ONE VISION HOUSING LIMITED

Registered Social Housing Provider

Report and Financial Statements

Year ended 31 March 2023

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 2023

Contents

One Vision Housing Limited

Executives and Advisors
for the year ended 31 March 2023

Board of management

Lelir Yeung	Non-executive (chair)	Appointed Sept 2022
Dawn Murray	Non-executive	
Andy Armstrong	Non-executive	
Tracey Gore	Non-executive	
Michael Parkin	Non-executive	
Peter Crosby	Non-executive	
Roy Williams	Executive	
Tracey Liggett	Executive	

Executive management

Ian Mitchell	Managing Director for Housing
Tracey Liggett	Group Chief Finance Officer
Ian Fazakerley	Group Chief Operating Officer
Gaynor Robinson	Group Operations Director - Finance
Alan McAvoy	Operations Director - Housing Services
Paula Robinson	Interim Chief People and Communications Officer
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	**7072**
Regulator of Social Housing registered number	**4804**

Auditors

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

Principal solicitors

Weightmans
100 Old Hall Street
Liverpool
L3 9QJ

Bankers

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

One Vision Housing Limited

Chair's Statement
for the year ended 31 March 2023

I am delighted to be welcomed back as chair and have the pleasure to confirm that this year we achieved a surplus of £9.4m. These resources will be reinvested in the coming years to help us achieve our vision of “a better future''.

2022/23 has continued to present a challenging operating environment for the Association, particularly so due to the ongoing impacts of the cost-of-living crisis which, has directly affected our customers and caused disruption within our supply chain. I am therefore, extremely pleased to be able to report a strong set of financial results based on sustained performance. This has included the delivery of the majority of our responsive repair, major improvement and fire safety priorities in collaboration with our principal contractor, Sovini Commercial Limited. During the year we have proactively contacted all our customers, requesting that they engage with us regarding any concerns they may have with damp, mould and condensation as part of our "find it / fix it" policy and have committed £6.9m to deliver our Net Zero Carbon priorities up to 2030. We also have funded Gross Development Programme of £140m and this will see the completion and letting of 989 new homes in the coming years.

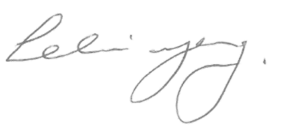
These outcomes have enabled us to do more in all parts of our business, but in particular to increase the availability of affordable and low-cost home ownership housing for the wider community across Merseyside and the North-West.

We continue to do all that we can to support our customers and their wellbeing, ensuring that we keep them safe. 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. We have an established an Equality, Diversity and Inclusion Steering Group and Forum and were recently recognised at the Northern Housing Awards 2023 for ‘best approach to diversity and Inclusion’ and are a disability confident employer. We have also signed up to Navajo LGBTQI+ and Charter Mark, as well as being an accredited mindful employer, which recognises our commitment to better mental health at work.

In spite of the ongoing challenging operating environment, there have been many achievements to be proud of during 2022/23. I have no doubt, that this was driven by our strong sense of purpose and our ability to harness the benefits of the unique Sovini group structure. Our customer satisfaction with services score was 92.63%, we collected 99.52% of our rent and kept our occupancy rates high, with top quartile performing relet times of 9.3 days. We have also, recently opened our new Hub. A warm, welcoming, and collaborative agile space, that we call home to “create opportunities and change lives”.

As we look ahead to the future, we continue to prepare to incept and embed the new regulatory standards and work with the Regulator of Social Housing (RSH) and our customers to evidence our ongoing compliance and financial headroom / resilience. We continue to be an ambitious housing provider who aspires to maximise our income, so that we may continue to deliver a sustainable development programme, whilst balancing our obligations to the ongoing investment in our existing homes. This includes doing all that we can to achieve the UK’s net zero (2030 and 2050) targets. We recognise the contribution that we can make, through the delivery of our housing services, to improve the quality of life of those customers living in our homes. Whether this be providing support and assistance with dealing with the impact of the cost of living, improving the energy efficiency of our homes and / or creating safe and secure communities for them to live and thrive. We also recognise the strategic role that we play as part of the wider Liverpool City Region, investing in our communities and making a meaningful difference to improve transport, employment opportunities, culture, our digital offer and housing across the Region. We have proactively responded to the Governments Housing White Paper and are committed to treating our customers with respect and removing the stigma currently associated with social housing.

I believe we are in a strong position to continue to invest in our communities and support the provision of quality homes / services within the context of our vision and mission of “a brighter future” and “creating opportunities, changing lives”. Whilst ensuring that our customers are at the heart of everything that we achieve.



Lelir Yeung (Chair of the Board)
8 September 2023

The board is pleased to present its report and audited financial statements for the year ended 31 March 2023.

Who are we?

One Vision Housing Limited is a 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 Limited group (a non-registered, non asset holding 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 it's 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 risk and audit 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 £9.4m (2022: £10.7m). This performance has been achieved after a £nil (2022: £0.68m) impairment relating to our Head Office and abortive refinancing fees.

Compliance with the 2020 NHF Code of Governance and RSH Regulatory Standards

A self-assessment of compliance in meeting the specific requirements of RSH regulatory framework and standards, including activity undertaken during 2022/23, has been undertaken and reported to board for approval in July 2023.

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

As part of the certification process, the board has considered and approved it's 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: https://ovh.org.uk/about-us/value-for-money/.

The board formally adopted the 2020 NHF Code of Governance in April 2022. An annual self-assessment of compliance has been undertaken for 2022/23 and submitted to board in July 2023 for approval. As a result, the board can confirm full compliance with the requirements of the 2020 NHF Code of Governance.

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

Board members' responsibilities

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable laws 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 2022. 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 2018.

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 it's 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 risk and assurance committee (RAC) oversee the review of the control environment and the fraud register.

The controls environment is regularly reviewed by our internal auditor, Beever and Struthers, who report to the Sovini risk and audit committee. An annual review of the internal controls environment is reported to the board and the Sovini group board to provide assurance of its ongoing effectiveness.

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. This includes compliance with the information undertaking requirements of relevant loan agreements.

Employee involvement

The association employs 171 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 it's 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 on matters that affect them. The association also undertakes staff surveys to canvas views on significant matters.

Customer voice and involvement

Engaging, listening and working with customers remains central to our mission of being "inclusive and diverse". It is a fundamental element in achieving excellence and providing a valued customer experience. To do this we need to understand more about our current and future customers' expectations of the services we deliver and utilise our customer intelligence to improve our services and allocate our resources. We recognise the important role that our customers play in scrutinising our services and helping us to improve them. This is achieved through the active shaping and challenging of our polices and assisting us to re-design our services to improve their customer journey and experience. Also to prioritise our scarce resources.

Political and charitable donations

During the year, we made no political donations (2022: £nil) and £14.6k of charitable donations (2022: £10.0k).

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 28.

Qualifying third party indemnity provisions

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

Going concern

The board reviewed the association's financial plans in February 2023 and were satisfied that these plans were affordable and that the accounts should be prepared on a going concern basis. They also stress tested the business plan in June 2023, to understand the level of covenant headroom and the adverse impact of single, multi variance and the perfect storm scenarios under a stretching set of challenging circumstances.

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 future economic recovery forecasts.

This was to ensure that the association 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 2022/23 was £9.4m, we also sustained our rent collection performance at 99.52%, re-let our homes within an average 9.3 days and our interest cover and as a result our gearing covenants have been comfortably met, further evidencing our financial strength and resilience.

The association has continued to respond and adapt to changes in the operating environment and has been able to fully utilise the Sovini Commercial Limited (supply chain companies) to ensure that repairs, investments and development programmes, are completed with minimal disruption to services and customers. Throughout the year, the association continued to gain access to customer homes, ensuring that they were safe and that all statutory compliance obligations were met. Throughout this period, customer contact and support were maintained, allowing the association to continue to support and assist those customers who are vulnerable/benefit dependant and more directly exposed to the impacts of the cost of living crisis.

We also were able to continue our sales activity remotely, selling 15 homes in the year, with 9 stock plots at year-end. One home remained unsold for over six months (show house) 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 2022/23, we achieved £29.2m of spend, 157 handovers. We also secured additional grant and sales receipts. During the next few years we plan on investing circa £118.6m (net development funding), to build 989 new homes and this includes the acquisition of a land pipeline to facilitate this.

As a result of concluding the review of our office accommodation in 2021/22, we continue to realise recurring management cost savings which, we have retained as headroom within our Business Plan, to assist us to manage and mitigate our key risks.

Due to the ongoing impact Russian / Ukraine war, the level of global economic risk and uncertainty remains directly outside of our control. As such, we continue to monitor, assess and deploy effective controls to minimise where possible any adverse impacts on our operations. This includes the deployment of daily processes to manage/monitor our cash flow, the continual review of our financial stability and long-term viability and the recent refinancing of our Royal Bank of Scotland (RBS) loan portfolio which, we completed in 2022.

Given the strength of our balance sheet, forecast surplus and availability and liquidity of undrawn loan facilities, 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.

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 auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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

Approval

The Report of the Board was approved on 8 September 2023 and signed on its behalf by:

Lelir Yeung (chair of the board) **8 September 2023**	**Michael Parkin (chair of RAC)** **8 September 2023**	**Marcus Evans (company secretary)** **8 September 2023**

The board is pleased to present its Strategic Report and audited financial statements for the year ended 31 March 2023.

Business overview

One Vision Housing Limited is a leading registered provider, managing 13,711 homes throughout Merseyside, West Lancashire and Cheshire. We have embarked on an ambitious development programme to build a further 989 homes in the coming years which, will include rent to buy as well as a continued commitment to shared ownership.

As a charitable community benefit society, we reinvest our surpluses to improve our services and extend the provision of affordable and low cost home ownership housing for our customers.

In December 2011, we became a partner of the Sovini group. This encompasses a mixture of 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. Being one of the largest registered provider within the Merseyside area, we remain committed to making a positive contribution to a number of local and regional strategies aimed specifically at the environment, social and economic regeneration and sustainability via the Liverpool City Region.

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.

We recognise our obligations to maximise use of our resources and to evidence compliance with the Value For Money (VFM) standard. A copy of our VFM self assessment is available at: https://ovh.org.uk/about-us/value-for-money/. 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.

We continue to support our customers and deliver our neighbourhood and repairs services through our accredited and award winning customer service centre, supported by our specialist housing and back office support staff, who work from home on agile contacts of employment.

Objective and Strategy

Despite the uncertainty of the UK and worldwide economy, demand for affordable housing remains strong and evident. The continuing acute shortage of affordable and low cost home ownership housing remains evident, as such, the requirement for the association to generate financial and operational capacity has never been greater. We continue to respond positively to the remaining challenges in our operating environment, by out-performing our budget and business plan targets, generating additional surpluses and through the efficiency and effectiveness of the Sovini group and our principle contractor Sovini Commercial Limited. Attaining value for money and high levels of performance and customer satisfaction.

Our strategic plan for 2023 to 2028 sets out how our vision "a better future" and mission "creating opportunities, changing lives" 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.

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 our latest survey of tenants and residents (STAR):

- Maintain a working environment that promotes a positive organisational culture that leads to personal fulfilment and success
- Provide effective corporate support and infrastructure to drive business success
- Ensure consistent service delivery and legal compliance
- Achieve value for money and maximise income
- Facilitate OVH’s Growth Aspirations and Opportunities
- Promote excellence in governance and viability
- Provide effective allocation and tenancy management services across a diverse range of housing products
- Maintain and improve asset value
- Deliver a successful development programme
- Continue to modernise our service offer and delivery methods
- Provide support for sustainable tenancies and independent living
- Provide effective customer engagement opportunities
- Develop and maintain partnerships to deliver community benefit activities
- Managing performance and business intelligence to continuously improve
- Contribute to wider strategic planning and operational delivery, raising OVH’s profile within the sector

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 global economy. 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

2023 has been an excellent year for the association, not only have we achieved a surplus of £9.4m (2022: £10.7m), we also achieved £7.5m of efficiency savings (page 18). Turnover for the year was £69.4m (2022: £66.6m). Operating costs for the year were £53.1m (2022: £50.0m). Prior period performance had been achieved after a £0.47m impairment to our Head Office.

Our operating costs reflect that during the period we invested £28.6m (2022: £28.5m) improving our homes and ensuring safety compliance, thus enabling 100% (2022: 100%) of our units to continue to meet our property standard.

We completed £10.2m (2022: £11.3m) of improvements to existing homes, which we capitalised to the Statement of Financial Position, and spent £29.3m (2022: £28.1m) building/acquiring 157 new homes (2022: 251 homes) which improved our gearing position. At 31 March 2022, our housing assets had a net book value of £332m (2022: £305m).

We incurred £9.6m (2022: £8.5m) financing costs and are currently completeing refinancing of our exisiting loans with Barclays and Royal Bank of Scotland which, will help us to deliver a further £69.5m (500 new homes) sustainable development programme.

We managed and mitigated our in year welfare reform risks, collecting 99.52% of our rental income and managed the impact of our routine empty properties to 0.5%. We also continued to deliver our building and fire safety priorities and this included the re-appraisal of our retained high rise blocks. This resulted in the boards decision to decant and demolish a further two blocks (205 homes). The financial impact of this is reflected in our latest business plan.

We also commenced our Net Zero Carbon priorities, refurbishing and improving the energy efficiency of circa 60 homes (12 of which are leaseholders), supplemented with Green Homes/Wave One grant funding.

Our key achievements

- Overall customer satisfaction was 92.60%
- Maximised our income and continue to overcome the threats to our collection performance including universal credit
- The % of emergency repairs completed within 24 hours was 100% and our property compliance performance was sustained at 100%
- Outperformed our budget and business plan target, achieving £7.5m of efficiency savings (page 18)
- Built 157 new homes, with six available stock plots reported at year end within our sales programme
- Ranked second in the UK's Best Workplaces™ 2022 (large category), it was recognised in the first ever list as a UK's Best Workplace™ for Wellbeing 2022 and the association also achieved 'We invest in People' Platinum Accreditation and the We invest in Wellbeing accreditation' at Gold level 2022, and
- Many of our performance indicators are achieving top quartile performance.

How we performed

Financial performance in the year	2023	2022
Turnover	69,355	66,571
Cost of sales	(749)	(2,053)
Operating costs	(52,900)	(50,008)
Surplus on disposal of fixed assets	2,412	3,239
Operating surplus	**18,118**	**17,749**
Net financing costs	(9,046)	(8,156)
Gift aid	32	8
Other	252	1,085
Surplus for financial year (before tax)	**9,356**	**10,686**

Statement of financial position	2023	2022
Fixed asset housing properties	332,379	304,612
Other fixed assets	11,775	13,332
Fixed assets	**344,154**	**317,944**
Net current assets	**17,649**	**15,522**
Creditors greater than one year	(288,875)	(267,539)
Pensions liabilities and provisions	(1,236)	(1,281)
Reserves	**71,692**	**64,646**

Margins and performance	2023	2022
Operating costs as a % of turnover	76.27%	75.12%
Operating margin	26.12%	26.66%
Net margin (excluding gift aid and 'other')	13.08%	14.41%
Debt per unit	£18,922	£17,905

How we performed (continued)

Units in management	**2023**	**2022**
General needs housing	11,453	11,405
Supported housing	986	1,016
Intermediate	257	193
Low cost home ownership	311	301
Non social housing	86	86
Leaseholder properties	618	614
Total	**13,711**	**13,615**

Key performance	**2023**	**2022**
Rent collected as a percentage of rent available (excluding arrears b/fwd.)	99.52%	99.90%
Rent arrears of current tenants as a proportion of the rent roll	2.88%	2.74%
Rent loss due to routine void properties	0.50%	0.30%
Void re-let average days	9.3 days	5.8 days
Average days to complete a repair	11.75 days	10.56 days
% of our homes with a valid gas safety certificate	100.00%	99.99%*
Days lost through sickness	2.32%	2.60%
Customer satisfaction with our services	93.10%	95.80%
% dwellings failing the decent homes standard	0.00%	0.00%

*There was only 1 service overdue at 31 March 2022 due to a tenants refusal to grant access to complete necessary works. Access was gained immediately post year end and works completed 1 April 2022

Value for money

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 2022/23 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 2022/23 the association delivered £7.5m of efficiency savings (£141.3m 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 2021/22. Overall customer satisfaction taken from the transactional Surveys shows a slight decrease during 2022/23 from 95.1% to 92.6%. However, this 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 refinancing has underpinned our ambitious development programme, with £268m committed to delivering 2,328 new homes from 2021 to 2026. During 2022/23 157 homes were developed against a forecast of 182 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.

The association is fully aware of the impact the cost-of-living crisis is having on all aspects of our customers lives, so we have increased our resources to provide direct support and are constantly looking at new referral routes / partnership working to help our customers through this difficult period.

Value for money (continued)

Given the current economic climate and higher than expected rates of inflation, the government have taken the decision to limit annual rent increases in the social housing sector up to a maximum of 7% (exclusive of supported housing / independent living) for the rent period 2023-24. This requires us to drive efficiency measures and identify areas where we can delay or make savings to planned expenditure, until more favourable economic conditions return. Decisions and trade-offs will be made over the course of the associations five-year Strategic Plan (2023-28) to drive efficiency measures and identify areas where we can make savings to planned expenditure. This will be managed through sound financial practices and comprehensive approach to risk management, to achieve this with little or no disruption to front line services and ensuring we continue to meet customer expectations / priorities.

Despite the pressures that we are facing there are some areas that we will absolutely refuse to compromise on including our approach to all aspects of buildings safety / compliance, retrofitting our homes to improve energy efficiency / work towards net zero carbon emissions and continuing to provide new housing opportunities through 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 deliver 'a better future'.

As part of the Sovini Group, the association was ranked second in the UK’s Best Workplaces™ 2022 (large category), it was recognised in the first ever list as a UK's Best Workplace™ for Wellbeing 2022 and the association also achieved 'We invest in People' Platinum Accreditation & We invest in Wellbeing accreditation' at Gold level 2022.

VFM is fully embedded within our organisational culture, with 89% of our staff saying that 'Management makes its expectations clear'. 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 'a better future'. The way we use our resources is a crucial foundation in the associations Strategic Plan 2023-28 that allows us to progress our strategic aims and objectives, and therefore the associations VFM objectives are specifically linked to delivering the 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.

Value for money (continued)

What is our vision? (continued)

The associations approach approach to VFM is embedded and applied consistently at group level, linking directly to the Sovini group ethos 'success through collaboration'. The VFM Strategy (2023-28) 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.

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 'a better future' 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 2022/23 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.

The VFM Strategy (2023-28) has been approved by board and six monthly 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 six monthly service delivery plan update reports, and quarterly KPI reports.

Value for money (continued)

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 precertification below, confirms that the association has generated over 28 million pounds of social value during 2022/23. This provides a £42.94 return on every £1 invested. A summary of the relevant activities can be found in Table One.

Table One – *Social Value Activity (HACT definition) 2022/23*

Description of activity	Budget for this activity	Number of beneficiaries	Social value generated	Social value return
OVH Neighbourhood Services: Clear Rent Accounts	£110,000	622	£2,937,140	1 : 26.70
OVH Financial Inclusion Officers	£90,000	608	£10,097,810	1 : 112.20
One Vision Housing: Letting Properties to Those in Temporary Accommodation / Rough Sleeping	£155,068	564	£1,826,827	1 : 11.78
OVH Involved Tenants	£3,550	19	£37,582	1 : 10.59
Employee Training (OVH & Subsidiaries)	£200,767	774	£734,077	1 : 3.66
OVH Decoration Allowance / Paint Packs	£78,477	74	£807,156	1 : 10.29
OVH Home Contents Insurance Scheme	£1,000	545	£1,463,739	1 : 1463.74
OVH Community Projects: Christmas Activities &	£9,880	3,150	£5,407,479	1 : 547.32
OVH Community Projects: Connecting People	£1,616	445	£763,914	1 : 472.72
OVH Community Projects: SEND Holiday Club	£1,875	450	£285,120	1 : 152.06
Community Projects: Netherton Park	£1,500	100	£171,666	1 : 114.44
Community Projects: Jubilee Party in the Park	£2,242	2,000	£3,433,320	1 : 1531.36
Community Projects: Older Person's Day Event	£882	40	£68,666	1 : 77.85
Community Projects: Remembrance 2022	£1,370	80	£137,333	1 : 100.24
Community Projects: Altcar Remembrance 22	£250	60	£103,000	1 : 412.00
	£658,477	9,531	£28,274,829	1 : 42.94

Full details of the final, certified activities and outcomes generated will be reported in OVH's 2022/23 Annual Report, which will be published to all stakeholders in September 2023. Details will also be included on the OVH website.

VFM Objective - Making the best use of our assets

As at 31st March 2023 the total value of OVH's housing assets, including market rent investment units, was £342.4m, up from £314.3m on the 31st March 2022. This reflects an increase of £28.1m in the asset value. Other fixed assets are valued at £1.8m (2022: £3.6m), reflecting a £1.8m decrease due to the sale of Atlantic House in year. Stock of £556k is held, which relates to nine Shared Ownership properties pending sale.

The association increased it's low cost social / affordable housing to 12,696 (82 net increase) and it's non-social housing to 1015 (14 net increase) during 2022/23 (refer to Table Two below). This reflects the completion and handover of 157 new homes during 2022/23, less 67 net property sales and demolitions.

Value for money (continued)

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

Table Two: OVH Stock figures and changes during 2022/23.

Stock Type	2019	2020	2021	2022	2023	Change from 2022 to 2023
General Needs	10,907	10,917	10,803	10,654	10,627	(27)
Intermediate Rent*	70	128	186	193	257	64
Affordable Rent	319	398	552	751	826	75
Supported Housing	1,041	1,031	1,031	1,016	986	(30)
Total low cost social / affordable housing	**12,337**	**12,474**	**12,572**	**12,614**	**12,696**	**82**

Stock Type	2018	2020	2021	2022	2023	Change from 2022 to 2023
Shared Ownership	204	235	277	301	311	10
Leasehold	602	605	611	614	618	4
Market rent	92	93	85	86	86	-
Total non-social housing	**898**	**933**	**973**	**1,001**	**1,015**	**14**

Source: Figures are taken from the OVH 2023 SDR

51 RTB sales were completed during 2022/23 generating £0.69m of net proceeds, after £0.75m paid to Sefton MBC under the terms of the RTB Sharing Agreement. Furthermore, eight RTA sales occurred generating £0.64m of sales proceeds.

In 2022/23 157 new homes were developed. The total grant secured in 2022/23 was £2.9m. Total grant tranches received from prior and current years in 2022/23 was £4.9m

In 2022/23, 15 first tranche sales were completed, generating receipts totalling £1.22m and a net surplus on disposal of £0.25m, exceeding the forecast budget by £0.12m. There were nine unsold shared ownership plots at the end of the year.
Eight shared ownership properties fully staircased during the year, generating £1.20m in sales receipts.

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 (2023-28) 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 currently shows the associations stock operate at an average NPV of £60k. The majority of properties (98.8%) of properties have a positive NPV, leaving just 152 properties (1.2% of all homes) that have a negative NPV. When assessing any outliers for viability each is individually appraised to review their long-term viability with detailed assessments completed by our Asset Planning & Data Managers.

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 being redesigned early 2023/24, following an independent review and validation by Savills. This continues to be overseen by the Asset Management Steering Group.

Value for money (continued)

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

The association has strived to maximise its stock occupancy during 2022/23 with void loss (routine and long term) at 0.83% (£508k), being 0.50% (£296k) of routine void loss and 0.33% (£212k) of strategic void loss where the association have actively withheld properties from relet pending options appraisal. The reletting of properties that became void during was completed on an average of 9.3 days (top quartile performance) with 40% (of available 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 was 99.52% at March 2023 and this was 1.00% below the year-end target. This compares to 99.90% at March 2022. The business plan prudently reflects 98.75% (1.25% bad debts). The association will continue to strive to maximise income collection and reduce arears/bad debt. This has been demonstrated by a rent collection target of 100.00% being set by the board of the association for 2023/24.

Proactive budget management and review throughout the year has resulted in efficiency savings exceeding our 2022/23 targets. Performance during 2022/23 is detailed in Table Three overleaf and this reports that the association realised £1.4m of operating cost savings, and £7.5m 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 2022/23, the association collected an additional £0.4m of income in rent and service charges by proactively supporting customers and sign posting for advice and support and ensuring fast and efficient turnaround of void units. It also reduced it's management costs by £0.6m through proactive budget management 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. £0.4m of these management cost savings have been reapplied to future business transformation projects whilst the remaining £0.2m were reapplied in year to fund one off cost of living payments. In addition, the association generated £0.8m of savings through realising additional VAT Shelter recovery, active treasury management and market rented/ leaseholder income.

Further efficiencies were generated as the association was able to generate a positive break gain of £1.1m on in year refinancing and received £4.9m of grant income from Homes England.

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

Value for money (continued)

Our savings (continued)

Table Three: Annual Efficiency Savings 2022/23

Stock Type	How Achieved	Cash releasing £'000	Non-cash £'000	Total AES £'000
Improved Rent Collection, Void Loss and Bad De	Improved rent collection and void loss performance compared to the Business Plan	**429**	**-**	**429**
Management Cost	Overhead and other savings - all in year efficiencies c/fwd to next year to fund ongoing business transformation projects	**-**	**220**	**220**
Other Savings	Lower Hardship Fund, Reorganisational costs and Pension Strategy	**(21)**	-	**(21)**
VAT shelter income	Additional VAT Shelter Recovery	**444**	**-**	**444**
Financing Costs	Lower interest and refinancing	**164**	**-**	**164**
Other Activities	Market rent, proceeds on sales and exceptional	**183**	**-**	**183**
Operating Activity Gains		**1,199**	**220**	**1,419**
Gift Aid	Gift Aid payment from Sovini Development Limited	**32**	**-**	**32**
OVH phase two funding review	Positive break gain(non-recuring) - facilities A and C -RBS	**1,112**	**-**	**1,112**
HE Grant	In year grant receipts relating to completed and on-going development schemes.	**4,916**	**-**	**4,916**
Total 2022/23 AES Gains		**7,259**	**220**	**7,479**

Source: OVH 2022/23 VFM Compliance Statement

Value for money (continued)

VFM Objective - Maximising opportunities through procurement

Table Four below, details the procurement activity savings achieved by the association during 2022/23. These have been generated from tender reviews and Dynamic Purchasing System (DPS) Mini Competitions. This has resulted in £699K savings.

Table Four: OVH Procurement Savings (2022/23)

2022/23 Project/Activity	Savings £000
CCTV	£229
Paint Packs	£131
Provision of Asbestos Management, Refurbishment/Demolition Surveys, asbestos consultancy works and	£53
Supply and Fit of Carpet/ Vinyl Flooring (Home Starter Pack)	£26
Lift Servicing	£208
HMS: Tender - CCS framework	£45
OVH Assets Annual Architectural Services	£2
Furniture Packages	£2
OVH Cost of Living Mailout	£3
Total	**699**

VFM Objective - Cooperation and collaboration through self-delivery

Term Partnering Agreement (TPA)

In 2018 the association undertook an OJEU Compliant 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 and deliver value for money. This will be completed again by the board in June 2023. The TPA allows for closer collaobrative 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

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 contunues to deliver VFM for the association. The TPA also evidences VFM through the following:

- An independent benchmark was carried our by RAND Associates' based on national average SOR's
- Recently dispensation has been approve 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.

As at 31st March 2023, £32.76m (91%) of OVH's Asset Management Programme (£36.1m) has been completed "in house" via SPS, Amianto and Sovini Construction. In addition Sovini Construction have completed £19.8m of New Build Development works for OVH. 157 units were delivered in the financial year 2022/223. OVH are carrying out a full review and update of the Development Programme (2022 to 2027). Funding for development will be approved by Board in June 2023

VFM Objective - Regulatory Compliance and Customer Involvement

On the 14th December 2022, the association received confirmation via the annual stability check, that it had maintained compliance with the regulatory standards through a 'G1'grading for Governance and a 'V2' grading for Viability, demonstrating compliance with the regulatory requirements including the 2018 VFM standard. This followed on from the compliance judgements awarded in August 2021, following the most recent In-Depth Assessment (IDA). No regulatory issues have been raised or identified during the course of 2022/23 with or by the Regulator of Social Housing. The board have also reviewed a self-assessment of compliance with the regulatory standards, ahead of certifying compliance in the 2022/23 financial statements. Evidence compiled during 2022/23 indicates that compliance with the regulatory standards (including with the 2018 VFM standard) is being maintained by OVH.

A Housing White Paper Steering Group and action plan is in place that has been implemented throughout 2022/23, to ensure that the requirements of the white paper, better social housing review and regulatory reforms are met. This includes actions designed to continue to meet the Government's agenda relating to strengthening the 'Customers Voice'. To support this, OVH board have approved a customer voice strategy, that was developed in consultation with tenants, and review in November 2022. A dedicated customer voice officer is in place to ensure tenants views continue to influence service delivery and performance through tenant forums and scrutiny reviews, with progress on scrutiny reviews reported to the Risk and Audit Committee with all completed as scheduled. During 2022/23 tenants undertook a scrutiny review of the asscociations complaints process. The outcome detirmined that the association adheres to its approved complaints process and tenants identified five areas that would improve the service further. The outcome and tenants recommendations was reported to the associations Risk and Audit Committee in February 2023, and all recommendations have been completed by the 31st March 2023. Board reports now include a specific section on the customer voice to directly inform decisions considered and taken by the board.

Tenant Satisfaction Measures are in place aligned to regulatory requirements and went live on the 1st April 2023, monitoring and reporting on performance will take place continuously with tenants and board throughout 2023/24.

In the most recent STAR survey, satisfaction with OVH as a landlord had decreased from 95.7% (2019/20) to 94.3% (2021/22). A STAR survey will be undertaken in 2023/24, aligned to the Tenant Satisfaction Measures published by the regulator during 2023/24.

VFM Objective - Excellent Performance and Customer Satisfaction

During 2022/23, the association has continued to maintain high levels of performance with three 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.

Value for money (continued)

VFM Objective - Excellent Performance and Customer Satisfaction (continued)

Key
Target achieved
Target not achieved

Performance Indicator	Year-end 2022/23					Housemark Quartile
	Value	Target	Status	2021/22 Value	Trend	
Rent collected as a % of rent due (social rent)	99.52%	100.52%		99.90%		4
Satisfaction with the lettings service (%)	92.6%	99%		95.80%		2
Sickness - % of hours lost	2.3%	2%		2.60%		1
Satisfaction with completed response repairs (%)	97.3%	99%		96.40%		1
Satisfaction with improvement works (%)	90.5%	99%		94.70%		n/a
Satisfaction with ASB case handling (%)	89.8%	90%		88.50%		3
Rent loss due to void properties (social rent)	0.50%	0.30%		0.30%		1
Property Compliance	100.00%	100%		99.99%		n/a

Rent collection

In year rent collection has seen a decrease year on year reflecting the impact of prior year collection of more than 100% and the subsequent refund on some accounts of high advances. In the current year we have issued £0.3m of refunds accounting for 0.5% of the rent collection shortfall.

Satisfaction

Though we saw a reduction in some satisfaction surveys in 2022/23 overall satisfaction remained above the 95% target. Furthermore Housemark stated that within the sector “Satisfaction across the board has seen a decrease. Satisfaction is falling year-on-year, with a median now four percentage points lower than before the pandemic". Despite the lower satisfaction in the sector, we have plans in place to rebuild satisfaction levels, through the implementation of a number of new new initiatives.

Sickness

During 22/23 we continued to controlled and monitor our sickness absence levels to 2.3% (top quartile performance). Whilst this performance was slightly higher than our stretching target of 2%, this reflected several long term complex sickness absence cases. This performance was an improvement on the 2.6% achieved in 21/22 which, continued to be adversely impacted upon by the Covid pandemic. We continue to set stretching sickness absence targets and are developing further Health & Wellbeing programmes, including our Employee Assistance Programme.

Performance and cost benchmarking

The association is a member of a number of benchmarking groups including 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 2021/22 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. Tenancy Management (Turnover) has improved year on year to 6.93% in 2023/24, and is anticipated to move to ‘Good Performance’ during 2023/24.

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	Poor performance/low cost
Customer involvement	good performance/low cost
Customer services	good performance/low cost
Neighbourhood management	good performance/low cost
Community Investment	good performance/low cost

Back office services provided to the association 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).

Value for money (continued)

VFM Objective - Excellent Performance and Customer Satisfaction (continued)

Customer Satisfaction

Cumulative satisfaction from the transactional surveys in 2022/23 (refer to t**able seven)** was 92.63%. Two of the twelve surveys exceeded their stretching targets, and another five almost met their targets (several of these had high performance against very high targets).

Table Seven – Transactional Survey Performance 2022/23

Tenant satisfaction with:	2022/23	Target	Performance
% of tenants satisfied with repairs	97.30%	99.00%	
% of tenants satisfied with their gas service	99.24%	99.00%	
% tenants satisfied with their gas repair	96.04%	96.00%	
% of tenants satisfied with the adaptations service	97.77%	98.00%	
% of tenants satisfied with improvement works	90.46%	99.00%	
% of tenants satisfied with cleaning services	77.70%	92.00%	
% of tenants satisfied with grounds maintenance	88.50%	95.00%	
% of complainants satisfied with ASB case handling	89.77%	90.00%	
% of customers satisfied with the complaints process	66.67%	75.00%	
% of customers satisfied with the CSC	96.39%	97.00%	
% of tenants satisfied with the lettings process	93.12%	99.00%	
% tenants satisfied with the out of hours service	100.00%	95.00%	
Overall Satisfaction	**92.63%**	**95.00%**	

Table Eight overleaf, confirms the associations 2022/23 current year VFM performance as reported within the VFM metrics scorecard. It compares our 2022/23 performance against our initial forecast and against our 2021/22 (prior year) performance (including the National Median). It also provides a forecast of our expected performance during 2023/24.

Table Eight – OVH VFM Performance 2022/23

	Indicator	National top Quartile 2021-22	Prior year Actual 2021-22	Current year forecast 2022-23	Current year Actual 2022-23	Next year Forecast 2023-24
1	Reinvestment %	8.60%	13.42%	13.16%	12.27%	13.41%
2	Operating margin	25.40%	32.60%	22.21%	25.06%	27.21%
3	EBITDA MRI (as a percentage of interest)	197.50%	195.03%	108.41%	141.29%	158.17%
4	Units developed (as a percentage of units owned)	2.10%	1.90%	1.19%	1.24%	1.41%
5	Gearing	53.10%	74.12%	75.28%	72.51%	73.36%
6	Return on capital employed (ROCE)	3.90%	5.32%	4.12%	4.77%	5.25%
7	Headline social housing cost per unit	£5,180	£3,946	£4,119	£4,145	£4,036
8	Management cost per unit	N/A	£753	£888	£881	£877
9	Service Charge cost per unit	N/A	£351	£353	£363	£441
10	Maintenance cost per unit	N/A	£1,195	£1,282	£1,406	£1,357
11	Major Repairs cost per unit	N/A	£1,595	£1,529	£1,443	£1,287
12	Other cost per unit	N/A	£53	£67	£52	£74
Additional Value for Money Metrics						
13	Operating margin (Social Housing Lettings)	28.50%	21.36%	21.96%	24.55%	25.55%
14	Units developed (Social Housing units)	n/a	251	155	157	181
15	Customers satisfied that their rent provides value for money	N/A	95.00%	95.00%	95.00%	95.00%
16	Ratio of responsive repairs to planned	N/A	0.26	0.31	0.38	0.36
17	Rent collected	N/A	99.90%	100.52%	99.52%	100.00%

Value for money (continued)

VFM Objective - Excellent Performance and Customer Satisfaction (continued)

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 2022/23 was £29.2m (157 new homes, 2 more than forecast) and £5.2m lower than the approved budget. This underspend is primarily due the expected land purchase of Stockham Lane now due to complete post year end. Expenditure within the investment programme, was £18.27m (92% of the total Programme) - this was £1.64m lower than budget forecast.

2 & 13 Operating surplus (£17.1m) is £2.0m higher than anticipated. This is mainly attributable to our assets progress where we have incurred higher property maintenance costs of £1.1m which includes £0.8m of prioritised DMC remedial works and £0.4m of accelerated works to reduce the backlog of outstanding repairs offset by timing delays in the property investment programme of £2.1m. Furthermore costs reflect the approved one off COL payment made in March to staff/board members. In addition we have generated cash efficiencies thorugh our VAT Shelter recovery and through higher asset sales than forecast.

3 EBITDA MRI is higher than forecast mainly due to our £2m higher operating surplus than anticipated as explained above resulting from delays within the development programme causing the asset value to be lower than forecast, the forecast development works will be completed in 2022/23.

4 & 14 157 homes were completed in 2022/23 (£29.2m gross development programme). It is forecast that £43.4m will be spent building 181 new homes in 2023/24.

5 This reflects that OVH assets are held at historic cost, and that through active treasury management we have been able to complete the majority of its major works programme (92%) in year, yet retain loan drawdowns at a minimum. As such OVH's asset cost increased by £30.1m as at 31 March 2023 whilst our loans dependence only grew by £16.9m (an effective 56% gearing for in year activity).

6 4.77% reflects an operating surplus of £15.3m (excluding fixed asset sales) over a capital employed of £320.6m (total assets less current liabilities).

7 The Headline CPU is reporting £26 per unit higher than forecast reflecting the positive impact of lower management costs £7, Major repairs £186 & other costs, £15, offset by higher maintenance costs, £124 per unit.

8 Management CPU is lower than forecast by £7 per unit this is due to an embedded culture of active budget management and some minor delays in the implementation of the current phase of business transformation projects.

9 The service charge CPU is £10 per unit higher than forecast, reflecting the current estimated service charge debit of £4.6m in 2022/23.

10 Maintenance CPU is reporting £124 higher per unit which reflects the increased DMC works completed.

11 The major repairs CPU is £86 lower than reforecast, as a consequence of the £1.64m underspend, this is due to programme delays /underspends on various improvement programmes and requested to be carried forward into 23/24.

12 Other costs CPU is £15 lower than expected, reflecting the consistent strong rent collection performance at 31 March 2023 (99.37%) and the consequential lower bad debt provision (£101k lower).

15 Last STAR survey was completed in 2021/2022. With a value of 95% (this was the same as the previous STAR survey in 2019/20). STAR is now being undertaken Monthly and includes the TSM Perception questions. This is due for completion at the end of 2023/24

16 Responsive repairs is reporting £1.1m higher for the year as a result of our proactive response to tackle DMC repairs (£0.8m) and our proactive attempt to reduce the repair WIP volumes, whilst improvement programme works are lower overall by £2.0m due to slippage on the component replacement aspect of the programme. Which has created an increased weighting towards responsive rather than planned works in year.

17 Rent collection performance for year end was 99.52% which was 1.00% below the stretching target of 100.52%. Void loss (routine and long term) was 0.83% (£508k).

Value for money (continued)

VFM Objective - Excellent Performance and Customer Satisfaction (continued)

We continue to work with all our stakeholders including our customers, board members, 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.

Looking ahead

Treasury strategy and treasury management policy

We commissioned and approved our annual independent treasury strategy and treasury management policy in February 2023. 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 2023, the association held total loan facilities of £363.93m of which, £247.43m was drawn and £116.50m was undrawn. Of the drawn loans, fixed rate were £176.43m (71.3%), and variable rate were £71.0m (28.7%). This is within the thresholds of our treasury management policy.

Funder	Type	Drawdown Date	Maturity Date	Amount £m	Interest Rate %
THFC	Fixed	05/10/2011	05/10/2043	3.00	5.20%
Orchardbrook	Fixed	01/04/2000	31/03/2041	0.93	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 B	Fixed	18/07/2014	30/10/2041	30.00	7.45%
RBS - Facility C	Fixed	21/09/2022	21/09/2047	37.50	5.06%
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	22/03/2023	22/06/2023	15.00	4.53%
Barclays (RCF)	Variable	23/03/2023	23/06/2023	3.00	4.53%
Barclays (RCF)	Variable	11/01/2023	11/04/2023	4.00	4.53%
Barclays (RCF)	Variable	09/02/2023	09/05/2023	3.00	5.03%
Barclays (RCF)	Variable	09/03/2023	09/06/2023	3.00	4.03%
Barclays (RCF)	Variable	09/03/2023	09/06/2023	8.00	4.03%
Barclays (RCF)	Variable	16/02/2023	16/05/2023	2.00	5.03%
Barclays (RCF)	Variable	30/03/2023	30/06/2023	4.00	4.53%
Barclays (RCF)	Variable	15/02/2023	15/05/2023	2.00	5.03%
Barclays (RCF)	Variable	24/02/2023	24/05/2023	6.00	5.03%
Barclays (RCF)	Variable	23/03/2023	23/06/2023	4.00	4.53%
Barclays (RCF)	Variable	13/01/2023	13/04/2023	7.00	4.53%
RBS - Facility B	Variable	18/07/2017	30/10/2041	10.00	5.52%
Capitalised Loan Refinancing Costs*				(1.50)	
Total				**245.93**	

**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 4.87% at 31 March 2023 and 100.00% of the debt relates to bank loan financing.

The value and duration of our loans is summarised below and 100.00% of the debt relates to bank loan financing.

Repayment Profile	Orchardbrook £'000	RBS £'000	M & G £'000	THFC £'000	Barclays £'000	Total £'000
< 1 yr	18	-	-	-	-	18
1-2 yrs	20	-	-	-	-	20
2-5 yrs	76	5,000	-	-	61,000	66,076
> 5 yrs	817	72,500	105,000	3,000	-	181,317
Total	**931**	**77,500**	**105,000**	**3,000**	**61,000**	**247,431**

Note: the above excludes the release of any capitalised refinancing costs (£1.5m)

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 it's 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 2023	Balance at 31 March 2023 £'000	Rating at 31 March 2022	Balance at 31 March 2022 £'000
RBS	P-1/A-1/F1	4,095	P-1/A-1/F1	3,179
Lloyds	P-1/A-1/F1	113	P-1/A-1/F1	113
Barclays	P-1/A-1/F1	455	P-1/A-1/F1	2,819
Santander	P-1/A-1/F1	306	P-1/A-1/F1	302
Nationwide	P-1/A-1/F1	334	P-1/A-1/F1	332
THFC - interest reserve	P-1/A-1/F1	172	P-1/A-1/F1	171
Total		**5,475**		**6,916**

Cash flow and liquidity risk

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

Cash flow and liquidity risk (continued)

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 it's 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 71.3% of it's current borrowings.

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

Whilst as a sector our operating environment remains to be challenging, we continue to review and mitigate where at all possible our key risks, putting in place effective mitigation strategies to assist us to minimise the impact on our business and our customers. Due to our membership of the Sovini group, we remain to be placed in a strong position where we can minimise the adverse impact of the national material availably and price increases, coupled with the lack of availability of skilled and professional operatives and sub contractors. Our Term Partnering Agreement which, is in place with Sovini Commercial Limited, provides access to a unique "end to end" supply chain solution. This comprises of the direct provision of material supplies via Sovini Trade Supplies, repairs and maintenance services (including specialist mechanical and engineering) from Sovini Property Services, as well as housebuilding capability via Sovini Construction limited. These services are support by "in house" scaffold, asbestos and waste management solutions. This affords additional assurance which, continues to help us to reduce the impact of the current macro economic and sector wide risks upon our business, including construction failure. This remains a time of major challenge for the wider housing sector, which is helped by our strong operating margin and low cost base. The continuing impact on the UK and global economy will test aspects of our operating environment, but we remain strong and financially resilient. We have embarked on five business transformation projects which, will when fully implemented 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, improving 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 risks inherent in our current operating environment.

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 accelerated our building and fire safety programme several years ago, to protect our customers post Grenfell. We did this through the retro fitting of sprinklers in our retained high rise blocks, replacing our fire doors, removing and replacing defective cladding and by reviewing, appraising and evaluating the ongoing sustainability of our retained high rise blocks of which several were of large panel construction. We continue to review our high rise strategy, recently taking the decision to decant and demolish a further two blocks and this is reflected in our latest business plan.

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 remains challenging given the national and global build cost increases and the instability of many contractors working in the construction sector who have entered into insolvency. 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 target, by reviewing our operations and reducing our emissions and carbon footprint, including that of our supply chain. This includes using renewable energy 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. We have committed £6.9m to bring our homes up to the SAP 69 (EPC C) standard by 2030 and we await the outcome of our full NZC baseline assessment, before reflecting in our cash flows and reviewing any funding impacts, including the availability of green homes and housing decarbonisation grant funding which, we consider to be essential to the future delivery of these additional obligations.

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

Rising inflation and its link to affordability are key considerations when evaluating any future rent increases. We have continued to reflect prudent rent increases in our business plan, as we understand the significant impact of large rises on our customers, who like many others are on low incomes and directly impacted upon by the current cost of living crisis. We understand that we need to levy rental increases to protect our future financial viability and balance our priorities, but we also accept that changes by the government to future rent policy are a key risk to our business. We have completed stress testing of these risks and put in place proportionate mitigations to minimise the impact of lower income and rising costs on our business plan. Whilst recognising that being a member of the Sovini group, with our integrated supply chain capabilities, affords us some protection to also mitigate this risks.

Rent collection performance / cost of living

We have reviewed our customer profile data and understand which, of our customers are most affected by changes in the benefits system and more susceptible to future unemployment / cost of living crisis. 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. This includes a dedicated Hardship Fund to assist our more vulnerable customers in times of need. Our focus remains on providing advice, support and assistance to our customers to cope and overcome these issues and impacts.

Economic uncertainty and ongoing supply chain risks (build cost increases and contractor failure)

We have reviewed our income and expenditure forecasts and understand the impact that lower rent collection and higher interest rates could have on our available headroom and future liquidity. Coupled with this, we have reviewed and approved the extension of our TPA to June 2033, to mitigate against widespread construction failure and other related supply chain risk exposures. This is to ensure that we are strongly placed from a business continuity perspective to complete all statutory compliance, repair and major improvements to our existing homes and continue to delivery our Development Programme (within time and cost). Whilst high inflation and interest rate rises remains to be a macro economic risks, the government particularly via the Bank of England interventions, continue to attempt to stimulate the economy and avoid a potential recession. These risks remain outside of our direct control, however, we believe our strong financial position and covenant headroom will allow sufficient flexibility to be able to navigate the potential storm that lies ahead.

Zero Carbon

We have compiled our Net Zero Carbon and Environmental Strategy and our finalising our base line assessment to understand our investment requirements and costs beyond 2030. We have allocated £6.9m in our business plan to completed our immediate prioritise up to 2030. We continue to be updated and validate our data, refresh our costs and the ongoing sustainability of our homes, recognising that not all of these will be able to meet future requirements/standards. We have also actively submitted for Wave Two decarbonisation grant funding.

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. We are aware of the current benefit calculation court case and will continue to monitor any potential impacts upon our employees and updated our board accordingly.

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 8 September 2023.

Lelir Yeung (Chair of the Board)	**Michael Parkin (chair of RAC)**	**Marcus Evans (company secretary)**
8 September 2023	**8 September 2023**	**8 September 2023**

Independent Auditor's Report to the Members of One Vision Housing Limited for the year ended 31 March 2023

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 2023 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 2022.

We have audited the financial statements of One Vision Housing Limited ("the Association") for the year ended 31 March 2023 which comprise the Statement of comprehensive income, the Statement of Financial Position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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 to report to you if, in our opinion:

- the Society has not kept proper books of account;
- the Society has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Society's books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

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

In preparing the financial statements, the board are responsible for assessing the 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:

Non-compliance with laws and regulations

Based on:
- Our understanding of the Association and the industry in which it operates;
- Discussion with management and those charged with governance, including the Risk and Audit Committee; and
- Obtaining and understanding of the Association's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Housing SORP (FRS 102), the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Association is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and registration with the Regulator of Social Housing.

Our procedures in respect of the above included:
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

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

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, including the Risk and Audit Committee, regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be income recognition around year end in respect of shared ownership property sales and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of shared ownership property sale income recognised around the year end; and
- Assessing significant estimates made by management for bias, such as valuation of tangible and intangible fixed assets, net realisable value of properties developed for sale, valuation of defined benefit scheme assets and liabilities, rental arrears provisioning and valuation of investment properties.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. 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:
BDO LLP
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BDO LLP
Statutory Auditor
Liverpool, UK
Date: 08 September 2023

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 2023

	Note	2023 £'000	2022 £'000
Turnover	4	69,355	66,571
Cost of sales	4	(749)	(2,053)
Operating costs	4,5	(52,900)	(49,325)
Non-recurring	4,5	-	(683)
Total operating costs	5	(52,900)	(50,008)
Surplus on disposal of housing and other properties	4,11	2,412	3,239
Operating surplus	4,7	18,118	17,749
Other interest receivable and similar income	12	532	386
Interest and financing costs	13	(9,578)	(8,542)
Movement in fair value of investment properties	17	252	1,085
Gift aid received from subsidiary	18	32	8
Surplus before taxation		9,356	10,686
Taxation on surplus on ordinary activities		-	-
Surplus for the financial year		9,356	10,686
Actuarial (losses)/gains on defined benefit pension scheme	26	(181)	138
Loss recognised on cashflow hedges		(2,129)	-
Total comprehensive income for year		7,046	10,824

The notes on pages 36 to 67 form part of these financial statements.

One Vision Housing Limited

Statement of Financial Position
as at 31 March 2023

Company number: 7072

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible fixed assets - housing properties	14	332,379	304,612
Tangible fixed assets - other	15	906	3,330
Intangible fixed assets	16	890	275
Investment properties	17	9,979	9,727
Investments	18	-	-
		344,154	317,944
Current assets			
Stocks	19	2,957	1,993
Debtors - receivable within one year	20	11,731	10,743
Debtors - receivable after one year	20	10,600	11,000
Cash at bank and in hand		5,475	6,998
		30,763	30,734
Creditors: amounts falling due within one year	21	(13,114)	(15,212)
Net current assets		17,649	15,522
Total assets less current liabilities		361,803	333,466
Creditors: amounts falling due after more than one year	22	(288,875)	(267,539)
Pension liability	26	(1,236)	(1,281)
Net assets		71,692	64,646
Capital and reserves			
Non-equity share capital	28	-	-
Revaluation reserve		2,829	2,577
Cash flow hedge reserve		(2,129)	-
Income and expenditure reserve		70,992	62,069
Total Reserves		71,692	64,646

The notes on pages 36 to 67 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 8 September 2023.

Lelir Yeung (Chair of the Board)
8 September 2023

Michael Parkin (chair of RAC)
8 September 2023

Marcus Evans (company secretary)
8 September 2023

One Vision Housing Limited

Statement of Changes in Equity
for the year ended 31 March 2023

	Cash flow hedge reserve	Share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
Balance at 1 April 2022	-	-	2,577	62,069	64,646
Surplus for the year	-	-	252	9,104	9,356
Actuarial losses on SHPS defined benefit pension scheme (note 26)	-	-	-	(181)	(181)
Loss recognised on cashflow hedges	(2,129)	-	-	-	(2,129)
Other comprehensive loss for the year	(2,129)	-	-	(181)	(2,310)
Balance at 31 March 2023	(2,129)	-	2,829	70,992	71,692

Statement of Changes in Equity
for the year ended 31 March 2022

	Cash flow hedge reserve £'000	Share capital £'000	Revaluation reserve £'000	Income and expenditure reserve £'000	Total equity £'000
Balance at 1 April 2021	-	-	1,492	52,330	53,822
Surplus for the year	-	-	1,085	9,601	10,686
Actuarial gains on SHPS defined benefit pension scheme (note 26)	-	-	-	138	138
Loss recognised on cashflow hedges	-	-	-	-	-
Other comprehensive income for the year	-	-	-	138	138
Balance at 31 March 2022	-	-	2,577	62,069	64,646

The notes on pages 36 to 67 form part of these financial statements.

INDEX OF NOTES

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 2022.

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 2023 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 2023 and were satisfied that these plans were affordable and that the accounts should be prepared on a going concern basis. They also stress tested the business plan in June 2023, to understand the level of covenant headroom and the adverse impact of single, multi variance and the perfect storm scenarios under a stretching set of challenging circumstances.

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 future economic recovery forecasts.

This was to ensure that the association 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 2022/23 was £9.4m, we also sustained our rent collection performance at 99.52%, re-let our homes within an average 9.3 days and our interest cover and as a result our gearing covenants have been comfortably met, further evidencing our financial strength and resilience.

The association has continued to respond and adapt to changes in the operating environment and has been able to fully utilise the Sovini Commercial Limited (supply chain companies) to ensure that repairs, investments and development programmes, are completed with minimal disruption to services and customers. Throughout the year, the association continued to gain access to customer homes, ensuring that they were safe and that all statutory compliance obligations were met. Throughout this period, customer contact and support were maintained, allowing the association to continue to support and assist those customers who are vulnerable/benefit dependant and more directly exposed to the impacts of the cost of living crisis.

We also were able to continue our sales activity remotely, selling 15 homes in the year, with 9 stock plots at year-end. One home remained unsold for over six months (show house) and we achieved an average first tranche sales receipt 39% share.

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 2022/23, we achieved £29.2m of spend, 157 handovers. We also secured additional grant and sales receipts. During the next few years we plan on investing circa £118.6m (net development funding), to build 989 new homes and this includes the acquisition of a land pipeline to facilitate this.

As a result of concluding the review of our office accommodation in 2021/22, we continue to realise recurring management cost savings which, we have retained as headroom within our Business Plan, to assist us to manage and mitigate our key risks.

Due to the ongoing impact Russian / Ukraine war, the level of global economic risk and uncertainty remains directly outside of our control. As such, we continue to monitor, assess and deploy effective controls to minimise where possible any adverse impacts on our operations. This includes the deployment of daily processes to manage/monitor our cash flow, the continual review of our financial stability and long-term viability and the recent refinancing of our Royal Bank of Scotland (RBS) loan portfolio which, we completed in 2022.

Given the strength of our balance sheet, forecast surplus and availability and liquidity of undrawn loan facilities, 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.

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 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.

- SHPS

  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.

2 Accounting policies (continued)

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.

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:

2 Accounting policies (continued)

Depreciation of housing property (continued)

Description	Economic Useful Life (years)
Structure	60
Kitchen	20
Bathroom	30
Roofs	60
Boiler installations	20
Central heating	10
External windows	30
Communal	15 to 30
External cladding	50
Lifts	25
Sprinkler systems	7
Fire doors	7
Door Entry	10

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 20% 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.

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.

2 Accounting policies (continued)

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.

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.

2 Accounting policies (continued)

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.

Impairment of intangible assets

Management assess the intangible assets at the end of each financial reporting period for any indicators of impairment. Any impairment of intangible assets required will be charged to the Statement of Comprehensive Income as and when they arise.

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.

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.

Hedging

Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges. A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable transaction, which could affect profit or loss. They are measured at fair value at each reporting date.

Gains and losses on cash flow hedges which are highly effective are recognised in other comprehensive income. Any ineffective portion of a gain or loss on cash flow hedges is recognised in profit or loss.

In order to apply hedge accounting, an economic relationship must exist between the hedged item and the hedging instrument. The Association must formally designate and document the hedging relationship at inception so that the risk being hedged, the hedged item and the hedging instrument are clearly identified, and the risk management objective for undertaking the hedge. It is also required to determine and document the causes of hedge ineffectiveness.

In a cash flow hedge, if the hedged future cash flows are no longer expected to occur, the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to profit or loss immediately.

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.

2 Accounting policies (continued)

Leased assets: lessee (continued)

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.

Reserves

The revaluation reserve is created from accumulated surplus/(deficit) arising from 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.

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

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.

- 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	68	(68)
Boilers / Heating	20	167	(167)
Kitchen	20	214	(214)
Lift	25	11	(11)
Roofs	60	51	(51)
Structure	60	157	(157)
External cladding	50	15	(15)
Windows / External doors	30	78	(78)
Sprinkler systems	7	40	(40)
Fire door	7	93	(93)
Central heating	10	2	(2)
Door entry	10	1	(1)
		894	(894)
		Credit	*Charge*

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

Other key sources of estimation uncertainty (contiued)

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 30% of gross income, and;
• a discount rate of 7.5%.

Statement of Comprehensive Income Charge Adjustment	Fair value with sensitised assumption £'000	Variation to current valuation £'000	Credit/charge
Investment properties			
Income growth at RPI	9,170	(809)	*Charge*
Income growth at RPI +2%	10,825	846	*Credit*
9% Discount rate	9,835	(144)	*Charge*
6% Discount rate	10,135	156	*Credit*
Costs 35% of income	9,340	(639)	*Charge*
Costs 25% of income	10,600	621	*Credit*

• 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.

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
	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000
Social housing lettings (note 5)	67,193	-	(52,380)	-	14,813
Other Social Housing Activities					
First tranche low cost home ownership sales	1,200	(749)	-	-	451
Staircasing activity on low cost home ownership	-	-	-	268	268
Right to buy sales	-	-	-	724	724
Right to acquire sales	-	-	-	635	635
	1,200	(749)	-	1,627	2,078
Activities other than social housing activities					
Commercial properties	291	-	(96)	-	195
Non social housing units	671	-	(424)	-	247
Other	-	-	-	785	785
	962	-	(520)	785	1,227
	69,355	(749)	(52,900)	2,412	18,118

	Turnover	Cost of sales	Operating costs	Surplus on disposal of fixed assets (note 11)	Operating surplus
	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000
Social housing lettings (note 5)	63,060	-	(49,590)	-	13,470
Other Social Housing Activities					
First tranche low cost home ownership sales	2,770	(2,053)	-	-	717
Staircasing activity on low cost home ownership	-	-	-	56	56
Right to buy sales	-	-	-	600	600
Right to acquire sales	-	-	-	1,461	1,461
	2,770	(2,053)	-	2,117	2,834
Activities other than social housing activities					
Commercial properties	100	-	(26)	-	74
Non social housing units	641	-	(392)	-	249
Other	-	-	-	1,122	1,122
	741	-	(418)	1,122	1,445
	66,571	(2,053)	(50,008)	3,239	17,749

5 Income and expenditure from social housing lettings

	General needs 2023 £'000	Supported housing 2023 £'000	Total 2023 £'000	Total 2022 £'000
Income				
Rents net of identifiable service charges	56,606	4,248	60,854	57,785
Service charge income	2,789	1,809	4,598	4,528
Amortised government grants (note 23)	434	-	434	375
Net rental income	59,829	6,057	65,886	62,688
Rechargeable works	31	-	31	22
Other grants	-	-	-	-
Other income	1,276	-	1,276	350
Turnover from social housing lettings	61,136	6,057	67,193	63,060
Expenditure				
Management	(10,363)	(851)	(11,214)	(9,528)
Other management costs	(311)	(26)	(337)	(196)
Service charge costs	(2,792)	(1,806)	(4,598)	(4,528)
Routine maintenance	(6,779)	(751)	(7,530)	(7,530)
Planned maintenance	(9,966)	(311)	(10,277)	(7,905)
Development programme	(143)	-	(143)	(255)
Major repairs expenditure	(8,081)	(63)	(8,144)	(9,317)
Bad debts	(497)	(41)	(538)	(428)
Depreciation of housing properties				
annual charge	(8,568)	(463)	(9,031)	(8,027)
accelerated on disposal of components	(996)	(52)	(1,048)	(843)
Depreciation of other tangible fixed assets	(270)	(22)	(292)	(304)
Amortisation of intangible assets	(52)	(4)	(56)	(46)
Exceptional items	765	63	828	(683)
Operating expenditure on social housing lettings	(48,053)	(4,327)	(52,380)	(49,590)
Operating surplus on social housing lettings	13,083	1,730	14,813	13,470
Void losses	466	151	617	343

Other management costs included reorganisation costs of £8k (2022: £11k) and hardship funding of £329k (2022: £182k). The current year exceptional item of £828k relates to break gain on terminiation of a funding facility, the prior year exceptional item includes an impairment (£463k) relating to the head office disposed of in the current year and abortive refinancing costs (£220k) - all are one off and non recurring.

6 Units of housing stock

	2023 £'000	2022 £'000
General needs housing		
social	10,627	10,654
affordable	826	751
Low cost home ownership	311	301
Supported housing	986	1,016
Intermediate		
buy back properties	12	12
rent to buy	245	181
Total social housing units	13,007	12,915
Market rent	86	86
Leaseholder properties	618	614
Total owned and managed accommodation	13,711	13,615
Units under construction	316	409

Reconciliation of unit numbers:	**Opening unit numbers**	**New stock acquired/ developed**	**Stock sold / demolished**	**Other movements**	**Closing unit numbers**
General needs housing					
social	10,654	-	(59)	32	10,627
affordable	751	75	-	-	826
Low cost home ownership	301	18	(8)	-	311
Supported housing	1,016	2	-	(32)	986
Intermediate					
buy back properties	12	-	-	-	12
rent to buy	181	64	-	-	245
Market rent	86	-	-	-	86
Leaseholder properties	614	4	-	-	618
Total	13,615	163	(67)	-	13,711

7 Operating surplus

	2023 £'000	2022 £'000
This is arrived at after charging:		
Depreciation of housing properties		
annual charge	9,031	8,027
accelerated depreciation on replaced components	1,048	658
Depreciation of other tangible fixed assets	292	304
Amortisation of intangible assets	55	46
Auditors remuneration (excluding VAT)		
fees payable to the auditor for the audit of the association's annual	41	42
fees for audit-related assurance	10	12

8 Employees

	2023 £'000	2022 £'000
Staff costs (including executive management team) consist of:		
Wages and salaries	5,653	5,467
Social security costs	572	548
Cost of defined contribution scheme	336	342
	6,561	6,357

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:

	2023 Number	2022 Number
Executive Management team	9	7
Customers and neighbourhoods	124	136
Assets and regeneration	42	39
Total	175	182

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 £336k (2022: £342k).

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.

	2023 £'000	2022 £'000
Directors' emoluments	930	801
Amounts receivable under long-term incentive schemes	63	65
Company contributions to money purchase pension schemes	76	68
Total	1,069	934

The total amount payable to the group CEO, who was also the highest paid director in respect of emoluments was £181k (2022: £176k).

9 Directors and senior executives remuneration (continued)

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

	2023 Number	2022 Number
£60,000 - £69,999	2	1
£70,000 - £79,999	2	1
£80,000 - £89,999	-	3
£90,000 - £99,999	2	-
£100,000 - £109,999	1	1
£120,000 - £129,999	1	1
£160,000 - £169,999	1	-
£170,000 - £179,999	-	1
£180,000 - £189,999	1	-

10 Board members

Board member	Remuneration	One Vision Housing Limited Board	Sovini Limited Board	Risk and Audit Committee	Remuneration Committee
	£'000				
Dawn Murray	5	✔			
Andy Armstrong	5	✔	✔		✔
Peter Crosby	8	✔ *		✔ *	✔ *
Roy Williams	-	✔	✔		
Tracey Liggett	-	✔	✔		
Tracey Gore	5	✔			
Lelir Yeung	8	Chair		✔	✔
Michael Parkin	1	✔		Chair	

Key:
✔ * Appointed September 2022

11 Surplus on disposal of housing and other properties

	Staircasing activity 2023 £'000	Right to buy 2023 £'000	Right to acquire 2023 £'000	Other disposals 2023 £'000	Total 2023 £'000	Total 2022 £'000
Housing Properties						
Disposal proceeds	1,223	2,089	728	3,480	7,520	7,794
Cost of sales	(955)	(616)	(93)	(2,695)	(4,359)	(3,711)
Loss due to RTB sharing agreement	-	(749)	-	-	(749)	(844)
Surplus on disposal of housing properties	268	724	635	785	2,412	3,239

12 Interest receivable and income from investments

	2023 £'000	2022 £'000
Interest receivable and similar income	50	2
Interest receivable from group undertakings	482	384
	532	386

13 Interest payable and similar charges

	2023 £'000	2022 £'000
Bank loans and overdrafts	11,434	9,958
Capitalisation of interest	(1,890)	(1,498)
Refinancing costs	1,269	90
Capitalisation of refinancing costs	(1,267)	(40)
Net interest on net defined benefit liability (SHPS - note 26)	32	32
	9,578	8,542

14 Tangible fixed assets – housing properties

	Shared ownership completed £'000	Supported housing completed £'000	General needs completed £'000	Shared ownership works under construction £'000	General needs works under construction	Total £'000
Cost						
At 1 April 2022	25,741	11,195	293,410	7,019	27,859	365,224
Additions						
Construction costs	-	-	-	2,661	26,481	29,142
Replaced components	-	324	9,856	-	-	10,180
Completed schemes	2,119	-	21,503	(2,119)	(21,503)	-
Disposals						
stair-casing sales	(955)	-	-	-	-	(955)
right to buy/acquire sales	-	-	(822)	-	-	(822)
replaced components	-	(112)	(2,125)	-	-	(2,237)
Reclassification of housing tenure	-	73	(73)	-	-	-
At 31 March 2023	26,905	11,480	321,749	7,561	32,837	400,532
Depreciation						
At 1 April 2022	-	(3,968)	(56,644)	-	-	(60,612)
Charge for the year	-	(523)	(8,508)	-	-	(9,031)
Eliminated on disposals						
right to buy/acquire sales	-	-	301	-	-	301
replaced components	-	60	1,129	-	-	1,189
Reclassification of housing tenure	-	89	(89)	-	-	-
At 31 March 2023	-	(4,342)	(63,811)	-	-	(68,153)
Net book value at 31 March 2023	26,905	7,138	257,938	7,561	32,837	332,379
Net book value at 31 March 2022	25,741	7,227	236,766	7,019	27,859	304,612

	2023 £'000	2022 £'000
Works to properties		
Improvements to existing properties capitalised	10,180	11,277
Major repairs expenditure to income and expenditure account	8,144	9,317
	18,324	20,594
Total Social Housing Grant received or receivable to date		
Capital grant – housing properties	42,075	37,079
	42,075	37,079

15 Other tangible fixed assets

	Long leasehold land and buildings £'000	Other fixed assets £'000	Total £'000
Cost			
At 1 April 2022	6,670	1,271	7,941
Additions	-	346	346
Disposals	(6,670)	-	(6,670)
At 31 March 2023	**-**	**1,617**	**1,617**
Depreciation			
At 1 April 2022	4,170	441	4,611
Charge for year	22	270	292
Disposals	(4,192)	-	(4,192)
At 31 March 2023	**-**	**711**	**711**
Net book value			
At 31 March 2023	**-**	**906**	**906**
At 31 March 2022	2,500	830	3,330

The impairment loss recognised on long leasehold land and building in the period was £nil (2022: £467k) and is included in non-recurring administrative expenses. It arose as a result of the head office building being written down to it's recoverable amount. The head office building has been sold within the year (note 11).

16 Intangible fixed assets

	Software £'000	Total £'000
Cost		
At 1 April 2022	321	321
Additions	670	670
At 31 March 2023	**991**	**991**
Amortisation		
At 1 April 2022	46	46
Charge for year	55	55
At 31 March 2023	**101**	**101**
Net book value		
At 31 March 2023	**890**	**890**
At 31 March 2022	275	275

Software includes £620k (2022:£229k) which relates to the ongoing development of a housing management IT system, of which £nil (2022: £1,025) costs were disposed of during the year in relation to the housing management system.

17 Investment properties

	Market rent £'000
At 1 April 2022	9,727
Revaluations	252
At 31 March 2023	9,979

"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 2023 and has been carried out in accordance with the current RICS Red Book.

The Aggregate of the Individual Market Values of the 86 market rented units for accounts purposes is £9,979k 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 £252k (2022: £1,085k gain) and the other movements of £nil (2022: £nil) have been credited 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:

	2023 £'000	2022 £'000
Historic cost	7,540	7,540
Accumulated depreciation	(1,499)	(1,349)
Total	6,041	6,191

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 £32k was received in the year from Sovini Developments Limited (2022: £8k).

19 Stock

	First tranche shared ownership properties 2023 £'000	First tranche shared ownership properties 2022 £'000
Assets under construction	2,520	1,755
Completed properties	437	238
	2,957	1,993

Properties developed for sale include capitalised interest of £nil (2022: £nil).

20 Debtors

	2023 £'000	2022 £'000
Due within one year		
Rent and service charge arrears	4,929	4,748
Less: Provision for doubtful debts	(3,231)	(3,186)
	1,698	1,562
Amounts owed by group undertakings	5,578	5,543
Trade receivables	528	616
Tenant rechargeable works	12	14
Other debtors	1,019	667
Prepayments and accrued income	2,403	2,166
Fair value of derivatives	312	-
Other taxation and social security payable	181	175
	11,731	10,743
Due after one year		
Amounts owed by group undertakings	10,600	11,000
	22,331	21,743

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 £3.6m 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 £3.6m drawn. Variable rate interest of 7.25%, and non-utilisation fees are paid monthly in arrears, and the facility expires in March 2028.

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

21 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Loans and borrowings (note 25)	(150)	1,093
Trade creditors	255	198
Rent and service charges received in advance	3,165	3,292
Amounts owed to group undertakings	5,367	5,510
Taxation and social security	278	211
Other creditors	642	610
Recycled capital grant fund (note 24)	54	54
Deferred capital grant (note 23)	466	416
Accruals and deferred income	3,037	3,828
	13,114	15,212

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

22 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Loans and borrowings (note 25)	246,079	231,696
Deferred capital grant (note 23)	40,355	35,843
Fair value of derivative	2,441	-
	288,875	267,539

23 Deferred capital grant

	2023 £'000	2022 £'000
At 1 April 2022	36,259	32,029
Grants received during the year	4,996	4,605
Released to income during the year	(434)	(375)
At 31 March 2023	40,821	36,259
Grants due for release less than one year (note 21)	466	416
Grants due for release more than one year (note 22)	40,355	35,843
	40,821	36,259

24 Recycled capital grant fund

	2023 £'000	2022 £'000
At 1 April 2022	54	18
Recycling of grant		
Recycled in year	-	36
At 31 March 2023	54	54
Amounts 3 years or older where repayment may be required	54	54

In line with section Chapter 16, Section 5.6.3 of the Capital Funding Guide, as a floor of 0% is applicable to notional interest calculations, then no interest has been charged in either year.

25 Loans and borrowings

Loan Structure

Funder	Type	Drawdown Date	Maturity Date	Amount £m	Interest Rate %
THFC	Fixed	05/10/2011	05/10/2043	3.00	5.20%
Orchardbrook	Fixed	01/04/2000	31/03/2041	0.93	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 B	Fixed	18/07/2014	30/10/2041	30.00	7.45%
RBS - Facility C	Fixed	21/09/2022	21/09/2047	37.50	5.06%
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	22/03/2023	22/06/2023	15.00	4.53%
Barclays (RCF)	Variable	23/03/2023	23/06/2023	3.00	4.53%
Barclays (RCF)	Variable	11/01/2023	11/04/2023	4.00	4.53%
Barclays (RCF)	Variable	09/02/2023	09/05/2023	3.00	5.03%
Barclays (RCF)	Variable	09/03/2023	09/06/2023	3.00	4.03%
Barclays (RCF)	Variable	09/03/2023	09/06/2023	8.00	4.03%
Barclays (RCF)	Variable	16/02/2023	16/05/2023	2.00	5.03%
Barclays (RCF)	Variable	30/03/2023	30/06/2023	4.00	4.53%
Barclays (RCF)	Variable	15/02/2023	15/05/2023	2.00	5.03%
Barclays (RCF)	Variable	24/02/2023	24/05/2023	6.00	5.03%
Barclays (RCF)	Variable	23/03/2023	23/06/2023	4.00	4.53%
Barclays (RCF)	Variable	13/01/2023	13/04/2023	7.00	4.53%
RBS - Facility B	Variable	18/07/2017	30/10/2041	10.00	5.52%
Total				**247.43**	

**Capitalised refinancing costs on undrawn facilities*

25 Loans and borrowings (continued)

Maturity of debt

	Total Loan balance 2023 £'000	Total Refinancing cost 2023 £'000	Total 2023 £'000	Total 2022 £'000
In one year or less, or on demand	18	(168)	(150)	1,093
In more than one year but not more than two years	20	(167)	(147)	1,094
In more than two years but not more than five years	66,076	(398)	65,678	84,428
In more than five years	181,317	(769)	180,548	146,174
	247,431	(1,502)	245,929	232,789

	Loan balance outstanding 2023 £'m	Split 2023 %	Weighted Average Cost of Capital 2023 %	Average Interest Rate 2023 %
Fixed	176.43	71.31%		4.91%
Variable	71.00	28.69%		4.56%
	247.43	100.0%	4.81%	

	Loan balance outstanding 2022 £'m	Split 2022 %	Weighted Average Cost of Capital 2022 %	Average Interest Rate 2022 %
Fixed	181.45	77.73%		4.60%
Variable	52.00	22.27%		1.79%
	233.45	100.0%	3.97%	

Note: the above excludes the release of any capitalised refinancing costs of £1,502k (2022: £659k).

Loans are secured by specific charges on the housing properties of the association. The loans bear interest at fixed and variable rates ranging from 3.30% to 10.91%.

At 31 March 2023, the association had undrawn loan facilities of £117m (2022: £98m).

26 Financial instruments

The carrying value of the financial assets and liabilities include:

	2023 £'000	2022 £'000
Assets measured at amortised cost		
Debtors	19,435	19,402
Cash and cash equivalents	5,475	6,998
Liabilities measured at amortised cost		
Loans	(247,431)	(233,450)
Trade and other creditors	(9,301)	(10,146)
Derivatives held at fair value		
Assets	312	-
Liabialities	(2,441)	-
Total	(233,951)	(217,196)

Where financial instruments are measured in the statement of financial position at fair value, disclosure of fair value measurements by level is required, in accordance with the following fair value measurement hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (from prices) or indirectly (that is derived from prices).

Level 3 – Inputs from the asset or liability that are not based on observable market data (that is, unobservable inputs).

Derivative financial instruments are interest rate swaps designed to hedge the interest rate risk associated with the variability of cashflows on variable rate loans. Savills plc were retained by the the Assocation to value derivatives at fair value using a discounted cash flow methodology.

All of the Associations's derivatives are carried at fair value. Fair value measurement is provided by the Association's external advisors and is categorised as Level 2. The valuation techniques include discounted cash flow pricing models with observable inputs. The most significant inputs into those models are interest rate yield curves, developed from publicly quoted rates and market available information. All valuations have been compared to similar market transactions or alternative third-party pricing services to ensure current market conditions are properly represented.

For all other financial instruments fair value equates to book value.

Periods in which the nominal cash flows associated with hedge accounting are expected to occur:

	2023 £'000 Assets	2023 £'000 Liabilities	2022 £'000 Assets	2022 £'000 Liabilities
Interest rate swap				
In one year or less	1,674	(1,353)	-	-
Between one and two years	1,493	(1,349)	-	-
Between two and five years	3,797	(4,050)	-	-
In five years or more	58,085	(61,838)	-	-
Total	65,049	(68,590)	-	-

	2023 £'000	2022 £'000
Nominal values or the above		
Cash flow hedge	37,500	-
Total	37,500	-

27 Pensions - SHPS

Present values of defined benefit obligation, fair value of assets and defined benefit	**Year ended 31 March 2023 £'000**	**Year ended 31 March 2022 £'000**
Fair value of planned assets	5,413	7,844
Present value of defined benefit obligation	(6,649)	(9,125)
Net defined liability to be recognised	**(1,236)**	**(1,281)**

Reconciliation of opening and closing balances of the defined benefit obligation	**Year ended 31 March 2023 £'000**	**Year ended 31 March 2022 £'000**
Defined benefit obligation at start of period	9,125	9,719
Current service costs	-	-
Expenses	5	5
Interest expenses	251	206
Contributions by plan participants	-	-
Actuarial losses due to scheme experience	23	217
Actuarial gains due to changes in demographic assumptions	(16)	(147)
Actuarial gainsdue to changes in financial assumptions	(2,503)	(639)
Benefits and expenses paid	(236)	(236)
Defined benefit obligation at end of period	6,649	9,125

Reconciliation of opening and closing balances of the defined benefit assets	**Year ended 31 March 2023 £'000**	**Year ended 31 March 2022 £'000**
Fair value of plan assets at start of period	7,844	8,093
Interest income	219	174
Experience on plan assets (excluding amounts included in interest income) - loss	(2,677)	(431)
Contributions by employer	263	244
Contributions by plan participants	-	-
Benefits paid and expenses	(236)	(236)
Fair value of plan assets at end of period	5,413	7,844

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£2,458,000).

Defined benefit costs recognised in statement of comprehensive income (SOCI)	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Current service costs	-	-
Expenses	5	5
Net interest expense	32	32
Defined benefit costs recognised in statement of comprehensive income (SoCI)	37	37

27 Pensions - SHPS (continued)

Defined benefit costs recognised in other comprehensive income	**Year ended 31 March 2023 £'000**	**Year ended 31 March 2022 £'000**
Experience on plan assets (excluding amounts included in interest income) - loss	(2,677)	(431)
Experience gains and losses arising on the plan liabilities - loss	(23)	(217)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	16	147
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	2,503	639
Total amount recognised in other comprehensive income - (loss)/gain	(181)	138

Assets	**Year ended 31 March 2023 £'000**	**Year ended 31 March 2022 £'000**
Global equity	101	1,505
Absolute return	59	315
Distressed opportunities	164	281
Credit relative value	204	261
Alternative risk premium	10	259
Emerging market debt	29	228
Risk sharing	399	258
insurance - linked securities	137	183
Property	233	212
Infrastructure	618	559
Private debt	241	201
Opportunistic illiquid credit	232	263
High Yield	19	68
Opportunistic Credit	-	28
Cash	39	27
Corporate bond funding	-	523
Long lease property	163	202
Secure income	248	292
Liability driven investment	2,493	2,188
Currency Hedging	10	(31)
Net current assets	14	22
Total assets	5,413	7,844

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

Key assumptions	**Year ended 31 March 2023** % per annum	**Year ended 31 March 2022** % per annum
Discount rate	4.88%	2.79%
Inflation (RPI)	3.20%	3.62%
Inflation (CPI)	2.74%	3.21%
Salary growth	3.74%	4.21%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

27 Pensions - SHPS (continued)

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life Expectancy at age 65 (Years)
Male retiring in 2022	21
Female retiring in 2022	23.4
Male retiring in 2042	22.2
Female retiring in 2042	24.9

Active Members	Number	Total earnings (£'000 p.a)	Average age (unweighted) (Years)
Males	-	-	-
Females	2	66	54
Total	2	66	54

Deferred members	Number	Total earnings (£'000 p.a)	Average age (unweighted) (Years)
Males	5	24	53
Females	14	38	51
Total	19	62	52

Pensioners	Number	Total earnings (£'000 p.a)	Average age (unweighted) (Years)
Males	13	156	70
Females	11	97	67
Total	24	253	69

We have been notified by the Trustee of the Social Housing Pension Scheme that a Scheme Benefits Review has been completed and as a result there is some uncertainty around how these changes have been made and clarification is being sought via a Court Case. This process is ongoing and remains unlikely to be resolved before the end of 2024. It is recognised that this could potentially impact on the value of Scheme liabilities, but Court deliberations are still ongoing. Trowers and Hamlins have been engaged to protect the Associations legal position in relation to the limitation period, this will ensure that the Association can take action against the Trustee, if the court determines that the Trustee has used it's powers incorrectly. No adjustment has therefore, been made in these financial statements in respect of this potential issue.

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.

28 Non-equity share capital

	2023 £	2022 £
At 1 April	7	8
Shares issued in the year	-	2
Shares cancelled in the year	-	(3)
At 31 March	7	7

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.

29 Capital commitments

	2023 £'000	2022 £'000
Commitments contracted but not provided for		
Construction	50,310	75,912
Commitments approved by the board but not contracted for		
Construction	54,203	57,059
	104,513	132,971

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

	2023 £'000	2022 £'000
Social housing grant	11,050	15,012
New and existing loans	86,211	109,661
Sales of properties	7,252	8,298
	104,513	132,971

30 Related party disclosures

Related party transactions with group subsidiaries

The ultimate controlling party of the group is Sovini Limited – 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 £32.1m (2022: £31.9m) from Sovini Property Services Limited £7.6m (2022: £9.1m) has been capitalised within tangible fixed assets and £24.4m (2022: £22.8m) 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 £2.3m (2022: £2.6m). Included within creditors are amounts owed to Sovini Property Services Limited of £2.5m (2022: £3.3m).

30 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 £5.4m (2022: £5.7m) which have been expensed to the income and expenditure account and have purchased development services of £1.2m (2022: £1.0m) which have been fully capitalised. Sovini Limited have also recharged expenses of £1.4m (2022: £943k) of which £10k (2022: £40k) have been capitalised within intangible fixed assets and £1.4m (2022: £904k) have been expensed to the income and expenditure account. The SLA charges incurred are as follows:

	2023 £'000	2022 £'000
Corporate service costs	4,840	5,349
Investment programme	543	338
	5,383	5,687

The recharges issued via Sovini Limited include:

	2023 £'000	2022 £'000
Corporate service costs	1,400	943
	1,400	943

Included within creditors are amounts owed to Sovini Limited of £46k (2022: £339k) and included within debtors are amounts owed from Sovini Limited of £1.0m (2022: £765k).

- ***Sovini Trade Supplies Limited***

During the year One Vision Housing Limited made purchases of £43k (2022: £28k recharged costs) to Sovini Trade Supplies Limited a fellow subsidiary in the Sovini Limited group. Included within creditors are amounts owed to Sovini Trade Supplies Limited of £223k (2022: £211k). Included within debtors are amounts owed from Sovini Trade Supplies Limited of £94k (2022: £97k).

- ***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 £20.3m (2022: £21.6m) from Sovini Developments Limited of which has been capitalised within tangible fixed assets with £0.1m (2022: £0.3m) expensed to the income and expenditure account. Included within creditors are amounts owed to Sovini Development Limited of £2.2m (2022: £1.6m) and within debtors are amounts owed from Sovini Development Limited of £0.1m (2022: £0.3m).

- ***Sovini Construction Limited***

During the year One Vision Housing Limited made purchases of £nil (2022: £0.3m) from Sovini Construction Limited a fellow subsidiary in the Sovini Limited group which 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 £0.3 (2022: £nil) and included within debtors are amounts owed from Sovini Construction Limited of £2.0m (2022: £1.6m).

- ***Sovini Waste Solutions Limited***

During the year, One Vision Housing Limited recharged expenses of £5k (2022: £5k) to Sovini Waste Solutions Limited. Included within debtors are amounts owed from Sovini Wast Solutions Limited of £nil (2022: £24k).

- ***Sovini Land Acquisition Limited***

During the year, One Vision Housing Limited incurred expenses totalling £87k (2022: £364k). Debtors and creditors were £nil at year end in relation to Sovini Land Acquisition Limited (2022: £nil).

30 Related party disclosures (continued)

- ***Sovini Commercial Limited***

During the year, One Vision Housing Limited recieved loan interest of £352k (2022: £254k). Included within debtors are amounts owed from Sovini Commercial Limited of £7.1m (2022: £7m) in relation to commercial on-lending.

- ***Amianto Services Limited***

During the year One Vision Housing Limited made purchases of £2.2m (2022: £1.1m) from Amianto Services Limited a fellow subsidiary in the Sovini Limited group. Included within debtors are amounts owed from Amianto Services Limited of £35k (2022: £59k) and within creditors are amounts owed to Amianto Services Limited of £101k (2022: £23k).

- ***Pride of Sefton***

During the year, One Vision Housing Limited recharges expenses of £nil (2022: £1k recharge expenses) to Pride of Sefton and donated £1k (2022: £nil), debtors and creditors were £nil at year end in relation to Pride of Sefton (2022: £nil).

- ***Sovini Charities Limited***

During the year, One Vision Housing Limited donated £nil (2022: £3k) to Sovini Charities Limited, debtors and creditors were £nil at year end in relation to Sovini Charities Limited (2022: £nil).

- ***Teal Scaffold Limited***

During the year, One Vision Housing Limited paid expenses of £8k (2022: £26k) to Teal Scaffold Limited a fellow subsidiary in the Sovini Limited group. Included within creditors are amounts owed to Teal Scaffold Limited of £32k (2022: £nil).

- ***Pine Court Housing Association***

During the year One Vision Housing Association had transactions with Pine Court Housing Association, a fellow subsiduary in the Sovini Limited group. One Vision Housing Association recharged expenses of £17k (2022: £111k) and SLA charges of £67k (2022: £60k) to the income and expenditure statement.

Included within debtors are amounts owed from Pine Court Housing Association of £3.5m (2022: £3.5m), of which £3.5m relates to an intercompany loan and within creditors are amounts owed to Pine Court Housing Association of £nil (2022: £nil).

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 £5,077 (2022: £4,878) and the tenant had a year end rent account credit balance of £106 (2022: £494 credit).

31 Contingent liabilities

Grants on amalgamation

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.