



**ONE VISION HOUSING LIMITED**

**Registered Social Housing Provider**

Report and Financial Statements

Year ended 31 March 2021

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 2021

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## One Vision Housing Limited

### Executives and Advisors for the year ended 31 March 2021

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#### Board of management

Peter Crosby	Non-executive (chair)	
Fiona Graham	Non-executive	Resigned 14 September 2020
Alan Marshall	Non-executive	
Joe Connell	Non-executive	
Richard Carmichael	Non-executive	Resigned 14 September 2020
Dawn Murray	Non-executive	
Andy Armstrong	Non-executive	
Tracey Gore	Non-executive	Appointed 15 July 2020
Anne London	Non-executive	Appointed 2 November 2020
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
Phil Hutchinson	Operations Director - Assets and Compliance

#### Company secretary and registered office

Marcus Evans  
One Vision Housing Limited  
The Sovini Group  
Unit 1  
Heysham Road  
Bootle  
Liverpool  
L30 6UR

#### Company number

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

#### 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 2021

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I am pleased to announce that this year we achieved a surplus of £3.4m. This money will be reinvested to help us to achieve our vision of "thriving, inclusive communities".

The current year has presented a challenging operating environment, the like of which we have not experienced before. I am therefore very pleased to be able to report a strong set of financial results based on sustained performance, further demonstrating our operational strength and financial resilience.

Our disciplined operating framework and the speed of management decision making and actions at the start of the pandemic and thereafter, has ensured that 2020/21 has been another operationally and financially successful year for One Vision Housing (OVH).

Covid-19 continues to present significant challenges across all sectors and whilst it remains too early to fully understand the longer-term impacts of the pandemic, the association has demonstrated resilience and a strong foundation from which to weather any potential challenges that lie ahead. I have no doubt that this has been driven by our strong sense of purpose and the ability to harness the benefits of our unique Sovini group structure.

We continue to do all that we can to support our customers and their wellbeing, ensuring that we prioritise their safety above all else. Equally we remain committed to the development of our employees, not just because it is the right thing to do, but because it is fundamental to our long-term success. We want to attract and retain the best people. Our aim is to sustain our award winning reputation as a great place to work, founded on an open and honest culture. As a member of the Sovini Group we were named the UK's No 1 Great Place to Work (large category) in 2021.

There are many achievements to be proud of during the last 12 months. We improved our customer satisfaction score to 96%, collected over 100% of our rent and kept our occupancy rates high. We also fully mobilised our home improvement and development programmes promptly from June 2020.

We worked hard to support our customers facing hardship or changes in employment and in doing so we also reduced our arrears. We built 280 new homes, a 27% increase on the prior year. This was achieved through the support and collaboration of our Sovini group commercial partners and our local authority and community partners.

We also fully discharged our statutory compliance, emergency and responsive repair obligations and completed phase two of our three year fire safety programme, whilst continuing to prepare for the Building Safety Bill and Housing White Paper.

As we look ahead, there remain a number of challenges and risks which will impact upon the wider housing sector. These include the ending of the Coronavirus furlough scheme and the potential impact of this on our customers. In respect of the UK's net zero (2050) target, we recognise the contribution that we can make from our operations by reducing our emissions and carbon footprint, including that of our supply chain and the use of renewable energy in the delivery of our services. This includes delivering low carbon homes with improved insulation, more efficient services and new low carbon technology, ensuring that our customers live in high quality, energy efficient homes which have a lower impact on the environment and are more affordable to run.

I believe we are in a strong position to continue to invest in our communities and support the provision of quality homes and services and I look forward to the future with anticipation of even greater success.



**Peter Crosby (chair of the board)**  
27 August 2021

# One Vision Housing Limited

## Report of the Board for the year ended 31 March 2021

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The board is pleased to present its report and audited financial statements for the year ended 31 March 2021.

### 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).

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 £3.4m (2020: £3.3m). This performance has been achieved after a £1.97m impairment to our Head Office and after accelerating delivery of our fire safety programme by £5.6m of which £0.7m was capitalised to the SOFP, with £4.9m expensed through the SOCI as major works.

### 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 2020/21, has been undertaken and compliance was reported to board in July 2021.

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 23 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 July 2021 for approval. As a result, the board confirm full compliance with the requirements of the 2015 NHF Code of Governance.

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

## One Vision Housing Limited

### Report of the Board for the year ended 31 March 2021 (continued)

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#### **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 (GBAC). 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 2021 (continued)**

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#### **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 indicator (KPI) 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 179 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, including the financial and economic factors affecting their 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 (2020: £nil) and £11.2k of charitable donations (2020: £20.5k).

##### ***Significant events***

After what has been an unprecedented and challenging period as a result of the pandemic, the association has demonstrated its operational strength and financial resilience. Our disciplined operating framework and the speed of management decision making and actions, both at the start of the pandemic and thereafter, have delivered a rapid and robust recovery, whilst continuing to recognise the uncertainties that remain ahead. We continue to support our existing and new customers, through the remaining period of uncertainty as we navigate the road map out of the pandemic and into economic recovery.

Throughout the outbreak, we fundamentally reassessed our risks, particularly around social distancing. Putting in place COVID secure policies and protocols which, are now fully embedded, supporting our priority of keeping our customers, employees, Sovini group commercial partners and suppliers safe. This strategy enabled us to continue to maximise our income sources and let our homes efficiently and effectively, in the shortest time possible. The association's drive and resilience has enabled it to remain resolute, able to complete the majority of its repairs, improvement and development programmes. We remain confident that when the current measures are lifted, we will be in a strong position to achieve our ambitions for continued growth and 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 27.

##### ***Qualifying third party indemnity provisions***

The association has third party indemnity provisions in place for the board and the executive management team.

**One Vision Housing Limited**  
**Report of the Board**  
**for the year ended 31 March 2021 (continued)**

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**Going concern**

The board reviewed the association's financial plans during 2021, this included stress testing of the business plan prior to submission to the regulator as part of the in depth assessment (IDA) process, and were satisfied that these plans were affordable and that the accounts should be prepared on a going concern basis.

As we exit from the pandemic and embark on the roadmap to recovery (including the accelerated vaccination programme), the executive management team and board have reviewed the financial forecasts to reflect any ongoing risks and financial impacts as relevant and proportionate to our business. This included an assessment of the year-end financial outturn position, underlying rent collection and letting performance (which exceeded forecasts), any immediate impact on the delivery of the improvement and development programmes and the potential impact of an ending of Furlough and economic recovery forecasts.

This was to ensure that we 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 surplus in 2020/21 was £3,397k and our interest cover and gearing covenants were comfortably met, 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 and was able to fully utilise the Sovini group commercial partners' to ensure that repairs, investments and development programmes, were completed with minimal disruption to services/ customers. Throughout the year, the association continued to gain access to customers homes, ensuring that they were safe and that all statutory compliance obligations were met, informing the RSH through the COR Survey of minimal cases which were outside of timescales. 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 the association to sustain its rent collection performance at 100.73% and re-let our homes within an average 12 days.

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, collecting in excess of 100% of our rent. We also were able to continue our sales activity remotely, with nine available shared ownership stock plots at year-end, four of which were sold subject to contract, with completions expected in Quarter One 2021/22. One home remained unsold for over six months and we achieved an average first tranche sales receipt 39% share.

As a key provider of affordable housing, we continue to self-deliver, via the Sovini group commercial partners, an increasing proportion of our development programme. In 2020/21, we achieved £42.2m of spend, 280 handovers. This was 12 more than forecast. We also secured additional grant and sales receipts. During the year ahead we plan to spend circa £36.5m building 332 new homes and have a secured land pipeline in place to facilitate this.

During 2020/21 we reviewed our Accommodation Strategy and consulted with our staff and put in place agile working contracts. This has delivered significant savings in management costs, which we have retained as contingencies within our Business Plan (circa £51m – 30 years) to assist us to manage and mitigate risk.

Our board continue to stress test the business plan (which continues to reflect prudent assumptions and £19.2m of contingencies). This includes various economic and cost impacts assessments (single, multi variant and perfect storm). Based on these outcomes the board have confirmed and communicated their strategic remedies and the priority in which these should be executed in the event that these key risks crystallise.

As the ongoing pandemic remains an unknown economic risk directly outside of our control we continue to deploy effective controls, daily processes to manage/monitor our cash flow and continue to review our financial stability and long term viability. This includes a future funding options review in conjunction with Savills (our independent Treasury Advisor).

Given the strength of our balance sheet, forecast surplus and availability and liquidity of undrawn loan facilities, totalling £120m, the board believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the association'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.



**One Vision Housing Limited**

**Report of the Board  
for the year ended 31 March 2021 (continued)**

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**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 auditor's for the purposes of their audit and to establish that the auditor's are aware of that information. The directors are not aware of any relevant audit information of which the auditor's 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.

**Approval**

The Report of the Board was approved on 27 August 2021 and signed on its behalf by:



**Peter Crosby (chair of the board)**  
27 August 2021



**Michael Parkin (chair of GBAC)**  
27 August 2021



**Marcus Evans (company secretary)**  
27 August 2021

# One Vision Housing Limited

## Strategic Report for the year ended 31 March 2021

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The board is pleased to present its Strategic Report and audited financial statements for the year ended 31 March 2021.

### Business overview

One Vision Housing Limited is a leading registered provider, managing 13,545 homes throughout Merseyside, West Lancashire and Cheshire. We have embarked on an ambitious development programme to build a further 1,121 homes in the coming years (this excludes the 1,143 built at 31 March 2021) which, will 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 23 of this Strategic Report.

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

Throughout the pandemic 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. We have consulted with our staff, who now continue to support our customers and provide related support services on agile contacts of employment.

### Objective and Strategy

Despite the relative state of the UK and worldwide economy, demand for affordable housing remains strong and evident. As such, the objective of the association, to generate financial and operational capacity has never been greater. We continue to respond positively to the remaining challenges of the pandemic by out-performing our budget and business plan targets, generating additional surpluses and through the efficiency and effectiveness of our subsidiaries and the Sovini group commercial partners we continue to provide VFM services which are in high demand from our customers, who consistently confirm high levels of satisfaction. As at March 2021, we have secured cumulative £16.0m of gift aid and generated over £28.9m of house sale and £32.4m of CME grant receipts and have used these resources to extend delivery of our development programme.

Our strategic plan for 2021 to 2026 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 2021 (continued)**

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**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 (STAR):

- 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 (SLA's), 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 the ongoing impacts of the pandemic. 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**

2021 has been an excellent year for the association, not only have we achieved a surplus of £3.4m (2020: £3.3m), we also achieved £13.5m of efficiency savings (page 18). Turnover for the year was £65.0m (2020: £64.2m). Operating costs for the year were £51.3m (2020: £50.8m). This performance has been achieved after a £1.97m impairment to our Head Office and after accelerating delivery of our fire safety programme by £5.6m of which £0.7m was capitalised to the SOFP, with £4.9m expensed through the SOCI as major works.

Our operating costs reflect that during the period we invested £26.7m (2020: £32.5m) improving our homes and ensuring safety compliance, thus enabling 100% (2020: 100%) of our units to continue to meet our property standard. This also reflects that aspects of our investment and fire safety programmes incurred delays throughout the first few months of the year, due to COVID-19.

In spite of this, we completed £5.8m (2020: £9.5m) of improvements to existing homes, which we capitalised to the Statement of Financial Position, and spent £40.5m (2020: £40.4m) building/acquiring 280 new homes (2020: 219 homes) which improved our gearing position. At 31 March 2021, our housing assets had a net book value of £276m (2020: £239m).

We incurred £8.9m (2020: £8.5m) financing costs and arranged £35m of new funding to continue our sustainable development programme.

We managed and mitigated our in year welfare reform risks, collecting 100.73% of our rental income and managed the impact of our routine empty properties to 0.45%. 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 2021 (continued)

#### Our key achievements

- Overall customer satisfaction increased to 96%
- We retained our regulatory judgement of G1 for governance and V2 for financial viability and have recently completed an In Depth Assessment (IDA), which we hope will return our judgement to a G1 and V1 strapline in July 2021
- Maximised our income and continue to overcome the threats to our collection performance from universal credit and the pandemic
- The % of emergency repairs completed within 24 hours was 100% and property compliance performance was sustained at in excess of 99.9% throughout the pandemic, with minimal no access cases reported
- Was awarded No 1 place in the 2021 UK Great Place to Work (Large Category) as part of the Sovini group and the 2020 UK's Best Workplace for Women
- Outperformed our budget and business plan target, achieving £13.5m of efficiency savings (page 18)
- Built 280 new homes, with nine available stock plots reported at year end within our sales programme
- Many of our performance indicators are achieving top quartile performance.

#### How we performed

Financial performance in the year	2021	2020
Turnover	64,968	64,155
Cost of sales	(2,692)	(3,024)
Operating costs	(51,312)	(50,824)
Surplus on disposal of fixed assets	300	1,389
<b>Operating surplus</b>	<b>11,264</b>	<b>11,696</b>
Net financing costs	(8,484)	(8,160)
Gift aid	65	23
Other	552	(264)
<b>Surplus for financial year (before tax)</b>	<b>3,397</b>	<b>3,295</b>
<b>Statement of financial position</b>	<b>2021</b>	<b>2020</b>
Fixed asset housing properties	276,428	238,939
Other fixed assets	13,307	16,582
<b>Fixed assets</b>	<b>289,735</b>	<b>255,521</b>
<b>Net current assets</b>	<b>8,305</b>	<b>34,192</b>
Creditors greater than one year	(242,592)	(237,441)
Pensions liabilities and provisions	(1,626)	(758)
<b>Reserves</b>	<b>53,822</b>	<b>51,514</b>
<b>Margins and performance</b>	<b>2021</b>	<b>2020</b>
Operating costs as a % of turnover	78.98%	79.22%
Gross margin	17.34%	18.23%
Net margin (excluding gift aid and 'other')	4.28%	5.51%
Debt per unit	£16,617	£16,675

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

**How we performed (continued)**

<b>Units in management</b>	<b>2021</b>	<b>2020</b>
General needs housing	11,355	11,432
Supported housing	1,217	1,042
Low cost home ownership	277	235
Non social housing	85	93
Leaseholder properties	611	605
<b>Total</b>	<b>13,545</b>	<b>13,407</b>

<b>Key performance</b>	<b>2021</b>	<b>2020</b>
Rent collected as a percentage of rent available (excluding arrears b/fwd.)	100.73%	100.56%
Rent arrears of current tenants as a proportion of the rent roll	3.50%	3.67%
Rent loss due to routine void properties	0.45%	0.33%
Void re-let average days	12.0 days	9.6 days
Average days to complete a repair	11.36 days	9.88 days
% of our homes with a valid gas safety certificate	99.99%*	99.97%**
Days lost through sickness	2.03%	2.94%
Customer satisfaction with our services	96.00%	95.10%
% dwellings failing the decent homes standard	0.00%	0.00%

\*There was only 1 service overdue at 31 March 2021 due to a customer self-isolating because of Covid-19

\*\*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 Limited (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 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 2020/21 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. During 2020/21 the association delivered £13.5m of efficiency savings (£123.5m cumulative since 2006) 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 2020/21. Overall customer satisfaction taken from the Survey of Tenants and Residents (STAR) shows an increased during 2020/21 from 95.1% to 96.9%, which is top quartile performance when compared with our peers. The target for the association is to remain top quartile in all areas of service delivery.

Our strong financial position and recent refinancing deal has underpinned our ambitious development programme, with £151m committed to delivering 1,121 new homes from 2021 to 2026, in addition to the £109m (1,143 homes) already completed. During 2020/21 280 homes were developed against a pre Covid-19 forecast of 268 homes in the year. This is a significant achievement made possible through our partnership with Sovini Construction Limited, who assist us to self deliver a significant proportion of our development programme.

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.

# One Vision Housing Limited

## Strategic Report for the year ended 31 March 2021 (continued)

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### Value for money (continued)

#### Introduction (continued)

As a modern, innovative employer, we are delighted to be recognised for our investment in our people by winning first place in the 2021 Great Places to Work - large category (as part of the Sovini group), and achieving the Investors in People platinum award standard. VFM is fully embedded within our organisational culture, with 99% of our staff saying that the organisation has set clear targets and objectives. This assists us to ensure we maximise the achievement of our strategic aims and objectives, and in doing so manage and mitigate the risks, challenges and opportunities that we face.

Details of the outcomes achieved in delivering our VFM objectives can be found within this VFM self-assessment. In our view, this self-assessment does more than simply demonstrate our compliance with the Regulator of Social Housing (RSH) VFM standard. We believe this self-assessment demonstrates that VFM sits at the very heart of everything that we do and that it remains a key component of our continuing success.

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

Within OVH we are clear that VFM 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 commercial 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 VFM standard.

#### ***What is our vision?***

Our vision is 'thriving inclusive communities'. The way we use our resources is a crucial foundation in our Strategic Plan 2021-26 that allows us to progress our strategic aims and objectives, and therefore the associations VFM objectives are specifically linked to delivering the associations overall 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 where possible mitigate our risks and our board regularly stress test our business plan.

The associations approach to VFM is embedded and applied consistently at group level, linking directly to the Sovini group ethos 'success through collaboration'. The VFM Strategy sets out how the activities of the wider Sovini group commercial partners drive efficiency, VAT and other productivity savings through the provision of 'shared' and 'self-delivered' services and in doing so part fulfil our social, economic and environmental responsibilities. The VFM Strategy also outlines how our group commercial partners strive to seek and secure new, profitable external contracts to generate additional financial capacity. The VFM Strategy sets out how the organisation will drive efficiency. The VFM objectives as set out in our strategy are:

- 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 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.

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

**Value for money (continued)**

**Our Board**

The board have a strong focus on, and joint understanding of VFM. Through the 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 budget. The board consider and make business decisions with VFM in mind, with a full understanding of how this contributes to the achievement of the strategic aims of the association. This is supported by a robust business planning process which considers key risks, scarce resource allocation, priorities as well as economic and underlying performance assumptions to ensure sufficient headroom to manage and mitigate risk.

Our vision of having 'thriving inclusive communities' is delivered through sustainable neighbourhoods, supported by quality services which meet the needs of our customers'. The board regularly receive business intelligence and assurance which, allows them to understand and deliver these needs, ensuring that sustainability is maximised where at all possible and that, the association can respond (as necessary) to changes in a timely and effective way.

The 2020/21 base budget set 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.

A revised VFM Strategy (2021-26) has been approved by board and bi annual VFM update reports are produced and considered to track progress. These provide the board with assurance that we continue to achieve our VFM objectives. They also receive bi annual service delivery plan update reports, and quarterly KPI reports.

**VFM Objective - Maximising our Social Value**

OVH measures its impact on society and the social value it has generated via the HACT social value calculator. This information is reported to board in detail and certified on an annual basis.

The HACT certification below, confirms that the association has generated over 16 million pounds of social value during 2020/21. This provides a £16.03 return on every £1 invested. A summary of the relevant activities can be found in Table One.

**Table One – Social Value Activity (HACT definition) 2020/21**

Description of activity	Budget for this activity	Number of beneficiaries	Social value generated	Social value return
Clear rent accounts - able to pay for housing	£829,631	1,207	£7,223,261	1:8.71
OVH home contents insurance scheme	£10,000	628	£2,161,425	1:216.14
Financial inclusion service - relief from debt	£28,000	221	£1,983,041	1:70.82
Decoration allowance - afford to keep house maintained	£50,127	11	£53,371	1:1.06
Secure housing from temporary accommodation / rough sleeping	£77,640	388	£4,921,930	1:63.39
OVH involved tenants – active tenant groups	£3,950	22	£90,411	1:22.89
OVH employee training	£35,000	127	£163,539	1:4.67
OVH apprenticeships	£1,040	1	£1,866	1:1.79
	<b>£1,035,388</b>	<b>2,605</b>	<b>£16,598,844</b>	<b>1:16.03</b>

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

Full details of the final, certified activities and outcomes generated will be reported in OVH's 2020/21 Annual Report, which will be published to all stakeholders in September 2021. Details will also be included on the OVH website.

**VFM Objective - Making the best use of our assets**

As at 31st March 2021 the total value of OVH's housing assets, including market rent investment units, was £284.8m, up from £247.9m on the 31st March 2020. This reflects an increase of £36.9m in the asset value. Other fixed assets (Atlantic House) are valued at £4.7m (2020: £7.7m). This reflects the sale of our Boaler Street office in March 2021 and the £1.97m impairment of our remaining office Atlantic House.

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

**Value for money (continued)**

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

The association increased its low cost social / affordable housing to 12,572 (98 net increase) and its non-social housing to 973 (40 net increase) during 2020/21 (refer to **Table Two** below). This reflects the completion and handover of 280 new homes during 2020/21, less 134 net property sales and high rise decants.

**Table Two:** OVH Stock figures and changes during 2020/21.

Stock Type	2017	2018	2019	2020	2021	Change from 2020 to 2021
General Needs	10,945	10,915	10,907	10,917	10,803	- 114 units
Intermediate Rent	14	14	13	13	13	no change
Rent to Buy	-	-	57	115	173	+ 58 units
Affordable Rent	194	293	319	398	552	+ 154 units
Supported Housing	1,060	1,035	1,041	1,031	1,031	no change
<b>Total low cost social / affordable housing</b>	<b>12,213</b>	<b>12,257</b>	<b>12,337</b>	<b>12,474</b>	<b>12,572</b>	<b>+ 98 units</b>
Stock Type	2017	2018	2018	2020	2021	Change from 2020 to 2021
Shared Ownership	119	142	204	235	277	+ 42 units
Leasehold	594	604	602	605	611	+6 units
Market rent	90	90	92	93	85	-8 units
<b>Total non-social housing</b>	<b>803</b>	<b>836</b>	<b>898</b>	<b>933</b>	<b>973</b>	<b>+ 40 units</b>

Source: Figures are taken from the OVH 2021 SDR

Forty RTB sales were completed during 2020/21 with £744k paid to Sefton MBC under the terms of the RTB Sharing Agreement. Eight RTA sales occurred generating £571k of sales proceeds.

In 2020/21 280 new homes were developed, twelve more than forecast. The total grant secured in 2020/21 was £984k. Total grant tranches received from prior and current years in 2020/21 was £6.17m

In 2020/21 44 first tranche sales were completed, generating receipts totalling £3.3m, exceeding the forecast sales budget by almost £670k. There were nine unsold shared ownership plots at the end of the year of which, four were sold subject to contract, with completions expected in Quarter One 2021/22. There was only one property which was unsold for six months following handover. This sale completed in April 2021.

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

The Asset Management Strategy (2021-26) sets out our approach taken to maximise the long term sustainability of the housing stock, focusing particularly on the financial and social returns they generate now and in the future. The sustainability index is fundamental to active asset management, in that it facilitates financial evaluation of the housing stock at an individual property level. It enables us to monitor the long term performance of each home by establishing a 30 year net present value (NPV) of the income and expenditure derived from each home.

The Sustainability Index (2017-2020) currently contains 12,461 properties with a calculated NPV of £762m (average of £61k per property). Over 99% of properties have a positive NPV, leaving 115 properties (0.9% of all homes) that have a negative NPV. Of these properties, 13 had an NPV in excess of -£50k. We have appraised these properties and reviewed their long term viability.

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 2021/22, and will undergo analysis and review by the Asset Management Steering Group.



**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

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**Value for money (continued)**

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

The association has strived to maximise its stock occupancy during 2020/21 with void loss (routine and long term) at 0.52% (£290k). Routine void loss was at 0.34% during the year, which is top quartile performance when compared to our peers. The reletting of properties that became void during was completed on an average of 12 days (top quartile performance) with 35% of lettings completed with no void loss.

The association continues to maximise its income and manage its resources effectively through improved operational performance and proactive budget management and review throughout the year. Continued emphasis on maximising income through embedding arrears prevention and tenancy sustainability, remains to be a key priority. Rent collection performance improved during 2020/21 to 100.73%, £424k more collection than the annual rent debit. The business plan prudently reflects 98.75% (1.25% - £0.7m bad debts) and a further 0.5% (£0.3m) contingency to offset the continuing impact of Welfare Reform, particularly Universal Credit (UC) digital roll out. The association will continue to strive to maximise income collection and reduce arrears/bad debt. This has been demonstrated by achieving over 100% of rent collection an improved rent collection target of 102% set by the board of the association for 2021/22.

Proactive budget management and review throughout the year has resulted in efficiency savings exceeding our 2020/21 targets which forecast that we would achieve £1.7m of operating cash efficiency savings. Performance during 2020/21 is detailed in **Table Three** overleaf and this reports that the association realised £5m of operating cost savings, and £13.5m of total efficiency savings, including grant income from Homes England.

***Our savings***

The association considers and approves an annual budget within the context of a 30 year business plan. Actual performance is tracked and monitored against the budget and business plan during the year to quantify and report the additional financial capacity generated and any adverse financial impacts. The business plan is submitted annually to the RSH.

At the end of the year, an efficiency statement (please refer to **Table Three**) is produced which quantifies the financial capacity generated based on outperformance of key targets and assumptions.

In 2020/21, the association collected an additional £1.6m of income in rent and service charges by proactively supporting customers and sign posting for advice and support. It also reduced its management costs by £1.7m by reviewing its Accommodation Strategy and implementing a number of business transformation projects aimed at improving efficiency and effectiveness with back office services. These savings did not impact adversely on front facing customer services which continue to demonstrate high levels of satisfaction. In addition, a further £1m of development programme management fee savings were realised (these resources have been ring-fenced and will be reinvested to deliver a further ten new homes). Lastly, the association generated £0.7m of savings through reduced pension/funding costs and realised additional VAT Shelter and market rented/ leaseholder income.

The association completed its MHCLG cladding claim receiving £0.76m, sold one of its offices generating £1.86m additional sale receipts and received £5.6m 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 2021 (continued)**

**Value for money (continued)**

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

**Table Three: Annual Efficiency Savings 2020/21**

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	1,604	-	1,604
Management Cost	Vacancy, pension contribution and overhead cost savings	1,737	-	1,737
Development Programme	Lower fees (2.6%) and abortive/ marketing costs to budget	997	-	997
Other Activities	Higher market rent and Leaseholder major works income	35	-	35
Other Savings	Lower Hardship Fund, Reorganisational and Pension Bond	80	-	80
VAT Shelter Income	Additional VAT Shelter Recovery	338	-	338
Financing costs	Lower interest and refinancing costs	247	-	247
<b>Operating Activity Gains</b>		<b>5,038</b>	<b>-</b>	<b>5,038</b>
MHCLG Grant	Final cladding claim reimbursement	761	-	761
Office conversion to rental unit	30 year income generation - 2 new homes	288	-	288
Disposal of Boaler Street	Disposal of Boaler Street	1,864	-	1,864
HE Grant	In year grant receipts relating to completed and on-going development schemes.	5,587	-	5,587
<b>Operating Activity Gains</b>		<b>8,500</b>	<b>-</b>	<b>8,500</b>
<b>Total 2020/21 AES Gains</b>		<b>13,538</b>	<b>-</b>	<b>13,538</b>

Source: OVH 2020/21 Provisional Outturn Financial Statement

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

**Value for money (continued)**

***VFM Objective - Maximising opportunities through procurement***

Table Four below, details the procurement activity savings achieved by OVH during 2020/21. These have been generated from tender reviews and Dynamic Purchasing System (DPS) Mini Competitions. This has resulted in £0.7m savings.

**Table Four:** OVH Procurement Savings (2020/21)

<b>2020/21 Project/Activity</b>	<b>Savings £000</b>
Architectural requirements for 15 sites (planning and construction)	93
Chorlton Irish club - cost consultant	1
Provision of energy - gas/electricity	26
Telecare hardware renewal	26
Legionella services	20
Clerk of works at five sites	6
Tree survey and inspections	19
Electricity claims (pylons)	15
PD and CDM advisor duties	340
Gas / electrical audits	55
Whimbrel and Alexandra House – cladding budget costs	13
Sheltered scheme – fire system and equipment floor plan / layouts	25
Statutory property compliance audits	9
Communal balustrade replacement works	18
Brighton Street - clerk of works	3
Wheatland Lane - clerk of works	2
Low rise balconies - Leaseholders	50
<b>Total</b>	<b>721</b>

***VFM Objective - Cooperation and collaboration through self-delivery***

**Term Partnering Agreement (TPA)**

In 2018 the association undertook an Asset Management Tendering process included works comprising of repairs, planned, voids, services and new build. These works were awarded to Sovini Commercial Partners as part of a Term Partnering Agreement (TPA). The TPA arrangements were reviewed by the board during 2020/21 to ensure they continue to meet the long term requirements of the association. The TPA allows for closer collaborative working with other entities within the Sovini group to deliver VFM services through:

- Greater visibility (interfacing systems & real time reporting)
- More flexibility (access to a wider supply chain network)
- Greater certainty leading to improved customer service & life cycle costs
- Better emergency and demand planning (rapid mobilisation and resumption of services post lockdown)
- Reduced theft / fraud (normally built into contract price “risk” by external contractors)
- Control of asset management specification / standardisation, which will reduce future repairs and maintenance costs
- Continuity of supply in unstable operating environment (COVID, BREXIT etc)
- Added value through collaboration leading to innovative system development (Bistrak), local labour, reduced carbon footprint, social value pledges to local communities

# One Vision Housing Limited

## Strategic Report for the year ended 31 March 2021 (continued)

### Value for money (continued)

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

The Performance of the TPA is monitored by officers via the monthly Asset Management Contract Core Group meetings. OVH's Asset Management team continue to benchmark performance through HouseMark, HQN and Liverpool City Region Benchmarking Club to ensure it continues to deliver VFM for the association. The TPA also evidences VFM through the following:

- An independent benchmark was carried out by RAND Associates' based on national average SOR's
- Recently dispensation has been approved on the basis that OVH are achieving Value for Money and evident to the tenants
- Greater certainty leading to improved customer service & life cycle costs
- The contractors are within the same VAT group, and
- The contractors have their own set of financial regulations to adhere to when sub-contracting works outlining VFM and transparency through the supply chain, which again procurement can access all information.

During 2020/21, £28.5m (89%) of the asset management programme was completed via the Sovini group commercial partners, Sovini Property Services (SPS) and Amianto. In addition, Sovini Construction completed £14.7m of our new build homes, with Sovini Land Acquisition acquiring a number of new land sites at Station Lane, Conway Street and Goals to ensure continuity within the development pipeline. This enabled the association to be able to continue to provide emergency and responsive repairs and fulfil its statutory compliance obligations, protecting its customers and wider stakeholders. It also facilitated the prompt mobilisation of our construction sites, maximising the number of new home completions and allowed us to fulfil housing need. In doing so, the association was able to overcome significant disruption to the development programme during the initial lockdown of the pandemic. It also ensured the prompt claiming of grant income from Homes England at year end.

#### VFM Objective - Regulatory Compliance and Customer Involvement

In January 2021, the association received confirmation via the annual stability review, that it had retained the regulatory grading of 'G1' for Governance and received a 'V2' for Viability, demonstrating compliance with the regulatory requirements including the VFM standard. In March 2021, the RSH confirmed that OVH would be subject to an In-Depth Assessment (IDA) on the 5th and 6th May 2021. No regulatory issues have been raised or identified during the course of the IDA and confirmation of the regulatory judgement is expected to be confirmed in August 2021 following review and ratification by the RSH regulatory committee. Once confirmed the board and group business assurance committee (GBAC) will be notified.

The board reviewed a self-assessment of compliance with the regulatory standards, ahead of certifying compliance in the 2021 financial statements. Evidence compiled during 2020/21 indicates that compliance (including with the VFM standard) is being maintained by OVH.

Following the publication of the Housing White Paper in 2021, an internal assessment of compliance has been completed for OVH and an action plan implemented. This includes actions designed to continue to meet the Government's agenda relating to improving the 'Customers Voice'. To support this, a review of the Customer Empowerment Framework and tenant scrutiny arrangements will be completed during 2021/22. Tenants views continue to influence service delivery and performance through tenant forums and scrutiny reviews, with progress on scrutiny reviews reported to GBAC with all completed as scheduled.

In the most recent STAR survey, satisfaction with OVH as a landlord had increased from 95% (2017/18) to 96% (2019/20). A STAR survey is currently under way for 2021/22.

#### VFM Objective - Excellent Performance and Customer Satisfaction

During 2020/21, the association has continued to maintain high levels of performance with four out of six benchmarked KPI's achieving top quartile performance compared to our peers. These KPI's and targets have been chosen by the board for being identified as business critical, linked to customer priorities and a key measure of delivering VFM.

Performance Indicator	Year-end 2020/21					Housemark Quartile
	Value	Target	Status	2020 Value	Trend	
Rent collected as a % of rent due (social rent)	100.73%	100.90%		100.56%		2
Satisfaction with the lettings service (%)	99%	100%		98.30%		1
Sickness - % of hours lost	2%	2%		2.94%		1
Satisfaction with completed response repairs (%)	99%	99%		97.40%		1
Satisfaction with improvement works (%)	99%	99%		97.20%		n/a
Satisfaction with ASB case handling (%)	91%	93%		83.30%		2
Rent loss due to void properties (social rent)	0.45%	0.30%		0.33%		1
Property Compliance	99.99%	100%		99.97%		n/a

## One Vision Housing Limited

### Strategic Report for the year ended 31 March 2021 (continued)

#### Value for money (continued)

#### VFM objective - Excellent performance and customer satisfaction (continued)

#### Performance and cost benchmarking

The association is a member of Housemark which provides benchmarking of core services using performance and cost of our peers as a comparison. Services are scored with the aim of being **good performance/low cost** to demonstrate VFM. The most recently published validated peer outputs for 2019/20 shows that the majority of the associations core services are demonstrating **good performance/low cost** compared to our peers as shown by table six below.

**Table Six** - Housemark VFM assessment

Service	Housemark VFM assessment
Responsive repairs	good performance/low cost
Void repairs and lettings	good performance/low cost
Rent arrears and collection	good performance/low cost
Tenancy management	good performance/low cost
Customer involvement	good performance/low cost
Customer services	good performance/high cost
Neighbourhood management	good performance/high cost

Back office services provided to OVH as part of Service Level Agreements have also been benchmarked by Housemark and these show these services are delivering Value for Money and are less than the average costs of our peers. In addition satisfaction with the services provided via the SLA are continuously monitored and this shows high levels of satisfaction (90%+ across all services).

#### Customer Satisfaction

Cumulative satisfaction from the transactional surveys in 2020/21 (refer to **table seven**) was 96.9%, and 1.9% above the 95% target and the highest performance achieved to date. Six of the eleven surveys exceeded their targets, the other five almost met their targets (several of these had high performance against very high targets).

**Table Seven** – Transactional Survey Performance 2020/21

Tenant satisfaction with:	2020/21	Target	Performance
Gas servicing	100%	98%	✓
Customer service centre	100%	96%	✓
Gas repair	99%	96%	✓
Adaptations	100%	98%	✓
Lettings	99%	100%	⚠
Improvement works	99%	99%	✓
Repairs	99%	99%	✓
Cleaning services	90%	92%	⚠
Grounds maintenance	95%	92%	✓
Anti-social behaviour	91%	93%	⚠
Complaint handling	73%	75%	⚠
<b>Overall Satisfaction</b>	<b>97%</b>	<b>95%</b>	✓

**Table Eight** overleaf, confirms OVH's 2020/21 current year VFM performance as reported within the VFM metrics scorecard. It compares our 2020/21 performance against our initial forecast and against our 2019/20 (prior year) performance (including the National Median). It also provides a forecast of our expected performance during 2021/22.

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

**Value for money (continued)**

**VFM Objective - Excellent Performance and Customer Satisfaction (continued)**

**Table Eight – OVH VFM Performance 2020/21**

	<b>Indicator</b>	<b>National Median 2019-20</b>	<b>Prior year Actual 2019-20</b>	<b>Current year forecast 2020-21</b>	<b>Current year Actual 2020-21</b>	<b>Next year Forecast 2021-22</b>
1	Reinvestment %	7.20%	21.12%	18.53%	17.26%	17.42%
2	Operating margin	25.70%	18.23%	20.00%	17.80%	30.03%
3	EBITDA MRI (as a percentage of interest)	170.00%	112.30%	103.76%	145.82%	152.32%
4	Units developed (as a percentage of units owned)	0.00%	1.70%	2.10%	2.20%	3.00%
5	Gearing	44.00%	77.58%	78.86%	76.16%	77.47%
6	Return on capital employed (ROCE)	3.40%	4.04%	4.19%	3.78%	5.55%
7	Headline social housing cost per unit	£3,830	£3,720	£3,861	£3,521	£3,585
8	Management cost per unit	n/a	£913	£785	£645	£678
9	Service Charge cost per unit	n/a	£248	£349	£353	£371
10	Maintenance cost per unit	n/a	£1,096	£1,085	£1,058	£1,099
11	Major Repairs cost per unit	n/a	£1,420	£1,571	£1,431	£1,369
12	Other cost per unit	n/a	£43	£71	£34	£69

**Additional Value for Money Metrics**

13	Operating margin (Social Housing Lettings)	23.10%	15.30%	18.71%	17.60%	29.17%
14	Units developed (Social Housing units)	n/a	219	268	280	392
15	Customers satisfied that their rent provides value for money	n/a	96.10%	95.00%	95.00%	95.00%
16	Ratio of responsive repairs to planned	n/a	0.16	0.16	0.15	0.16
17	Rent collected	n/a	100.60%	100.09%	100.73%	102.00%

- 1 Reinvestment reflects the improvements made to existing homes as part of the investment programme, as well as new homes built as part of the approved development programme. Development expenditure in 2020/21 was £42.2m (280 new homes) and £0.2m lower than the approved budget, reflecting the positive impact of lower abortive fees, marketing costs as well as professional fees. This performance was achieved in spite of the initial three month lockdown (April to June 2020) and reflected the handover of an additional 12 homes than forecast at March 2021. Expenditure within the investment programme, was £18.4m and this was £1.9m lower to due Covid-19 impacts on programme delivery including longer manufacturing lead in timescales.
- 2 & 13 Operating surplus (£11.3m) is £0.6m higher than the anticipated, mainly as a result of achieving £1.7m net efficiency and accommodation cost savings (mainly back office SLA and other one off and non-essential costs). It also reflects the positive impact of sustained rent collection (100.73%) and lower void loss (0.52%) and new unit handovers. Routine and planned maintenance costs were £0.4m, however, these works will be completed in 2021/22.
- 3 EBITDA MRI is higher than forecast mainly due to the reported Covid -19 related delays to the investment programme. This has reduced the value of total assets in the current year, however, these works will be completed in 2021/22.
- 4 & 14 280 homes were completed in 2020/21 (£42.2m gross development programme). It is forecast that £44.6m will be spent building 392 new homes in 2021/22.
- 5 This reflects that OVH assets are held at historic cost and whilst the 2020/21 gearing ratio is slightly lower than forecast. It reflects the significant achievement by the Association to complete the majority of it's major works and development programme during the pandemic, quickly mobilising all work streams. As such OVH's asset cost increased by £38.4m at 31 March 2021.
- 6 4.39% reflects an operating surplus of £11.3m currently over a capital employed of £303.8m (total assets less current liabilities).

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

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**Value for money (continued)**

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

- 7** The headline social Housing - CPU has reduced by £345 when compared to the year end forecast reflecting the positive impact of reduced recurring management costs. This cost reduction has been applied over the 30 year business plan and these savings are currently held as contingencies to manage and mitigate risk.
- 8** The management CPU has improved by £135, reflecting £1.2m of additional savings (back office - SLA charges, accommodation savings, vacancy management and other savings) since approving the reforecast budget. Total savings at year end were £1.7m net of a carry forward of £623k to 2021/22 (mainly other fixed asset capital costs) to address business transformation and IT strategy priorities.
- 9** The service charge CPU is slightly higher than forecast, reflecting the current estimated service charge debit of £4.566m in 2020/21. This has increased to reflect the unpooling of service charges and increased transparency to those customers who receive these additional services.
- 10** The maintenance CPU is £32 lower, mainly as a consequence of the year end underspend (£406k) on routine and planned maintenance.
- 11** The major repairs CPU is £147 lower than anticipated as a result of the reported Covid-19 delays to programme delivery. These works will be completed in 2021/22.
- 12** Other Costs CPU is £35 lower than expected, reflecting the sustained improvement in rent collection performance at 31 March 2021 (100.73%) and the consequential lower bad debt provision (£260k lower).
- 15** Year on year improvements in customer satisfaction with services. Target set to maintain top quartile performance. Star survey currently in progress, due for completion September 2021.
- 16** Responsive repairs as a ratio of planned preventative maintenance spend, is lower than anticipated forecast by £0.4m whilst improvement programme works were lower by £1.9m due to Covid 19 impacts on programme delivery and longer manufacturing lead in timescales.
- 17** Rent collection performance for year end was 100.73% which exceeded its performance target of 100.09% and is the highest OVH has collected, this sets us up well to achieve target of 102% in 2021/22.

We continue to work with all our stakeholders including our board members, GBAC, customers, Sovini group commercial partners, the RSH and our funders in the pursuit of our VFM objectives and 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 a well governed organisation.

The content of this VFM self-assessment statement is aligned and assessed against the RSH VFM standard and the board will certified compliance with the VFM standard at the July 2021 board meeting.

## One Vision Housing Limited

### Strategic Report for the year ended 31 March 2021 (continued)

#### Looking ahead

#### Treasury strategy and treasury management policy

We commissioned and approved our annual independent treasury strategy and treasury management policy in February 2021. 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. Our board have stress tested our business plan and received assurance that we can continue to meet the RSH liquidity requirements.

#### Loan structure

At 31 March 2021, the association held total loan facilities of £335.96m of which, £215.96m was drawn and £120m was undrawn. Of the drawn loans, fixed rate were £165.96m (76.8%), and variable rate were £50.0m (23.2%). This is within the thresholds of our treasury management policy. Loan balances increased in the year as a result of £35m of loans arranged with RBS.

Funder	Type	Drawdown Date	Maturity Date	Amount £m	Interest Rate %
THFC	Fixed	03/12/1997	17/12/2021	3.25	1.49
THFC	Fixed	05/10/2011	05/10/2043	3.00	1.72
Orchardbrook	Fixed	01/04/2000	31/03/2041	0.96	1.54
M&G Note Purchase - 2014	Fixed	17/07/2014	17/07/2042	13.00	4.85
M&G Note Purchase - 2014	Fixed	17/07/2014	17/07/2044	13.00	4.85
M&G Note Purchase - 2014	Fixed	17/07/2014	17/07/2046	14.00	4.85
RBS - Facility A	Fixed	18/07/2014	18/07/2024	23.75	4.19
RBS - Facility B	Fixed	18/07/2014	30/10/2041	30.00	3.30
M&G Note Purchase - 2016	Fixed	01/04/2016	01/04/2048	15.00	3.40
M&G Note Purchase - 2017 (Tranche 1)	Fixed	06/04/2017	06/04/2036	10.00	3.70
M&G Note Purchase - 2017 (Tranche 2)	Fixed	06/04/2017	06/04/2036	10.00	10.91
M&G Note Purchase - 2018	Fixed	21/12/2018	21/12/2043	30.00	4.88
Barclays (RCF)	Variable	22/03/2021	22/06/2021	15.00	7.45
Barclays (RCF)	Variable	23/03/2021	23/06/2021	5.00	2.35
RBS - Facility B	Variable	18/07/2017	30/10/2041	10.00	2.51
RBS - Facility C	Variable	14/01/2021	14/04/2021	10.00	8.75
RBS - Facility C	Variable	27/01/2021	27/04/2021	10.00	5.20
YBS*	Variable	31/12/2029	31/03/2030	(1.04)	
<b>Total</b>				<b>214.92</b>	

\*Capitalised refinancing costs on undrawn facilities

#### Debt repayment profile

The value and duration of our loans is summarised below. The weighted average cost of capital was 4.18% at 31 March 2021 and 100.00% of the debt relates to bank loan financing and 0.00% to bond financing.

Repayment Profile	Orchardbrook £'000	RBS £'000	M & G £'000	THFC £'000	Barclays £'000	Total £'000
< 1 yr	15	1,250	-	3,250	-	4,515
1-2 yrs	17	1,250	-	-	-	1,267
2-5 yrs	62	21,250	-	-	20,000	41,312
> 5 yrs	870	60,000	105,000	3,000	-	168,870
<b>Total</b>	<b>964</b>	<b>83,750</b>	<b>105,000</b>	<b>6,250</b>	<b>20,000</b>	<b>215,964</b>

Note: the above excludes the release of any capitalised refinancing costs (£1.04m)



**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (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 2021	Balance at 31 March 2021 £'000	Rating at 31 March 2020	Balance at 31 March 2020 £'000
RBS	P-1/A-1/F1	3,382	P-1/A-1/F1	7,754
Lloyds	P-1/A-1/F1	113	P-1/A-1/F1	12
Barclays	P-1/A-1/F1	726	P-1/A-1/F1	127
Santander	P-1/A-1/F1	102	P-1/A-1/F1	2
Nationwide	P-1/A-1/F1	132	P-1/A-1/F1	32
THFC - interest reserve	P-1/A-1/F1	170	P-1/A-1/F1	200
Prudential	P-1/A-1/F1	-	P-1/A-1+/F1+	20,000
<b>Total</b>		<b>4,625</b>		<b>28,100</b>

***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 76.8% of its current borrowings and post year end fixed a further £20m of loans as a recommendation within its 2021 Treasury Strategy.

***Loan covenant compliance***

Our primary loan covenants are: interest cover, 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 KPI. 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 pandemic will test aspects of our operating environment, but we remain strong and financially resilient. We have completed a review of our office accommodation, selling and converting part of this portfolio in the year in response to the majority of our workforce being agile and working from home. We have also embarked on five business transformation projects which will revolutionise what we do and how we do it, especially in the provision of our housing management and back office support systems. This enhanced automation and virtual technology will assist us to further reduce our operating costs whilst improve our overall efficiency and effectiveness. Our priority remains to provide a safe working environment for all of our employees and to protect our customers and those who work alongside us within our supply chain, especially as we continue to manage the operational challenges created by the pandemic. We are committed to achieving the highest industry health and safety standard and have embedded our COVID secure policies, processes and procedures.

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

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**Future prospects (continued)**

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, replacing fire doors, removing and replacing defective cladding and decanting three of our high rise blocks which are of large panel construction. We continue to review our high rise strategy and have retained contingencies in our business plan to assist us to deal with any ongoing risks / challenges.

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, which is challenging given the global increase in material cost and availability. We also understand that we must keep any sales risk exposure within the board's risk appetite, including the new shared ownership product and the right of all affordable home customers to become shared ownership homeowners in the future. Being part of the Sovini group allows us the opportunity to self deliver an increasing proportion of our development programme and to mitigate the impact of some of the above risks. We continue to actively engage with Homes England regarding CME grant funding under the new grant regime and funding agreement.

We recognise the contribution that we can make to the UK's net zero (2050) target, by reviewing our operations and reducing our emissions and carbon footprint, including that of our supply chain. This includes using renewable energy within our offices and in the delivery of our services to our customers. This includes delivering low carbon homes for our customers through better insulation, more efficient services and the use of new low carbon technology. This sustainable approach means that our tenants and affordable home owners will live in high quality, low carbon, energy efficient homes which have a lower impact on our environment and are cheaper to run.

Despite these very considerable challenges, we believe this is a positive time for the association.

**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 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 and an ending of Furlough***

We have reviewed our customer profile data and understand which of our customers are most affected by welfare reforms and potentially future unemployment as a consequence of the ending of Furlough. Our business plan continues to contain prudent collection assumptions and a number of contingencies in the early years to help us to manage and mitigate these risks. Our focus remains on assisting our customers to cope and overcome these transitional impacts.

***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, in an environment of increasing material and labour costs and a global shortage of certain construction items e.g. timber, brick, plaster etc. We are also mindful that we must continue to contain our sales risk exposure within the board's risk thresholds. We believe we are in a strong position, and have embarked upon a funding review to ensure a continued development pipeline beyond 2024/25. We also continue to work in partnership with our supply chain to reach agreement on the short to medium term interventions we can put in place to ensure continuity within the programme, minimising the impact on the number of completed homes at each year end.

***Zero Carbon***

We have compiled our Zero Carbon and Environmental Strategy and are completing a base line assessment to understand our investment funding requirements and the extent of the work streams required to bring our homes to the required standard / compliance.

***Pensions***

We have completed an independent review of our SHPS Defined Benefit Scheme closing this arrangement to future accrual and reducing the risk of volatility in our current deficit.

**One Vision Housing Limited**  
**Strategic Report**  
**for the year ended 31 March 2021 (continued)**

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**Accounting policies**

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

**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 27 August 2021.



**Peter Crosby (chair of the board)**  
**27 August 2021**



**Michael Parkin (chair of GBAC)**  
**27 August 2021**



**Marcus Evans (company secretary)**  
**27 August 2021**

## One Vision Housing Limited

### Independent Auditor's Report to the Members of One Vision Housing Limited for the year ended 31 March 2021

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#### Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of One Vision Housing Limited ("the Association") for the year ended 31 March 2021 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).

#### Basis for opinion

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

#### Independence

We remain independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

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

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

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

#### 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 2021

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

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

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association's 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.

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

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

Based on our understanding of the Association and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Association's Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing 2019.

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

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to the defined benefit pension liability, impairment of fixed assets, useful economic lives, capitalised overhead on development, costs to complete on developments, investment property valuation and rent arrears provisioning.
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management and journals posted after the year end.
- Reading minutes of meetings of those charged with governance reviewing internal audit reports and reviewing any correspondence with HMRC and the Regulator of Social Housing.

## One Vision Housing Limited

### Independent Auditor's Report to the Members of One Vision Housing Limited for the year ended 31 March 2021

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

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

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

#### Use of our report

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

DocuSigned by:

HELEN KNOWLES

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**BDO LLP**

**Statutory Auditor**

**Liverpool**

**27 August 2021**

*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 2021**

	Note	2021 £'000	2020 £'000
Turnover	4	64,968	64,155
Cost of sales	4	(2,692)	(3,024)
Operating costs	4	(49,343)	(46,581)
Non-recurring	4, 26	(1,969)	(4,243)
Total operating costs	5	(51,312)	(50,824)
Surplus on disposal of housing properties	4, 11	300	1,389
<b>Operating surplus</b>	4, 7	11,264	11,696
Other interest receivable and similar income	12	394	347
Interest and financing costs	13	(8,878)	(8,507)
Movement in fair value of investment properties	17	552	(264)
Gift aid received from subsidiary	18	65	23
<b>Surplus before taxation</b>		3,397	3,295
Taxation on surplus on ordinary activities		-	-
<b>Surplus for the financial year</b>		3,397	3,295
Actuarial gains/(losses) on defined benefit pension scheme	25, 26	(1,089)	1,225
<b>Total comprehensive income for year</b>		2,308	4,520

*The notes on pages 34 to 64 form part of these financial statements.*

## One Vision Housing Limited

### Statement of Financial Position as at 31 March 2021

Company number: 7072

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible fixed assets - housing properties	14	276,428	238,939
Tangible fixed assets - other	15	3,749	7,264
Intangible fixed assets	16	918	405
Investment properties	17	8,640	8,913
Investments	18	-	-
		289,735	255,521
<b>Current assets</b>			
Stocks	19	1,608	2,375
Debtors - receivable within one year	20	13,696	8,023
Debtors - receivable after one year	20	7,000	9,500
Cash at bank and in hand		4,626	28,096
		26,930	47,994
<b>Creditors: amounts falling due within one year</b>	21	(18,625)	(13,802)
<b>Net current assets</b>		8,305	34,192
<b>Total assets less current liabilities</b>		298,040	289,713
Creditors: amounts falling due after more than one year	22	(242,592)	(237,441)
Pension liability	25, 26	(1,626)	(758)
<b>Net assets</b>		53,822	51,514
<b>Capital and reserves</b>			
Non-equity share capital	27	-	-
Revaluation reserve		1,492	940
Income and expenditure reserve		52,330	50,574
		53,822	51,514

The notes on pages 34 to 64 form part of these financial statements.

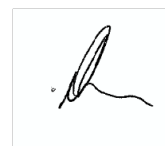
The financial statements were approved by the Board of Directors and authorised for issue on 27 August 2021.



**Peter Crosby (chair of the board)**  
27 August 2021



**Michael Parkin (chair of GBAC)**  
27 August 2021



**Marcus Evans (company secretary)**  
27 August 2021



## One Vision Housing Limited

### Statement of Changes in Equity for the year ended 31 March 2021

	Share capital	Revaluation reserve	Income and expenditure reserve	Total equity
	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2020</b>	-	940	50,574	51,514
Surplus for the year	-	552	2,845	3,397
Actuarial losses on SHPS defined benefit pension scheme (note 25)	-	-	(1,089)	(1,089)
<b>Other comprehensive income for the year</b>	-	-	(1,089)	(1,089)
<b>Balance at 31 March 2021</b>	-	1,492	52,330	53,822

### 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
<b>Balance at 1 April 2019</b>	-	1,204	45,790	46,994
Surplus for the year	-	(264)	3,559	3,295
Actuarial gains on SHPS defined benefit pension scheme (note 25)	-	-	1,225	1,225
<b>Other comprehensive income for the year</b>	-	-	1,225	1,225
<b>Balance at 31 March 2020</b>	-	940	50,574	51,514

*The notes on pages 34 to 64 form part of these financial statements.*

# One Vision Housing Limited

## Notes Forming Part of the Financial Statements for the year ended 31 March 2021

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## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

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#### 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 2021 and these financial statements may be obtained from their registered office at Unit 1, Heysham Road, Liverpool, L30 6UR.

#### *Going concern*

The board reviewed the association's financial plans in February 2021 and were satisfied that these plans were affordable and that the accounts should be prepared on a going concern basis.

As we exit from the pandemic and embark on the roadmap to recovery (including the accelerated vaccination programme), the executive management team and board have reviewed the financial forecasts to reflect any ongoing risks and financial impacts as relevant and proportionate to our business. This included an assessment of the year-end financial outturn position, underlying rent collection and letting performance (which exceeded forecasts), any immediate impact on the delivery of the improvement and development programmes and the potential impact of an ending of Furlough and economic recovery forecasts.

This was to ensure that we 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 surplus in 2020/21 was £3.4m and our interest cover and gearing covenants were comfortably met, 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 and was able to fully utilise the Sovini group commercial partners' to ensure that repairs, investments and development programmes, were completed with minimal disruption to services / customers'. Throughout the year, the association continued to gain access to customers' homes, ensuring that they were safe and that all statutory compliance obligations were met, informing the RSH through the COR Survey of minimal cases which, were outside of timescales. 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 sustain our rent collection performance at 100.73% and re-let our homes within an average 12 days.

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, collecting in excess of 100% of our rent. We also were able to continue our sales activity remotely, with no available stock plots at year-end. One home remained unsold for over six months and we achieved an average first tranche sales receipt 39% share.

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

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#### 2 Accounting policies (continued)

##### *Going concern (continued)*

As a key provider of affordable housing, we continue to self-deliver via the Sovini group commercial partners an increasing proportion of our development programme. In 2020/21, we achieved £42.7m of spend, 280 handovers. This was 12 more than forecast. We also secured additional grant and sales receipts. During the year ahead we plan to spend circa £36.5m building 332 new homes and have a secured land pipeline in place to facilitate this.

During 2020/21 we reviewed our Accommodation Strategy and consulted with our staff and put in place agile working contracts. This has delivered significant savings in management costs, which we have retained as contingencies within our Business Plan (circa £51m – 30 years) to assist us to manage and mitigate risk.

Our board continue to stress test the business plan (which continues to reflect prudent assumptions and £19.2m of contingencies). This includes various economic and cost impacts assessments (single, multi variant and perfect storm). Based on these outcomes the board have confirmed and communicated their strategic remedies and the priority in which, these should be executed in the event that these key risks crystallise

As the ongoing pandemic remains an unknown economic risk directly outside of our control we continue to deploy effective controls, daily processes to manage/monitor our cash flow and continue to review our financial stability and long term viability. This includes a future funding options review in conjunction with Savills (our independent Treasury Advisor).

Given the strength of our balance sheet, forecast surplus and availability and liquidity of undrawn loan facilities, totalling £120m, the board believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the association'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 2021 (continued)

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#### 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 2021 (continued)

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#### 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 2021 (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 2021 (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 2021 (continued)

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#### 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.

##### **Financial instruments**

###### **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 2021 (continued)

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#### **2 Accounting policies (continued)**

##### ***Financial instruments (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.

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

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#### 2 Accounting policies (continued)

##### *Reserves*

The revaluation reserve is created from surpluses on asset revaluation.

#### 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 and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of 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 2021 (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	62	(62)
Boilers / Heating	20	161	(161)
Kitchen	20	199	(199)
Lift	25	11	(11)
Roofs	60	42	(42)
Structure	60	99	(99)
External cladding	50	16	(16)
Windows / External doors	30	70	(70)
Sprinkler systems	25	37	(37)
Fire door	25	10	(10)
		707	(707)
		<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 were:

- income to grow to market rental in year one then thereafter at RPI plus 1%,
- costs of 25% of gross income, and
- a discount rate of 7.5%

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	8,640	864	(864)	(3,024)
		864	(864)	(3,024)
		<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 2021 (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
	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000
<b>Social housing lettings (note 5)</b>	60,621	-	(50,970)	-	9,651
<b>Other Social Housing Activities</b>					
First tranche low cost home ownership sales	3,362	(2,692)	-	-	670
Staircasing activity on low cost home ownership	-	-	-	35	35
Right to buy sales	-	-	-	383	383
Right to acquire sales	-	-	-	491	491
	3,362	(2,692)	-	909	1,579
<b>Activities other than social housing activities</b>					
Commercial properties	169	-	(24)	-	145
Non social housing units	657	-	(195)	-	462
Furlough	64	-	-	-	64
Other	95	-	(123)	(609)	(637)
	985	-	(342)	(609)	34
	64,968	(2,692)	(51,312)	300	11,264
	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
<b>Social housing lettings (note 5)</b>	59,505	-	(50,401)	-	9,104
<b>Other Social Housing Activities</b>					
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
<b>Activities other than social housing activities</b>					
Commercial properties	175	-	(12)	-	163
Non social housing units	667	-	(342)	-	325
Other	69	-	(69)	2	2
	911	-	(423)	2	490
	64,155	(3,024)	(50,824)	1,389	11,696

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 5 Income and expenditure from social housing lettings

	General needs	Supported housing	Total	Total
	2021	2021	2021	2020
	£'000	£'000	£'000	£'000
<b>Income</b>				
Rents net of identifiable service charges	51,292	4,112	55,404	55,548
Service charge income	2,795	1,772	4,567	3,151
Amortised government grants (note 23)	194	-	194	129
<b>Net rental income</b>	<b>54,281</b>	<b>5,884</b>	<b>60,165</b>	<b>58,828</b>
Rechargeable works	22	-	22	19
Other grants	-	-	-	-
Other income	434	-	434	658
<b>Turnover from social housing lettings</b>	<b>54,737</b>	<b>5,884</b>	<b>60,621</b>	<b>59,505</b>
<b>Expenditure</b>				
Management	(7,464)	(655)	(8,119)	(11,354)
Other management costs	(203)	(18)	(221)	(250)
Service charge costs	(2,795)	(1,772)	(4,567)	(3,151)
Routine maintenance	(6,069)	(681)	(6,750)	(7,202)
Planned maintenance	(6,662)	(275)	(6,937)	(6,724)
Development programme	(85)	-	(85)	(141)
Major repairs expenditure	(13,392)	(615)	(14,007)	(9,149)
Bad debts	(322)	(28)	(350)	(548)
Depreciation of housing properties				
annual charge	(6,696)	(369)	(7,065)	(6,217)
accelerated on disposal of components	(531)	(98)	(629)	(1,206)
Depreciation of other tangible fixed assets	(249)	(22)	(271)	(216)
Exceptional costs	(1,810)	(159)	(1,969)	(4,243)
<b>Operating expenditure on social housing lettings</b>	<b>(46,278)</b>	<b>(4,692)</b>	<b>(50,970)</b>	<b>(50,401)</b>
<b>Operating surplus on social housing lettings</b>	<b>8,459</b>	<b>1,192</b>	<b>9,651</b>	<b>9,104</b>
<b>Void losses</b>	<b>505</b>	<b>28</b>	<b>533</b>	<b>391</b>

Other management costs included reorganisation costs of £54k (2020: £61k), hardship funding of £158k (2020: £148k), and pension bond/strategy costs of £9k (2020: £41k). The exceptional item costs include £1.97m of head office impairment (note 15) (2020: £4.24m exit from the Merseyside Pension Scheme) - both are one off and non recurring.

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

6 Units of housing stock	2021 £'000	2020 £'000
General needs housing		
social	10,803	10,917
affordable	552	398
Low cost home ownership	277	235
Supported housing	1,031	1,031
Intermediate		
buy back properties	13	13
rent to buy	173	115
<b>Total social housing units</b>	<b>12,849</b>	<b>12,709</b>
Market rent	85	93
Leaseholder properties	611	605
<b>Total owned and managed accommodation</b>	<b>13,545</b>	<b>13,407</b>
Units under construction	376	544

Reconciliation of unit numbers:	Opening unit numbers	New stock acquired/ developed	Stock sold / demolished	Other movements	Closing unit numbers
General needs housing					
social	10,917	26	(134)	(6)	10,803
affordable	398	153	-	1	552
Low cost home ownership	235	43	(1)	-	277
Supported housing	1,031	-	(5)	5	1,031
Intermediate					
buy back properties	13	-	-	-	13
rent to buy	115	58	-	-	173
Market rent	93	-	(8)	-	85
Leaseholder properties	605	-	-	6	611
<b>Total</b>	<b>13,407</b>	<b>280</b>	<b>(148)</b>	<b>6</b>	<b>13,545</b>

## 7 Operating surplus

	2021 £'000	2020 £'000
This is arrived at after charging:		
Depreciation of housing properties		
annual charge	7,065	6,217
accelerated depreciation on replaced components	788	598
Depreciation of other tangible fixed assets	271	216
Auditors remuneration (excluding VAT)		
fees payable to the auditor for the audit of the association's annual	35	27
fees for audit-related assurance	10	9

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 8 Employees

	2021	2020
	£'000	£'000
Staff costs (including executive management team) consist of:		
Wages and salaries	5,598	4,944
Social security costs	532	558
Cost of defined contribution scheme	342	322
	6,472	5,824

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:

	2021	2020
	Number	Number
Executive Management team	7	6
Customers and neighbourhoods	134	137
Assets and regeneration	38	35
<b>Total</b>	179	178

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 £342,000 (2020: £322,000).

#### 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.

	2021	2020
	£'000	£'000
Directors' emoluments	862	765
Amounts receivable under long-term incentive schemes	101	55
Company contributions to money purchase pension schemes	48	32
<b>Total</b>	1,011	852

The total amount payable to the chief executive, who was also the highest paid director in respect of emoluments was £166k (2020: £200k).



## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 9 Directors and senior executives remuneration (continued)

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

	2021 Number	2020 Number
£60,000 - £69,999	1	-
£70,000 - £79,999	2	3
£80,000 - £89,999	1	2
£90,000 - £99,999	1	-
£100,000 - £109,999	-	-
£110,000 - £119,999	-	-
£120,000 - £129,999	1	-
£130,000 - £139,999	-	-
£140,000 - £149,999	-	-
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-
£170,000 - £179,999	-	-
£180,000 - £189,999	-	-
£190,000 - £199,999	-	-
£200,000 - £209,999	-	1

#### 10 Board members

Board member	Remuneration	One Vision Housing Limited Board	Sovini Limited Board	Group Business Assurance Committee	Remuneration Committee
	£'000				
Alan Marshall	4	✓			
Joe Connell	5	✓		✓	
Dawn Murray	4	✓			
Richard Carmichael (resigned 14 September 2020)	4				
Fiona Graham (resigned 14 September 2020)	3				
Andy Armstrong	4	✓	✓		✓
Peter Crosby	8	Chair		✓	✓
Roy Williams	-	✓	✓		
Tracey Liggett	-	✓	✓		
Tracey Gore (appointed 15 July 2020)	3				
Anne Lundon (appointed 2 November 2020)	2				

#### 11 Surplus on disposal of housing properties

	Staircasing activity	Right to buy	Right to acquire	Other disposals	Total	Total
	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2020 £'000
Housing Properties						
Disposal proceeds	190	1,656	571	2,049	4,466	2,473
Cost of sales	(155)	(529)	(80)	(2,658)	(3,422)	(209)
Loss due to RTB sharing agreement	-	(744)	-	-	(744)	(875)
<b>Surplus on disposal of housing properties</b>	<b>35</b>	<b>383</b>	<b>491</b>	<b>(609)</b>	<b>300</b>	<b>1,389</b>

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 12 Interest receivable and income from investments

	2021	2020
	£'000	£'000
Interest receivable and similar income	10	(3)
Interest receivable from group undertakings	384	350
	394	347

#### 13 Interest payable and similar charges

	2021	2020
	£'000	£'000
Bank loans and overdrafts	9,922	9,406
Capitalisation of interest	(1,052)	(976)
Refinancing costs	466	901
Capitalisation of refinancing costs	(473)	(871)
Net interest on net defined benefit liability (SHPS - note 25)	15	47
	8,878	8,507

**One Vision Housing Limited**

**Notes Forming Part of the Financial Statements  
for the year ended 31 March 2021 (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
<b>Cost</b>					
<b>At 1 April 2020</b>	20,847	12,459	219,751	34,473	287,530
Additions					
Construction costs	-	-	-	40,455	40,455
Replaced components	-	442	5,329	-	5,771
Completed schemes	3,707	-	33,184	(36,891)	-
Disposals					
stair-casing sales	(155)	-	-	-	(155)
right to buy/acquire sales	-	-	(729)	-	(729)
replaced components	-	(66)	(1,754)	-	(1,820)
Reclassification of housing tenure	-	(3,413)	3,413	-	-
<b>At 31 March 2021</b>	<b>24,399</b>	<b>9,422</b>	<b>259,194</b>	<b>38,037</b>	<b>331,052</b>
<b>Depreciation</b>					
<b>At 1 April 2020</b>	-	(3,276)	(45,315)	-	(48,591)
Charge for the year	-	(369)	(6,696)	-	(7,065)
Eliminated on disposals					
replaced components	-	32	1,000	-	1,032
Reclassification of housing tenure	-	128	(128)	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>(3,485)</b>	<b>(51,139)</b>	<b>-</b>	<b>(54,624)</b>
<b>Net book value at 31 March 2021</b>	<b>24,399</b>	<b>5,937</b>	<b>208,055</b>	<b>38,037</b>	<b>276,428</b>
<b>Net book value at 31 March 2020</b>	<b>20,847</b>	<b>9,183</b>	<b>174,436</b>	<b>34,473</b>	<b>238,939</b>
					<b>2021</b>
					<b>£'000</b>
					<b>2020</b>
					<b>£'000</b>
<b>Works to properties</b>					
Improvements to existing properties capitalised				5,771	9,463
Major repairs expenditure to income and expenditure account				14,007	9,149
				<b>19,778</b>	<b>18,612</b>
<b>Total Social Housing Grant received or receivable to date</b>					
Capital grant – housing properties				32,474	25,597
				<b>32,474</b>	<b>25,597</b>

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 15 Other tangible fixed assets

	Long leasehold land and buildings £'000	Other fixed assets £'000	Total £'000
<b>Cost</b>			
<b>At 1 April 2020</b>	8,106	1,627	9,733
Additions	-	17	17
Disposals	(1,436)	-	(1,436)
<b>At 31 March 2021</b>	<b>6,670</b>	<b>1,644</b>	<b>8,314</b>
<b>Depreciation</b>			
<b>At 1 April 2020</b>	1,612	857	2,469
Charge for year	133	138	271
Disposals	(144)	-	(144)
Impairment	1,969	-	1,969
<b>At 31 March 2021</b>	<b>3,570</b>	<b>995</b>	<b>4,565</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>3,100</b>	<b>649</b>	<b>3,749</b>
<b>At 31 March 2020</b>	<b>6,494</b>	<b>770</b>	<b>7,264</b>

The impairment loss recognised on long leasehold land and building in the period was £1,969k (2020: £nil) and is included in non-recurring administrative expenses. It arose as a result of the head office building being written down to its recoverable amount.

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 16 Intangible fixed assets

	Software £'000	Total £'000
<b>Cost</b>		
<b>At 1 April 2020</b>	405	405
Additions	513	513
Disposals	-	-
<b>At 31 March 2021</b>	<b>918</b>	<b>918</b>
<b>Amortisation</b>		
<b>At 1 April 2020</b>	-	-
Charge for year	-	-
Disposals	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>		
<b>At 31 March 2021</b>	<b>918</b>	<b>918</b>
<b>At 31 March 2020</b>	405	405

Software includes £918k (2020:£405k) which relates to the ongoing development of a housing management IT system.

#### 17 Investment properties

	Market rent £'000
<b>At 1 April 2020</b>	8,913
Disposals	(825)
Revaluations	666
Other movements	(114)
<b>At 31 March 2021</b>	<b>8,640</b>

"Jones Lang LaSalle Limited", 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 2021 and has been carried out in accordance with the current RICS Red Book.

The Aggregate of the Individual Market Values of the 85 market rented units for accounts purposes is £8,640,000 as per the JLL valuation. 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 gain on revaluation of investment property arising of £666k (2020: £264k loss) and the other movements of £114k (2020: £128k) have 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:

	2021 £'000	2020 £'000
Historic cost	7,538	8,659
Accumulated depreciation	(1,198)	(1,133)
<b>Total</b>	<b>6,340</b>	<b>7,526</b>

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 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 £65k was received in the year from Sovini Developments Limited (2020: £23k).

#### 19 Stock

	First tranche shared ownership properties 2021 £'000	First tranche shared ownership properties 2020 £'000
Assets under construction	1,265	1,884
Completed properties	343	491
	1,608	2,375

Properties developed for sale include capitalised interest of £nil (2020: £nil).

#### 20 Debtors

	2021 £'000	2020 £'000
Due within one year		
Rent and service charge arrears	5,030	5,099
Less: Provision for doubtful debts	(3,135)	(3,504)
	1,895	1,595
Amounts owed by group undertakings	7,278	2,820
Trade receivables	416	843
Tenant rechargeable works	19	22
Other debtors	930	222
Prepayments and accrued income	1,215	1,764
Grant receivable	1,650	337
Other taxation and social security payable	293	420
	13,696	8,023
Due after one year		
Amounts owed by group undertakings	7,000	9,500
	20,696	17,523

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 20 Debtors (continued)

Included within amounts owed by group undertakings are two £3.5m term loans (Sovini Commercial Limited and Pine Court Housing Association), and a £3.0m revolving credit facility (Sovini Commercial Limited).

Both term loans are 10 years, with interest paid quarterly in arrears (3.4% and 3.71%), and capital repayment at the end of the term (June 2026 and September 2028).

The revolving credit facility is a £5.0m facility, with £3.0m drawn. Variable rate interest and non-utilisation fees are paid monthly in arrears, and the facility expires in March 2023.

All other amounts owed by group undertakings are interest free and repayable on demand.

#### 21 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Loans and borrowings (note 24)	4,093	1,131
Trade creditors	182	121
Rent and service charges received in advance	3,107	2,691
Amounts owed to group undertakings	5,811	3,237
Taxation and social security	218	166
Other creditors	903	1,112
Recycled capital grant fund	18	-
Deferred capital grant (note 23)	273	249
Accruals and deferred income	4,020	5,095
	18,625	13,802

All amounts owed to group undertakings are interest free and repayable on demand.

#### 22 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Loans and borrowings (note 24)	210,836	212,344
Deferred capital grant (note 23)	31,756	25,097
	242,592	237,441

#### 23 Deferred capital grant

	2021 £'000	2020 £'000
<b>At 1 April 2020</b>	25,346	17,721
Grants received during the year	6,877	7,754
Released to income during the year	(194)	(129)
<b>At 31 March 2021</b>	32,029	25,346
Grants due for release less than one year (note 21)	273	249
Grants due for release more than one year (note 22)	31,756	25,097
	32,029	25,346

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 24 Loans and borrowings

##### Loan Structure

Funder	Type	Drawdown Date	Maturity Date	Amount £m	Interest Rate %
THFC	Fixed	03/12/1997	17/12/2021	3.25	8.75
THFC	Fixed	05/10/2011	05/10/2043	3.00	5.20
Orchardbrook	Fixed	01/04/2000	31/03/2041	0.96	10.91
M&G Note Purchase - 2014	Fixed	17/07/2014	17/07/2042	13.00	4.85
M&G Note Purchase - 2014	Fixed	17/07/2014	17/07/2044	13.00	4.85
M&G Note Purchase - 2014	Fixed	17/07/2014	17/07/2046	14.00	4.85
RBS - Facility A	Fixed	18/07/2014	18/07/2024	23.75	4.89
RBS - Facility B	Fixed	18/07/2014	30/10/2041	30.00	7.45
M&G Note Purchase - 2016	Fixed	01/04/2016	01/04/2048	15.00	4.19
M&G Note Purchase - 2017 (Tranche 1)	Fixed	06/04/2017	06/04/2036	10.00	3.30
M&G Note Purchase - 2017 (Tranche 2)	Fixed	06/04/2017	06/04/2036	10.00	3.40
M&G Note Purchase - 2018	Fixed	21/12/2018	21/12/2043	30.00	3.70
Barclays (RCF)	Variable	22/03/2021	22/06/2021	15.00	1.08
Barclays (RCF)	Variable	23/03/2021	23/06/2021	5.00	1.09
RBS - Facility B	Variable	18/07/2017	30/10/2041	10.00	1.68
RBS - Facility C	Variable	14/01/2021	14/04/2021	10.00	1.78
RBS - Facility C	Variable	27/01/2021	27/04/2021	10.00	1.79
YBS*	Variable	31/12/2029	31/03/2030	(1.04)	
<b>Total</b>				<b>214.92</b>	

\*Capitalised refinancing costs on undrawn facilities

##### Maturity of debt

	Total Loan balance 2021 £'000	Total Refinancing cost 2021 £'000	Total 2021 £'000	Total 2020 £'000
In one year or less, or on demand	4,515	(422)	4,093	1,131
In more than one year but not more than two years	1,267	(76)	1,191	4,383
In more than two years but not more than five years	41,312	(202)	41,110	39,250
In more than five years	168,871	(336)	168,535	168,711
	215,965	(1,036)	214,929	213,475

	Loan balance outstanding 2021 £'m	Split 2021 %	Weighted Average Cost of Capital 2021 %	Average Interest Rate 2021 %
Fixed	165.96	76.85%		4.99%
Variable	50.00	23.15%		1.48%
	215.96	100.0%	4.18%	

Note: the above excludes the release of any capitalised refinancing costs of £1,036k (2020: £753k).



## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 24 Loans and borrowings (continued)

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

Loans are secured by specific charges on the housing properties of the association. The loans bear interest at fixed and variable rates ranging from 1.08% to 10.91%.

At 31 March 2021, the association had undrawn loan facilities of £120m (2020: £88m).

#### 25 Pensions - SHPS

<i>Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)</i>	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Fair value of planned assets	8,093	7,168
Present value of defined benefit obligation	9,719	7,926
<b>Net defined benefit (liability) to be recognised</b>	<b>(1,626)</b>	<b>(758)</b>

<i>Reconciliation of opening and closing balances of the defined benefit obligation</i>	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Defined benefit obligation at start of period	7,926	9,066
Current service costs	7	14
Expenses	5	5
Interest expenses	186	206
Contributions by plan participants	4	5
Actuarial (gains)/ losses due to scheme experience	(54)	(103)
Actuarial (gains)/ losses due to changes in demographic assumptions	36	(80)
Actuarial (gains)/ losses due to changes in financial assumptions	1,807	(981)
Benefits paid and expenses	(198)	(206)
Defined benefit obligation at end of period	9,719	7,926

<i>Reconciliation of opening and closing balances of the defined benefit assets</i>	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Fair value of plan assets at start of period	7,168	6,906
Interest income	171	159
Experience on plan assets (excluding amounts included in interest income) - gain	700	61
Contributions by employer	248	243
Contributions by plan participants	4	5
Benefits paid and expenses	(198)	(206)
Fair value of plan assets at end of period	8,093	7,168

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £871,000.

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 25 Pensions - SHPS (continued)

<i>Defined benefit costs recognised in statement of comprehensive income (SOCl)</i>	Year ended 31 March 2021	Year ended 31 March 2020
Current service costs	7	14
Expenses	5	5
Net interest expense	15	47
<b>Defined benefit costs recognised in statement of comprehensive income (SoCl)</b>	<b>27</b>	<b>66</b>

<i>Defined benefit costs recognised in other comprehensive income</i>	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Experience on plan assets (excluding amounts included in interest income) - gain	700	61
Experience gains and losses arising on the plan liabilities - gain/ (loss)	54	103
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(36)	80
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1,807)	981
<b>Total amount recognised in other comprehensive income - gain/ (loss)</b>	<b>(1,089)</b>	<b>1,225</b>

<i>Assets</i>	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Global equity	1,290	1,048
Absolute return	447	374
Distressed opportunities	234	138
Credit relative value	255	197
Alternative risk premium	305	501
Fund of hedge funds	1	4
Emerging market debt	327	217
Risk sharing	295	242
insurance - linked securities	194	220
Property	168	158
Infrastructure	539	534
Private debt	193	144
Opportunistic illiquid credit	206	173
High Yield	242	-
Opportunistic Credit	222	-
Corporate bond funding	478	409
Liquid credit	97	3
Long lease property	159	124
Secure income	336	272
Liability driven investment	2,056	2,379
Net current assets	49	31
<b>Total assets</b>	<b>8,093</b>	<b>7,168</b>

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 2021 (continued)

#### 25 Pensions - SHPS (continued)

<b>Key assumptions</b>	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
	% per annum	% per annum
Discount rate	2.15%	2.38%
Inflation (RPI)	3.29%	2.63%
Inflation (CPI)	2.86%	1.63%
Salary growth	3.86%	2.63%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	<b>Life Expectancy at age 65 (Years)</b>
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

<b>Active Members</b>	<b>Number</b>	<b>Total earnings (£'000 p.a)</b>	<b>Average age (unweighted) (Years)</b>
Males	-	-	-
Females	2	61	52
Total	2	61	52

<b>Deferred members</b>	<b>Number</b>	<b>Total earnings (£'000 p.a)</b>	<b>Average age (unweighted) (Years)</b>
Males	6	31	53
Females	17	56	51
Total	23	87	52

<b>Pensioners</b>	<b>Number</b>	<b>Total earnings (£'000 p.a)</b>	<b>Average age (unweighted) (Years)</b>
Males	12	138	68
Females	9	70	67
Total	21	208	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 2021 (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.

	2021 £'000	2020 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	-	61,581
Current service cost	-	-
Interest cost	-	-
Member contributions	-	-
Remeasurements - loss/(gain) on assumptions	-	-
Benefits paid	-	-
Exit from the scheme	-	(61,581)
<b>At the end of the year</b>	<b>-</b>	<b>-</b>

	2021 £'000	2020 £'000
Reconciliation of fair value of plan assets		
At the beginning of the year	-	44,498
Interest income on plan assets	-	-
Remeasurements (assets)	-	-
Administration expenses	-	-
Contributions by group	-	-
Member contributions	-	-
Benefits paid	-	-
Exit from the scheme	-	(44,498)
<b>At the end of the year</b>	<b>-</b>	<b>-</b>

	2021 £'000	2020 £'000
Fair value of plan assets	-	-
Present value of plan liabilities	-	-
<b>Net pension scheme liability</b>	<b>-</b>	<b>-</b>

	2021 £'000	2020 £'000
Amounts recognised in operating costs		
Current service cost	-	-
Administration expenses	-	-
	-	-

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 26 Pensions - MPF (continued)

	2021	2020
	£'000	£'000
Amounts included in other finance costs		
Net interest cost	-	-
	2021	2020
	£'000	£'000
Analysis of actuarial (gains)/loss recognised in other comprehensive income		
Actual return less interest income included in net interest income	-	-
Changes in assumptions underlying the present value of the scheme liabilities	-	-
	-	-
	2021	2020
	£'000	£'000
Composition of plan assets		
Equities	-	-
Government bonds	-	-
Other bonds	-	-
Property	-	-
Cash/liquidity	-	-
Other	-	-
<b>Total plan assets</b>	<b>-</b>	<b>-</b>
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>
	2021	2020
	£'000	£'000
<b>Principal actuarial assumptions used at the balance sheet date</b>		
Discount rates	N/a	N/a
Future salary increases	N/a	N/a
Future pension increases	N/a	N/a
Inflation assumption	N/a	N/a
Mortality rates		
for a male aged 65 now	N/a	N/a
at 65 for a male member aged 45 now	N/a	N/a
for a female aged 65 now	N/a	N/a
at 65 for a female member aged 45 now	N/a	N/a

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

#### 27 Non-equity share capital

	2021	2020
	£	£
<b>At 1 April</b>	9	9
Shares issued in the year	2	2
Shares cancelled in the year	(3)	(2)
<b>At 31 March</b>	<b>8</b>	<b>9</b>

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

	2021	2020
	£'000	£'000
Commitments contracted but not provided for Construction	79,839	60,487
Commitments approved by the board but not contracted for Construction	45,450	74,358
	<b>125,289</b>	<b>134,845</b>

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

	2021	2020
	£'000	£'000
Social housing grant	11,593	17,171
New and existing loans	103,854	106,341
Sales of properties	9,842	11,333
Existing reserves	-	-
	<b>125,289</b>	<b>134,845</b>

#### 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 £26.3m (2020: £20.2m) from Sovini Property Services Limited. £4.6m (2020: £5.8m) has been capitalised within tangible fixed assets and £21.7m (2020: £14.5m) has been expensed to the income and expenditure account as development costs, responsive, planned & cyclical repairs and regeneration programme expenses.

Included within debtors are amounts owed by Sovini Property Services Limited of £1.5m (2020: £1.3m). Included within creditors are amounts owed to Sovini Property Services Limited of £2.1m (2020: £1.0m).

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (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 £5.2m (2020: £5.6m) which have been expensed to the income and expenditure account and have purchased development services of £0.9m (2020: £0.8m) which have been fully capitalised. Sovini Limited have also recharged expenses of £471k (2020: £nil) of which £321k (2020: £nil) have been capitalised within intangible fixed assets and £150k (2020: £nil) have been expensed to the income and expenditure account. The SLA charges incurred are as follows:

	2021	2020
	£'000	£'000
Corporate service costs	4,932	5,392
Investment programme	247	219
	5,179	5,611

The recharges issued via Sovini Limited include:

	2021	2020
	£'000	£'000
Corporate service costs	471	-
	471	-

Included within creditors are amounts owed to Sovini Limited of £30k (2020: £47k) and included within debtors are amounts owed from Sovini Limited of £752k (2020: £380k).

- **Sovini Trade Supplies Limited**

During the year One Vision Housing Limited made purchases of £nil (2020: £6k) and recharged costs of £8k (2020: £nil) from Sovini Trade Supplies Limited a fellow subsidiary in the Sovini Limited group and received interest of £nil (2020: £16k). Included within creditors are amounts owed to Sovini Trade Supplies Limited of £nil (2020: £1k).

- **Sovini Homes Limited**

During the year, One Vision Housing Limited made purchases of £nil (2020: £nil) from Sovini Homes Limited. Interest receivable of £nil (2020: £86k) 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 £24.3m (2020: £19.4m) from Sovini Developments Limited of which has been capitalised within tangible fixed assets with £0.03m (2020: £nil) expensed to the income and expenditure account. Included within creditors are amounts owed to Sovini Development Limited of £3.2m (2020: £1.5m) and within debtors are amounts owed from Sovini Development Limited of £nil (2020: £0.1m).

- **Sovini Construction Limited**

During the year One Vision Housing Limited made purchases of £3.0m (2020: £7.7m) from Sovini Construction Limited a fellow subsidiary in the Sovini Limited group, £nil (2020: £1.5m) has been capitalised within tangible fixed assets and £3.0m (2020: £6.2m) 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 Sovini Construction Limited of £0.3m (2020: £0.7m) and included within debtors are amounts owed from Sovini Construction Limited of £2.0m (2020: £1.0m).

- **Sovini Waste Solutions Limited**

During the year, One Vision Housing Limited recharged expenses of £nil (2020: £1k) to Sovini Waste Solutions Limited and incurred expenses totalling £1k (2020: £3k). Included within debtors are amounts owed from Sovini Wast Solutions Limited of £nil (2020: £nil).

## One Vision Housing Limited

### Notes Forming Part of the Financial Statements for the year ended 31 March 2021 (continued)

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#### 29 Related party disclosures (continued)

- **Sovini Land Acquisition Limited**

During the prior year One Vision Housing Limited acquired land from Sovini Land Acquisition Limited at a cost of £2.25m, no such acquisitions have taken place in the current year, and incurred expenses totalling £72k (2020: £2k). Included within creditors are amounts owed to Sovini Land Acquisition Limited of £nil (2020: £1k).

- **Sovini Commercial Limited**

During the year, One Vision Housing Limited received loan interest of £254k (2020: £195k) and other income of £20k (2020: £nil). Included within debtors are amounts owed from Sovini Commercial Limited of £7m (2020: £3.5m) in relation to commercial on-lending. 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 £929k (2020: £899k) from Amianto Services Limited a fellow subsidiary in the Sovini Limited group. Included within debtors are amounts owed from Amianto Services Limited of £31k (2020: £31k) and within creditors are amounts owed to Amianto Services Limited of £91k (2020: £39k).

- **Pride of Sefton**

During the year, One Vision Housing Limited recharged expenses of £4k (2020: £2k) to Pride of Sefton and donated £4k (2020: £nil), 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 £nil (2020: £13k) 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 paid expenses of £8k (2020: £2k) to Teal Scaffold Limited a fellow subsidiary in the Sovini Limited group. Included within creditors are amounts owed to Teal Scaffold Limited of £nil (2020: £2k).

- **Pine Court Housing Association**

During the year One Vision Housing Association had transactions with Pine Court Housing Association, a fellow subsidiary in the Sovini Limited group. One Vision Housing Association recharged expenses of £143k (2020: £137k) and SLA charges of £59k (2020: £69k) to the income and expenditure statement.

Included within debtors are amounts owed from Pine Court Housing Association of £3,512k (2020: £3,500k), of which £3,500k relates to an intercompany loan and within creditors are amounts owed to Pine Court Housing Association of £8k (2020: £13k).

#### **Related party transactions with board members**

The One Vision Housing board includes one tenant member who holds a tenancy agreement on normal terms and cannot use their position to their advantage. The rent charged for the year for the member was £4,806 (2020: £4,769) and the tenant had a year end rent account credit balance of £494 (2020: £696 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.