief Executive	David Done OBE
Secretary	Lucy Graley
Executive Directors	Corinna Bishopp (Executive Director of Finance) Julian Chun (Executive Director of Homes) – appointed 6 June 2022 Peter Cogan (Executive Director of Customer Services) – resigned 17 September 2021 Lucy Graley (Executive Director of Customer Services) – appointed 4 April 2022 (previously Executive Director of People and Business Services) Stephen Skuse (Interim Executive Director of Development) – appointed 7 December 2021, resigned 9 June 2022 Tim Willcocks (Executive Director of Development) – resigned 6 January 2022
Auditors	BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA
Legal Status	The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing (RSH) as a housing provider.

Chief Executive's report:

I am pleased to present another year of strong financial performance.

David Done OBE
Group Chief Executive

Our focus as an organisation is on the future and the delivery of our new 5 year strategy, including supporting our customers in this time of economic hardship and continuing to strive to deliver exceptional customer service as consumer needs change. It is also important to look back on the recent year, celebrate our successes and review where we are aiming to improve.

Financial performance

I am pleased to present another year of strong financial performance. Our operating margin and key financial metrics remain healthy and compare positively to our benchmark. Our legacy of careful financial management has enabled the Board to make important strategic choices about where we invest our resources and actively chose to invest more in our existing stock and in our transformation programmes.

Our liquidity and performance against our banking covenants remained strong throughout the year and we were reaffirmed as G1/V1 by the Regulator of Social Housing in December 2021. S&P confirmed our rating as A+, but changed our outlook to negative in June 2022 as a result of our additional investment.

Safety of our customers

The most important area of focus of RHP is in the safety and security of our customers. I am pleased to report we have now completed 3 retrofit sprinkler systems and are approaching the conclusion of this programme.

With our new Fire Risk Assessment contractors we have completed 1,589 remedial actions, and end the year with 24 overdue high actions and 116 overdue medium actions which are now nearing completion. During the year we completed 6,506 gas checks and at the end of the year 39 properties had not completed gas checks, however all were due to access issues and were being appropriately dealt with through the court process. We have installed 165 fire doors and 587 hard wired smoke and heat detection systems in the year.

As a result of the changes in safety requirements following the tragedy of Grenfell, we come to the end of our detailed and robust review of all of our properties and have plans in place for any remaining remedial works.

We are pleased to have again received 5 stars in our review by the British Safety Council and been reaccredited in BS9997 for fire safety.

Chief Executive's report:

Continued investment in our homes

During the year we invested £26m in maintaining and improving our existing homes. This is increasing year on year as we fund safety related works and progress our improvement plan for environmentally sustainable housing. We continue to deliver to our exceptional homes standard for all new customers, whether in a new home or a refurbished one. This includes full decorations and carpeting throughout to ensure that when a customer moves in, they have a place they can immediately call home.

As part of our overall improvement programme to our properties we spent £1.8m on roof replacements and loft insulation and £0.2m on window replacements to increase property energy efficiency. We undertook substantial refurbishment work and spent £1.3m on new kitchens, bathrooms and internal decorations, £0.1m on structural works and installed adaptations in 51 homes to support our less able-bodied customers.

We are approaching completion of our planning phase for energy improvement work, gathering data and forming action plans to determine our delivery of 2030 EPC targets and ultimately net carbon zero.

Customer service – Continual improvement

Throughout 21/22 we have had to work harder to deliver to the expectations of our customers, due to the impact of the pandemic and the availability of resources. We have invested substantial resources and an unwavering focus on bringing our services back to pre-pandemic levels and beyond, but supply chain and labour shortages have continued and resulted in overdue repairs and challenging call centre waiting times. We remain committed to delivering exceptional services and our focus through 2022/23 will be on this.

We are underway with our transformation programme (Rewire) which is focused on:

- Redesign of processes and ways of working based around customer feedback and insight with a drive to being a completely customer centric organisation
- Selection of and migration to a new repairs and maintenance provider in June 2023
- Replacement of underlying technology infrastructure with a modern, agile integrated platform based on CRM
- Redesign of our approach to data to enable a complete transformation of the culture of the organisation to one where good quality, accurate insightful data is at its heart

Our first phase of delivery of a new asset system and the first phase of the procurement exercise were successfully completed in the year and we are excited to build an enduring improvement to the service our customers experience as a result.

> *"During the year we invested £26m in maintaining and improving our existing homes."*

Chief Executive's report:

Development of new homes

Our Ham Close regeneration programme has been progressing well with our partnership with Hill Group. We will deliver a 452-home regeneration in the local area where 50% of these homes will be for affordable housing. Planning permission was submitted in the year.

Although we did not deliver any new homes in the year, the delayed flagship scheme next to our office in Teddington was delivered in early April 2022 and all units were sold off plan.

The development environment remains challenging and our approach cautious. A further impairment has been required at the end of the financial year due to the escalating costs on our Onslow Mills scheme where the contract was terminated with the previous supplier. We are however pleased to report this development is progressing well to completion with a new contractor.

We have excellent relationships with our local partners and are optimistic that we can find new ways of working in the Richmond Borough that will help deliver more homes to those in the most acute need.

Subsequent to year end, one of our development partners working on 2 partially complete developments, DCB Kent, went into administration. We have been in positive and constructive conversations with the provider of the parent company guarantee and although at this stage, we have not concluded the financial or delivery outcome, we are confident that we will reach a positive outcome mitigating as much financial risk as we are able.

Employee engagement

Our focus on exceptional employee engagement has continued all year and we close the year again with excellent employee engagement scores above 90%. Like all employers, we are adapting to the changing needs and requirements of the working environment and employees' expectations and remain committed to a flexible approach. We have however ensured our employees are putting the customer first in their thinking and approach to their working life.

We have had success with our diversity and inclusion strategy in the year. We have reviewed policies and ways of working, recruitment processes and have educated and opened up discussion to enable an enduring culture change. We are particularly excited to report a significant improvement in diversity in our Board during the year and warmly welcome our new Board members.

Looking forwards

After 22 wonderful years of leading the RHP Group, I've made the incredibly hard decision to step down as CEO at the end of the financial year (end of March 2023).

As I'm sure you appreciate, it's not easy for me to leave RHP because it's such a huge part of my life, and I will forever be grateful for the opportunities it's given me. It's been a privilege and absolute joy to be CEO of the Group, which I honestly believe is one of best jobs in the world.

Whilst we operate in uncertain times, I believe RHP is in a strong financial position, has good relationships with its key stakeholders and an excellent culture. I am confident that when I leave the organisation I leave it in great shape and in a strong position to deliver its strategy and vision to its customers.

"We have had success with our diversity and inclusion strategy in the year."

Strategic Report:

A year in review

GROUP TURNOVER
£63m

Group
OPERATING
SURPLUS OF
£16.1 MILLION

SOCIAL HOUSING
Operating
Cost per Unit
£4,803

IIP
PLATINUM
employer

RSH GOVERNANCE
AND VIABILITY
RATING OF
G1/V1

A+ (negative)
CREDIT RATING
(Standard & Poors)

rhp

5★
BRITISH SAFETY
COUNCIL AWARD

BS9997
ACCREDITATION OF OUR
Fire Safety
Management
System

3.9
TRUSTPILOT
SCORE

GLASSDOOR
SCORE
4.9

about RHP Group

Strategic report:

About our Group structure

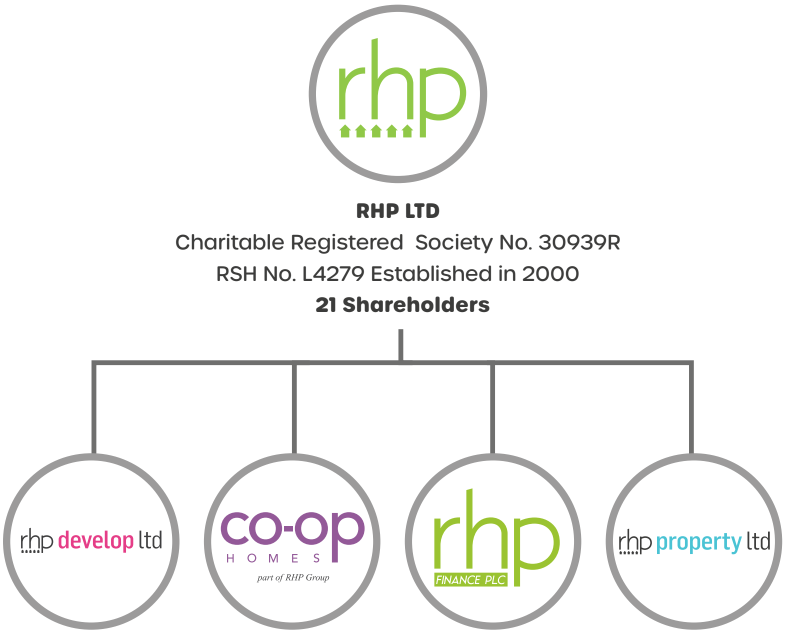
The RHP Group consists of six entities, with RHP (the parent Association) being a Registered Co-operative and Community Benefit Society and a provider of affordable housing.

Group Structure

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 Property Limited, a dormant subsidiary.

Additionally, RHP owns a 50% share in Evolve Housing Limited, a dormant joint venture with Mears. RHP have no directors on the Board.



Evolve Housing Limited, 50% ownership

RHP's Four Subsidiaries

Wholly owned subsidiary
Co-operative and Community Benefit Society No. 25197R
RSH No. C3675
Acquired by RHP in 2006

Wholly owned subsidiary
Company Registration No. 9331195
Formed 2014

Wholly owned subsidiary
Company Registration No. 11280666

Dormant subsidiary
Company Registration No. 11309199

Strategic report:

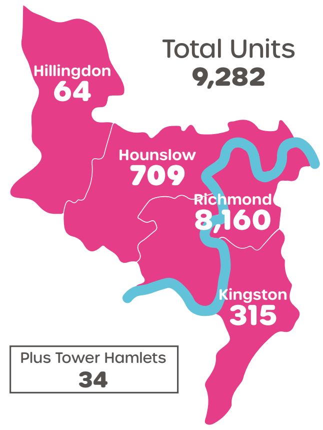
Our properties and what we do

Our properties and where we operate

RHP Association operates principally in the four London Boroughs of Richmond, Kingston, 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. 87% of the Group's income is derived from social housing lettings. The Group also owns one office building, 18 shops, 5 halls and 912 garages.

Additionally we have a small number of properties we manage on behalf of others or are managed on our behalf.

Co-op Homes owns and manages 1,722 homes across West London, Slough and Reading.



Housing properties owned or managed at year end (Association only):	2022	2021	2020
Total social housing stock owned or managed at year end (number of dwellings) Including 182 shared ownership properties (2021: 172)	**7,298**	7,283	7,209
Leaseholder properties serviced	**1,984**	1,990	1,998
Total	**9,282**	9,273	9,207

A Social Business

RHP Group does not distribute its profits to shareholders. 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 re-invested to subsidise our development of new, affordable homes for rent and shared ownership.

What We Do

We seek to provide people with places they're proud to call home, along with modern services that make lives easier. Our key activities focus upon West and South West London, providing housing for rent, principally for individuals and families who are unable to rent or buy on the open market, and providing retirement housing for people who need additional housing related support. We also build homes for intermediate home ownership as part of our ongoing development programme.

"We seek to provide people with places they're proud to call home, along with modern services that make lives easier."

Strategic report:

Our purpose, vision and strategy

The changing external environment has given us a great opportunity to re-think our purpose, values and strategy as an organisation. We continue to undertake a detailed engagement exercise with all stakeholders and hope to launch them in the early part of 22/23.

Our purpose:

We provide safe, secure, affordable homes to be proud of, opening doors to life opportunities

Our values:

We know our stuff. We build trust and confidence by being experts in what we do. Our knowledge and skills enable us to get the most important stuff right – providing an excellent service and keeping our customers, our homes and each other safe. We embrace change and recognise when we need to adapt, learn and develop new skills.

We make it happen. We show accountability, energy and passion for finding speedy resolutions and people will trust that we'll do what we say we will. We'll use collaboration and creativity to work together to find better ways of doing things. We don't stand on the side-lines and get involved in a way that's meaningful for us. We find joy in what we do and have fun along the way.

We care. We care about providing an amazing service to our customers and each other. We treat people as individuals and show empathy by putting ourselves in their shoes. We really listen, being present for both customers and colleagues – making them feel in safe hands. We care about what happens today and tomorrow for our people, communities, homes and the planet.

Strategic report:

Our purpose, vision and strategy

Our vision:

- By 2027, our services will help our customers effectively manage their homes. Whether this is through proactive repair management through to support to manage tenancies, our customers will be able to get the service they need, when they need it and easily access it in a way to suit them. We will be seen as a trustworthy provider, who keeps their promises and cares. We will use technology to constantly improve the services we deliver and ensure that our customers get the same experience across whichever channel they choose to use.
- We aim to provide homes that are safe, warm, smart and green. By 2027 we want to have developed our homes so we know proactively how they are performing and so we can actively manage them, reduce the need to repair or where a repair is needed, we can respond before it becomes major. A bit like a car telling us when they need a service or a MOT, we want our boilers to be letting us know when they need attention or where we need to be taking additional measures to prevent damp or mould. This will enable us to deliver better services and reduce the impact on our customers.
- To meet our green agenda, by 2027 we will have made significant strides in ensuring that all our homes meet an EPC rating of C and aim to have at least 80% of our stock at this level. But we also want to have made a substantial shift in how we manage our stock long term to ensure energy efficiency and how we use data to manage investment in our key assets.
- We will also be delivering 3 major regenerations by 2028; including delivery of 231 affordable homes at Ham Close, 24 at Sommerville House and 31 at Sheldon House.
- We will be through our key phases of Rewire, which will have transformed how we deliver our services, the processes we take our customers through and have embedded a data centric culture. Our employees will have the right information at their fingertips to deliver enhanced services and build a strong relationship with our customers.
- We can't do any of this without making sure our employees are proud to work for RHP because they can make a difference to our customers; and feel that they equally are empowered to deliver and care. RHP will deliver a positive impact on all our employee's careers. And as we are custodians for future generations, the business must remain well governed and financially sound. This means constantly looking at how we invest both short term and long term, ensuring strong value for money and efficiency.

"We will be seen as a trustworthy provider, who keeps their promises and cares."

customers at the heart of everything we do

Strategic report:

Our 4 core areas of focus

4 Core areas of focus:

4 Core areas of focus:

Customers at the heart of everything we do

Delivering a personalised service that really delights customers

Homes customers feel proud of

Investment in both new and existing properties, delivering smart, energy efficient and future proof new homes

Inspiring and inclusive employee experience

An employer of choice with a more diverse and inclusive workforce, and continually developing and growing our culture and working practices

Brilliant business

Maintaining exceptional standards of governance and financial management, and a strong sustainable business able to continue growing through new development beyond 2027

Strategic report:

Customers at the heart of everything we do

STRATEGY PILLAR:	CUSTOMER
HEADLINE:	**Our services are simple and easy to access, tailored and available when needed. Ultimately our services help our customers manage their homes effectively.**
TARGETED 5 YEAR OUTCOMES:	▸ Customer satisfaction across all our services is in the upper quartile for our sector, and an upper quartile UKCSI score for housing associations. ▸ Customers have appropriate channels that are easy and simple to use to access our services. The channels ensure efficiency across cost to serve. Measured by quantitative survey responses. ▸ We have a proactive repairs service that manages repairs in a timely way before they become bigger issues, we reduce the disruption to our customers living in their homes and we are maintaining the quality of our homes. Measured by fixed first time, repairs satisfaction. ▸ We have a regular routine of collating accurate customer data so that we tailor our services to customers. Measured by percentage of accurate customer data at 90%. ▸ Our customers can feedback on our service in an easy manner, so we are constantly improving how we do things. Measured by percentage of customers who feel their feedback is listened to and improves the service. ▸ We have robust communication channels in place which customers feel keep them informed about the safety of their property. Measured by percentage of customers who feel they have the information they need. ▸ Any employee who is customer facing can see the 360-degree view of the customer and the home to provide the best service.

CUSTOMER 5 YEAR STRATEGY: KEY MEASURES OF SUCCESS AND TARGETS FOR MARCH 2027

Key measure of success:	Current performance as at March 2022:	Target for 22-23:	5 year strategy targets for April 2027:
Combined customer (tenant) satisfaction metric	67%	>75%	Sector upper quartile
Overall customer satisfaction with RHP (perception)	Not yet measured	>75%	Above 90%
UK Customer Satisfaction Index (UKSCI) score	Not measured in 2021/22	>70	In top 10% of scores for non-retail sector (currently c.77)
Satisfaction with repairs	62%	>75%	90%

Strategic report:

Homes customers feel proud of

STRATEGY PILLAR:	HOMES THAT ARE SAFE, WARM, SMART & GREEN
HEADLINE:	**We really know our homes and what they need now and into the future.** **We will use technology to be proactive in looking after the needs of our homes.**
TARGETED 5 YEAR OUTCOMES:	▸ Invest in both new and existing properties and estates, delivering the best homes we can for our customers. ▸ Deliver 1,500 more smart, energy efficient and future proof new homes over the next ten years. ▸ Move to a predictive / preventative approach to home maintenance. ▸ Ensure that our current homes are energy efficient and fit for the future, deliver our green agenda with particular focus on making sure our properties are compliant with the 2030 energy efficiency standard and our road map to net zero by 2050. ▸ Use property data and systems better, to invest in our homes intelligently and efficiently. ▸ Keep our homes and our customers safe, maintaining the highest possible standards of property compliance and be ready for changes in legislation. ▸ Golden thread / building safety for buildings within the scope of the Building Safety Bill.

HOMES 5 YEAR STRATEGY: KEY MEASURES OF SUCCESS AND TARGETS FOR MARCH 2027

Key measure of success:	Current performance as at March 2022:	Target for 22-23:	5 year strategy targets for April 2027:
New homes completed	0	145	750 homes
Strong forward pipeline - number of homes under contract or on site	491	375	375 homes committed
Gas compliance	99%	100%	100%
Energy efficiency of housing stock – percentage of tenanted stock at EPC band C or above	N/A	N/A	80%

Strategic report:

Brilliant business

STRATEGY PILLAR:	MAINTAIN BUSINESS STRENGTH FOR CURRENT AND FUTURE GENERATIONS
HEADLINE:	**Ensure we use our customer's money wisely through difficult economic circumstances.** **Net Debt EBITDA-MRI Interest cover >128%**
TARGETED 5 YEAR OUTCOMES:	▸ Maintain exceptional regulatory and governance standards to sustain a G1 grading and ensure the organisation is agile to changing business needs. ▸ Always deliver within defined and agreed long term financial guidelines, so we can withstand financial shocks and easily fund business growth. ▸ Value for money and efficiency integrated into all our decision making. ▸ Continually improve the data, insight and tools available to our employees to enable great decision making and customer service. ▸ Effectively manage and mitigate current and emerging risks and change programmes by implementing appropriate controls and monitoring mechanisms.

BUSINESS 5 YEAR STRATEGY: KEY MEASURES OF SUCCESS AND TARGETS FOR MARCH 2027

Key measure of success:	Current performance as at March 2022:	Target for 22-23:	5 year strategy targets for April 2027:
Strong credit rating	Investment grade: A+ with Standard & Poors'	A+	A/A+ credit rating
Operating margin	21.6%	28.3%	Upper quartile
Operating cost per unit. (Management accounts basis)	£3,956	<£3,973	Upper quartile
Rent collected	99.9%	>98.8%	98.8%
Strong governance rating	G1	G1	G1
Financial viability rating	V1	V1	V1

Strategic report:

Inspiring and inclusive employee experience

STRATEGY PILLAR:	INSPIRING AND INCLUSIVE EMPLOYEE EXPERIENCE
HEADLINE:	**Our people will feel a sense of belonging and connection no matter where, when, or how we work.** **A focus on purpose, people and planet will run through everything we do, enabling us to attract and retain talented people who'll connect with what we do.** **People will feel comfortable to be themselves, try new things and embrace change.**
TARGETED 5 YEAR OUTCOMES:	▶ Be the employer of choice who attracts and retains brilliant and diverse talent, by being known for our leading employment practices. ▶ Grow a culture that supports our people to be the best versions of themselves, get the best out of their lives and do the best for our customers. ▶ Known for taking our jobs seriously, but never ourselves. We continue to grow and develop, making the most of our careers and time at RHP. ▶ Our people have the tools, data, technology, and facilities to do their roles to the best of their abilities. ▶ Maintain an unrelenting focus on the safety and wellbeing of our people whilst at work. ▶ People will join and stay due to our clear and compelling purpose.

HOMES 5 YEAR STRATEGY: KEY MEASURES OF SUCCESS AND TARGETS FOR MARCH 2027

Key measure of success:	Current performance as at March 2022:	Target for 22-23:	5 year strategy targets for April 2027:
I am proud to work for RHP	92%	>90%	>90%
Ranked in the top 10 of organisations to work for	IIP platinum	n/a	Great Place to Work, Best Companies, IIP or similar type of survey
Customer feedback on the quality of people they interact with (from UKCSI)	New KPI – methodology for measuring to be determined	n/a	85% upwards
People here are treated fairly regardless of their age, disability, race, ethnic origin, sex or sexual orientation	86%	90%	90% average

financial review

Strategic report:

Financial review

Consolidated statement of comprehensive income:

(£'000)	2022	2021	2020
Turnover	62,873	64,330	58,079
Operating costs and cost of sales	(49,313)	(45,802)	(38,489)
Gain on sale of fixed assets	2,580	553	2,905
Operating surplus	**16,140**	**19,081**	**22,495**
Net interest charge	(7,253)	(6,837)	(18,612)
Movements in fair value	23	(749)	4
Surplus for the year	**8,910**	**11,495**	**3,887**
Actuarial gain/(loss) on pensions	3,861	(4,381)	3,427
Total comprehensive income	**12,771**	**7,114**	**7,314**
Operating margin	**22%**	**29%**	**34%**
Social Housing Operating cost per unit (restated)	**£4,803**	**£3,903**	**£3,882**

The Group's operating surplus of £16.1m (2021: £19.1m) and operating margin of 22% (2021: 29%) remain strong. Continued development has ensured a growth in turnover, and the first tranche sales of shared ownership properties has contributed £2.3m (2021: £6.0m) to our turnover and £0.9m (2021: £0.4m) to our overall surplus.

Our social housing cost per unit of £4,803 (2021: £3,903) measures the efficiency of our social housing business. This has increased due to higher core operating spend and increased investment in our properties during the year.

The Group's total comprehensive income was £12.8m (2021: £7.1m) and RHP's subsidiary, Co-op Homes (South) Limited has contributed £1.0m (2021: £0.5m) to this overall surplus.

We are however seeing greater pressures on our financial performance. During the year we spent significantly more on our homes in order to ensure we continued to focus on our health and safety obligations both new and existing.

Our EBITDA-MRI margin at 15% (2021: 29%) demonstrates that additional spend, but still illustrates strong core performance that can comfortably cover the level of investment required to keep our homes in good condition.

We continue to see challenges in our development programme and due to the insolvency of one developer in 20/21 we have incurred a further impairment of £2.3m.

£16.1m

Group operating surplus

(2021: 19.1m)

£12.8m

Total comprehensive income

(2021: 7.1m)

Strategic report:

Financial review

Consolidated statement of financial position (extract):

(£'000)	2022	2021	2020
Housing Properties at cost less depreciation	428,589	402,325	387,451
Investment properties, other tangible and intangible fixed assets	16,491	15,628	15,498
Net current assets	41,818	61,034	4,950
Total assets less current liabilities	**486,898**	**478,987**	**407,899**
Creditors: amounts due after 1 year	341,018	341,588	281,613
Provision for liabilities	94	94	97
Net pension liability	5,392	9,682	5,680
Total net assets	**140,394**	**127,623**	**120,509**

Our statement of financial position reflects sound long term investment decisions, our considered approach to growth, a focus on ensuring the Group has a strong liquidity position and the operation of a robust risk management framework.

The value of the Group's housing properties at depreciated historic cost increased by £26.3m (2021: £14.9m) over the last year to £428.6m (2021: £402.3m). £24.5m (2021: £16.9m) was spent on the development of new affordable housing with £10.3m (2021: £6.6m) invested in capital works to our existing properties.

£24.5m

Spent on development of new affordable housing
(2021: 16.9m)

£10.3m

Invested in capital works
(2021: 6.6m)

Strategic report:

Treasury

Our Treasury Management activities focus upon ensuring that the Group has sufficient available liquidity, continued compliance with all loan covenants, managing the risk of adverse movements in interest rates and ensuring that any cash held is invested safely so that the capital is preserved.

Treasury management and associated policies are governed by the Group Investment Committee.

A summary of RHP's loan portfolio as at 31 March 2022 is as follows:

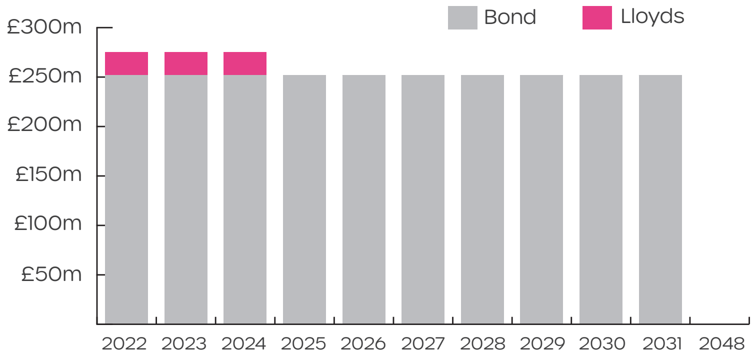
Lender	Amount drawn	Total Facility	Facility Expiry
Lloyds	£23m	£90m	Aug 2024
MUFG	£0m	£35m	May 2024
RBS	£0m	£20m	Dec 2025
Listed bond (RHP Finance plc)	£250m	£275m	Feb 2048
Total	**£273m**	**£420m**	

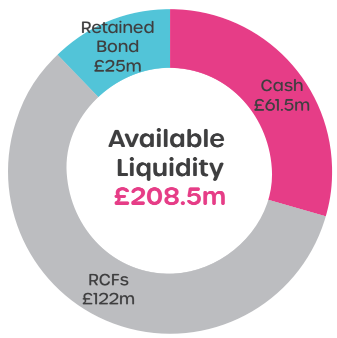
There was no funding activity undertaken during the year, with the business still retaining cash reserves following the £100m tap of the RHP Finance PLC Bond and £35m retained bond sale in September 2020.

RHP is now fully funded until at least August 2024, including all of our current planned or pipeline developments.

Debt Structure and Available Liquidity

The charts below provide details of RHP's current available liquidity and the debt profile of the current drawn debt.





Strategic report:

Treasury

Cash management

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.

Counterparty risk

At 31 March 2022 all cash investments were held with counterparties who meet the criteria set out in our Treasury Management Policy which requires that the Group seek 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.

Interest rate risk

At the year-end, 100% (2021: 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 2.57% at the year-end (2021: 2.57%).

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.

Credit Rating

Standard and Poor's (S&P) reviewed our credit rating and announced in June 2022 that despite confirming an A+ rating, our outlook would be changed to negative from stable, reflecting the substantial additional investment in stock over a two to three year period.

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 £272.5m (2021: £273.4m). This includes an amount of notional premium and capitalised issue costs of £22.5m, which are amortised annually and netted off against our annual financing costs.

A new £11m intercompany loan facility between RHP and its subsidiary Co-op Homes took effect from 1 April 2021. At 31 March 2022, £1.0m (2021: £nil) of this loan was outstanding. This facility will expire on 1 April 2026.

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.

Unencumbered assets

At 31 March 2022, £78m (13%) of the Group's stock remained unencumbered.

“*Covenants were comfortably met throughout the year and at the year end for all loan facilities.*”

we want our homes to be safe, warm and green

Strategic report:

Value for money

As part of our new refreshed corporate strategy, we have taken the opportunity to re-evaluate our approach to Value for Money (VfM). Our 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.

Delivering 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.

1. Procurement

RHP publish a procurement strategy to ensure that procurement reflects RHP's core values, corporate aims and objectives and to map out the development and improvement of RHP's procurement function. Our expenditure is controlled by strong levels of governance including a clear set of policies and procedures for procurement within our Financial Regulations. These processes ensure the appropriate level of scrutiny is applied to procurement decisions depending on the value and type of expenditure.

Our underlying procurement principles support the delivery of value for money:

1. Implementing efficient and effective processes and procedures to develop a high-quality procurement and contract management culture.
2. Achieve best value to support RHP's strategic goals and priorities.
3. Assess the difference between total benefit against total cost over the period of use. All procurements will be evaluated based on the total cost of ownership, which includes purchase price, delivery, insurance, running costs, licenses, maintenance, and disposal costs.
4. The right people use information at the right time to make effective procurement decisions.

Effective procurement involves weighing up the nature of the purchase (value and risk), business needs and the nature of the market, now and in the future.

There are 4 aspects to our approach to VfM:

1. Our approach to procurement
2. Investment in Technology
3. Stock Investment
4. Development of new homes

Strategic report:

Value for money

2. Investment in Technology

Rewire is our major technology and transformation programme. It aims to streamline our processes and systems to allow us to deliver excellent customer service.

The objectives of Rewire are:

- **RHP customers can manage their own homes better.** By providing seamless digital services and data to our customers, we will enable them to take greater control of their homes.
- **RHP will deliver higher quality services to our customers.** By providing coherent back-office services to our employees, they will be able to offer better quality services to our customers.

From a VfM perspective the cost of delivering this project is assessed against the planned outputs of the project:

- Redesign how we hold and manage data across our business in order to serve our customers to an optimum level and provide our employees with the information they need to do this.
- Improve the quality of our homes by using asset data to facilitate a robust approach to asset management planning.
- Improve the employee experience by providing systems that are fit for purpose, increasing satisfaction and driving strong levels of retention.
- Streamline our processes and use systems that eliminate inefficiencies and reduce the level of resource required.
- Improve our protection against the threat of cyber security attacks.
- Improves the protection of data reducing distress on customers and the risk of financial penalties.
- Reduce our technical debt improving our agility and reducing long term costs of technology implementation.

There are 4 aspects to our approach to VfM:

1. Our approach to procurement
2. Investment in Technology
3. Stock Investment
4. Development of new homes

Strategic report:

Value for money

3. Stock Investment

Significant events such as the Grenfell tragedy and changes within the sector such as the Social Housing White Paper and Building Safety Bill have brought the need for investment in existing stock into sharp focus. Our desire to ensure our homes are energy efficient also remains front of mind. In addition to this many of our homes have components that are reaching the end of their predicted lifespan.

We want our homes to be safe, warm, smart and green and we acknowledge that this will require further investment through our planned maintenance programme.

We aim to achieve VfM by:

- Improving the condition of our houses and in turn increasing our customers satisfaction.
- By investing in components that are reaching the end of their useful life we will reduce the need for reactive repairs making overall cost savings.
- Our work on improving EPC ratings of our properties will make them greener and warmer. This will reduce energy bills for customers and the subsequent risk of fuel poverty.
- Our homes will comply with regulatory standards reducing the risk of fines and potential disrepair claims.

There are 4 aspects to our approach to VfM:

1. Our approach to procurement
2. Investment in Technology
3. Stock Investment
4. Development of new homes

Strategic report:

Value for money

4. Development of New Homes

The ongoing housing crisis means that there remains an acute need for homes across the country and the need in our geographic area where space is a premium is as critical as anywhere. We want to continue to deliver high quality new homes and our development programme aims to do this with plans to deliver more than 500 new homes over the next 5 years.

All our development schemes are appraised against agreed investment assumptions and hurdle rates to ensure viability. Schemes are also partly funded through Social Housing Grant.

We aim to achieve VfM in our developments by:

- Providing sustainable homes that will delight our customers.
- Produce homes that are cost effective to deliver by using modern methods of manufacture.
- Through careful design will we ensure homes are cost effective to manage, maintain and live in.
- Actively seek funding through social housing grants.
- Continue to grow our asset base allowing us to raise further affordable financing so that we can continue to invest to create additional much needed homes in the community.

Embedding Value for Money

We have a collective responsibility to achieve VfM across the business. We will embed the culture by:

- Including VfM as a consideration in all reports that are reviewed by our Board and Committees.
- Train senior staff to understand VfM and how it applies to their roles as business leaders under the banner of 'spending our customer's money wisely'.
- Highlight any deviation in performance indicators in a timely manner, understand the reason behind any trends and address issues promptly.
- Use team meetings and training programmes to promote discussion of VfM and how it applies to us all.
- Maintaining a robust Contracts Register in partnership with contract managers to ensure regular supplier reviews and rationalisation practices.
- Track and report cost savings that are achieved through procurement processes.
- Use our annual budget process to evaluate our expenditure across the whole business and consider whether our balance of funds invested is the best way to achieve our strategic objectives.
- Continue to develop our thinking on VfM and monitor developments in the field of VfM to ensure our approach remains relevant.

There are 4 aspects to our approach to VfM:

1. Our approach to procurement
2. Investment in Technology
3. Stock Investment
4. Development of new homes

Value for money

Measuring 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 are benchmarked against our peer group on an annual basis.

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 NHF Sector Scorecard Metrics:

METRIC	20/21 PEER GROUP MEDIAN	20/21 PEER GROUP UPPER QUARTILE	21/22 TARGET	21/22 ACTUAL	22/23 TARGET
Headline Social Housing Cost per Unit	£5,397	£4,288	<£4,000	£4,803	£5,382
Operating margin	21%	28%	>28%	21.6%	28.3%
Operating margin (social housing lettings)	26%	31%	not set	27.0%	27.2%
Units Developed (as a % of units owned) - social	0.8%	1.5%	1.2%	0	2.0%
Units Developed (as a % of units owned) – non social	N/A	N/A	0	0	0
Gearing	44%	40%	49%	56%	57%
Satisfaction with overall service provided	75%	85%	78%	67%	75%
Reinvestment %	5.0%	6.6%	11.4%	8.2%	13.4%
Investment in community activities	N/A	N/A	£91,000	£96,000	£150,000
Rent collected %	99.9%	100.3%	98.8%	99.9%	98%
Overhead as a % of turnover	10.2%	8.9%	7.6%	7.6%	8.9%
Return on Capital Employed (ROCE)	2.5%	3.3%	3.5%	3.3%	3.9%
Ratio of responsive repairs to planned maintenance	58%	51%	28%	22.3%	17%
Occupancy	99.1%	99.5%	>99.2%	98.6%	>99.2%
EBITDA MRI interest cover	119%	166%	141%	115%	>128%

We also track against additional metrics related to some of our specific investment streams:

ADDITIONAL METRICS	INVESTMENT	21/22 TARGET	21/22 ACTUAL	22/23 TARGET
Staff Satisfaction	Technology	90%	92%	90%
Energy Efficiency of Housing Stock	Stock	N/A	N/A	100% rated

The current financial pressures have impacted performance on some of our key metrics. The higher levels of investment have increased social housing cost per unit whilst an increase in operating costs together with the provision for impairment has impacted operating margin. Our performance remains strong and continues to compare favourably to our peer group.

Whilst our reinvestment levels were below target due to lower levels of spend on new development, the general trend is of increasing levels which are higher than peer group comparisons. Overhead levels and return on capital employed remain strong, demonstrating an underlying strong financial performance.

With the challenging financial environment set to continue, focus on VfM has never been more important. We continue to set targets that will provide an appropriate level of challenge in order for us to maintain operations that are both efficient and high performing when compared to our peers.

we believe in the need for sustainability

Strategic report:

Environmental Sustainability

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 provide safe, secure, affordable homes to be proud of, opening doors to life opportunities.

As a UK charity, we have a responsibility to take the lead on making positive improvements for people and the planet.

"As a UK charity, we have a responsibility to take the lead on making positive improvements for people and the planet."

The following details our 3 key areas of focus:

1. Improving the EPC rating of our stock

- We are planning an extensive programme of improvement of the EPC rating of all of our stock, with particular focus on those properties below a band C.
- We have a target date of before 2030 to ensure all of our properties achieve this rating.

2. SMART Technology

- Trialling SMART technology in new and existing homes to improve the customer experience and overall efficiency by reducing the costs of ongoing repairs and maintenance in our homes.
- Programme of trial and installation of smart technology in lifts and lighting in communal areas to fix the problem before the customer realises there is one and ensure repairs visits focus on the right parts first time.

3. Active approach to resource management

- We have a Sustainability In Our Homes strategy which is part of the Homes to Be Proud Of Strategy. Our Environmental Policy describes how we provide housing with a good living environment; reduce the use of resources in the daily operations of the organisation; reduce the dependency on non-renewable resources; and promote and protect environmental protection.

Our focus in 22/23 is in 2 areas:

Data – we aim by the end of 22/23 to have up to date EPC ratings for all our properties to enable a full assessment of the financial impact and delivery plan for EPC C.

Reporting - during the first quarter of 22/23 we will deliver our performance metrics under The Sustainability Reporting Standard for Social Housing (published on 10 November 2020 by the ESG Social Housing Working Group) and our first sustainable finance framework. We also are aiming for our first SHIFT report to enable us to baseline our current performance levels and deliver a plan for improvements across our business.

Strategic report:

Key risks and uncertainties

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.

These are the main strategic risks to the Group and how they are mitigated:

Area focus and Risk detail	Comments and Risk Mitigation
Ensuring we are managing and maintaining our customers' homes We place huge importance on ensuring the safety and good quality of our customers' homes. Events over the last 4 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. 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. 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. 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. We also need to carefully manage the neighbourhoods our customers live in. This includes understanding and sensitively managing anti social behaviour. Significant increases in disruption through the pandemic are causing upset and disruption to our customers.	In order to manage and monitor these risks, there are number of key areas of focus: ▸ Dedicated health and safety teams and close monitoring by the Board of key metrics associated with our safety compliance activities. ▸ Detailed and regularly reviewed stock investment programmes based on stock condition surveys and a continual focus on improving our knowledge of our stock. ▸ 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. ▸ 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. ▸ 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. ▸ 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. ▸ We are progressing with our detailed response to the Social Housing White Paper requirements, ensuring a transformed approach to our relationship with our customers. ▸ Additional investment in our support of customers and improvements in neighbourhoods to manage ASB. ▸ Regular internal and external audits on specialist areas

Strategic report:

Key risks and uncertainties

Area focus and Risk detail	Comments and Risk Mitigation
Prudent and careful management of our finances and investment choices 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. 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. As the economic environment in which we operate becomes more volatile, inflation and interest rates increase and the 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. 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. 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: ▸ 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. ▸ Detailed action and resource plan to support our customers through the current economic uncertainty and inflationary environment to ensure we sustain tenancies wherever possible. ▸ Agility and flexibility in financial forecasting, stress testing, spending commitments and funding arrangements. ▸ 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. ▸ Reconsidering our areas of focus on delivery of value for money and effective procurement. ▸ Improvements in ways of working and contract management of our key partners. ▸ Ensuring a close eye on government regulation, changes and best practice relating to the sector and in particular, government policy direction are key to our agility in our strategy.

Area focus and Risk detail	Comments and Risk Mitigation
Long term strategic view of our technology portfolio 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, leading to weakness in our technology resulting in cyber attacks, full systems outages and inability to manage our business or our customer's homes. 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 embarking on a major transformation programme to reduce the complexity of our technology portfolio, the number of systems interfaces and update both technology, processes and ways of working. ▸ 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. ▸ In parallel we are taking a fresh look at our disaster recovery planning to ensure we are able to adequately manage these worst case scenarios should they occur. ▸ We continue to ensure up to date and effective working controls and systems to protect our operations and data from attacks.

Strategic report:

Key risks and uncertainties

Area focus and Risk detail	Comments and Risk Mitigation
Close and careful data management Poor management of our customer, property, or employee data can result in poor quality, inaccurate or missing data on either customers or our properties. 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 have embarked on 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. ▸ We have employed a data protection officer to support our improvement in data protection and deliver detailed programmes of training and continual improvement. ▸ 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 We cannot deliver our core services to our customers without having strong talent, aligned to our purpose and strategy. 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. A significant reduction in employee satisfaction and our attractiveness as an organisation will restrict our ability to recruit or retain the right skills and resource 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. 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. ▸ We have a well-established approach to flexible working and extensive mental health support programmes. ▸ Our generous benefits package supports employees through challenges and significant changes in their life such as bereavement or maternity. ▸ 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. ▸ We have recently undertaken new recruitment of Board members and Executive Team focused on well defined skills and behaviours aligned to our inclusion strategy.


our board sets the overall aims and objectives of the Group

Strategic report:

Governance, board and management

Board Members

All RHP Group Board members are also Board members of RHP Develop Ltd and RHP Property Ltd.

ABOLADE ABISOGUN OBE

Committee: N/A

ANTONIO SHABBIR

(Observer)

ALEX MOLNAR

Committee: SDC

CHRIS LING

Committee: GIC, GAC (chair).

Chris is also on the RHP Finance plc Board

DAVID DONE OBE

Committee: GIC, TC

David is also on the RHP Finance plc Board

JANE GALLIFENT

Committee: GIC, GAC

JENINE LANGRISH

Committee: Senior Independent Director, G&RC (Chair), GAC

SARAH WELLER

Committee: SDC, TC (chair)

SHABANA JAMIL

Committee: N/A

STEPHEN SPEAK

Committee: G&RC, SDC

Stephen is also on the RHP Finance plc Board

SUZANNE AVERY

Committee: GIC (Chair), G&RC

TOBY D'OLIER

Committee: SDC (chair)

RHP representative to CHS Board

Strategic report:

Governance, board and management

Corporate Governance and Board Committees

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 and keeping within their legal and ethical obligations. The Board is also responsible for protecting and ensuring the financial wellbeing of the Group.

The Board members are drawn from a wide background bringing together professional, commercial and local experience. Our Board is committed to RHP's culture, ethos, values and objectives.

As at 31 March 2022, the Board comprised 13 members, including the Chief Executive, with all members selected based upon the skills and experience that they can contribute.

The detailed arrangements by which RHP exercises control and oversight of Co-op Homes, RHP Finance plc and its other subsidiaries is set out in the Group Management and Control Framework which has been adopted by both the Boards of RHP and Co-op Homes. This framework covers governance controls, operational controls, financial controls and Group internal controls.

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

- Service Delivery Committee (SDC).
- Group Audit Committee (GAC).
- Group Investment Committee (GIC).
- Governance & Reward Committee (G&RC).
- Transformation Committee (TC) – introduced in the year to support the Rewire transformation programme.

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, Transformation and Service Delivery 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 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 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.

Strategic report:

Governance, board and management

- 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 & 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 2022 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.

Code of Governance

The Group Board has agreed to adopt the new NHF Code of Governance (2020) with effect from 1 April 2021. The Board is pleased to confirm full compliance with the code. An action plan is in place for ensuring that the highest standards of governance, reflecting the requirements of the code, are maintained going forward.

Compliance with relevant law, legislation, and standards

The Board has received assurance and is satisfied that all reasonable steps have been taken to ensure compliance with the requirements of the Governance & Financial Viability Standard under the Regulator Social Housing Regulatory Framework during the financial year 2021-22. The Board has also received assurance on the Group's compliance with all other relevant laws and guidelines including Anti-Fraud, Anti-Bribery, Modern Slavery, Money Laundering, GDPR and tax evasion legislation.

Auditor

BDO LLP were the auditors for the year and their independent report is included on pages 41 – 48.

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 judgments and accounting estimates that are reasonable and prudent.

Governance, board and management

- 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 accounts 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 slow downs in development and sales programmes.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities, totalling £122m, 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

David Done OBE

Group Chief Executive

22 September 2022

independent auditor's report

Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2022 and of the Group's and the Association's surplus for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Richmond Housing Partnership Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the Group Audit Committee, we were appointed by the Board on 16 March 2017 to audit the financial statements for the year ending 31 March 2017 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 6 years, covering the years ending 31 March 2017 to 31 March 2022.

We remain independent of the Group and the 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 as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Association.

Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

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. Our evaluation of the Board's assessment of the Group and the Parent Association's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's assessment that supports the Board's conclusions with respect to the disclosures provided around going concern;
- We considered the appropriateness of management's forecasts by reviewing and assessing assumptions applied by management including assumptions made in respect of rental and service charge uplifts and unit numbers, depreciation, interest expense and major repairs;
- We assessed historical forecasting accuracy and management's consideration of downside sensitivity analysis;
- We obtained an understanding of the financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions;
- We assessed the facility and covenant headroom calculations, and re-performed sensitivities and stress testing; and
- We reviewed the wording of the going concern disclosures and assessed its consistency with management's forecasts.

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 and the 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.

Overview

Coverage	We audit all entities within the group: 100% (2021: 100%) of Group profit before tax 100% (2021: 100%) of Group revenue 100% (2021: 100%) of Group total assets		
Key audit matters		**2022**	**2021**
	Net realisable value of property developed for sale	Yes	Yes
Materiality	**Group financial statements as a whole** £879k (2021: £1.4m) based on 7.5% (2021: 7.5%) of adjusted operating surplus		

Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

An overview of the scope of our audit

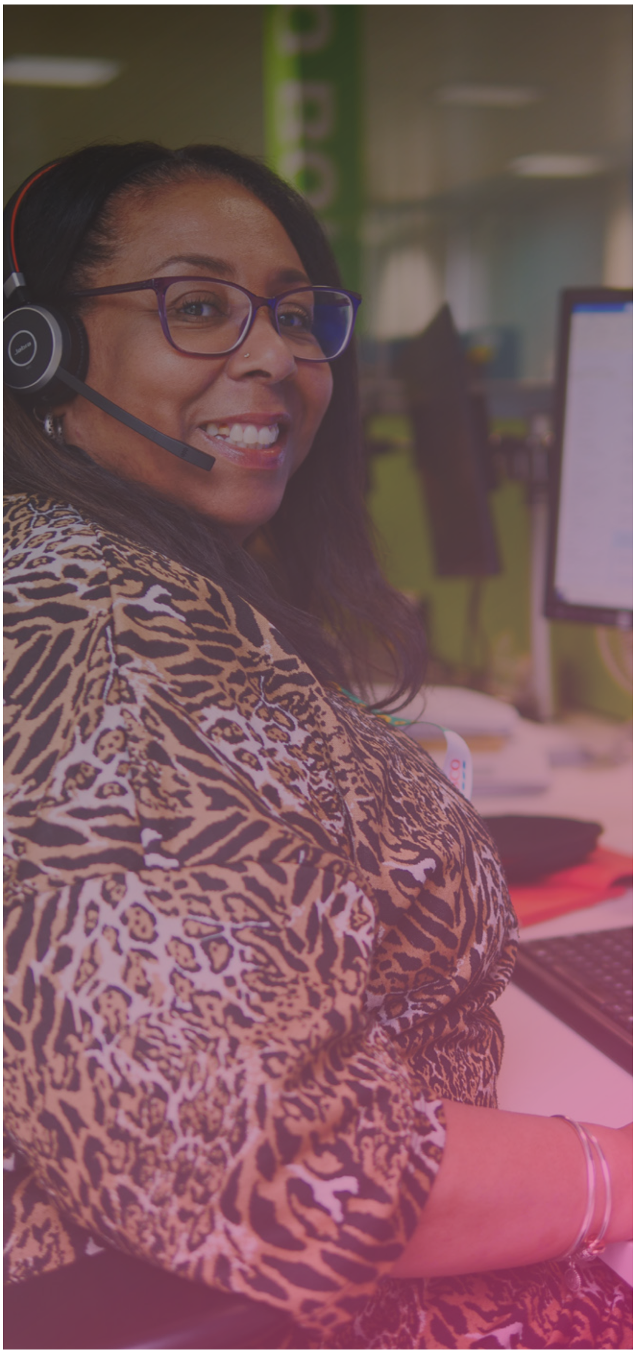
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement.

Audit work on all components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.

We identified two components which in our view required an audit of their complete financial information for group purposes due to their size or risk characteristics and were therefore considered to be significant components. RHP Finance PLC was identified as a significant component due to its risk characteristics and Co-op Homes (South) Limited due to its size.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

Key audit matter	How the scope of our audit addressed the key audit matter
Net realisable value of property developed for sale As explained in the accounting policies as per Note 1A and 1B, properties developed for sale, including shared ownership first tranches, are measured at the lower of cost and net realisable value resulting in an amount recognised in the balance sheet of £7.7m. For properties in development at the balance sheet date, see Note 17, an assessment is needed of an anticipated selling price and a determination of the expected costs to complete. Due to the volume of properties developed for sale and the level of judgement involved, there is inherent estimation uncertainty in the calculation of both sales proceeds and costs to complete and there is therefore a significant risk that the carrying amount of properties developed for sale is materially misstated. This is considered to be a key audit matter.	Having obtained management's assessment of the net realisable value of property developed for sale, we selected a sample on which to perform detailed testing. Our samples were chosen from the populations of items that represented both property under construction and completed property at year-end. For the selected property we have: **1. For sales price:** ▸ compared anticipated selling prices to sales prices achieved after the year end, sales prices achieved for similar units in the year, valuation of properties for marketing purposes and other selling prices of similar properties in the locality. **2. For costs to complete:** ▸ assessed computations of costs to complete for reasonableness. ▸ obtained the latest valuers report and assessed the construction costs against the total contract value taking into account contract variations. ▸ obtained details of the expected costs to complete from the scheme budget for that development and agreed the budgeted contracted cost of the development to the latest contract documentation. ▸ considered Development Committee minutes and made enquiries of Scheme Project Managers for indications of cost overruns, contractor disputes or solvency issues in relation to the schemes tested. ▸ compared the incurred expenditure (including costs incurred after the reporting date) to the estimated amount to ensure that the cost to complete estimate reflects actual costs. ▸ assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year. **3. For costs to sell:** ▸ considered computations of selling costs and compared against known selling costs that have been incurred in the year. **Key observations** Based on our procedures we noted no exceptions and found management's key assumptions to be reasonable.

Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	GROUP FINANCIAL STATEMENTS		PARENT ASSOCIATION FINANCIAL STATEMENTS	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Materiality	879	1,367	789	1,277
Basis for determining materiality	7.5% of adjusted operating surplus			
Rationale for the benchmark applied	Adjusted operating surplus is of particular interest to the users of the financial statements as it is a term defined for the purposes of the entity's lending covenants. This involves adjusting operating profit for depreciation, amortisation, capitalised major works and the net profit/loss on non-outright sale properties.			
Performance materiality	659	1,025	592	958
Basis for determining performance materiality	75% of materiality			

Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

Component materiality

A full scope statutory audit was carried out for each subsidiary. We set materiality for each component dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £102,000 to £460,000. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Group Audit Committee that we would report to them all individual audit differences in excess of £35k (2021: £55k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information 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 where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the statement of responsibilities of the Board, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in relation to impairment, useful lives of depreciable assets, fair value measurement of investment properties, shared ownership cost apportionment, carrying value of properties developed for sale and defined benefit pension scheme obligations;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management and journals posted after the year end;
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Independent auditor's report to the:

Members of Richmond Housing Partnership Limited

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
BDO LLP
D1FB52C82A114D7...

BDO LLP

Statutory Auditor

Gatwick

United Kingdom

27 September 2022

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

financial statement

Statement of Comprehensive Income

For the year to 31 March 2022

		GROUP		ASSOCIATION	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Turnover	2	62,873	64,330	59,718	61,302
Cost of sales	2	(1,444)	(5,523)	(1,444)	(5,523)
Operating costs	2	(47,869)	(40,279)	(45,738)	(38,201)
Gain on sale of fixed assets	2,5	2,580	553	2,580	553
Operating surplus	2	**16,140**	**19,081**	**15,116**	**18,131**
Interest receivable and other income	7	72	41	131	50
Interest payable	8	(7,325)	(6,878)	(7,299)	(6,859)
Movement in fair value of investment properties	15	23	(749)	23	(749)
Surplus before tax		**8,910**	**11,495**	**7,971**	**10,573**
Taxation	11	-	-	-	-
Surplus for the year		**8,910**	**11,495**	**7,971**	**10,573**
Actuarial gain/(loss) on pensions	9	3,861	(4,381)	3,808	(3,975)
Total comprehensive income for the year		**12,771**	**7,114**	**11,779**	**6,598**

The results relate wholly to continuing activities.

The notes on pages 54 to 91 form part of these financial statements.

Statement of Financial Position

As at 31 March 2022

		GROUP		ASSOCIATION	
			Restated		Restated
		2022	2021	2022	2021
FIXED ASSETS	Note	£'000	£'000	£'000	£'000
Tangible fixed assets – housing properties	12	428,589	402,325	407,959	382,258
Other tangible fixed assets	13	5,887	5,920	5,873	5,894
Intangible fixed assets	14	3,345	2,472	3,345	2,472
Investment properties	15	7,259	7,236	7,259	7,236
Investments	16	-	-	13	13
		445,080	**417,953**	**424,449**	**397,873**
CURRENT ASSETS					
Properties held for sale	17	7,662	10,759	7,662	10,759
Trade and other debtors	18	4,733	3,758	5,980	4,003
Short term investments		10,000	10,000	10,000	10,000
Cash and cash equivalents		46,227	52,941	43,619	51,466
		68,622	**77,458**	**67,261**	**76,228**
Creditors: amounts falling due within one year	19	(26,804)	(16,424)	(25,869)	(15,508)
Net current assets		**41,818**	**61,034**	**41,392**	**60,720**
Total assets less current liabilities		**486,898**	**478,987**	**465,841**	**458,593**
Creditors: amounts falling due after more than one year	20	(341,018)	(341,588)	(331,032)	(331,411)
Provision for liabilities	27	(94)	(94)	-	-
Net pension liability	9	(5,392)	(9,682)	(4,920)	(9,072)
Total net assets		**140,394**	**127,623**	**129,889**	**118,110**
RESERVES					
Share capital	28	-	-	-	-
Income and expenditure reserve		140,394	127,623	129,889	118,110
Total reserves		**140,394**	**127,623**	**129,889**	**118,110**

The notes on pages 54 to 91 form part of these financial statements. The prior year restatement relates to the reclassification of a £10m investment from cash and cash equivalents into short term investments. This error required restatement as the balance did not satisfy the criteria to be classified as cash and cash equivalents.

The financial statements were approved and authorised for issue by the Board of directors on 22 September 2022 and signed on its behalf by:

Jenine Langrish
Senior Independent Director

Christopher Ling
Chair of Group Audit Committee

David Done OBE
Chief Executive

Lucy Graley
Company Secretary

Statement of Changes in Reserves

For the reporting date to 31 March 2022

GROUP	Income and expenditure reserve £'000
Balance at 31 March 2020	**120,509**
Surplus for the year	11,495
Actuarial loss on defined benefit pension scheme	(4,381)
Balance at 31 March 2021	**127,623**
Surplus for the year	8,910
Actuarial gain on defined benefit pension scheme	3,861
Balance at 31 March 2022	**140,394**

ASSOCIATION	Income and expenditure reserve £'000
Balance at 31 March 2020	**111,512**
Surplus for the year	10,573
Actuarial loss on defined benefit pension scheme	(3,975)
Balance at 31 March 2021	**118,110**
Surplus for the year	7,971
Actuarial gain on defined benefit pension scheme	3,808
Balance at 31 March 2022	**129,889**

The notes on pages 54 to 91 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022 £'000	Restated 2021 £'000
Operating surplus for the year	16,140	19,081
Depreciation charges and impairment	9,837	8,711
Decrease in properties for sale	1,650	2,889
(increase)/Decrease in debtors	(975)	233
Difference between net pension expense and cash contribution	(627)	(379)
Release of social housing grant	(447)	(433)
Increase in creditors	9,453	23,238
Dilapidation provision released	-	(3)
Net cash generated from operating activities	**35,031**	**53,337**

CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase and improvement of housing properties	(32,592)	(22,270)
Social housing grant received	560	870
Purchase of other fixed assets	(1,662)	(1,556)
Cash investments	-	(10,000)
	(33,694)	**(32,956)**

CASH FLOW FROM FINANCING ACTIVITIES		
Interest received	72	41
Interest paid	(8,065)	(7,517)
Drawdown of loans	-	106,946
Repayments of borrowings	(58)	(74,000)
	(8,051)	**25,470**
Net change in cash and cash equivalents	**(6,714)**	**45,851**
Cash and cash equivalents at the beginning of the year	**52,941**	**7,090**
Cash and cash equivalents at the end of the year	**46,227**	**52,941**

The notes on pages 54 to 91 form part of these financial statements. The prior year restatement relates to the reclassification of a £10m investment from cash and cash equivalents into investments.

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:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Association would be identical;
- no cash flow statement has been presented for the Association; and
- 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:

BASIS OF CONSOLIDATION

The consolidated financial statements of the RHP Group incorporate the financial statements of RHP, Co-op Homes (South) Limited, another community benefit entity, RHP Finance Plc, a public limited company registered on the London Stock Exchange, RHP Property Ltd and RHP Develop Ltd as if they were a single entity. Intercompany transactions and balances between companies are eliminated in full.

Evolve Housing Limited a dormant company that RHP has joint control of is accounted for using the equity method of accounting.

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.

The volatile and uncertain economic environment that we are currently experiencing has meant that the Executive Team and Board have been reviewing 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 inflation in rent increases, 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 £122m, 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.

OPERATING SEGMENTS

There are publically 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 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.

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 2022, interest has been capitalised at an average rate of 3.10% (2021: 3.10%) 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.

OTHER TANGIBLE FIXED ASSETS

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any 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 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 Property 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.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

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.

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 of 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.

1B. SIGNIFICANT JUDGEMENTS & 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 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 £7.9m. The valuation at 31 March 2022 determined that the MV-VP of the shared ownership units was lower than the carrying value for this scheme, resulting in impairment of £3.1m (2021: £0.5m).

A review was carried out on other development schemes where costs have increased. There was a reduction in the impairment provision required for Staines Road of £0.3m as a result of a downward revision in total scheme costs compared to previous projections. The provision for the development at 31 March 2022 was £1.8m.

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 £7.3m at 31 March 2022 (2021: £7.2m).

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 LGPS 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 2022	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)	55,012	-	(40,136)	-	**14,876**
Other social housing activities					
First tranche shared ownership sales	2,308	(1,444)	-	-	**864**
Development	-	-	(58)	-	**(58)**
Impairment	-	-	(2,296)	-	**(2,296)**
Management fees	1,026	-	(874)	-	**152**
Gain on sale of fixed assets	-	-	-	2,580	**2,580**
Total social housing activities	**58,346**	**(1,444)**	**(43,364)**	**2,580**	**16,118**
Non-social housing activities					
Leasehold services	2,399	-	(2,268)	-	**131**
Leasehold major repairs	495	-	(1,025)	-	**(530)**
Garages	986	-	(338)	-	**648**
Commercial	571	-	(652)	-	**(81)**
Other	76	-	(222)	-	**(146)**
Total	**62,873**	**(1,444)**	**(47,869)**	**2,580**	**16,140**

GROUP 2021	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)	53,768	-	(34,374)	-	**19,394**
Other social housing activities					
First tranche shared ownership sales	5,959	(5,523)	-	-	**436**
Development	-	-	(103)	-	**(103)**
Impairment	-	-	(1,314)	-	**(1,314)**
Management fees	929	-	(808)	-	**121**
Gain on sale of fixed assets	-	-	-	553	**553**
Total social housing activities	**60,656**	**(5,523)**	**(36,599)**	**553**	**19,087**
Non-social housing activities					
Leasehold services	1,981	-	(1,762)	-	**219**
Leasehold major repairs	-	-	(978)	-	**(978)**
Garages	932	-	(200)	-	**732**
Commercial	478	-	(549)	-	**(71)**
Other	283	-	(191)	-	**92**
Total	**64,330**	**(5,523)**	**(40,279)**	**553**	**19,081**

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE AND OPERATING SURPLUS

ASSOCIATION 2022	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)	52,772	-	(38,923)	-	**13,849**
Other social housing activities					
First tranche shared ownership sales	2,308	(1,444)	-	-	**864**
Development	-	-	(58)	-	**(58)**
Impairment	-	-	(2,296)	-	**(2,296)**
Gain on sale of fixed assets	-	-	-	2,580	**2,580**
Total social housing activities	**55,080**	**(1,444)**	**(41,277)**	**2,580**	**14,939**
Non-social housing activities					
Leasehold services	2,399	-	(2,268)	-	**131**
Leasehold major repairs	495	-	(1,025)	-	**(530)**
Garages	986	-	(338)	-	**648**
Commercial	571	-	(652)	-	**(81)**
Other	187	-	(178)	-	**9**
Total	**59,718**	**(1,444)**	**(45,738)**	**2,580**	**15,116**

ASSOCIATION 2021	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)	51,565	-	(33,141)	-	**18,424**
Other social housing activities	-	-	-	-	**-**
First tranche shared ownership sales	5,959	(5,523)	-	-	**436**
Development	-	-	(104)	-	**(104)**
Impairment	-	-	(1,314)	-	**(1,314)**
Gain on sale of fixed assets	-	-	-	553	**553**
Total social housing activities	**57,524**	**(5,523)**	**(34,559)**	**553**	**17,995**
Non-social housing activities					
Leasehold services	1,981	-	(1,762)	-	**219**
Leasehold major repairs	-	-	(979)	-	**(979)**
Garages	932	-	(200)	-	**732**
Commercial	478	-	(549)	-	**(71)**
Other	387	-	(152)	-	**235**
Total	**61,302**	**(5,523)**	**(38,201)**	**553**	**18,131**

3. INCOME & 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	2022 £'000	2021 £'000
Rents receivable net of identifiable service charges	38,728	8,324	616	28	2,248	735	**50,679**	49,660
Service and other charges receivable	2,481	75	32	-	1,084	162	**3,834**	3,624
Charges for support services	-	-	-	-	52	-	**52**	52
Amortised government grants	222	145	2	-	45	33	**447**	432
Turnover from social housing lettings	**41,431**	**8,544**	**650**	**28**	**3,429**	**930**	**55,012**	**53,768**
Management	(7,604)	(995)	(120)	(39)	(504)	(189)	**(9,451)**	(7,596)
Service charge costs	(5,469)	(698)	(84)	(4)	(1,355)	(132)	**(7,742)**	(7,164)
Rents payable	-	-	-	(18)	-	-	**(18)**	(15)
Routine maintenance	(3,851)	(478)	(58)	(9)	(268)	(91)	**(4,755)**	(4,157)
Planned maintenance	(5,208)	(690)	(83)	-	(345)	(131)	**(6,457)**	(4,266)
Major repairs expenditure	(3,650)	(492)	(59)	-	(247)	(32)	**(4,480)**	(3,708)
Bad debts	(144)	(64)	1	-	(17)	1	**(223)**	(258)
Depreciation	(4,519)	(1,530)	(59)	-	(590)	(19)	**(6,717)**	(6,774)
Accelerated depreciation	(221)	(30)	(4)	-	(15)	(6)	**(276)**	(417)
Other costs	(16)	-	-	(1)	-	-	**(17)**	(19)
Operating costs on social housing lettings	**(30,682)**	**(4,977)**	**(466)**	**(71)**	**(3,341)**	**(599)**	**(40,136)**	**(34,374)**
Operating surplus/(deficit) for social housing lettings	**10,749**	**3,567**	**184**	**(43)**	**88**	**331**	**14,876**	**19,394**
Void losses	(408)	(158)	(15)	(5)	(60)	(12)	**(658)**	**(667)**

3. INCOME & EXPENDITURE FROM SOCIAL HOUSING LETTINGS

ASSOCIATION	General needs housing £'000	Affordable housing £'000	Key workers £'000	Supported housing £'000	Shared ownership £'000	2022 £'000	2021 £'000
Rents receivable net of identifiable service charges	36,786	8,324	616	2,247	735	**48,708**	47,727
Service and other charges receivable	2,345	75	32	1,085	162	**3,699**	3,488
Charges for support services	-	-	-	52	-	**52**	52
Amortised government grants	88	145	2	45	33	**313**	298
Turnover from social housing lettings	**39,219**	**8,544**	**650**	**3,429**	**930**	**52,772**	**51,565**
Management	(7,372)	(995)	(120)	(504)	(189)	**(9,180)**	(7,366)
Service charge costs	(5,379)	(698)	(84)	(1,355)	(132)	**(7,648)**	(7,049)
Routine maintenance	(3,547)	(478)	(58)	(268)	(91)	**(4,442)**	(3,859)
Planned maintenance	(5,107)	(690)	(83)	(345)	(131)	**(6,356)**	(4,205)
Major repairs expenditure	(3,650)	(492)	(59)	(247)	(32)	**(4,480)**	(3,708)
Bad debts	(137)	(64)	1	(17)	1	**(216)**	(260)
Depreciation	(4,127)	(1,530)	(59)	(590)	(19)	**(6,325)**	(6,385)
Accelerated depreciation	(221)	(30)	(4)	(15)	(6)	**(276)**	(309)
Operating costs on social housing lettings	**(29,540)**	**(4,977)**	**(466)**	**(3,341)**	**(599)**	**(38,923)**	**(33,141)**
Operating surplus for social housing lettings	**9,679**	**3,567**	**184**	**88**	**331**	**13,849**	**18,424**
Void losses	(401)	(158)	(15)	(60)	(12)	**(646)**	**(653)**

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	2022 Closing balance
Social housing – managed directly					
General needs housing	6,090	-	(17)	11	6,084
Affordable housing	778	-	-	3	781
Keyworkers	87	-	-	7	94
Supported housing	391	-	-	-	391
Shared ownership	165	-	(1)	(16)	148
Market – non-social	10	-	-	(1)	9
Total units in ownership	**7,521**	**-**	**(18)**	**4**	**7,507**
Accommodation managed on behalf of others	1,274	201	-	-	1,475
Accommodation managed on our behalf	36	-	-	2	38
Total units managed or owned	**8,831**	**201**	**(18)**	**6**	**9,020**
Leasehold	1,990	-	-	(6)	1,984
Total units in management (including Leasehold)	**10,821**	**201**	**(18)**	**-**	**11,004**

ASSOCIATION	Opening balance	Additions	Disposals	Change in use	2022 Closing balance
Social housing – managed directly					
General needs housing	5,790	-	(17)	11	5,784
Affordable housing	778	-	-	3	781
Keyworkers	87	-	-	7	94
Supported housing	391	-	-	-	391
Shared ownership	165	-	(1)	(16)	148
Market – non-social	10	-	-	(1)	9
Total units in ownership	**7,221**	**-**	**(18)**	**4**	**7,207**
Accommodation managed on behalf of others	26	27	-	-	53
Accommodation managed on our behalf	36	-	-	2	38
Total units managed or owned	**7,283**	**27**	**(18)**	**6**	**7,298**
Leasehold	1,990	-	-	(6)	1,984
Total units in management (including Leasehold)	**9,273**	**27**	**(18)**	**-**	**9,282**

5. SURPLUS ON SALE OF FIXED ASSETS

GROUP & ASSOCIATION 2022	Shared ownership staircasing £'000	Right to buy £'000	Right to acquire £'000	Other £'000	2022 Total £'000
Disposal proceeds	706	2,741	2,488	29	5,964
Amounts payable to LBRuT under RTB sharing agreement and trust deed	-	(2,476)	-	-	(2,476)
Cost of disposals	(512)	(170)	(196)	(16)	(894)
Selling costs	(2)	(6)	(5)	-	(13)
Write back of amortised grant	(1)	-	-	-	(1)
Surplus	**191**	**89**	**2,287**	**13**	**2,580**

Right to buy disposals are accounted for in accordance with London Borough of Richmond upon Thames (LBRuT) sharing agreement. Funds from disposals are held in trust in equal parts for RHP and LBRuT.

GROUP & ASSOCIATION 2021	Shared ownership staircasing £'000	Right to acquire £'000	Other £'000	2021 Total £'000
Disposal proceeds	296	443	-	739
Cost of disposals	(138)	(42)	-	(180)
Surplus	(3)	(1)	(2)	(6)
Surplus	**155**	**400**	**(2)**	**553**

6. OPERATING SURPLUS

This is arrived at after charging:

	GROUP		ASSOCIATION	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Depreciation of housing properties	6,717	6,774	6,325	6,385
Accelerated depreciation on component replacements	276	417	276	309
Depreciation of other tangible fixed assets	252	263	235	246
Amortisation of intangible fixed assets	573	360	573	360
Impairment of housing properties	2,296	1,314	2,296	1,314
Operating lease rentals				
- Land and buildings	18	14	-	-
- Vehicles	88	66	88	66
- Office equipment and computers	60	63	60	63
Auditors' remuneration (excluding VAT)				
- For audit of statutory accounts	78	74	62	58
- For service charge audit	12	11	12	11
- For other assurance services	-	-	-	-

7. INTEREST RECEIVABLE & OTHER SIMILAR INCOME

	GROUP		ASSOCIATION	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest receivable and other similar income	72	41	131	50

8. INTEREST PAYABLE

	GROUP		ASSOCIATION	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Loans and bank overdrafts	8,066	7,121	8,052	7,107
Interest charge on pensions	198	56	186	51
Amortised finance costs	299	341	299	341
	8,563	**7,518**	**8,537**	**7,499**
Interest capitalised on construction of housing properties (Note 12,17)	(1,238)	(640)	(1,238)	(640)
Total	**7,325**	**6,878**	**7,299**	**6,859**

9. EMPLOYEES

	GROUP		ASSOCIATION	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Average monthly number of employees:				
Administration	105	108	77	80
Development	14	12	14	12
Housing, support and care	182	159	172	159
Total	**301**	**279**	**263**	**251**
Average monthly number of employees expressed in full time equivalents:				
Administration	98	91	74	71
Development	14	12	14	12
Housing, support and care	161	149	161	149
Total	**273**	**252**	**249**	**232**

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

	GROUP		ASSOCIATION	
EMPLOYEE COSTS	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	10,524	9,551	9,659	8,776
Social security costs	1,034	941	945	862
Other pensions costs	875	1,186	810	1,147
Total employee costs	**12,433**	**11,678**	**11,414**	**10,785**

9. EMPLOYEES (CONTINUED)

	GROUP		ASSOCIATION	
PENSIONS COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Actuarial (loss)/gain on SHPS pension	2,727	(4,041)	2,674	(3,635)
Actuarial (loss)/gain on WCPF pension	1,134	(340)	1,134	(340)
Total pensions costs	**3,861**	**(4,381)**	**3,808**	**(3,975)**

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 subsidiary are members of the SHPS. Further information on each scheme is given below.

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Employer contributions	832	352	767	312

DEFINED BENEFIT PENSION SCHEME

The Governance and Reward Committee and the Board have closed the Social Housing Pension Scheme (SHPS of 'the Scheme') Defined Benefit scheme in the UK to future accrual for current and prospective active members with effect from 1 April 2021.

The Scheme is a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

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

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2022 to 28 February 2023 inclusive.

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

9. EMPLOYEES (CONTINUED)

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)	GROUP 2022 £'000	GROUP 2021 £'000	ASSOCIATION 2022 £'000	ASSOCIATION 2021 £'000
Fair value of plan assets	22,840	20,561	20,042	17,668
Present value of defined benefit obligation	(25,917)	(26,827)	(22,647)	(23,324)
Scheme deficit	(3,077)	(6,266)	(2,605)	(5,656)
Net defined benefit liability to be recognised	**(3,077)**	**(6,266)**	**(2,605)**	**(5,656)**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	GROUP 2022 £'000	ASSOCIATION 2022 £'000
Defined benefit obligation at start of period	26,827	23,324
Current service cost	-	-
Expenses	24	20
Interest expense	588	514
Contributions by plan participants	-	-
Actuarial losses due to scheme experience	1,435	1,353
Actuarial gains due to demographic assumptions	(382)	(324)
Actuarial gains due to changes in financial assumptions	(2,326)	(2,102)
Benefits paid and expenses	(249)	(138)
Defined benefit obligation at end of period	**25,917**	**22,647**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS	GROUP 2022 £'000	ASSOCIATION 2022 £'000
Fair value of plan assets at start of period	20,561	17,668
Interest income	456	394
Gain on plan assets (excluding amounts included in interest income)	1,454	1,601
Contributions by the employer	618	517
Contributions by plan participants	-	-
Benefits paid and expenses	(249)	(138)
Fair value of plan assets at end of period	**22,840**	**20,042**

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £1,995k (2021: £1,547k) (RHP) and £1,910k (2021: £1,850k) (Group).

9. EMPLOYEES (CONTINUED)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)	GROUP 2022 £'000	ASSOCIATION 2022 £'000
Current service cost	-	-
Expenses	24	20
Net interest expense	132	120
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**156**	**140**

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	GROUP 2022 £'000	ASSOCIATION 2022 £'000
Gain on plan assets (excluding amounts included in net interest cost)	1,454	1,601
Experience losses arising on the plan liabilities	(1,435)	(1,353)
Gains arising from changes in the demographic assumptions	382	324
Gains arising from changes in the financial assumptions	2,326	2,102
Total loss recognised in other comprehensive income	**2,727**	**2,674**

9. EMPLOYEES (CONTINUED)

	GROUP		ASSOCIATION	
ASSETS	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Absolute return	916	1,135	804	975
Alternative risk premia	753	775	661	666
Corporate bond fund	1,524	1,215	1,337	1,044
Credit relative value	759	647	666	556
Distressed opportunities	817	593	717	510
Emerging markets debt	664	830	583	713
Fund of hedge funds	-	2	-	2
Global equity	4,383	3,278	3,846	2,817
Infrastructure	1,627	1,371	1,428	1,178
Insurance-linked securities	532	493	467	424
Liability driven investment	6,373	5,226	5,592	4,491
Long lease property	588	403	516	346
Net current assets	64	125	56	107
Opportunistic Illiquid credit	767	558	673	449
Private debt	586	490	514	421
Property	617	427	541	367
Risk sharing	752	748	660	643
Secured income	851	855	747	735
Liquid credit	-	246	-	211
High yield	197	87	173	529
Cash	78	-	68	-
Currency Hedging	(89)	-	(78)	-
Opportunistic Credit	81	79	71	484
Total assets	**22,840**	**19,583**	**20,042**	**17,668**

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	**2022 %**	**2021 %**
Discount rate	2.78	2.21
Inflation (RPI)	3.47	3.22
Inflation (CPI)	3.14	2.87
Salary growth	4.14	3.87
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 2022 imply the following life expectancies at the age of 65:

Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

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.

	2022 %	2021 %
Rate of increase in pensions in payment	3.25	2.85
Discount rate	2.6	1.95

FAIR VALUE OF EMPLOYER ASSETS:	2022 £'000	2021 £'000
Equities	8,074	8,177
Gilts	180	246
Other bonds	1,868	1,793
Property	1,625	1,065
Cash	196	660
Multi asset fund	1,551	1,188
Total fair value of employer assets	**13,494**	**13,129**

9. EMPLOYEES (CONTINUED)

LIFE EXPECTANCY FROM AGE 65 (YEARS):	2022 £'000	2021 £'000
Retiring today		
Males	21.6	21.6
Females	24.3	24.3
Retiring in 20 years		
Males	23.0	22.9
Females	25.8	25.7

The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 105% for females. These base tables are then projected using the CMI 2020 model allowing for long term rate of improvement of 1.25%, smoothing parameter of 7.5 and an initial addition to improvements of 0.5% pa and a 2020 weighting of 25%.

NET PENSION LIABILITY AS AT:	2022 £'000	2021 £'000
Present Value of funded liabilities	(15,809)	(16,545)
Fair value of employer assets (bid value)	13,494	13,129
Net Liability in the Statement of Financial Position	**(2,315)**	**(3,416)**

THE AMOUNTS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME ARE AS FOLLOWS:	2022 £'000	2021 £'000
Net interest on the defined pension liability	66	70
Admin expenses	9	7
Total charged to current year Statement of Comprehensive Income	**75**	**77**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	2022 £'000	2021 £'000
Opening defined benefit obligation	16,545	13,894
Experience gain/(loss) on defined benefit obligations	40	(218)
Interest cost	319	321
Change in financial assumptions	(761)	3,133
Change in demographic assumptions	-	(148)
Estimated benefits paid	(334)	(437)
Closing defined benefit obligation	**15,809**	**16,545**

9. EMPLOYEES (CONTINUED)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF EMPLOYER ASSETS	2022 £'000	2021 £'000
Opening fair value of employer assets	13,129	10,895
Other actuarial gains	-	-
Contributions by the employer	42	-
Estimated benefits paid	(334)	(437)
Interest on assets	253	251
Admin expenses	(9)	(7)
Return on assets less interest	413	2,427
Closing fair value of employer assets	**13,494**	**13,129**

The total return on the fund assets for the year to 31 March 2022 is £666k (2021: £2,678k).

RECONCILIATION OF OPENING AND CLOSING SURPLUS	2022 £'000	2021 £'000
Movement in deficit during the year		
Association share of scheme liabilities at beginning of year	(3,416)	(2,999)
Movement in year:		
Current service cost	(9)	(7)
Contributions	42	-
Other finance costs	(66)	(70)
Actuarial gains/(losses)	1,134	(340)
Association share of scheme liabilities at end of year	**(2,315)**	**(3,416)**

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Executive directors' emoluments	859	832	764	737
Pension contributions in respect of services as directors	73	78	73	78
Amounts paid to non-executive directors	71	70	71	70
Total	**1,003**	**980**	**908**	**885**

The total amount payable to the Chief Executive, who is a Board member and is the highest paid director in respect of emoluments was £169k (2021: £168k). Pension contributions of £19k (2021: £19k) were paid to a defined benefit scheme on his behalf.

The pension entitlement of the Chief Executive is identical to those of other members.

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	
	2022 No.	2021 No.	2022 No.	2021 No.
£60,000 - £69,999	10	5	10	5
£70,000 - £79,999	4	6	4	6
£80,000 - £89,999	4	3	4	3
£90,000 - £99,999	1	2	1	2
£100,000 - £109,000	3	2	3	1
£110,000 - £139,000	1	2	-	2
£140,000 - £149,999	3	1	3	1
£150,000 - £179,000	1	2	1	2

11. TAXATION

	GROUP		ASSOCIATION	
UK CORPORATION TAX	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Surplus on ordinary activities before tax	8,910	11,574	7,971	10,573
Surplus on ordinary activities multiplied by the effective rate of:				
Corporation tax in the UK of 19% (2021:19%)	1,693	2,199	1,514	2,009
Exempt from corporation tax	(1,693)	(2,199)	(1,514)	(2,009)
Current tax charge for the year	-	-	-	-

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 2021	391,033	32,901	20,073	28,468	472,475
Prior year adjustment	(2,247)	2,247	-	-	-
Restated balance as at 1 April 2021	**388,786**	**35,148**	**20,073**	**28,468**	**472,475**
Works to existing properties	10,340	-	9	-	10,349
Reclassification	-	6,182	-	(6,182)	-
Additions – construction costs	-	17,562	-	6,951	24,513
Schemes completed	6,282	(6,282)	2,781	(2,781)	-
Disposals	(499)	-	(512)	-	(1,011)
Disposals - components	(1,090)	-	-	-	(1,090)
At 31 March 2022	**403,819**	**52,610**	**22,351**	**26,456**	**505,236**
Depreciation					
At 1 April 2021	67,035	-	28	-	67,063
Depreciation charged in year	6,701	-	16	-	6,717
Released on disposal	(117)	-	-	-	(117)
Released on disposal – components	(807)	-	-	-	(807)
At 31 March 2022	**72,812**	**-**	**44**	**-**	**72,856**
Impairment					
At 1 April 2021	-	2,713	-	374	3,087
Reclassification	-	(1,042)	-	1,042	-
Schemes Completed	1,416	(1,416)	250	(250)	-
Charge for the year	-	-	-	959	959
Released in the year	-	(255)	-	-	(255)
At 31 March 2022	**1,416**	**-**	**250**	**2,125**	**3,791**
Net book value					
At 31 March 2022	**329,591**	**52,610**	**22,057**	**24,331**	**428,589**
At 31 March 2021 (restated)	323,998	30,188	20,045	28,094	402,325

The prior year adjustment relates to a misclassification of costs on the Normansfield Road scheme.

The impairment relates to the social rented and shared ownership units at Informer House, 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 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 2021	366,671	32,901	20,073	28,468	448,113
Prior year adjustment	(2,247)	2,247	-	-	-
Restated balance as at 1 April 2021	**364,424**	**35,148**	**20,073**	**28,468**	**448,113**
Works to existing properties	10,057	-	9	-	10,066
Reclassification	-	6,182	-	(6,182)	-
Additions – construction costs	-	16,883	-	6,951	23,834
Schemes completed	6,282	(6,282)	2,781	(2,781)	-
Disposals	(499)	-	(512)	-	(1,011)
Disposals - components	(1,063)	-	-	-	(1,063)
At 31 March 2022	**379,201**	**51,931**	**22,351**	**26,456**	**479,939**
Depreciation					
At 1 April 2021	62,740	-	28	-	62,768
Depreciation charged in year	6,309	-	16	-	6,325
Released on disposal	(117)	-	-	-	(117)
Released on disposal – components	(787)	-	-	-	(787)
At 31 March 2022	**68,145**	**-**	**44**	**-**	**68,189**
Impairment					
At 1 April 2021	-	2,713	-	374	3,087
Reclassification	-	(1,042)	-	1,042	-
Schemes Completed	1,416	(1,416)	250	(250)	-
Charge for the year	-	-	-	959	959
Released in the year	-	(255)	-	-	(255)
At 31 March 2022	**1,416**	**-**	**250**	**2,125**	**3,791**
Net book value					
At 31 March 2022	**309,640**	**51,931**	**22,057**	**24,331**	**407,959**
At 31 March 2021 (restated)	303,931	30,188	20,045	28,094	382,258

The prior year adjustment relates to a misclassification of costs on the Normansfield Road scheme.

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

12. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (CONTINUED)

	GROUP		ASSOCIATION	
HOUSING PROPERTIES	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Freehold	397,482	375,002	379,092	357,232
Long leasehold	31,107	27,323	28,867	25,026
Total housing properties	**428,589**	**402,325**	**407,959**	**382,258**

	GROUP		ASSOCIATION	
INTEREST CAPITALISATION	**2022 £'000**	**2021 £'000**	**2022 £'000**	**2021 £'000**
Interest capitalised in the year	1,093	572	1,093	572
Cumulative interest capitalised to date	7,759	6,666	7,759	6,666
Effective interest rate used on interest capitalised in the year	3.10%	3.10%	3.10%	3.10%

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 2021	7,164	100	2,204	595	10,063
Additions	98	-	16	104	218
At 31 March 2022	**7,262**	**100**	**2,220**	**699**	**10,281**
Depreciation & Impairment					
At 1 April 2021	1,742	94	1,869	438	4,143
Charged in the year	30	-	135	86	251
At 31 March 2022	**1,772**	**94**	**2,004**	**524**	**4,394**
Net book value					
At 31 March 2022	**5,490**	**6**	**216**	**175**	**5,887**
At 31 March 2021	5,422	6	335	157	5,920

ASSOCIATION	Freehold offices £'000	Furniture, fixtures & fittings £'000	Computers, office equipment & vehicles £'000	Total £'000
Cost				
At 1 April 2021	7,164	2,110	513	9,787
Additions	98	9	104	211
At 31 March 2022	**7,262**	**2,119**	**617**	**9,998**
Depreciation & Impairment				
At 1 April 2021	1,742	1,763	388	3,893
Charged in the year	30	117	85	232
At 31 March 2022	**1,772**	**1,880**	**473**	**4,125**
Net book value				
At 31 March 2022	**5,490**	**239**	**144**	**5,873**
At 31 March 2021	5,422	347	125	5,894

14. INTANGIBLE FIXED ASSETS

GROUP & ASSOCIATION	Computer software £'000
Cost	
At 1 April 2021	4,653
Additions	1,446
At 31 March 2022	**6,099**
Amortisation	
At 1 April 2021	2,181
Charged in the year	573
At 31 March 2022	**2,754**
Net book value	
At 31 March 2022	**3,345**
At 31 March 2021	2,472

15. INVESTMENT PROPERTIES

GROUP & ASSOCIATION	£'000
At 1 April 2021	7,236
Additions	-
Movement in fair value	23
At 31 March 2022	**7,259**

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 2022 by Jones Laing LaSalle Limited (JLL), 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 1.39% and the Equivalent Yield assumed at 7.01%. This reflects a capital value of around £282 psf.

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 JLL.

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 Property Ltd which is a dormant subsidiary of the Association.

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.

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 2022, the Association had part-subscribed to all 50,000 £1 shares for £0.25p a share for a total of £12,500.

RHP Property Ltd was incorporated on 13 April 2018 and has not traded since that date. As at 31 March 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 the Association held one £1 share in the Company.

Evolve Housing Limited was incorporated on 11 June 2004 and has not trading since that date. The Association holds a 50% interest of the £1,000 shares.

ASSOCIATION	**2022 £'000**	**2021 £'000**
Investment in RHP Finance Plc	13	13
Investment in RHP Property Limited	-	-
Investment in RHP Develop Limited	-	-
Investment in Evolve Housing Limited	-	-
Total	**13**	**13**

17. PROPERTIES HELD FOR SALE

GROUP & ASSOCIATION	**2022 £'000**	**2021 £'000**
Shared ownership properties:		
Work in progress	8,960	8,416
Completed properties held for sale	294	2,343
Impairment	(1,592)	-
At 31 March	**7,662**	**10,759**
Capitalised interest included in the above	**404**	**423**

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

18. TRADE AND OTHER DEBTORS

	GROUP		ASSOCIATION	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Debtors receivable within one year				
Rent and service charges receivable	2,502	3,302	2,263	3,065
Less: provision for bad and doubtful debts	(1,123)	(2,331)	(966)	(2,178)
	1,379	**971**	**1,297**	**887**
Other debtors	1,667	1,054	1,505	1,153
Amount owed by subsidiary undertakings	-	-	1,500	250
Prepayments and accrued income	1,687	1,733	1,678	1,713
Total Debtors	**4,733**	**3,758**	**5,980**	**4,003**

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 2022, £1m had been utilised.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		ASSOCIATION	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans (Note 21)	56	56	-	-
Trade creditors	856	436	222	366
Rent and service charges received in advance	2,115	1,364	1,958	1,205
Recycled capital grant fund (Note 23)	59	-	59	-
Deferred capital grant (Note 24)	426	431	293	298
Amount owed by subsidiary undertakings	-	-	1,849	1,283
Other creditors	5,554	2,808	5,283	2,556
Accruals and deferred income	17,738	11,329	16,205	9,800
Total	**26,804**	**16,424**	**25,869**	**15,508**

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		ASSOCIATION	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans and borrowings (Note 21)	294,928	295,558	22,291	21,992
Recycled Capital Grant Fund (Note 23)	132	153	62	83
Amount owed to subsidiary undertaking	-	-	272,489	273,360
Deferred temporary social housing grant	3	3	-	-
Deferred capital grant (Note 24)	45,903	45,823	36,138	35,924
Commercial deposits	52	52	52	52
Total	**341,018**	**341,588**	**331,032**	**331,411**

21. LOANS AND BORROWINGS

GROUP 2022	Bank loans £'000	2048 Bond £'000	Total £'000
In one year or less, or on demand	56	-	56
In more than one year but not more than two years	35	-	35
In more than two years but not more than five years	23,033	-	23,033
More than five years	80	250,000	250,080
	23,204	**250,000**	**273,204**
Capitalised finance costs	(709)	-	(709)
Capitalised bond premium and issue costs	-	22,489	22,489
Total loans and borrowings	**22,495**	**272,489**	**294,984**

GROUP 2021	Bank loans £'000	2048 Bond £'000	Total £'000
In one year or less, or on demand	56	-	56
In more than one year but not more than two years	61	-	61
In more than two years but not more than five years	23,067	-	23,067
More than five years	78	250,000	250,078
	23,262	**250,000**	**273,262**
Capitalised finance costs	(1,008)	-	(1,008)
Capitalised bond issue costs	-	23,360	23,360
Total loans and borrowings	**22,254**	**273,360**	**295,614**

21. LOANS AND BORROWINGS

ASSOCIATION 2022	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	(709)	-	(709)
Capitalised bond premium and issue costs	-	22,489	22,489
Total loans and borrowings	**22,291**	**272,489**	**294,780**

ASSOCIATION 2021	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	(1,008)	-	(1,008)
Capitalised bond issue costs		23,360	23,360
Total loans and borrowings	**21,992**	**273,360**	**295,352**

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

During the year the Group's revolving credit facilities have been converted from LIBOR to SONIA linked interest calculations in line with the Bank of England transition. The changes have been implemented using a credit adjustment spread that ensures parity with previous arrangements.

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.

At 31 March 2022 the Group had undrawn fully secured loan facilities of £122m (2021: £122m) plus £25m of retained bonds which could be sold to investors.

22. DISPOSAL PROCEEDS FUND

GROUP & ASSOCIATION	2022 £'000	2021 £'000
At 1 April	-	1,076
Utilised in the year (Note 24)	-	(1,076)
Balance at 31 March	**-**	**-**

23. RECYCLED CAPITAL GRANT FUND

GROUP	2022 £'000	2021 £'000
At 1 April	153	129
Grant recycled on disposals (Note 24)	38	24
Grant recycled due to change of use (Note 24)	-	-
Utilised in the year	-	-
Balance at 31 March	**191**	**153**

ASSOCIATION	2022 £'000	2021 £'000
At 1 April	83	59
Grant recycled on disposals (Note 24)	38	24
Grant recycled due to change of use (Note 24)	-	-
Utilised in the year	-	-
Balance at 31 March	**121**	**83**

24. DEFERRED CAPITAL GRANT

	GROUP £'000	ASSOCIATION £'000
At 1 April 2021	46,254	36,222
Grant received in the year	560	560
Grant recycled on disposals (Note 23)	(38)	(38)
Released to income in the year	(447)	(313)
At 31 March 2022	**46,329**	**36,431**
Due within one year	426	293
Due after more than one year	45,903	36,138
At 31 March 2022	**46,329**	**36,431**

	GROUP		ASSOCIATION	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Total accumulated social housing grant received or receivable at 31 March	50,779	50,257	38,677	38,155

25. 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 repaid their previous intercompany facility in January 2021. A new £11m revolving facility was made available from 1 April 2021 at a margin of 1.23%. RHP has also issued a working capital loan to RHP Develop Ltd of £500k at a margin of 0.87%.

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 2.57% at 31 March 2022 (2021: 2.57%).

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, however have received exceptions to forward looking cashflow information requirements until such time that we have more economic certainty.

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 August 2024.

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 these 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).

26. NET DEBT RECONCILIATION

GROUP & ASSOCIATION	Restated 1 April 2021 £'000	Cash flows £'000	Non Cash Movements £'000	31 March 2022 £'000
Cash and cash equivalents:				
Cash and cash equivalents	52,941	(6,714)	-	46,227
	52,941	**(6,714)**	**-**	**46,227**
Borrowings:				
Loans due within one year	(56)	58	(58)	(56)
Loans due after one year	(23,206)	-	58	(23,148)
Bond finance	(250,000)	-	-	(250,000)
Loan and bond arrangement fees	2,366	-	(350)	2,016
Bond discount	1,138	-	(42)	1,096
Bond premium	(25,856)	-	964	(24,892)
	(295,614)	**58**	**572**	**(294,984)**
Total Net Debt	**(242,673)**	**(6,656)**	**572**	**(248,757)**

The prior year restatement relates to the reclassification of a £10m investment from cash and cash equivalents into short term investments.

27. PROVISION FOR LIABILITIES

PROVISION FOR END OF LEASE DILAPIDATIONS COSTS	GROUP £'000
Brought forward	94
Paid in year	-
At 31 March 2022	**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.

28. NON-EQUITY CAPITAL

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

NUMBER OF MEMBERS	2022	2021
At 1 April	20	19
Joining during the year	3	1
Leaving during the year	(2)	-
At 31 March	**21**	**20**

29. LEASES

Operating lease payments amounting to £153k (2020: £144k) are due within one year.
The leases to which this relates are as follows:

GROUP	2022 Land & buildings £'000	2022 Vehicles, office equipment & computers £'000	2022 Total £'000	2021 Land & buildings £'000	2021 Vehicles, office equipment & computers £'000	2021 Total £'000
Lease payments						
Within one year	15	138	153	15	129	144
One to five years	34	111	145	34	181	215
Beyond five years	6	-	6	6	3	9
Total	**55**	**249**	**304**	**55**	**313**	**368**

ASSOCIATION	2022 Land & buildings £'000	2022 Vehicles, office equipment & computers £'000	2022 Total £'000	2021 Land & buildings £'000	2021 Vehicles, office equipment & computers £'000	2021 Total £'000
Lease payments						
Within one year	-	138	138	-	129	129
One to five years	-	111	111	-	181	181
Beyond five years	-	-	-	-	3	3
Total	**-**	**249**	**249**	**-**	**313**	**313**

30. CAPITAL COMMITMENTS

GROUP & ASSOCIATION	2022 £'000	Restated 2021 £'000
Commitments contracted but not yet provided for:		
Construction or purchase of housing properties	112,110	25,321
Commitments approved by the Board but not yet contracted for:		
Construction or purchase of housing properties	68,800	89,793
Total capital commitments	**180,910**	**115,115**
Capital commitments for the Group and Association will be funded as follows:		
Social Housing Grant	35,505	23,918
Cash and cash equivalents	46,227	52,941
Investments	10,000	10,000
Borrowings	89,178	28,256
Total capital commitments	**180,910**	**115,115**

The prior year restatement relates to the reclassification of a £10m investment from cash and cash equivalents into investments.

31. 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.

32. POST BALANCE SHEET EVENTS

Subsequent to year end, one of our development partners working on 2 partially complete developments, DCB Kent, went into administration. We have been in positive and constructive conversations with the provider of the parent company guarantee and have reached a provisional agreement that allows us to bring these 2 schemes to completion. Whilst this does require further financial contribution, it does not at this stage result in any impairment and we are optimistic about concluding these schemes in the coming months.

33. RELATED PARTIES

During the year there was one tenant, Alex Molnar, and two leaseholders, Toby D'Olier and Shabana Jamil, who were members of the Board. Mr Molnar paid £201.26 per week (2021: £197.82 per week) and had no amounts outstanding to RHP at 31 March 2022. Mr D'Olier paid service charges of £925.88 (2021: £251.77) and had no amounts outstanding to RHP at 31 March 2022. Ms Jamil paid service charges of £1,122.12 and had no amounts outstanding to RHP at 31 March 2022. 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 UN-REGULATED 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 £9k and other administrative expenses of RHP Finance Plc are borne by RHP the immediate and ultimate parent undertaking.

RHP Property Ltd was incorporated as a subsidiary of RHP on 13 April 2018 and has not traded since that date. As at 31 March the Association held one £1 share in the Company.

RHP Develop Ltd was incorporated as a subsidiary of RHP on 28 March 2018 and started trading in 2020. As at 31 March 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 2022, £500k had been utilised (2021: £250k). Interest is payable quarterly at 0.87% margin plus 3-month compounded SONIA plus 0.1193% credit adjustment spread.

Evolve Housing Limited was incorporated on 11 June 2004. The Association holds a 50% interest in the Company. The Company has not traded since that date. As at 31 March 2022 the Association held 500 £1 shares in the Company.