



ONE VISION HOUSING LIMITED

Registered Social Housing Provider

Report and Financial Statements

Year ended 31 March 2020

Co-operative and Community Benefit Society
(FCA) number: 7072

Regulator of Social Housing registration number: 4804

One Vision Housing Limited

Report and Financial Statements for the year ended 31 March 2020

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One Vision Housing Limited

Executives and Advisors for the year ended 31 March 2020

Board of management

Fiona Graham	Non-executive (chair)	
Fiona Portlock	Non-executive	retired September 2019
Alan Marshall	Non-executive	
Joe Connell	Non-executive	
John Kelly	Non-executive	resigned November 2019
Richard Carmichael	Non-executive	
Dawn Murray	Non-executive	
Andy Armstrong	Non-executive	appointed November 2019
Peter Crosby	Non-executive	appointed November 2019
Roy Williams	Executive	
Tracey Liggett	Executive	

Executive management

Roy Williams	Group Chief Executive Officer
Tracey Liggett	Chief Finance Officer
Ian Fazakerley	Chief Operating Officer
Ian Mitchell	Managing Director
Gaynor Robinson	Operations Director - Finance
Alan McAvoy	Operations Director - Housing Services
Paula Robinson	Operations Director - Support Services
Marcus Evans	Group Director - Governance and Compliance

Company secretary and registered office

Marcus Evans
Atlantic House
Dunnings Bridge Road
Bootle, L30 4TH

Company number

Co-operative and Community Benefit Society (FCA) number	7072
Regulator of Social Housing registered number	4804

Auditors

BDO LLP
5 Temple Square
Temple Street
Liverpool, L2 5RH

Principal solicitors

Weightmans
100 Old Hall Street
Liverpool
L3 9QJ

Bankers

Royal Bank Of Scotland
Merseyside Cheshire & North Wales, Corporate Banking
1 Dale Street
Liverpool
L2 2PP

One Vision Housing Limited

Chair's Statement for the year ended 31 March 2020

I am pleased to announce that this year we achieved a surplus of £3.3m. This money will be reinvested to help us to achieve our vision of "thriving, inclusive communities".

The above performance reflects that during the year, we spent an additional £7.7m managing and mitigating a number of key risks by exiting from the Merseyside Pension Scheme and accelerating our fire safety programme to ensure the safety of our customers post Grenfell. In particular, 2020 has been a year of celebration as One Vision Housing was awarded the Number One place (in the large company category) of the 2020 UK Best Place to Work Awards and 2020 UK's Best Workplace for Women, as part of the Sovini group.

Our strong financial performance has enabled us to do more in all parts of our business, but in particular to increase the supply of affordable housing.

With the rising cost of house prices and private rents many people find it difficult to find a home to call their own. As a modern and innovative housing association, we have responded to these challenges. We built 219 new homes in 2020 and have plans to deliver a further 994 homes by 2024 taking our programme total to 1,869 homes. We have also reshaped our services, to mitigate welfare reform and focus on our highest priority of income maximisation.

The years ahead are likely to prove more difficult for some of our customers, particularly those who are older, vulnerable and/or reliant on some form of benefit. I believe that we are in a strong position to be able to help and support our customers, enabling them to sustain their homes and/or move into homeownership. We continue to set ambitious development targets and have put in place confirmed funding to support a sustainable development programme of in excess of 210 new homes per annum, for the coming years. We plan to self build circa 70% of these homes through the Sovini groups supply chain partners.

We also responded positively to the Coronavirus Pandemic, minimising where possible the adverse impact of this on our operating environment. Acting responsibly and in accordance with government guidelines, the association swiftly implemented the necessary measures to reduce the risks of contagion, harnessed virtual technologies and in doing so supported and protected our staff and customers. We have also stress tested our business plan to assess the human and economic impacts of COVID-19 on our income and expenditure forecasts and our statutory and regulatory obligations.

I believe we are in a strong position to continue to invest in our communities and support the provision of quality homes and services in the future.



Fiona Graham (chair of the board)
20 July 2020

One Vision Housing Limited

Report of the Board for the year ended 31 March 2020

The board is pleased to present its report and audited financial statements for the year ended 31 March 2020.

Who are we?

One Vision Housing Limited is a co-operative and community benefit society with charitable status and a registered provider administered by a board and regulated by the Regulator of Social Housing.

The association became a partner of the Sovini group (a non-registered, non asset holding co-operative and community benefits society) on 1 December 2011.

Principle Activities

One Vision Housing Limited is administered by a board of management. The association was established in October 2006 to provide homes and housing services to customers in Sefton, as part of a large scale voluntary transfer undertaking. The association continues to fulfil this need and has expanded its activities and stock holding into Chorley, St Helens, Chester, Cheshire East, Cheshire West, West Lancashire, Knowsley, Liverpool and Wirral, as well as remaining the largest landlord in Sefton.

The association has one trading subsidiary, Sovini Developments Limited, whose financial results are reported as part of the Sovini group financial statements. Sovini Limited remains the ultimate parent undertaking.

The Board and delegation

The board comprises of nine board members, seven of whom are remunerated (non-executive directors). Details of the board remuneration can be found in note 10 of the financial statements.

Board membership is strong and drawn from a diverse range of skills, knowledge and experience. Some board members hold Sovini group board responsibilities, as well as remuneration and group business assurance committee roles.

Board membership is summarised in note 10 to the financial statements.

The board is responsible for the strategic planning and policy framework. Implementation of this framework and day-to-day management is delegated to the executive management team, who regularly attend board meetings.

During the period, all board members were appraised and their training needs were identified. An ongoing board development programme is in place and specific training was provided to address any personal development needs.

Results

The surplus for the period, prior to taxation amounted to £3.3m (2019: £6.9m). This reflects that during the year we spent an additional £3.5m accelerating delivery of our fire safety programme of which £2.8m was capitalised to the SOFP, with £0.7m expensed through the SOCI as major works. Furthermore we also exited from the Merseyside Pension Scheme (£4.2m) repaying the outstanding deficit.

Compliance with the 2015 NHF Code of Governance and RSH Regulatory Standards

A self-assessment against meeting the specific requirements of RSH Regulatory Framework and Standards, including activity undertaken during 2019/20, has been undertaken and compliance was reported to board in June 2020.

Therefore, the board certify compliance with the Governance and Financial Viability Standard.

As part of the certification process, the board has considered and approved its Value for Money (VFM) statement, which evidences the association's outcomes and best practice. The VFM statement can be found on pages 13 to 22 of the Strategic Report and a copy of the approved VFM statement can be obtained at: <http://ovh.org.uk/about-us/performance/value-for-money/>.

The board formally adopted the 2015 NHF Code of Governance in April 2016. The annual self-assessment of compliance, has been undertaken and submitted to board in June 2020 for approval. As a result, the board confirm full compliance with the requirements of the 2015 NHF Code of Governance.

Regular compliance reports are reported to board during the year for approval.

One Vision Housing Limited

Report of the Board for the year ended 31 March 2020 (continued)

Board members' responsibilities

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

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

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

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

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

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2019.

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

Statement on internal control

The board acknowledges its ultimate responsibility for ensuring that an effective system of internal control is in place. The system of internal control is designed to manage key risks and provide reasonable assurance that planned business objectives are achieved.

It is the board's responsibility to establish and maintain a system of internal control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. The board's approach to risk management includes regular evaluation of the nature and extent of the risks to which the association is exposed, and is consistent with best practice principles. Key elements include:

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of corporate risks. There is a formal and ongoing process of management review in each area of the association's activities. The board regularly considers and receives reports on the corporate risks facing the association.

Control environment

The board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance risks, including treasury strategy and new investments. Policies and procedures are in place and cover these issues, including delegated authority, segregation of duties, accounting policies, treasury management policy, health and safety policy, data and asset protection, fraud protection and detection, including whistleblowing. The Sovini group business assurance committee oversee the review of the control environment and the fraud register.

The control environment is regularly reviewed by our internal auditor, Beever and Struthers, who report to the Sovini group business assurance committee. Their annual review and assessment opinion of the internal control environment is reported to the board and the Sovini group board to provide assurance of its ongoing effectiveness.

One Vision Housing Limited

Report of the Board for the year ended 31 March 2020 (continued)

Statement on internal control (continued)

Information and financial reporting systems

Financial and performance reporting procedures include the preparation and stress testing of a 30 year business plan and approval and reporting against an annual budget. Detailed management accounts are produced monthly and reported quarterly to the board, alongside a key performance indicators (balanced scorecard) summary. Financial and organisational performance are reviewed by the executive management team monthly, with risk and improvement actions implemented as necessary.

Treasury performance, liquidity and covenant compliance is monitored and reported monthly to the executive management team and quarterly to the board.

Employee involvement

The association employs 178 staff who are committed and motivated in the achievement of our corporate objectives. The board is appreciative of the efforts of staff, particularly in improving the outcomes achieved by the association and its wider reputation amongst the housing sector for innovation and improvement. The association is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The association maintains an intranet site that provides employees with information on human resources and matters of concern to them as employees, including the financial and economic factors affecting performance. This includes the ability for employees to express views anonymously on matters that affect them. The association also undertakes staff surveys to canvas views on significant matters.

Customer involvement

Engaging and working with customers remains central to our vision "thriving, inclusive communities". It is a fundamental element in achieving excellence and providing a valued customer experience. To achieve this we understand that we need to have access to intelligence and insight about our current and future customers' expectations of the services we deliver. We recognise the important role that our customers play in scrutinising of our services, actively shaping and challenging policy and assisting us to re-design our services and prioritise our scarce resources.

Political and charitable donations

During the year, we made no political donations and £20.5k of charitable donations (2019: £4.4k).

Significant events

At the time that this report was produced, the Coronavirus Pandemic was continuing to have a major impact on the economy and the wider housing market. Acting responsibly and in accordance with government guidelines, the association has implemented the necessary measures to reduce the risks of contagion. We continue to support our existing and new customers, through this period of uncertainty. This is a deliberate strategy to help to ensure that we continue to maximise our income sources and let our properties efficiently, effectively and in the shortest time possible. However, the drive and resilience of the association remains resolute. We are confident that when the Coronavirus measures are eased, we will be in a strong position to recover and achieve our ambitions for continued growth and collective business success.

Likely future developments in the business of the association

Information on likely future developments in the association are included in the Strategic Report on pages 10 to 26.

Qualifying third party indemnity provisions

The association has third party indemnity provisions in place for the board and the executive management team of One Vision Housing Limited.

One Vision Housing Limited

Report of the Board for the year ended 31 March 2020 (continued)

Going concern

The board reviewed the Association's financial plans in February 2020 and were satisfied that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, as a consequence of the COVID-19 Pandemic, the executive management team and board have reviewed the financial forecasts to reflect the risks and financial impacts as relevant and proportionate to our business. This included an assessment of the initial lockdown and phased remobilisation of services, together with any reprioritisation and phasing of service delivery in the next three years, this was to ensure that OVH can continue its business-critical activities, remain compliant with regulatory and funder requirements (including Covenant tests) and remain a going concern. As a consequence of this our forecast surplus in 2020/21 increased from £2.8m to £5.8m and our interest cover covenant capacity improved from a forecast of £6.9m to £9m, further evidencing our financial strength and resilience.

The Association was quick to adapt and implement the Government guidance on social distancing, reviewing and adjusting the associated operating environment and processes. Utilising the "in house" supply chain capacity of the Sovini group, OVH were able to rephase aspects of its repairs, investments and development programmes, with minimal disruption to services. Throughout the lockdown, OVH continued to gain access to customers homes, ensuring that they were safe and that we were able to fulfil our statutory compliance obligations, informing the Regulator through the COR Survey of minimal cases which were outside of timescales and we were also able to continue to complete emergency repairs. Throughout this period, customer contact and support was maintained, allowing the Association to continue to support and assist those customers who are vulnerable and benefit dependant. This assisted us to maintain our rent collection performance at circa 99% and contain void loss, from empty properties at 0.7%. We furloughed circa 20 of our staff and all of these have now returned / resumed their duties.

Whilst we saw some initial dips in performance in relation to our commercial income collection activities (i.e. leaseholder, market rent, shop rents etc.), we are pleased to confirm that performance has been realigned and in some cases we are now collecting at rates in excess of 100% of this income. We also were able to continue our sales activity remotely. During quarter one we sold four home and were holding eleven stock plots, of these seven are instructed for sale, one is reserved and only three remain available for sale. No homes remain unsold for over six months and our average OMV was £190,750 and we achieved an average capital receipt of £76k (40% share).

As a key provider of affordable housing in the region, we continue to self deliver through our Sovini group supply chain partners 40% of our development programme and remain forecast to achieve £43.6m of spend, 171 handovers at March 2021. Of these, 35 were handed over in quarter one and the remainder are forecast to be handed over throughout the year. Our board has also approved a further £20m of resources to continue to enter into development commitments from April 2022, taking our current programme to £208.9m (an additional 159 new homes).

We will continue to operate as normal, albeit agile and from home. We have remobilised our repairs and investment programmes, delivering more outcomes than we initially anticipated during the lockdown period. Since 1st July we have seen an influx of additional repairs (circa 1,200) and continue to monitor this situation to understand if this is a backlog or recurring issue. Our board have stress tested the business plan for an increase in repairs (one off £4m) amongst others and confirmed the strategic remedies that need to be put in place should this risk and multi variant risks crystallise. These include, reductions in our management costs and a review of our component lifecycles and further re-phasing of our investment programme from 2021 to 2024. This would ensure covenant compliance. We also, have no immediate liquidity risks due to the availability of £140m of undrawn loan facilities.

A further local or national outbreak of COVID-19 cannot be ruled out and additional measures may be taken by the Government to contain this, which are unknown and directly outside of our control. However, we have effective controls and processes in place to manage and monitor our cashflow on a daily basis and continue to review financial stability as matters progress.

Given the strength of our balance sheet, forecast surplus and availability and liquidity of undrawn loan facilities, totalling £140m, the board believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on OVH'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.

Auditors

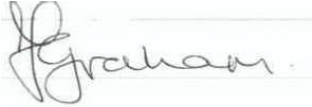
All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any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

BDO LLP have expressed their willingness to continue. A resolution for the re-appointment of BDO LLP as auditors of the association will be proposed at the forthcoming Annual General Meeting.

One Vision Housing Limited
Report of the Board
for the year ended 31 March 2020 (continued)

Approval

The Report of the Board was approved on 20 July 2020 and signed on its behalf by:



Fiona Graham (chair of the board)
20 July 2020



Steve Gow (chair of GBAC)
20 July 2020



Marcus Evans (company secretary)
20 July 2020

One Vision Housing Limited

Strategic Report for the year ended 31 March 2020

The board is pleased to present its Strategic Report and audited financial statements for the year ended 31 March 2020.

Business overview

One Vision Housing Limited is a leading registered provider, managing 13,407 homes throughout Merseyside, West Lancashire and Cheshire. We have embarked on an ambitious development programme to build a further 994 new affordable homes in the coming years (this excludes the 875 built at 31 March 2020) which include rent to buy as well as a continued commitment to shared ownership.

As a charitable co-operative and community benefit society, we reinvest our surpluses to improve our services and extend the provision of affordable housing for our customers.

In December 2011, we became a partner of the Sovini group. This encompasses a mixture of co-operative and community benefit societies, charities and commercial companies that collectively work in partnership with the sole purpose of generating additional financial capacity to increase the supply and quality of housing and related services.

We were originally established in October 2006, to provide quality homes and housing services to those in need and particularly from the Sefton area in Liverpool. We have since expanded our portfolio, acquiring over 1,300 in Liverpool and the Wirral in 2015 and our extensive development programme has increased our social, affordable, shared ownership and rent to buy stock holding in Chorley, St Helens, Chester, Cheshire East and West, West Lancashire, Knowsley and the Wirral.

As our business has grown we have continued to develop new partnerships with other local service providers and build upon our corporate social responsibilities to ensure that we maximise our environmental, social and economic impacts.

Our customers and people are placed at the heart of everything that we do, actively engaging, listening and involving them and the wider communities that we serve. We recognise that people need to feel they belong and that they can contribute, influence and make their own choices, with support as necessary. This is integral to our neighbourhood sustainability approach and a primary driver for our continued success and financial viability.

Being a large registered provider within the Merseyside area, we are committed to making a positive contribution to a number of local and regional strategies aimed specifically at environmental, economic regeneration and sustainability via the Liverpool City Region Combined Authority.

We recognise our obligations to maximise use of our resources and to evidence compliance with the Value For Money (VFM) Standard. Further details of our VFM compliance can be found on pages 13 to 22 of this Strategic Report.

We also recognise our obligations to assist our partners to meet their objectives, which we believe will result in safer, more inclusive and healthier communities.

During the COVID-19 lockdown period our entire operations have been delivered remotely and we have continued to provide neighbourhood and repairs services through our accredited and award winning customer service centre.

Objective and Strategy

Despite relative growth in the UK economy, the continuing acute shortage of affordable housing remains evident, as such the requirement for the association to generate financial and operational capacity has never been greater. We have responded strongly to these challenges by outperforming our budget and business plan targets, generating additional surpluses and through the efficiency of our subsidiaries and our other Sovini group partners. As at March 2020, we have secured cumulative £15.9m of gift aid, £25.5m of sales receipts, £25.5m of grant income (2014 to 2020) from Homes England and have used these resources to extend delivery of our development programme.

Our strategic plan for 2020 to 2025 sets out how our vision "thriving, inclusive communities" will be achieved through pursuance of the following key aims:

- To provide homes that meet demand, in safe, secure and sustainable neighbourhoods;
- To provide excellent services that meet or exceed customer and stakeholder expectations;
- To make a positive impact in the communities in which we operate; and
- To provide the environment to deliver business success.

One Vision Housing Limited

Strategic Report for the year ended 31 March 2020 (continued)

Objective and strategy (continued)

This approach is underpinned by upholding our core organisational values:

- Passion - we love what we do;
- Authenticity - we do what we say we will do;
- Enterprise - we never stand still;
- Courage - we dare to be different; and
- Success - we will be the best.

Delivery of the strategic plan will assist to achieve the following key priorities, which have been informed by the results of the 2019 survey of tenants and residents:

- The maximisation of income and efficiencies;
- The retention of excellence in governance and viability;
- The provision of effective allocation and neighbourhood management services;
- Improvements in our asset value;
- Delivery of our development programme;
- Modernisation of our service offer and delivery methods;
- Provision of support to facilitate sustainable tenancies and independent living;
- Improving our market rent and home ownership service offer, including rent to buy;
- Provision of effective customer engagement opportunities;
- Managing performance and using our business and customer insight intelligence to continuously improve;
- Improving our environmental performance;
- Developing key partnerships to deliver our wider community benefit activities;
- Maintaining a positive organisational culture, that leads to personal fulfilment and success;
- Providing corporate services and infrastructure that underpins business success (via our Service Level Agreements); and
- Ensuring consistent service delivery and legal compliance.

Strong and accountable governance and scrutiny arrangements

We have reviewed our corporate governance framework. We have also reviewed our board membership, which comprises of nine board members from an independent, officer and tenant background. We have also retained TPAS landlord accreditation (<http://www.tpasawards.org.uk/>) and embedded our scrutiny processes to help us to improve and streamline service delivery.

We continue to face a period of change and uncertainty in the housing sector and wider economy as a result of COVID-19. However, we remain strong, accountable and resilient as an organisation, focussed on managing and mitigating our key risks and ensuring that we continue to embed and retain regulatory excellence.

Review of the year

2020 has been an excellent year for the association, not only have we achieved a surplus of £3.3m (2019: £6.9m), we also achieved £12.4m of efficiency savings (page 17). Turnover for the year was £64.2m (2019: £60.4m). Operating costs for the year were £50.82m (2019: £46.04m). This reflects that during the year we spent an additional £3.5m accelerating delivery of our fire safety programme of which £2.8m was capitalised to the SOFP, with £0.7m expensed through the SOCI as major works. Furthermore we also exited from the Merseyside Pension Scheme (£4.2m) repaying the outstanding deficit.

Our operating costs reflect that during the period we invested £32.5m (2019: £30.4m) improving our homes, enabling 100% (2019: 100%) to continue to meet our property standard. This also reflects that aspects of our investment and fire safety programmes incurred delays in March 2020, due to COVID-19.

In spite of this, we completed £9.5m (2019: £9.0m) of improvements to existing homes, which we capitalised to the Statement of Financial Position, and spent £40.4m (2019: £36.9m) building 219 new homes (2019: 194 homes) which improved our gearing position. At 31 March 2020, our housing assets had a net book value of £239m (2019: £200m).

We incurred £8.5m (2019: £8m) financing costs and arranged £75m of new funding to continue our sustainable development programme.

We managed and mitigated our in year welfare reform risks, collecting 100.56% of our rental income and reduced the impact of our routine empty properties to 0.33%. We also accelerated our fire safety programme, fitting sprinklers and replacement fire doors where required.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Review of the year (continued)

We also exited from the Merseyside Pension Scheme removing the associated deficit liability and reducing our recurring pension contributions through re-enrolment in our defined contribution pension scheme. Following the initial lockdown period, we have proactively re-mobilised all of our internal development sites and responsive repair and major work programmes, which comply with our post COVID-19 Health and Safety Framework. We believe that we are better placed than many in the housing sector to overcome the challenges that lie ahead, through the collaboration with our Sovini group supply chain partners.

Our key achievements

- Overall customer satisfaction increased to 95%.
- We retained our regulatory judgement of G1 for governance and were awarded V2 for financial viability following the in year regrade by the RSH.
- Maximised our income in spite of the roll out of universal credit across Merseyside during 2019/20.
- The % of emergency repairs completed within 24 hours was 100% and property compliance was 99.97% (reflecting COVID-19 self isolation and social distancing impacts).
- Was ranked Number One 2019 UK Great Place to Work (Large Category) and 2020 UK's Best Workplace for Women
- Outperformed our budget and business plan target, achieving £12.4m of efficiency savings (page 17)
- Built 194 new homes (as part of our 1,869 new homes programme); and
- Many of our performance indicators are achieving top quartile performance.

How we performed

Financial performance in the year	2020	2019
Turnover	64,155	60,447
Cost of sales	(3,024)	(2,215)
Operating costs	(50,824)	(46,041)
Surplus on disposal of fixed assets	1,389	1,434
Operating surplus	11,696	13,625
Net financing costs	(8,160)	(7,439)
Gift aid	23	100
Other	(264)	614
Surplus for financial year (before tax)	3,295	6,900
Statement of financial position	2020	2019
Fixed asset housing properties	238,939	199,582
Other fixed assets	16,582	15,904
Fixed assets	255,521	215,486
Net current assets	34,192	45,527
Creditors greater than one year	(237,441)	(194,776)
Pensions liabilities and provisions	(758)	(19,243)
Reserves	51,514	46,994
Margins and performance	2020	2019
Operating costs as a % of turnover	79.22%	76.17%
Gross margin	18.23%	22.54%
Net margin (excluding gift aid and 'other')	5.51%	10.23%
Debt per unit	£16,675	£14,129

One Vision Housing Limited

Strategic Report for the year ended 31 March 2020 (continued)

How we performed (continued)

Units in management	2020	2019
General needs housing	11,432	11,289
Supported housing	1,042	1,048
Low cost home ownership	235	204
Non social housing	93	92
Leaseholder properties	605	602
Total	13,407	13,235

Key performance	2020	2019
Rent collected as a percentage of rent available (excluding arrears b/fwd.)	100.56%	99.60%
Rent arrears of current tenants as a proportion of the rent roll	3.67%	4.76%
Rent loss due to routine void properties	0.33%	0.55%
Void re-let average days	9.6 days	19.1 days
Average days to complete a repair	9.88 days	7.90 days
% of our homes with a valid gas safety certificate	99.97%*	100.00%
Days lost through sickness	2.94%	3.68%
Customer satisfaction with our services	95.10%	96.80%
% dwellings failing the decent homes standard	0.00%	0.00%

*There were 4 services overdue at 31 March 2020 due to self-isolating customers

Value for money

Introduction from the Chair of the Board and Chief Executive

At One Vision Housing Ltd (OVH), Value for Money (VFM) sits at the very heart of everything we do. Ever since our inception in 2006 we have strived to be one of the best registered providers in the country, offering excellent value for money (VFM) in the services we offer to our customers. Our strategic approach to VFM is intertwined into all of our service planning and delivery - this can be demonstrated via our VFM objectives that are strategically linked to the overarching objectives of OVH. This VFM self-assessment, provides a year-end position statement for 2019/20 in achieving the following VFM objectives for OVH:

- Maximising our social value.
- Best use of our assets and resources.
- Cooperation and collaboration through self-delivery.
- Regulatory compliance and customer involvement.
- Maximising opportunities through procurement.
- Excellent performance and customer satisfaction.

To date we have developed and deployed a robust and challenging approach to the pursuit of VFM. Since 2006 we have made over £110m of efficiency savings (£12.4m in 2019/20) as well as delivering high quality services that meet our customers' expectations and improve our services to them. This can be demonstrated by the high levels of customer service achieved in 2019/20.

Our strong financial position and refinancing deal has underpinned our ambitious development programme, with £188.8m committed to deliver new homes. During 2019/20 219 homes were developed.

We continue to be committed to our corporate social responsibilities - to maximise our social value reduce our impact on the environment and use our position to make our neighbourhoods a positive place to live.

As employers we are delighted to be recognised for our investment in our people by winning Great Places to Work in the large category (as part of the Sovini Group), the UK's Best Workplace for Women and achieving the Investors in People platinum award standard. VFM is fully embedded within our organisational culture, with 96% of staff saying that the organisation has set clear targets and objectives. This helps us to achieve our strategic aims and objectives, and enables us to meet the risks, challenges and opportunities that lie ahead.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

Introduction (continued)

Details of the outcomes achieved in delivering our VFM Objectives are found within this Value for Money self-assessment for 2019/20. In our view, this self-assessment does more than simply demonstrate our compliance with the Regulator of Social Housings (RSH) VFM Standard. We believe this self-assessment demonstrates that VFM sits at the heart of everything we do and is a key component of our continuing success.

What is Value for Money (VFM) at One Vision Housing Limited?

We are clear that for One Vision Housing Limited value for money is about:

- an excellent customer experience;
- clear outcomes directly linked to the way we spend our money; and
- using the innovative Sovini group business model to drive efficiency through our Sovini group partners.

Due to our clear strategic approach to VFM planning and transparency in reporting VFM to key stakeholders, we believe that the association is compliant with the Regulator of Social Housing's (RSH) Standard for Value for Money.

What is our vision?

Our vision is "Thriving inclusive communities". The way we use our resources is a crucial foundation in our Strategic Plan 2019-24 that allows us to progress our corporate aims and objectives, and therefore this VFM self-assessment for 2019/20 is reported under our strategic aims:

- Provide the environment to deliver business success;
- Provide homes that meet demand, in safe, secure and sustainable neighbourhoods;
- Provide excellent services that meet or exceed customer and stakeholder expectations; and
- Make a positive impact in the communities in which we operate.

We are clear that value and excellent customer service are closely entwined. We always aim to excel in the way we deliver services, which runs alongside our Performance Management Framework (PMF), which details the mechanisms for monitoring and reporting performance, costs and outcomes for our customers. We use our Risk Management Framework (RMF) to assess and calculate our risks and stress test our business plan.

Our value for money approach is applied from Sovini group level and directly links to the Sovini group purpose 'creating opportunities and changing lives'. The OVH VFM Strategy sets out how the organisation will drive efficiency. The VFM objectives as set out in our strategy are:

1. Maximising our social value
2. Best use of our assets and resources
3. Cooperation and collaboration through self-delivery
4. Regulatory compliance and customer involvement
5. Maximising opportunities through procurement
6. Excellent performance and customer service

We want to use the VFM savings we make to deliver the highest quality social housing services to our customers and to extend this offer to new customers by building new homes.

Our Board

Our approach to VFM is driven from the very top, with the Board strategically leading the organisation through the implementation of an OVH specific VFM Strategy. The board direct VFM through their business planning process. They establish a budget and through regular review and scrutiny throughout the year they assess the quality of service and the performance against the budget. This is supported by a robust business plan that the Board have stress tested during 2019/20 to ensure it continues to meet the needs of the business and is robust enough to take into account any emerging risks. The board always make business decisions with VFM in mind alongside the strategic aims of the organisation.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

Our Board (continued)

Our vision is to have ‘thriving inclusive communities’ and this is delivered through sustainable neighbourhoods, supported by quality services meeting the needs of our customers. The Board regularly receive business intelligence that allows them to understand and deliver to the needs of these neighbourhoods, so that sustainability can be maximised and that the organisation can respond (as necessary) to changes in a timely and effective manner.

The 2019/20 base budget sets more stretching financial performance targets than the approved business plan. This is produced using zero based budgeting to ensure that our core operating costs are affordable and to determine what additional resources are available for growth and service improvement priorities as identified in our service delivery plans.

The OVH VFM strategy has been approved by Board and the VFM objectives are linked through to OVH’s overall strategic objectives within the 2019-24 strategic plan.

The Board receive 6 monthly VFM reports which provides an update on achieving the VFM objectives linked to the overarching strategic objectives. They also receive 6 monthly service delivery plan updates, and quarterly key performance indicator reports again linked to delivering the strategic objectives.

VFM Objective - Maximising our Social Value

OVH measures its impact on society and the social value it has generated via HACTs (Housing Associations’ Charitable Trust) Social Value Calculator. This information is reported to Board in detail and certified on an annual basis.

Our pre-certification of the activities below has shown that we have generated over £31m of social value for the 2019/20 year, which gives a £26.91 return on every £1 invested. A summary of these activities can be found in Table One.

Please note, as these figures have not been certified by HACT, they are subject to change.

Table One – Social Value Activity (HACT definition) 2019/20

Description of activity	Budget for this activity	Number of beneficiaries	Social value generated	Social value return
Clear rent accounts - able to pay for housing	£813,364	1,246	£7,456,655	1:9
OVH home contents insurance scheme	£8,000	559	£1,923,944	1:240
Financial inclusion service - relief from debt	£57,000	1,953	£11,682,597	1:205
Decoration allowance - afford to keep house maintained	£101,066	759	£3,682,597	1:36
Secure housing from temporary accommodation / rough sleeping	£72,000	437	£4,228,015	1:59
Access to the internet at Coral Drive	£11,055	1,396	£1,908,838	1:173
OVH involved tenants – active tenant groups	£36,000	80	£333,719	1:9
OVH employee training	£70,000	177	£227,925	1:3
	£1,168,485	6,607	£31,444,290	1:27

The details of the final, certified activities and figures will be reported via OVH’s Annual Report, which will be published to all stakeholders in September 2020. Full details will also be included on the OVH website.

VFM Objective - Making the best use of our assets

As at 31 March 2020 the book value of OVH’s housing assets, including market rent investment units, is £247.9m, up from £208.8m on the 31 March 2019. This reflects an increase in the asset value. Other fixed assets (Atlantic House and Boaler Street HQ) and intangible assets are valued at £7.7m.

OVH’s stock numbers increased during 2019/20 following the implementation of the OVH Development Strategy, which saw 219 social housing units completed. The change in Supported properties is where units have changed to General Needs properties.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Making the best use of our assets (continued)

Table Two: OVH Stock figures and changes during 2019/20

Stock Type	2016	2017	2018	2019	2020	Change from 2019 to 2020
General Needs	10,999	10,945	10,915	10,907	10,917	+ 10 units
Intermediate Rent	-	14	14	13	13	no change
Rent to Buy	-	-	-	57	115	+ 58 units
Affordable Rent	49	194	293	319	398	+ 79 units
Supported Housing	1,067	1,060	1,035	1,041	1,031	- 10 units
Total low cost social housing	12,115	12,213	12,257	12,337	12,474	+ 137 units
Stock Type	2016	2017	2018	2019	2020	Change from 2019 to 2020
Shared Ownership	29	119	142	204	235	+ 31 units
Leasehold	586	594	604	602	605	+3 units
Non-Social Rent	90	90	90	92	93	+ 1 units
Total leased/non-social housing	705	803	836	898	933	+ 35 units

Source: Figures are taken from the OVH SDR

Forty four RTB sales were completed during 2019/20 with £0.9m paid to Sefton MBC under the terms of the RTB Sharing Agreement. Seven RTA sales occurred generating £535k of sales proceeds.

In 2019/20 219 new homes were developed, 23 less than forecast. The total grant secured in 2019/20 was £6.89m, achieving an average grant rate £34k per unit. Total grant tranches received from prior and current years in 2019/20 was £7.66m.

In 2019/20 61 first tranche shared ownership sales were completed, generating receipts totalling £3.7m, exceeding the forecast sales budget by almost £370k. There were 10 unsold shared ownership plots at the end of the year of which two were sold subject to contract, with completions expected in quarter one 2020/21. There were no properties that had been unsold for 6 months following handover.

The development programme will continue to be reviewed from a contractual / non-contractual perspective to assess cash flow, key risks, and available headroom.

OVH's Asset Management Strategy sets out the approach taken to maximise the long term sustainability of its stock, focusing particularly on the financial and social returns they generate now and in the future. The OVH Sustainability Index has been a fundamental part of the Asset Management Strategy, which was approved by Board in October 2015, as it enables financial evaluation to be undertaken at property level. It enables us to monitor the long term performance of OVH's property portfolio by establishing the 30 year net present value (NPV) of the income and expenditure relating to the housing stock. The methodology was audited by Beever and Struthers in 2020, their recommendations are being incorporated into the model for 2020-2025 that is currently being developed.

The Sustainability Index currently contains 12,361 properties with a calculated NPV of £185m (average of £15k per property).

During 2019/20 the data from the SI has been used as part of the appraisal for flats in Galsworthy Avenue and Thackeray Gardens, Albert Road, Radstock Road and Nelson Street.

This process of information based appraisal and review is key to understanding our stock base and making sure it is sustainable over the next 30 years. The sustainability index is due to be updated in quarter one 2020/21, and will undergo analysis and review by the Asset Management Steering Group.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Making the best use of our assets (continued)

A review of void processes was started in 2018/19 and continued into 2019/20 which has resulted in reduced relet times (down from 22.3 days in 2017/18, to 19.1 days in 2018/19 and then dropping dramatically to 9.6 days in 2019/20. This reduced the amount of rent lost due to properties being void reducing from nearly £368k in 2017/18, to £298k in 2018/19 and down to just £178k in 2019/20 (excludes properties held void for strategic purposes i.e. demolition/decants).

OVH continues to maximise its income and manage its resources effectively through improved operational performance and proactive budget management and review throughout the year. Rent collection performance was the best in OVH history in 2019/20 at 100.56%, £323,971 more than the annual rent debit. The business plan prudently reflects 98% (2% recurring bad debts) and a further 3.2% (£1.7m) contingency to offset the impact of welfare reform, particularly UC digital roll out. Gross current tenant rent arrears at 31 March 2020 were £2.3m. Which means we continue to work to collect rent and aim to achieve our target of 100.09% rent collection in 2020/21.

Proactive budget management and review throughout the year has resulted in efficiency savings exceeding the 2019/20 targets, which forecast that OVH would achieve £1.7m of operating cash efficiency savings by year-end 2019/20. Performance during 2019/20 is detailed in Table Three and this shows that savings of £4.2m of operating cash efficiency savings have been achieved, and £12.4m of efficiency savings in total.

Our savings

The Association considers and approves an annual budget within the context of a 30 year business plan. These plans are underpinned by a number of economic and financial performance assumptions which are measurable, monitored and reported throughout the year to the board and the Regulator of Social Housing (RSH).

At the end of the year, an efficiency statement is produced which quantifies the additional financial capacity that has been generated based on actual year end performance.

Table Three summarises the service areas in which the improved performance has arisen, the additional financial capacity (cash generated), and how this was achieved.

In 2019/20, the Association generated £4.2m of additional financial capacity by collecting more income, reducing its cost base and recovered additional Vat Shelter income from HMRC.

It also received £67k of gift aid from Sovini Developments Limited (subsidiary), sold additional properties generating £429k additional sale receipts and £6.6m of grant income from Homes England.

This additional financial capacity has been reinvested by the Association to improve services and build new homes.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Making the best use of our assets (continued)

Table Three: Annual Efficiency Savings 2019/20

Stock Type	How Achieved	Cash releasing £'000	Non-cash £'000	Total AES £'000
Net Rental Income	Improved rent collection and void loss compared to Business Plan	1,994	-	1,994
Management Cost	Vacancy, pension contribution and overhead cost savings	376	200	576
Development Programme	Lower fees (2.6%) and abortive/ marketing costs to budget	616	-	616
Other Activities	Higher market rent and Leaseholder major works income	322	-	322
Other Savings	Lower Hardship Fund, Reorganisational and Pension Bond	417	-	417
VAT Shelter Income	Additional VAT Shelter Recovery	303	-	303
Operating Activity Gains		4,028	200	4,228
Gift Aid	Request to SDL/Sovini Board	67	-	67
Other Activities	Additional RTB / RTA sales and profit on Shared Ownership / Staircasing sales	429	-	429
Development/Other Grant	Year-end Grant	7,656	-	7,656
Operating Activity Gains		8,152	-	8,152
Total 2019/20 AES Gains		12,180	200	12,380

Source: OVH 2019/20 Provisional Outturn Financial Statement

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Maximising opportunities through procurement

The plan is in line with the objectives specified within the Procurement Strategy (2019-22). During 2019/20 efficiencies of £452k were delivered through procurement.

Key projects that delivered these savings were:

- Housing management system
- Provision of mobile phones & data
- Orrell Lodge lift replacement x 2
- Performance management system
- Development consultancy framework
- Legal services framework
- Asset related management services – dynamic purchasing system
- Leasing of multi-functional devices
- Provision of gas/ electricity
- Delta e-sourcing quick quotes

The Procurement team streamlined efficiencies during 2018/19 by introducing a number of new online ordering portals that included stationery and clothing. These efficiencies continue to add value in 2019/20 as a result of re-engineering processes by taking out unnecessary steps and operational costs in raising a purchase order through to payment.

The Delta e-sourcing portal continues to be utilised for all procurements in line with the financial regulations set out within the Procurement Strategy and financial management plan. The portal provides a compliant, transparent and accessible tendering tool for all staff and suppliers. The portal also holds the contract register and the approved supplier list for OVH which continues to be managed and maintained throughout the financial year. In 2019/20 savings of £348k were made by using the Delta e-sourcing portal, shown in Table Four.

Table Four: OVH Procurement Savings (2019/20)

2019/20 Project/Activity	Savings £000
CCTV system upgrades across various sites	103
Principal designer (PD) & construction design and management (CDM) advisor duties	101
Structural surveys, report, schedule of works and resurvey timescales	89
Stock conditions surveys	15
20 Osborne Road works	13
Behavioural change management	12
11 Bellini Close works	6
139 Oriel Drive works	6
Fernley Grange works	3
Total	348

Source: OVH procurement tracker

Procurement activities from previous years continue to be monitored and as a result further savings in year 2019/20 of almost £150k (see Table Five). The activities listed below will continue to generate savings during the course of the contract duration.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Maximising opportunities through procurement (continued)

Table Five – Procurement Savings in 2019/20 from previous year’s actions

Previous Contracts Awarded	Savings £
Asbestos Surveying	74,213
Legionella Service	37,484
Lift Servicing and Maintenance	37,922
Total	149,619

Source: OVH Procurement tracker

The Procurement Team recently benchmarked the 2018/19 VFM report with other RP’s in association with Beevers and Struthers (internal auditor) partner. When comparing the VFM report it highlighted that other RPs were recording the top 10 approved suppliers (annually) by spend. We completed this analysis and it showed that of the top ten contractors, the levels of spend reduced for eight of the ten in 2019/20, compared to 2018/19. The two with increases were both linked to the development programme.

VFM Objective - Cooperation and collaboration through self-delivery

Sovini Property Services (SPS) delivery to OVH

Board Members were informed in February 2018 the outcome of the asset management tendering process which included works comprising repairs, planned, voids, services and new build. This was awarded to SPS and the Carroll Group (who are fellow members of the Sovini group). Performance of the contract is monitored by officers via the monthly Asset Management Contract Core Group meetings. It was agreed with Board that updates on the performance of the contract, from a VFM perspective, would be brought to the Board via this report.

During 2019/20 a HQN (Housing Quality Network) audit was completed on behalf of SPS resulting in the retention of the Gas Accredited and Contractor Accredited awards. Key findings from the report were that:

- “Performance is extremely creditable. The average relet time is the timescale we would expect from the very, very best performing organisations. An average repair timescale of 10 days, excluding major works, is amongst the highest performance we see in other accredited organisations. Sovini is achieving this level of performance including major works.”
- Compared to other organisations in their database, SPS delivered good value for money to OVH.
- A VFM assessment of a sample of reactive repairs gave a strong indication of very good management controls around high cost repairs.
- The performance of services being delivered had improved compared to the previous audit, which was already strong performance.
- “Extremely high levels of performance are being sustained and maintained by the gas servicing and maintenance team.”
- SPS have progressed all the recommendations from the previous audit and had a positive, enthusiastic culture that embraced the audit feedback

The HQN will audit the service against the standards again in 2020/21.

Property Pool Plus Contract

We have retained the contract to be the lead provider and administrator of Property Pool Plus in Sefton. We regularly attend Board meetings and have trained staff to make sure the system works to both the benefit of our customers and us.

Carroll Group

OVH continue to use the Carroll Group for a range of services including investment works, cleaning, waste management, asbestos removal, scaffolding and grounds maintenance services. Customer satisfaction for these services is improving year on year, indicating a high quality service is being received.

Carroll Build had a target to complete 34% of the OVH development programme in 2019/20 and this target was achieved. The target is increased to 53% in 2020/21, and 67% in 2021/22.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Regulatory Compliance and Customer Involvement

At the end of each quarter during 2019/20 a self-assessment was undertaken on compliance with the regulatory standards. This included an assessment against the criteria within the VFM Standard. Full compliance during the year has been assessed and a detailed full assessment of compliance against all the standards and this was brought to board for approval at the Board meeting of the 22 June 2020.

During 2019/20 OVH were subject to a regulatory regrade, maintaining the Governance rating of G1, with a Viability regrade from V1 to V2. The regrade was made on the basis of increased and immediate spend on fire safety works, which was a decision the Board and Executive took to ensure our tenants remain safe in their homes.

A review of the Corporate Governance Framework for OVH took place during 2019/20 and the outcome was approved by Board on the 10 February 2020. This was to ensure that the framework continued to meet the revised VFM Standard alongside the current regulatory requirements and those of the adopted code of governance (the 2015 NHF Code of Governance).

We remain members of TPAS (<http://www.tpasawards.org.uk/>), following their advice for good practice and assess ourselves against their annual health check, including the recommendations into our Service Delivery Plan. In the most recent STAR survey satisfaction with OVH as a landlord had increased from 95% (2017/18) to 96% (2019/20).

VFM Objective - Excellent Performance and Customer Satisfaction














During 2019/20 OVH has continued to see improvements in performance with 5 out of 6 benchmarked KPI's achieving Top Quartile Performance compared to our peers.

Rent collection, relet time and void rent loss all produced the best ever performance during 2019/20, as a result of targeted projects to improve performance. Equally challenging stretch targets have been set for 2020/21 to sustain and improve on this performance.

Overall Satisfaction with services increased from 95% to 96% in 2019/20 as taken from our STAR survey, above top quartile performance of 93% when compared with our peers. The STAR survey results showed we remain top quartile for satisfaction with: your neighbourhood as a place to live, the quality of your home, the OVH listens to and acts on your views, and the value for money of rent.

Cumulative satisfaction from the transactional surveys in 2019/20 (Table Six) was 95.1%, just above the 95% target. Five of the twelve surveys exceeded their targets, five almost met their targets (several of these had high performance against very high targets), and two missed their targets.

Table Six – Transactional Survey Performance 2019/20

Tenant satisfaction with:	2019/20	Target	Performance
Customer access centre	100%	95%	
Gas servicing	100%	98%	
Customer service centre	98%	95%	
Gas repair	98%	96%	
Adaptations	98%	97%	
Lettings	98%	99%	
Improvement works	97%	99%	
Repairs	97%	99%	
Cleaning services	89%	92%	
Grounds maintenance	88%	92%	
Anti-social behaviour	85%	92%	
Complaint handling	63%	75%	
Overall Satisfaction	95%	95%	

The provisional performance within the OVH VFM scorecard is detailed in Table Seven of this report. It details performance for 2019/20 measured against the indicators comparing performance with 2018/19 and 2020/21 forecasts. It also provides detailed commentary on the outputs for each of the measurements for review by Board Members to satisfy themselves that this meets Value for Money.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Excellent Performance and Customer Satisfaction (continued)

Table Seven – OVH VFM Performance 2019/20

Indicator	National Median 2018-19	Prior year Actual 2018-19	Current year forecast 2019-20	Current year Actual 2019-20	Next year Forecast 2020-21
1 Reinvestment %	5.90%	22.74%	22.27%	21.12%	19.34%
2 Operating margin	27.20%	22.54%	21.41%	18.23%	14.86%
3 EBITDA MRI (as a percentage of interest)	180.70%	148.30%	47.00%	112.30%	74.70%
4 Units developed (as a percentage of units owned)	0.00%	1.50%	1.90%	1.70%	1.40%
5 Gearing	43.90%	71.34%	81.85%	77.58%	81.70%
6 Return on capital employed (ROCE)	3.80%	5.22%	4.91%	4.04%	3.01%
7 Headline social housing cost per unit	£3,622	£3,794	£4,266	£3,720	£4,049
8 Management cost per unit	n/a	£1,079	£950	£913	£993
9 Service Charge cost per unit	n/a	£219	£255	£248	£205
10 Maintenance cost per unit	n/a	£1,160	£1,102	£1,096	£1,129
11 Major Repairs cost per unit	n/a	£1,263	£1,914	£1,420	£1,676
12 Other cost per unit	n/a	£73	£46	£43	£46

Additional Value for Money Metrics

13 Operating margin (Social Housing Lettings)	29.70%	20.07%	21.58%	15.30%	14.94%
14 Units developed (Social Housing units)	n/a	194	238	219	184
15 Customers satisfied that their rent	n/a	96.10%	96.00%	96.10%	96.00%
16 Ratio of responsive repairs to planned	n/a	0.17	0.12	0.16	0.13
17 Rent collected	n/a	99.60%	100.00%	100.60%	100.90%

- 1** Reinvestment reflects the impact of the development programme and investment works in existing properties. Development expenditure for 19/20 reported £2.1m higher than budget, however the Investment works showed £4.2m lower than budget mainly due to delays in the fire programme of £2m and impact of COVID 19 during March. The 20/21 programme is currently being reviewed due to this impact and will be re-profiled.
- 2 & 13** Operating surplus achieved of £11.7m is £0.9m lower than anticipated year end reforecast. This is mainly due to lower level investment works and capitalisation levels specifically relating to the fire programme totalling £1.4m offset against a reduction in management costs of £0.5m.
- 3** EBITDA MRI is much higher than forecast for the year due to capitalisation levels being £6.5m (42%) lower than expected, this is due to delays in the fire works programme and therefore the total assets value is lower than anticipated.
- 4 & 14** 219 homes have been completed in 19/20, incurring £40.4m development expenditure. Due to the Covid impact 184 units are forecast for next year 2020/21.
- 5** Lower gearing ratio than predicted for year reflects the completion of £40.3m work of new build properties. The OVH assets costs has increased by £39m because of this within the year.
- 6** 4.04% reflects an operating surplus of £11.696m (£1.9m decrease from 2018/19) over a capital employed of £289.7m (total assets less current liabilities).
- 7** Overall Total Headline CPU is much lower than anticipated for the year and reflects underspends mainly in capitalised investment repair works as highlighted above.
- 8** Management CPU is lower than forecast by £37 due to lower level management costs & salaries during 19/20.
- 9** Service charge CPU more or less in line with forecast as service charge costs for 19/20 estimated at £3.150m.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Value for money (continued)

VFM Objective - Cooperation and collaboration through self-delivery (continued)

- 10** Maintenance CPU is slightly lower than forecast which is attributable to the £153k underspend on Routine and Planned Maintenance.
- 11** Major repairs CPU is significantly lower than anticipated as a result of the £5.6m underspend on Capitalised investment works.
- 12** Other Costs CPU is lower than expected to date. These costs relate to bad debt write offs which was lower by £94k for the year.
- 15** Year on year improvements in customer satisfaction with services, the survey is completed biannually, so performance remains the same in 2019/20 as 2018/19. Target set for 2020/21 to maintain top quartile performance. Next STAR Survey to run January to June 2021.
- 16** Capitalised Investment works was £5.6m lower than forecast primarily to do with the delayed fire programme.
- 17** Rent collection at year end was 100.60% and is the most successful year OVH have had for rent collection since the organisation was formed. The target of 100% was exceeded, and sets us up well for achieving our target of 100.9% in 2020/21.

We continue to work with all our stakeholders including our board members, Business Assurance Committee (GBAC), customers, Sovini partners, the Regulator (RSH) and our funders to identify the following Value for Money priorities.

The board will continue to prioritise the services that matter most to our customers, whilst ensuring that as an organisation we continue to manage our income and investment to ensure we remain a viable and well governed organisation.

The content of OVH's VFM self-assessment is aligned and assessed against the RSH's VFM standard and therefore OVH Board have certified compliance with the VFM standard at the 20 July 2020 Board meeting.

One Vision Housing Limited

Strategic Report for the year ended 31 March 2020 (continued)

Looking ahead

Treasury strategy and treasury management policy

We commissioned and approved our annual independent treasury strategy and treasury management policy in February 2020. We procure group treasury management functions from the Sovini group and received assurance during the year that our treasury activities are being managed effectively within our strategic policy directions. We have stress tested our business plan and received assurance that we can continue to meet the RSH liquidity requirements and modified our major works and development programmes to reflect the initial and forecast impacts of COVID-19.

Loan structure

At 31 March 2020, we had loans totalling £214.23m and £88m of unutilised loan facilities. Fixed rate loans were £167.23m (78.1%), and variable rate loans were £47.0m (21.9%). This is within the thresholds of our treasury management policy. Loan balances increased in the year as a result of a £15m RBS loan and a £25m Yorkshire Building Society loan which was executed in March 2020. A further £35m of loans has been arranged with RBS and will be executed in May 2020.

Funder	Type	Drawdown Date	Maturity Date	Amount £m	Interest Rate %
Barclays	Variable	16/03/2019	16/06/2020	3.90	1.49
Barclays	Variable	27/02/2020	27/05/2020	2.92	1.72
Barclays	Variable	20/03/2020	22/06/2020	9.74	1.54
M & G	Fixed	17/07/2014	17/07/2042	13.00	4.85
M & G	Fixed	17/07/2014	17/07/2044	13.00	4.85
M & G	Fixed	17/07/2014	17/07/2046	14.00	4.85
M & G	Fixed	01/04/2016	01/04/2048	15.00	4.19
M & G	Fixed	06/04/2017	06/04/2036	10.00	3.30
M & G	Fixed	06/04/2017	06/04/2036	10.00	3.40
M & G	Fixed	21/12/2018	21/12/2043	29.91	3.70
Orchardbrook	Fixed	01/04/2000	31/03/2041	0.98	10.91
RBS	Fixed	18/07/2014	18/07/2024	25.00	4.88
RBS	Fixed	18/07/2014	30/10/2041	30.00	7.45
RBS	Variable	18/07/2017	30/10/2041	10.00	2.35
RBS	Variable	14/01/2020	14/04/2020	20.00	2.51
THFC	Fixed	03/12/1997	17/12/2021	3.25	8.75
THFC	Fixed	05/10/2011	05/10/2043	3.00	5.20
YBS*	Variable	31/03/2020	31/03/2030	(0.22)	0.00
Total				213.48	

*Capitalised refinancing costs on undrawn facilities

Debt repayment profile

The value and duration of our loans is summarised below. The weighted average cost of debt was 4.36% at 31 March 2020 and 51% of the debt relates to bank loan financing and 49% to bond financing.

Repayment Profile	Orchardbrook £'000	RBS £'000	M & G £'000	THFC £'000	Barclays £'000	Total £'000
< 1 yr	13	1,250	-	-	-	1,263
1-2 yrs	15	1,250	-	3,250	-	4,515
2-5 yrs	56	22,500	-	-	17,000	39,556
> 5 yrs	894	60,000	105,000	3,000	-	168,894
Total	978	85,000	105,000	6,250	17,000	214,228

Note: the above excludes the release of any capitalised refinancing costs (£753k)

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Credit risk

Credit risk is the risk of financial loss to the association if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The association is mainly exposed to credit risk from the non-receipt of rent and service charge payments. Each new customer is risk assessed to ensure that they are able to sustain the tenancy. Rent and service charge arrears are monitored and court pursuance actioned in accordance with policy and procedures. In certain circumstances, customers will be evicted and former tenant arrears recovered where possible.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The following financial institutions were used and the credit ratings were acceptable to the board.

	Rating at 31 March 2020	Balance at 31 March 2020 £'000	Rating at 31 March 2019	Balance at 31 March 2019 £'000
RBS	P-1/A-1/F1	7,800	P-1/A-2/F1	5,891
Lloyds	P-1/A-1/F1	-	P-1 / A-1 / F1	7
Barclays	P-1/A-1/F1	100	P-1 / A-1 / F1	2
Santander	P-1/A-1/F1	-	P-1/A-1/F1	9
Nationwide	P-1/A-1/F1	-	P-1/A-1/F1	24
THFC - interest reserve	P-1/A-1/F1	200	P-1/A-1/F1	167
Prudential	P-1/A-1+/F1+	20,000	P-1/A-1+/F1+	30,000
Total		28,100		36,100

Cash flow and liquidity risk

Liquidity risk arises from the association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the association will encounter difficulty in meeting its financial obligations as they fall due.

Rolling cash flow projections are prepared and cash balances are monitored regularly, together with the value of the association's cash investments. At the end of the financial year, these projections indicated that the association expect to have sufficient liquid resources to meet its medium term obligations under all reasonably expected circumstances and do not require additional financing. The association has also reduced liquidity risk by fixing interest rates on 78.1% of its current borrowings.

Loan covenant compliance

Our primary loan covenants are: interest cover, debt per unit , gearing and asset cover ratios, with the latter based on the value of our social housing assets. Each covenant is monitored monthly and reported to the management team and board via a key performance indicator. All covenants were met during the reporting period and are forecast to continue throughout the life of the business plan.

Future prospects

This remains a time of major challenge for the housing sector, which is helped by our strong operating margin and low cost base. The continuing impact of the Coronavirus pandemic will test aspects of our operating environment and we are confident that we will rise to this threat by increasing our efficiency and agility and remaining focussed on our core functions. We have commenced a review of our accommodation strategy, as the majority of our workforce remain to work from home and have aligned this to our IT strategy. This will see replacement of our housing management and back office support systems during 2020/21, with enhanced automation and use of virtual technologies to reduce our operating costs. Also, in accordance with government guidelines, the association and the wider Sovini group companies have implemented the necessary measures to reduce the risks of contagion and in doing so have minimised the disruption to services; protecting our staff and customers.

We continue to strive to attain world class performance and standards of service provision. In doing so, we assist our customers to act responsibly, thereby ensuring that rent payment is prioritised and that in return their homes are protected and safeguarded for the future. Our homes remain to be in high demand, with the time taken to relet our homes often resulting in zero days. We have also accelerated our fire safety programme to protect our customers post Grenfell, retro fitting sprinklers, removing and replacing defective cladding and decanting three of our high rise blocks which are of large panel construction.

One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Future prospects (continued)

We have a significant development programme to deliver in the coming years and are mindful of the need to ensure that this is achieved within time and cost assumptions. We also understand that we must keep any sales risk exposure within our risk appetite. Being part of the Sovini group allows us the opportunity to self deliver an increasing proportion of this programme. We remain the preferred partner of many private developers for section 106 agreements and this continues to assist us to reduce our building cost inflation risk exposures. We are also actively engaging with Homes England and await formal confirmation of the new grant regime beyond 2022. We have proactively re-mobilised all of our internal development sites and are complying with our post COVID-19 Health and Safety Framework.

Having addressed the risks associated with our defined benefits pension scheme (MPF), we have now embarked on an independent review of our SHPS pension scheme. We intend to conclude this review during 2020 and seek approval from the Board of our pension strategy / response.

Despite these very considerable challenges, we believe this is a positive time for One Vision Housing Limited.

Risk and uncertainty

The board regularly reviews the risks faced by the association and monitors the top risks at each meeting. A risk management culture is embedded within our operational processes and is linked to performance (KPIs), key service improvement actions and internal controls.

It is the board's opinion that the following key risks are the most likely to affect our future performance and ability to achieve our corporate objectives.

Future rent setting policy

We have reflected prudent rent increases in our business plan and understand the significant impact on our financial viability that future government policy could have on our business. Being a member of the Sovini group affords some protection to mitigate this risk.

Welfare reform

We have reviewed our customer profile data and understand which of our customers are most affected by the extension of the welfare reforms. Our business plan continues to prudently retain contingencies in the early years to help us to mitigate these risks as we assist our customers to cope and overcome this transitional impact.

Delivery of our development programme and maximising the grant available for starter and shared ownership homes

We have confirmed our development programme and are mindful of the need to ensure that this is delivered within time and cost assumptions. We are also mindful that we must continue to contain our sales risk exposure within the risk thresholds set by our board. We believe we are in a strong position, to do this with no unsold homes currently available. We are the preferred partner of many private developers for section 106 agreements and this is assisting us to reduce our building cost inflation risk exposures. We continue to actively engage with Homes England to secure grant where available, as well as an overarching objective to self build 70% of our homes in the coming years retaining and reinvesting any profits generated via gift aid to build additional homes.

Pensions

We have completed an independent review of our Merseyside Pension Scheme (MPF) arrangements in conjunction with KPMG from 2016, exiting from this scheme on 1 April 2019. We intend to review our Social Housing Pension Scheme (SHPS) schemes during 2020/21 to ensure that our pension risk exposure is managed and mitigated.

Accounting policies

We have reviewed our accounting policies and these are contained in note 2 of the financial statements.

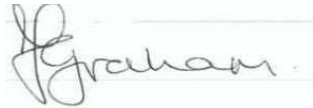
One Vision Housing Limited
Strategic Report
for the year ended 31 March 2020 (continued)

Statement of compliance

This Strategic Report has been prepared in accordance with the principles of the 2018 statement of recommended practice (SORP) for registered providers.

Approval

This Strategic Report was approved by the board on 20 July 2020.



Fiona Graham (chair of the board)
20 July 2020



Steve Gow (chair of GBAC)
20 July 2020



Marcus Evans (company secretary)
20 July 2020

One Vision Housing Limited

Independent Auditor's Report to the Members of One Vision Housing Limited for the year ended 31 March 2020

Opinion

We have audited the financial statements of One Vision Housing Limited ('the Association') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

One Vision Housing Limited

Independent Auditor's Report to the Members of One Vision Housing Limited for the year ended 31 March 2020

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 and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

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

Responsibilities of the board

As explained more fully in the board members responsibilities statement set out on page 6, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

BDO WHP

BDO LLP, Statutory Auditor

Liverpool

Date: 3 September 2020

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

One Vision Housing Limited

**Statement of Comprehensive Income
for the year ended 31 March 2020**

	Note	2020 £'000	2019 £'000
Turnover	4	64,155	60,447
Cost of sales	4	(3,024)	(2,215)
Operating costs	4	(46,581)	(46,041)
Non-recurring - MPF exit costs	4, 26	(4,243)	-
Total operating costs		(50,824)	(46,041)
Surplus on disposal of housing properties	4, 11	1,389	1,434
Operating surplus	4, 7	11,696	13,625
Other interest receivable and similar income	12	347	560
Interest and financing costs	13	(8,507)	(7,999)
Movement in fair value of investment properties	17	(264)	614
Gift aid received from subsidiary	18	23	100
Surplus before taxation		3,295	6,900
Taxation on surplus on ordinary activities		-	-
Surplus for the financial year		3,295	6,900
Actuarial gains/(losses) on defined benefit pension scheme	25, 26	1,225	(4,510)
Total comprehensive income for year		4,520	2,390

The notes on pages 33 to 63 form part of these financial statements.

One Vision Housing Limited

Statement of Financial Position as at 31 March 2020

Company number: 7072

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets - housing properties	14	238,939	199,582
Tangible fixed assets - other	15	7,264	6,703
Intangible fixed assets	16	405	-
Investment properties	17	8,913	9,201
Investments	18	-	-
		255,521	215,486
Current assets			
Stocks	19	2,375	2,449
Debtors - receivable within one year	20	8,023	8,522
Debtors - receivable after one year	20	9,500	8,370
Cash at bank and in hand		28,096	36,100
		47,994	55,441
Creditors: amounts falling due within one year	21	(13,802)	(9,914)
Net current assets		34,192	45,527
Total assets less current liabilities		289,713	261,013
Creditors: amounts falling due after more than one year	22	(237,441)	(194,776)
Pension liability	25, 26	(758)	(19,243)
Net assets		51,514	46,994
Capital and reserves			
Non-equity share capital	27	-	-
Revaluation reserve		940	1,204
Income and expenditure reserve		50,574	45,790
		51,514	46,994

The notes on pages 33 to 63 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 20 July 2020.



Fiona Graham (chair of the board)
20 July 2020



Steve Gow (chair of GBAC)
20 July 2020



Marcus Evans (company secretary)
20 July 2020

One Vision Housing Limited

Statement of Changes in Equity for the year ended 31 March 2020

	Share capital	Revaluation reserve	Income and expenditure reserve	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 April 2019	-	1,204	45,790	46,994
Surplus for the year	-	(264)	3,559	3,295
Loss on initial recognition of SHPS liability on actuarial basis (note 25)	-	-	-	-
Actuarial gains on SHPS defined benefit pension scheme (note 25)	-	-	1,225	1,225
Actuarial losses on MPF defined benefit pension scheme (note 26)	-	-	-	-
Other comprehensive income for the year	-	-	1,225	1,225
Balance at 31 March 2020	-	940	50,574	51,514

Statement of Changes in Equity for the year ended 31 March 2019

	Share capital	Revaluation reserve	Income and expenditure reserve	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 April 2018	-	590	44,014	44,604
Surplus for the year	-	614	6,286	6,900
Loss on initial recognition of SHPS liability on actuarial basis (note 25)	-	-	(424)	(424)
Actuarial losses on SHPS defined benefit pension scheme (note 25)	-	-	(514)	(514)
Actuarial losses on MPF defined benefit pension scheme (note 26)	-	-	(3,572)	(3,572)
Other comprehensive income for the year	-	-	(4,510)	(4,510)
Balance at 31 March 2019	-	1,204	45,790	46,994

The notes on pages 33 to 63 form part of these financial statements.

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020

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One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

1 Legal status

The association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider with charitable objects.

2 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 One Vision Housing (OVH) 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 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. One Vision Housing Limited is a Public Benefit Entity (PBE) and has applied the provisions of FRS 102 specifically applicable to PBEs.

Financial reporting standard 102 - reduced disclosure exemptions

The association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- the requirements of Section 11 Basic Financial Instruments
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Sovini Limited as at 31 March 2020 and these financial statements may be obtained from their registered office at Atlantic House, Dunnings Bridge Road, Bootle, L30 4TH.

Going concern

The board reviewed the Association's financial plans in February 2020 and were satisfied that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, as a consequence of the COVID-19 Pandemic, the executive management team and board have reviewed the financial forecasts to reflect the risks and financial impacts as relevant and proportionate to our business. This included an assessment of the initial lockdown and phased remobilisation of services, together with any reprioritisation and phasing of service delivery in the next three years, this was to ensure that OVH can continue its business-critical activities, remain compliant with regulatory and funder requirements (including Covenant tests) and remain a going concern. As a consequence of this our forecast surplus in 2020/21 increased from £2.8m to £5.79m and our interest cover covenant capacity improved from a forecast of £6.9m to £9m, further evidencing our financial strength and resilience.

The Association was quick to adapt and implement the Government guidance on social distancing, reviewing and adjusting the associated operating environment and processes. Utilising the "in house" supply chain capacity of the Sovini group, OVH were able to rephase aspects of its repairs, investments and development programmes, with minimal disruption to services. Throughout the lockdown, OVH continued to gain access to customers homes, ensuring that they were safe and that we were able to fulfil our statutory compliance obligations, informing the Regulator through the COR Survey of minimal cases which were outside of timescales and we were also able to continue to complete emergency repairs. Throughout this period, customer contact and support was maintained, allowing the Association to continue to support and assist those customers who are vulnerable and benefit dependant. This assisted us to maintain our rent collection performance at circa 99% and contain void loss, from empty properties at 0.7%. We furloughed circa 20 of our staff and all of these have now returned / resumed their duties.

Whilst we saw some initial dips in performance in relation to our commercial income collection activities (i.e. leaseholder, market rent, shop rents etc.), we are pleased to confirm that performance has been realigned and in some cases we are now collecting at rates in excess of 100% of this income. We also were able to continue our sales activity remotely. During quarter one we sold four home and were holding eleven stock plots, of these seven are instructed for sale, one is reserved and only three remain available for sale. No homes remain unsold for over six months and our average OMV was £190,750 and we achieved an average capital receipt of £76k (40% share).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Going concern (continued)

As a key provider of affordable housing in the region, we continue to self deliver through our Sovini group supply chain partners 40% of our development programme and remain forecast to achieve £43.6m of spend, 171 handovers at March 2021. Of these, 35 were handed over in quarter one and 171 are forecast to be handed over during quarter two. Our board has also approved a further £20m of resources to continue to enter into development commitments from April 2022, taking our current programme to £208.9m (an additional 159 new homes).

We will continue to operate as normal, albeit agile and from home. We have remobilised our repairs and investment programmes, delivering more outcomes than we initially anticipated during the lockdown period. Since 1st July we have seen an influx of additional repairs (circa 1,200) and continue to monitor this situation to understand if this is a backlog or recurring issue. Our board have stress tested the business plan for an increase in repairs (one off £4m) amongst others and confirmed the strategic remedies that need to be put in place should this risk and multi variant risks crystallise. These include, reductions in our management costs and a review of our component lifecycles and further re-phasing of our investment programme from 2021 to 2024. This would ensure covenant compliance. We also, have no immediate liquidity risks due to the availability of £140m of undrawn loan facilities.

A further local or national outbreak of COVID-19 cannot be ruled out and additional measures may be taken by the Government to contain this, which are unknown and directly outside of our control. However, we have effective controls and processes in place to manage and monitor our cashflow on a daily basis and continue to review financial stability as matters progress.

Given the strength of our balance sheet, forecast surplus and availability and liquidity of undrawn loan facilities, totalling £140m, the board believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on OVH'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.

Basis of Consolidation

The association is a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 99 of the Co-operative and Community Benefits Society Act 2014. These financial statements therefore, present information about the association as an individual undertaking and not about the group headed by the Association.

Income Recognition

Income will be recognised and measured in the financial statements at the fair value i.e. the point at which it is received or receivable. The association generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting);
- First tranche sales of Low Cost Home Ownership housing properties developed for sale;
- Stair casing sales of Low Cost Home Ownership housing properties;
- Service charges receivable;
- Revenue grants and proceeds from the sale of land and property; and
- Any other income generated in the period.

Rental income for properties under development or sale is recognised from the point of practical completion and letting. Income from first tranche and other property sales is recognised at the point of legal completion of the sale.

Supported housing schemes

The association receives Supporting People grants from Wirral Borough Council. The grants received in the period as well as costs incurred by the association in the provision of support services have been included in the Statement of Comprehensive Income. Any excess of cost over the grant received is borne by the association where it is not recoverable from tenants.

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Service charges

The association adopts fixed and variable methods for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable.

Current and deferred taxation

One Vision Housing Limited is a Co-operative and Community Benefit Society, registered with the Regulator of Social Housing and has charitable status for tax purposes and is therefore, exempt from Corporation Tax in respect of income under Section 505 ICTA 1988.

Value Added Tax

The association charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the association and not recoverable from HMRC. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

The association has an approved VAT Shelter Scheme with HMRC. As a result, eligible VAT incurred on the investment programme is recovered. The balance of VAT recoverable at the year-end will be included as a current asset in the Statement of Financial Position.

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.

Interest is capitalised on borrowings to finance developments up to the date of practical completion if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of interest on social housing grant in advance; or
- b) interest on borrowings of the Association as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income statement in the year.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

The association continues to participate in the Social Housing Pension Scheme (SHPS) and exited from the Merseyside Pension Fund (MPF) on 1 April 2019.

- MPF

On 1 April 2019 One Vision Housing Limited exited the MPF scheme having cleared all outstanding liabilities. The assets of this scheme were invested and managed independently of the association. Pension costs were assessed in accordance with the advice of an independent qualified actuary. Costs included the regular cost of providing benefits which, it is intended should remain a substantially level percentage of current and expected future earnings of employees covered. Any variations from the regular pension costs were spread evenly through the Statement of Comprehensive Income over the average remaining service lives of current employees.

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

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Pension costs (continued)

- SHPS

Contributions to the Sovini group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

The association participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). For financial years ending on or after 31 March 2019, the way in which the defined benefit pension obligation in SHPS is stated in the financial statements has changed. Previously there has been insufficient information available to account for these obligations on a defined benefit basis (i.e. stating assets and obligations). As a result, and as required by FRS 102, the obligation has been accounted for by stating the present value of agreed future deficit repayment contributions. For financial years ending on or after 31 March 2019 sufficient information is available to account for the obligations on a defined benefit basis.

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

Schemes managed by agents

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

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement that has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Tangible fixed assets - Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable). The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable administration costs include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which, has been drawn in order to finance the relevant construction or acquisition. 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.

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

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

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

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Depreciation of housing property

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

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

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

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

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 lives as follows:

Description	Economic Useful Life (years)
Structure	60
Kitchen	20
Bathroom	30
Roofs	60
Boiler installations	20
Central heating	20
External windows	30
Communal	15 to 30
External cladding	50
Lifts	25
Sprinkler systems	25
Fire doors	25

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

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the association 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 and 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, "stair casing element", is classed as PPE and included in completed housing property at cost and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such stair casing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Low cost home ownership properties are not depreciated on the expectation that the net realisable value at the time of disposal will be in excess of the historical cost. Maintenance of shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Tangible fixed assets – Other

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

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

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic Useful Life (years)
Freehold buildings – other	50
Leasehold land and buildings	Lease term
Plant, machinery and vehicles	5 to 15
Fixtures, fittings, tools and equipment	4
Computers	3

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

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

Intangible fixed assets

Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, there is an intention and ability to complete and use the software, the costs can be measured reliably and it is capable of generating future economical benefits. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project. Research costs are recognised as an expense when incurred.

Amortisation of intangible fixed assets

Amortisation is charged so as to write off the cost of computer software assets less their residual value over their estimated useful lives, using the straight-line method. Adjustments will be made for any impairment.

Description	Economic Useful Life (years)
Computer software	10

Government grants

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

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

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Government grants (continued)

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

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

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the association to recycle capital grants or to make repayments of the recoverable amount. The association adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by an external valuer 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 income or expenditure.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of fixed assets

The housing property portfolio for the association is assessed for indicators of impairment at each Statement of Financial Position date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options.

The association looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

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

Stock

Stock represents shared ownership properties, where the value held as stock is the estimated cost to be sold as a first tranche.

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

Debtors and creditors

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

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Recoverable amount of rental and other trade receivables

The association estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rent and service charge agreements

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

Loans, Investments and short term deposits

All loans, investments and short term deposits held by the association are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Association has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the Statement of Financial Position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

Leased assets: lessee

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

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

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

Leasehold Sinking Funds

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

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. A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Reserves

The revaluation reserve is created from surpluses on asset revaluation.

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

3 Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Whether there are indicators of impairment of the association's tangible 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 a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Use Value – Social Housing (EUV-SH) or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, legal costs and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the board's best estimate of sales value based on economic conditions within the area of development.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- Whether leases entered into by the association either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership, between current and fixed assets.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- What constitutes a cash generating unit when indicators of impairment require there to be an impairment review.

Other key sources of estimation uncertainty

- Rental and other trade receivables (debtors)

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

- Government grant

Government grant is amortised over the useful economic life (UEL) of the asset apart from grant on shared ownership properties which is not amortised, as it is recycled on staircasing. Where this to be amortised over the UEL of the asset this would result in increased income in the comprehensive income statement.

- Capitalised overhead on developments

Overheads are capitalised up to maximum of 3% of works and acquisitions costs of 100% of development salaries and related overheads.

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty (continued)

- Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, these factors will be taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Though these estimates are subject to fluctuations in the life of asset, sensitivity testing shown below indicates no material impact on the charge that would be recognised in the Statement of Comprehensive Income;

Statement of Comprehensive Income Charge Adjustment	Current useful expected life (years)	Sensitivity: 10% increase in UEL £'000	Sensitivity: 10% reduction in UEL £'000
Bathroom	30	60	(60)
Boilers / Heating	20	155	(155)
Kitchen	20	194	(194)
Lift	25	11	(11)
Roofs	60	38	(38)
Structure	60	76	(76)
External cladding	50	16	(16)
Windows / External doors	30	65	(65)
Sprinkler systems	25	6	(6)
Fire door	25	1	(1)
		622	(622)
		<i>Credit</i>	<i>Charge</i>

Investment properties are professionally valued annually using a Market Value valuation basis. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations will be fully disclosed in note 16 to the accounts.

Sensitivity testing is detailed below indicating the potential impact that fluctuations in valuation would have on the charge that would be recognised in the Statement of Comprehensive Income;

Statement of Comprehensive Income Charge Adjustment	Current valuation £'000	Sensitivity: 10% increase in valuation £'000	Sensitivity: 10% reduction in valuation £'000	Sensitivity: 35% reduction in valuation £'000
Investment properties	8,913	891	(891)	(3,120)
		891	(891)	(3,120)
		<i>Credit</i>	<i>Charge</i>	<i>Charge</i>

- Judgements used in preparation of pension fund accounts

Pension figures in these accounts are prepared by independent actuaries. In preparing the figures the actuaries use a number of judgements based on information provided to them by the Institute and Faculty of Actuaries.

One Vision Housing Limited

**Notes Forming Part of the Financial Statements
for the year ended 31 March 2020 (continued)**

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

	Turnover	Cost of sales	Operating costs	Surplus on disposal of fixed assets (note 11)	Operating surplus
	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000
Social housing lettings (note 5)	59,505	-	(50,401)	-	9,104
Other Social Housing Activities					
First tranche low cost home ownership sales	3,739	(3,024)	-	-	715
Staircasing activity on low cost home ownership	-	-	-	1	1
Right to buy sales	-	-	-	851	851
Right to acquire sales	-	-	-	535	535
	3,739	(3,024)	-	1,387	2,102
Activities other than social housing activities					
Commercial properties	175	-	(12)	-	163
Non social housing units	667	-	(342)	-	325
Market sales	-	-	-	-	-
Other	69	-	(69)	2	2
	911	-	(423)	2	490
	64,155	(3,024)	(50,824)	1,389	11,696

	Turnover	Cost of sales	Operating costs	Surplus on disposal of fixed assets (note 11)	Operating surplus
	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000
Social housing lettings (note 5)	57,145	-	(45,678)	-	11,467
Other Social Housing Activities					
First tranche low cost home ownership sales	2,451	(2,215)	-	-	236
Staircasing activity on low cost home ownership	-	-	-	83	83
Right to buy sales	-	-	-	802	802
Right to acquire sales	-	-	-	428	428
	2,451	(2,215)	-	1,313	1,549
Activities other than social housing activities					
Commercial properties	139	-	(68)	-	71
Non social housing units	650	-	(233)	-	417
Market sales	-	-	-	121	121
Other	62	-	(62)	-	-
	851	-	(363)	121	609
	60,447	(2,215)	(46,041)	1,434	13,625

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

5 Income and expenditure from social housing lettings

	General needs	Supported housing	Total	Total
	2020	2020	2020	2019
	£'000	£'000	£'000	£'000
Income				
Rents net of identifiable service charges	51,415	4,133	55,548	54,188
Service charge income	1,755	1,396	3,151	2,741
Amortised government grants (note 23)	129	-	129	66
Net rental income	53,299	5,529	58,828	56,995
Rechargeable works	16	3	19	165
Other grants	-	-	-	30
Other income	658	-	658	(45)
Turnover from social housing lettings	53,973	5,532	59,505	57,145
Expenditure				
Management	(10,297)	(1,057)	(11,354)	(12,977)
Other management costs	(230)	(20)	(250)	(552)
Service charge costs	(1,755)	(1,396)	(3,151)	(2,741)
Routine maintenance & planned maintenance	(13,133)	(793)	(13,926)	(14,547)
Development programme	(141)	-	(141)	(545)
Major repairs expenditure	(8,710)	(439)	(9,149)	(6,803)
Bad debts	(528)	(20)	(548)	(702)
Depreciation of housing properties				
annual charge	(5,849)	(368)	(6,217)	(5,583)
accelerated on disposal of components	(1,192)	(14)	(1,206)	(986)
Depreciation of other tangible fixed assets	(203)	(13)	(216)	(242)
Exceptional pension exit payment (note 26)	(3,909)	(334)	(4,243)	-
Operating expenditure on social housing lettings	(45,947)	(4,454)	(50,401)	(45,678)
Operating surplus on social housing lettings	8,026	1,078	9,104	11,467
Void losses	367	24	391	556

Other management costs included reorganisation costs of £61k (2019: £58k), hardship funding of £148k (2019: £354k), and pension bond/strategy costs of £41k (2019: £117k). The exceptional item costs £4.243m relate to the additional in year expenditure incurred to exit from the Merseyside Pension Scheme (note 26) - (one off and non recurring).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

6 Units of housing stock	2020 £'000	2019 £'000
General needs housing		
social	10,917	10,907
affordable	398	319
Low cost home ownership	235	204
Supported housing	1,031	1,041
Intermediate		
buy back properties	13	13
rent to buy	115	57
Total social housing units	12,709	12,541
Market rent	93	92
Leaseholder properties	605	602
Total owned and managed accommodation	13,407	13,235
Units under construction	544	497

Reconciliation of unit numbers:	Opening unit numbers	New stock acquired/ developed	Stock sold / demolished	Other movements	Closing unit numbers
General needs housing					
social	10,907	-	-	10	10,917
affordable	319	79	-	-	398
Low cost home ownership	204	34	(1)	(2)	235
Supported housing	1,041	-	-	(10)	1,031
Intermediate					
buy back properties	13	-	-	-	13
rent to buy	57	109	(51)	-	115
Market rent	92	1	-	-	93
Leaseholder properties	602	-	-	3	605
Total	13,235	223	(52)	1	13,407

7 Operating surplus

	2020 £'000	2019 £'000
This is arrived at after charging/(crediting):		
Depreciation of housing properties		
annual charge	6,217	5,584
accelerated depreciation on replaced components	598	425
Depreciation of other tangible fixed assets	216	242
Auditors' remuneration (excluding VAT)		
fees payable to the auditor for the audit of the association's annual	27	24
fees for audit-related assurance	9	8

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

8 Employees

	2020	2019
	£'000	£'000
Staff costs (including executive management team) consist of:		
Wages and salaries	4,944	4,661
Social security costs	558	589
Cost of defined contribution scheme	322	1,403
	5,824	6,653

The average number of employees (including executive management team) expressed as full time equivalents (calculated based on a standard working week of 36 hours) during the year was as follows:

	2020	2019
	Number	Number
Executive Management team	6	6
Customers and neighbourhoods	137	126
Assets and regeneration	35	33
Total	178	165

One Vision Housing Limited employees have access to a defined contribution pension scheme, which is operated by the Sovini group on behalf of all group entities. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable to the fund and amounted to £322,000 (2019: £1,403,000).

9 Directors' and senior executives' remuneration

The directors are defined as the members of the board of management, the chief executive and the executive management team as disclosed in note 10.

	2020	2019
	£'000	£'000
Directors' emoluments	765	763
Amounts receivable under long-term incentive schemes	55	58
Company contributions to money purchase pension schemes	32	46
Consideration payable in respect of loss of office	-	30
Total	852	897

The total amount payable to the chief executive, who was also the highest paid director in respect of emoluments was £200K (2019: £196k).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

9 Directors' and senior executives' remuneration (continued)

The remuneration paid to staff (including Executive Management Team) earning over £60,000 upwards:

	2020 Number	2019 Number
£60,000 - £69,999	-	-
£70,000 - £79,999	3	2
£80,000 - £89,999	2	-
£90,000 - £99,999	-	1
£100,000 - £109,999	-	1
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	-	1
£140,000 - £149,999	-	-
£150,000 - £159,999	1	-
£160,000 - £169,999	-	-
£170,000 - £179,999	-	-
£180,000 - £189,999	-	1

10 Board members

Board member	Remuneration	One Vision Housing Limited Board	Sovini Limited Board	Group Business Assurance Committee	Remuneration Committee
	£'000				
Alan Marshall	6	✓			
Joe Connell	6	✓		✓	
Dawn Murray	6	✓			
Richard Carmichael	4	✓			✓
Fiona Graham	8	Chair	✓	✓	✓
Andy Armstrong (appointed November 2019)	3	✓			
Peter Crosby (appointed November 2019)	3	✓		✓	
Roy Williams	-	✓	✓		
Tracey Liggett	-	✓	✓		
Fiona Portlock (retired September 2019)	7				
John Kelly (resigned November 2019)	2				

11 Surplus on disposal of fixed asset

	Staircasing activity 2020 £'000	Right to buy 2020 £'000	Right to acquire 2020 £'000	Other disposals 2020 £'000	Total 2020 £'000	Total 2019 £'000
Housing Properties						
Disposal proceeds	74	1,862	535	2	2,473	2,646
Cost of sales	(73)	(136)	-	-	(209)	(492)
Loss due to RTB sharing agreement	-	(875)	-	-	(875)	(720)
Surplus on disposal of fixed assets	1	851	535	2	1,389	1,434

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

12 Interest receivable and income from investments

	2020	2019
	£'000	£'000
Interest receivable and similar income	(3)	143
Interest receivable from group undertakings	350	417
	347	560

13 Interest payable and similar charges

	2020	2019
	£'000	£'000
Bank loans and overdrafts	9,406	8,153
Capitalisation of interest	(976)	(1,054)
Refinancing costs	901	528
Capitalisation of refinancing costs	(871)	-
Net interest on net defined benefit liability (Merseyside Pension - note 26)	-	329
Net interest on net defined benefit liability (SHPS - note 25)	47	43
	8,507	7,999

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

14 Tangible fixed assets – housing properties

	Shared ownership completed £'000	Supported housing completed £'000	General needs completed £'000	Works under construction £'000	Total £'000	
Cost						
At 1 April 2019	19,448	10,922	189,268	23,049	242,687	
Additions						
Construction costs	-	-	-	37,709	37,709	
Replaced components	-	563	8,900	-	9,463	
Completed schemes	1,791	152	24,342	(26,285)	-	
Disposals						
stair-casing sales	(392)	-	-	-	(392)	
right to buy/acquire sales	-	-	(608)	-	(608)	
other property disposals	-	-	-	-	-	
replaced components	-	(108)	(1,221)	-	(1,329)	
Reclassification of housing tenure	-	930	(930)	-	-	
At 31 March 2020	20,847	12,459	219,751	34,473	287,530	
Depreciation						
At 1 April 2019	-	(2,941)	(40,164)	-	(43,105)	
Charge for the year	-	(374)	(5,843)	-	(6,217)	
Eliminated on disposals						
replaced components	-	41	690	-	731	
Reclassification of housing tenure	-	(2)	2	-	-	
At 31 March 2020	-	(3,276)	(45,315)	-	(48,591)	
Net book value at 31 March 2020	20,847	9,183	174,436	34,473	238,939	
Net book value at 31 March 2019	19,448	7,981	149,104	23,049	199,582	
					2020	2019
					£'000	£'000
Works to properties						
Improvements to existing properties capitalised				9,463	9,041	
Major repairs expenditure to income and expenditure account				9,149	6,803	
				18,612	15,844	
Total Social Housing Grant received or receivable to date						
Capital grant – housing properties				25,597	17,843	
Revenue grant – Income and Expenditure				-	-	
				25,597	17,843	

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

15 Other tangible fixed assets

	Long leasehold land and buildings £'000	Other fixed assets £'000	Total £'000
Cost			
At 1 April 2019	8,106	850	8,956
Additions	-	777	777
At 31 March 2020	8,106	1,627	9,733
Depreciation			
At 1 April 2019	(1,450)	(803)	(2,253)
Charge for year	(162)	(54)	(216)
At 31 March 2020	(1,612)	(857)	(2,469)
Net book value			
At 31 March 2020	6,494	770	7,264
At 31 March 2019	6,656	47	6,703

16 Intangible fixed assets

	Software £'000	Total £'000
Cost		
At 1 April 2019	-	-
Additions	405	405
At 31 March 2020	405	405
Amortisation		
At 1 April 2019	-	-
Charge for year	-	-
At 31 March 2020	-	-
Net book value		
At 31 March 2020	405	405
At 31 March 2019	-	-

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

17 Investment properties

	Market rent £'000
At 1 April 2019	9,201
Additions	104
Other movements	(128)
Revaluations	(264)
At 31 March 2020	8,913

"Savills (UK) Limited", part of the Savills Group, is a general practice firm providing surveying and valuation services across the country. The valuer is "external" and the valuation is as at 31 March 2020 and has been carried out in accordance with the current RICS Red Book.

The Aggregate of the Individual Market Values of the 93 market rented units for accounts purposes is £8,724,000 (Eight Million Seven Hundred and Twenty Four Thousand Pounds) per the Savills Group valuation. In addition to this, there is £189k (2019: £189k) held as investment properties in relation to Boalar Street office space, which is let to another housing association.

This Valuation is given subject to the Material Valuation Uncertainty - COVID-19 and the Material Valuation Uncertainty – Multi Storey Buildings. The valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. It is recommended that the valuation of the Properties is kept under frequent review.

It should be noted that future growth in both capital and rental values may not occur and values can fall as well as rise.

The net loss on revaluation of investment property arising of £392k (2019: £614k gain) has been debited to the Statement of Comprehensive Income for the year.

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

	2020 £'000	2019 £'000
Historic cost	8,659	8,555
Accumulated depreciation	(1,133)	(961)
Total	7,526	7,594

18 Fixed asset investments

Details of Subsidiary undertakings, associated undertakings and other investments

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

Name of subsidiary undertaking	Country of incorporation or registration	Proportion of voting rights	Ordinary share capital held	Nature of business	Nature of entity
Sovini Developments Limited	England	99.35%	154 £1 Ordinary Shares	Provision of design and build services	Incorporated company
Sovini Environmental Limited	England	99.35%	154 £1 Ordinary Shares	Dormant company	Incorporated company

Gift aid of £23k was received in the year from Sovini Developments Limited (2019: £100k).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

19 Properties for sale

	First tranche shared ownership properties 2020 £'000	First tranche shared ownership properties 2019 £'000
Assets under construction	1,884	882
Completed properties	491	1,567
	2,375	2,449

Properties developed for sale include capitalised interest of £nil (2019: £nil).

20 Debtors

	2020 £'000	2019 £'000
Due within one year		
Rent and service charge arrears	5,099	5,537
Less: Provision for doubtful debts	(3,504)	(3,067)
	1,595	2,470
Amounts owed by group undertakings	2,820	1,950
Trade receivables	843	271
Tenant rechargeable works	22	22
Other debtors	222	534
Prepayments and accrued income	1,764	952
Grant receivable	337	2,323
Other taxation and social security payable	420	-
	8,023	8,522
Due after one year		
Amounts owed by group undertakings	9,500	8,370
	17,523	16,892

21 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Loans and borrowings (note 24)	1,131	1,262
Trade creditors	121	15
Rent and service charges received in advance	2,691	1,809
Amounts owed to group undertakings	3,237	1,280
Taxation and social security	166	264
Other creditors	1,112	902
Deferred capital grant (note 23)	249	173
Accruals and deferred income	5,095	4,209
	13,802	9,914

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

22 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Loans and borrowings (note 24)	212,344	177,228
Deferred capital grant (note 23)	25,097	17,548
	237,441	194,776

23 Deferred capital grant

	2020 £'000	2019 £'000
At 1 April 2019	17,721	7,349
Grants received during the year	7,754	10,438
Released to income during the year	(129)	(66)
At 31 March 2020	25,346	17,721
Grants due for release less than one year (note 21)	249	173
Grants due for release more than one year (note 22)	25,097	17,548
	25,346	17,721

24 Loans and borrowings

Loan Structure

Funder	Type	Drawdown Date	Maturity Date	Amount £m	Interest Rate %
Barclays	Variable	16/03/2019	16/06/2020	3.90	1.49
Barclays	Variable	27/02/2020	27/05/2020	2.92	1.72
Barclays	Variable	20/03/2020	22/06/2020	9.74	1.54
M & G	Fixed	17/07/2014	17/07/2042	13.00	4.85
M & G	Fixed	17/07/2014	17/07/2044	13.00	4.85
M & G	Fixed	17/07/2014	17/07/2046	14.00	4.85
M & G	Fixed	01/04/2016	01/04/2048	15.00	4.19
M & G	Fixed	06/04/2017	06/04/2036	10.00	3.30
M & G	Fixed	06/04/2017	06/04/2036	10.00	3.40
M & G	Fixed	21/12/2018	21/12/2043	29.91	3.70
Orchardbrook	Fixed	01/04/2000	31/03/2041	0.98	10.91
RBS	Fixed	18/07/2014	18/07/2024	25.00	4.88
RBS	Fixed	18/07/2014	30/10/2041	30.00	7.45
RBS	Variable	18/07/2017	30/10/2041	10.00	2.35
RBS	Variable	14/01/2020	14/04/2020	20.00	2.51
THFC	Fixed	03/12/1997	17/12/2021	3.25	8.75
THFC	Fixed	05/10/2011	05/10/2043	3.00	5.20
YBS*	Variable	31/03/2020	31/03/2030	(0.22)	
Total				213.48	

*Capitalised refinancing costs on undrawn facilities

One Vision Housing Limited

**Notes Forming Part of the Financial Statements
for the year ended 31 March 2020 (continued)**

24 Loans and borrowings (continued)

Maturity of debt

	Total Loan balance	Total Refinancing cost	Total	Total
	2020	2020	2020	2019
	£'000	£'000	£'000	£'000
In one year or less, or on demand	1,263	(132)	1,131	1,262
In more than one year but not more than two years	4,515	(132)	4,383	1,263
In more than two years but not more than five years	39,556	(306)	39,250	7,050
In more than five years	168,894	(183)	168,711	168,915
	214,228	(753)	213,475	178,490

	Loan balance outstanding	Split	Weighted Average Cost of Capital	Average Interest Rate
	2020	2020	2020	2020
	£'m	%	%	%
Fixed	167.23	78.06%		4.99%
Variable	47.00	21.94%		2.13%
	214.23	100.0%	4.36%	

Note: the above excludes the release of any capitalised refinancing costs (£753k).

	Loan balance outstanding	Split	Weighted Average Cost of Capital	Average Interest Rate
	2019	2019	2019	2019
	£'m	%	%	%
Fixed	168.49	94.40%		4.96%
Variable	10.00	5.60%		2.43%
	178.49	100.0%	4.82%	

Loans are secured by specific charges on the housing properties of the association. The loans bear interest at fixed and variable rates ranging from 1.49% to 10.91%.

At 31 March 2020, the association had undrawn loan facilities of £88m (2019: £50m).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

25 Pensions - SHPS

For financial years ending on or after 31 March 2019, the way in which the defined benefit pension obligation in SHPS is stated in the financial statements changed. Previously there has been insufficient information available to account for these obligations on a defined benefit basis (i.e. stating assets and obligations). As a result, and as required by FRS 102, the obligation had been accounted for by stating the present value of agreed future deficit repayment contributions. For financial years ending on or after 31 March 2019 sufficient information was made available to account for the obligations on a defined benefit basis. The information provided during the year ended 31 March 2019 gives the liability at 31 March 2018 hence the change in accounting was recorded on the first day of the year ended 31 March 2019, with no restatement of comparatives, in accordance with the requirements set out in: "Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland: Multi-employer defined benefit plans.

The liability recognised for the present value of the deficit agreement (£1,361k) was derecognised and the net pension deficit at 31 March 2018 (£1,785k) was recognised through other comprehensive income in the year resulting in a loss of £424k for the year ended 31 March 2019.

<i>Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)</i>	31 March 2020	31 March 2019
	£'000	£'000
Fair value of planned assets	7,168	6,906
Present value of defined benefit obligation	7,926	9,066
Net defined benefit (liability) to be recognised	(758)	(2,160)

<i>Reconciliation of opening and closing balances of the defined benefit obligation</i>	Year ended 31	Year ended 31
	March 2020	March 2019
	£'000	£'000
Defined benefit obligation at start of period	9,066	8,383
Current service costs	14	13
Expenses	5	6
Interest expenses	206	212
Contributions by plan participants	5	5
Actuarial (gains)/ losses due to scheme experience	(103)	64
Actuarial (gains)/ losses due to changes in demographic assumptions	(80)	26
Actuarial (gains)/ losses due to changes in financial assumptions	(981)	536
Benefits paid and expenses	(206)	(179)
Defined benefit obligation at end of period	7,926	9,066

<i>Reconciliation of opening and closing balances of the defined benefit assets</i>	Year ended 31	Year ended 31
	March 2020	March 2019
	£'000	£'000
Fair value of plan assets at start of period	6,906	6,598
Interest income	159	169
Experience on plan assets (excluding amounts included in interest income) - gain	61	98
Contributions by employer	243	215
Contributions by plan participants	5	5
Benefits paid and expenses	(206)	(179)
Fair value of plan assets at end of period	7,168	6,906

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2019 to 31 March 2020 was £220,000 (2019: £267,000).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

25 Pensions - SHPS (continued)

<i>Defined benefit costs recognised in statement of comprehensive income (SOCl)</i>	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Current service costs	14	13
Expenses	5	6
Net interest expense	47	43
Defined benefit costs recognised in statement of comprehensive income (SoCl)	66	62

<i>Defined benefit costs recognised in other comprehensive income</i>	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Experience on plan assets (excluding amounts included in interest income) - gain	61	112
Experience gains and losses arising on the plan liabilities - gain/ (loss)	103	(64)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	80	(26)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	981	(536)
Total amount recognised in other comprehensive income - gain/ (loss)	1,225	(514)

Assets	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Global equity	1,048	1,162
Absolute return	374	598
Distressed opportunities	138	126
Credit relative value	197	126
Alternative risk premium	501	398
Fund of hedge funds	4	31
Emerging market debt	217	238
Risk sharing	242	209
insurance - linked securities	220	198
Property	158	155
Infrastructure	534	362
Private debt	144	93
Opportunistic illiquid credit	173	-
Corporate bond funding	409	322
Liquid credit	3	-
Long lease property	124	102
Secure income	272	247
Liability driven investment	2,379	2,526
Net current assets	31	13
Total assets	7,168	6,906

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.

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

25 Pensions - SHPS (continued)

<i>Key assumptions</i>	Year ended 31 March 2020 % per annum	Year ended 31 March 2019 % per annum
Discount rate	2.38%	2.29%
Inflation (RPI)	2.63%	3.30%
Inflation (CPI)	1.63%	2.30%
Salary growth	2.63%	3.30%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life Expectancy at age 65 (Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.3
Male retiring in 2040	22.9
Female retiring in 2040	24.5

Active Members	Number	Total earnings (£'000 p.a)	Average age (unweighted) (Years)
Males	-	-	-
Females	2	54	51
Total	2	54	51

Deferred members	Number	Total earnings (£'000 p.a)	Average age (unweighted) (Years)
Males	6	32	52
Females	18	69	51
Total	24	101	51

Pensioners	Number	Total earnings (£'000 p.a)	Average age (unweighted) (Years)
Males	12	135	67
Females	9	55	69
Total	21	190	68

Defined Contribution Scheme

A defined contribution scheme is operated by the Sovini Group on behalf of all subsidiary undertakings. The assets of the scheme are held separately from those of the association in an independently administered fund. The pension charge represents contributions payable by the group to the fund, which is detailed in note 8 to the accounts.

One Vision Housing Limited

**Notes Forming Part of the Financial Statements
for the year ended 31 March 2020 (continued)**

26 Pensions - MPF

Defined benefit pension scheme

The Association completed a review of its Pension Strategy in relation to ongoing membership of the MPF. A decision was taken by the Board to exit from the scheme on 1st April 2019 and consultation took place with the affected employees. At the point of exit, the Association repaid the exit debt (£20.7m) and incurred circa £0.7m of employee, legal and pension advice costs, this resulted in an in year pension loss of £4.243m. This decision to exit was made in consultation with the Association's Funders. Affected staff were given the option to enrol in the groups Scottish Widows defined contribution scheme from this effect date.

	2020	2019
	£'000	£'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	61,581	54,983
Current service cost	-	1,513
Interest cost	-	1,479
Member contributions	-	398
Remeasurements - loss/(gain) on assumptions	-	3,973
Benefits paid	-	(765)
Exit from the scheme	(61,581)	-
At the end of the year	-	61,581

	2020	2019
	£'000	£'000
Reconciliation of fair value of plan assets		
At the beginning of the year	44,498	42,219
Interest income on plan assets	-	1,150
Remeasurements (assets)	-	401
Administration expenses	-	(26)
Contributions by group	-	1,121
Member contributions	-	398
Benefits paid	-	(765)
Exit from the scheme	(44,498)	-
At the end of the year	-	44,498

	2020	2019
	£'000	£'000
Fair value of plan assets	-	(44,498)
Present value of plan liabilities	-	61,581
Net pension scheme liability	-	17,083

	2020	2019
	£'000	£'000
Amounts recognised in operating costs		
Current service cost	-	1,513
Administration expenses	-	26
	-	1,539

One Vision Housing Limited

**Notes Forming Part of the Financial Statements
for the year ended 31 March 2020 (continued)**

26 Pensions - MPF (continued)

	2020	2019
	£'000	£'000
Amounts included in other finance costs		
Net interest cost	-	329
	2020	2019
	£'000	£'000
Analysis of actuarial (gains)/loss recognised in other comprehensive income		
Actual return less interest income included in net interest income	-	(401)
Changes in assumptions underlying the present value of the scheme liabilities	-	3,973
	-	3,572
	2020	2019
	£'000	£'000
Composition of plan assets		
Equities	-	-
Government bonds	-	-
Other bonds	-	33,462
Property	-	7,298
Cash/liquidity	-	2,225
Other	-	1,513
Total plan assets	-	44,498
Actual return on plan assets	-	1,552
	2020	2019
	£'000	£'000
Principal actuarial assumptions used at the balance sheet date		
Discount rates	N/a	2.5%
Future salary increases	N/a	3.7%
Future pension increases	N/a	2.3%
Inflation assumption	N/a	2.2%
Mortality rates		
for a male aged 65 now	N/a	22.2 yrs
at 65 for a male member aged 45 now	N/a	25.2 yrs
for a female aged 65 now	N/a	25.0 yrs
at 65 for a female member aged 45 now	N/a	27.9 yrs

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

27 Non-equity share capital

	2020	2019
	£	£
At 1 April	9	10
Shares issued in the year	2	1
Shares cancelled in the year	(2)	(2)
At 31 March	9	9

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

28 Capital commitments

	2020	2019
	£'000	£'000
Commitments contracted but not provided for Construction	60,487	50,612
Commitments approved by the board but not contracted for Construction	74,358	14,530
	134,845	65,142

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

	2020	2019
	£'000	£'000
Social housing grant	17,171	10,880
New and existing loans	106,341	45,840
Sales of properties	11,333	8,422
Existing reserves	-	-
	134,845	65,142

29 Related party disclosures

Related party transactions with group subsidiaries

The ultimate controlling party of the group is Sovini Limited – Co-operative and Community Benefit Society.

- ***Sovini Property Services Limited***

During the year, One Vision Housing Limited had transactions with Sovini Property Services Limited. One Vision Housing Limited made purchases of £20.2m (2019: £20.5m) from Sovini Property Services Limited. £5.8m (2019: £6.0m) has been capitalised within tangible fixed assets and £14.4m (2019: £14.5m) has been expensed to the income and expenditure account as development costs, responsive, planned & cyclical repairs and regeneration programme expenses. In addition, One Vision Housing Limited has recharged expenses of £nil (2019: £20k) to Sovini Property Services Limited.

Included within debtors are amounts owed by Sovini Property Services Limited of £1.3m (2019: £0.9m). Included within creditors are amounts owed to Sovini Property Services Limited of £1.0m (2019: £0.6m).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

29 Related party disclosures (continued)

- **Sovini Limited**

During the year, One Vision Housing Limited had transactions with its parent entity Sovini Limited. One Vision Housing Limited incurred corporate service charges of £5.6m (2019: £5.6m) which have been expensed to the income and expenditure account, have purchased development services of £0.8m (2019: £0.5m) which have been fully capitalised and have been recharged expense of £nil (2019: £12k) to Sovini Limited. The SLA charges incurred are as follows:

	2020	2019
	£'000	£'000
Corporate service costs	5,392	5,418
Investment programme	219	188
	5,611	5,606

The recharges issued to Sovini Limited include:

	2020	2019
	£'000	£'000
Corporate service costs	-	12
	-	12

Included within creditors are amounts owed to Sovini Limited of £47k (2019: £11k) and included within debtors are amounts owed from Sovini Limited of £380k (2019: £167k).

- **Sovini Trade Supplies Limited**

During the year One Vision Housing Limited made purchases of £13k (2019: £6k) from Sovini Trade Supplies Limited a fellow subsidiary in the Sovini Limited group and received interest of £16k (2019: £nil). Included within debtors are amounts owed from Sovini Trade Supplies Limited of £nil (2019: £771k) and within creditors are amounts owed to Sovini Trade Supplies Limited of £1k (2019: £nil).

- **Sovini Homes Limited**

During the year, One Vision Housing Limited made purchases of £nil (2019: £2.5m) from Sovini Homes Limited. Interest receivable of £86k (2019: £130k) has been received during the year. Debtors and creditors were £nil at year end in relation to Sovini Homes Limited.

- **Sovini Development Limited**

During the year, One Vision Housing Limited had transactions with its subsidiary Sovini Development Limited. One Vision Housing Limited made purchases of £19.4m (2019: 11.2m) from Sovini Developments Limited all of which has been capitalised within tangible fixed assets. Included within creditors are amounts owed to Sovini Development Limited of £1.5m (2019: £0.3m) and within debtors are amounts owed from Sovini Development Limited of £0.1m (2019: £0.1m).

- **Carroll Build Limited**

During the year One Vision Housing Limited made purchases of £7.7m (2019: £7.4m) from Carroll Build Limited a fellow subsidiary in the Sovini Limited group. £1.5m (2019: £3.1m) has been capitalised within tangible fixed assets and £6.2m (2019: £4.3m) has been expensed to the income and expenditure account as development costs, responsive, planned & cyclical repairs and regeneration programme expenses. Included within creditors are amounts owed to Carroll Build Limited of £0.7m (2019: £0.3m) and included within debtors are amounts owed from Carroll Build Limited of £1.0m (2019: £1.3m).

- **Carroll Waste Limited**

During the year, One Vision Housing Limited recharged expenses of £1k (2019: £3k) to Carroll Waste Limited and incurred expenses totalling £3k (2019: £nil). Included within debtors are amounts owed from Carroll Waste Limited of £nil (2019: £1k).

One Vision Housing Limited

Notes Forming Part of the Financial Statements for the year ended 31 March 2020 (continued)

29 Related party disclosures (continued)

- **Carroll Group Limited**

During the year, One Vision Housing Limited acquired land from Carroll Group Limited at a cost of £2.25m (2019: £nil) and incurred expenses totalling £2k (2019: £nil). Included within creditors are amounts owed to Carroll Group Limited of £1k (2019: £nil).

- **Sovini Commercial Limited**

In the 2016/17 One Vision Housing Limited sold Sovini Property Services Limited to Sovini Commercial for a consideration of £4.0m, of which £nil was paid in year (2019: £2.0m) leaving £nil (2019: £nil) of deferred consideration. Interest of £nil (2019: £12k) has been received on the deferred consideration and loan interest of £195k (2019: £119k) has also been received. Included within debtors are amounts owed from Sovini Commercial Limited of £3.5m (2019: £3.5m). Creditors were £nil at year end in relation to Sovini Commercial Limited.

- **Amianto Services Limited**

During the year One Vision Housing Limited made purchases of £899k (2019: £937k) from Amianto Services Limited a fellow subsidiary in the Sovini Limited group. Included within debtors are amounts owed from Amianto Services Limited of £31k (2019: £50k) and within creditors are amounts owed to Amianto Services Limited of £39k (2019: £4k).

- **Pride of Sefton**

During the year, One Vision Housing Limited recharged expenses of £2k (2019: £4k) to Pride of Sefton, debtors and creditors were £nil at year end in relation to Pride of Sefton.

- **Sovini Charities Limited**

During the year, One Vision Housing Limited donated £13k (2019: £nil) to Sovini Charities Limited, debtors and creditors were £nil at year end in relation to Sovini Charities Limited.

- **Teal Scaffold Limited**

During the year, One Vision Housing Limited recharged expenses of £nil (2019: £2k) and paid expenses of £2k (2019: £nil) to Teal Scaffold Limited a fellow subsidiary in the Sovini Limited group. Included within creditors are amounts owed to Teal Scaffold Limited of £2k (2019: £nil).

Related party transactions with board members

The One Vision Housing board includes one tenant member who holds a tenancy agreements on normal terms and cannot use their position to their advantage. The rent charged for the year for the member was £4,769 (2019: £4,726) and the tenant had a year end rent account credit balance of £696 (2019: £497 credit).

30 Contingent liabilities

As a result of the amalgamation with Venture Housing Association Limited (30 January 2015), properties were brought in at their fair value and therefore £34,173,556 of Social Housing Grant (SHG) was not recorded in the Statement of Financial Position. In the event that a property acquired on amalgamation is disposed the associated SHG released on completion may be repayable, but is normally available to be recycled and credited to a recycled capital grant fund or disposal proceeds fund and included in the statement of financial position in creditors.