Annual Review and Consolidated Financial Statements

Raven
Housing Trust

YEAR ENDED 31 MARCH 2022

Registration Number 30070R

Building
homes
**Changing
lives**

Contents

Board Members, Executives and Advisers

Board Members

Caroline Armitage (Chair)	
John Amans	
Philip Andrew	
Mark Baker	
Heather Bowman	
Paul Edwards	
David Gannicott	
Robert Kingsmill	*appointed 21st September 2021*
Jonathan Higgs	
Bryan Ingleby	
Henrietta Irving	*resigned 1st September 2021*
Dawn Kenson	
Nicholas Meinertzhagen	*resigned 31st August 2021*
Andrew Rinaldi	*appointed 21st September 2021*

Executive Officers

Jonathan Higgs	*Chief Executive*
Mark Baker	*Director of Finance and Governance; and Company Secretary (appointed 20 December 2021)*
Alison Bennett	*Director of Development*
Amy Cheswick	*Director of Customers and Partners*
Joanna Hills	*Director of Assets and Services*
Julia Mixter	*Director of People and Transformation*
Nigel Newman	*Director of Strategy and Growth*
Asantewaa Brenya	*Company Secretary (resigned 20 December 2021)*

Raven is registered under the Co-operative and Community Benefit Societies Act 2014 No. 30070R

Registered Office

Raven House
29 Linkfield Lane
Redhill
Surrey
RH1 1SS

Principal Solicitors

Anthony Collins
134 Edmund Street
Birmingham
B3 2ES

Bankers

Barclays Bank Plc
Social Housing Team
Barclays Commercial Bank
Level 12, 1 Churchill Place
London
E14 5HP

Property Valuers

Jones Lang LaSalle
30 Warwick Street
London
W1B 5NH

Auditors

Crowe UK
55 Ludgate Hill
London
EC4M 7JW

Funder

Barclays Bank Plc
Level 12
1 Churchill Place
London
E14 5HP

Funder

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Funder

Legal and General
Assurance Society
One Coleman Street
London
EC2R 5AA

Tax Advisers

Mazars
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Chair and Chief Executive's Introduction

Chair and Chief Executive's Introduction

We don't think many of us can say this year turned out how we planned. It has proved tremendously challenging for our residents and their communities as we have emerged from the pandemic and walked straight into a cost-of-living crisis; high inflation, volatile fuel prices and unpredictable supplies of goods and materials are set to be with us for a while.

It has been a testing year that has seen the team at Raven at its best, and we are incredibly proud to be a part of it. We have managed to maintain our overall customer satisfaction levels and our customers' satisfaction with value for money for their rent. We have however seen a drop in customer satisfaction with repairs which was impacted by Storm Eustice and by labour availability. We also want to be better at meeting our customers' expectations when they have cause to complain about our services or report cases of anti-social behaviour.

As well as delivering our services during the year, we have been investing heavily in new systems to support our future improvement; creating services that are easy to use, trusted and valued. We are excited to see the fruits of this work as they start to benefit our customers during 2022.

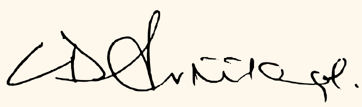
It is not only this investment in service improvement that equips Raven well to deal with what lies ahead. During the year we secured a further £130m of debt to support our growth and our significantly increased investment in our existing homes to improve standards and reduce carbon emissions.

Growth is important to us because there is still a housing crisis, and our communities need more affordable homes. So, we were pleased to have provided 101 new homes during the year and to take on management of a further 14 homes as part of a growing partnership with Legal and General Affordable Housing.

As a community-based housing association, we rely on our local partners and look to enable them to feel they can also rely on us. Joint working with our local authority partners, and in particular Reigate and Banstead BC, has underpinned our work supporting those in urgent housing need, those seeking employment support, our development of new homes, and our early efforts to improve the carbon performance of our existing homes. Being community-based also means the decisions we make are informed by, and in some cases made by, the people we house. In that spirit, we were delighted to appoint two resident board member trainees this year who we hope will want to join the Board and Committees during 2022, and establish our new Customer Voice Panel which is already shaping our plans for the future.

The future will certainly be challenging, but at Raven we are well prepared to continue building homes and changing lives.

Jonathan Higgs
Chief Executive



Caroline Armitage
Chair of the Board

Strategic report

1. Highlights

£15m Group operating surplus delivered with a 22.6% operating margin

£0.8m in subsidiary company profits donated to the group plus £0.4m subsidiary contribution to overheads

83% overall tenant satisfaction with Raven (average over the year)

Customer Service Excellence accreditation retained in 2021, with higher performance in number of areas

Provided over 1,500 laptops to schools and families through Level Up, winning an award for the project

Obtained £1.8 m in additional benefits for customers and increased income for employment support customers by £147k

9 Developments that delivered 101 new properties

£21m invested in property repairs and improvements

81% of staff would recommend Raven as a great place to work

IiP Gold Standard accreditation retained in 2022

Raven is here to ‘Build Homes and Change Lives.

2. Who we are and what we do

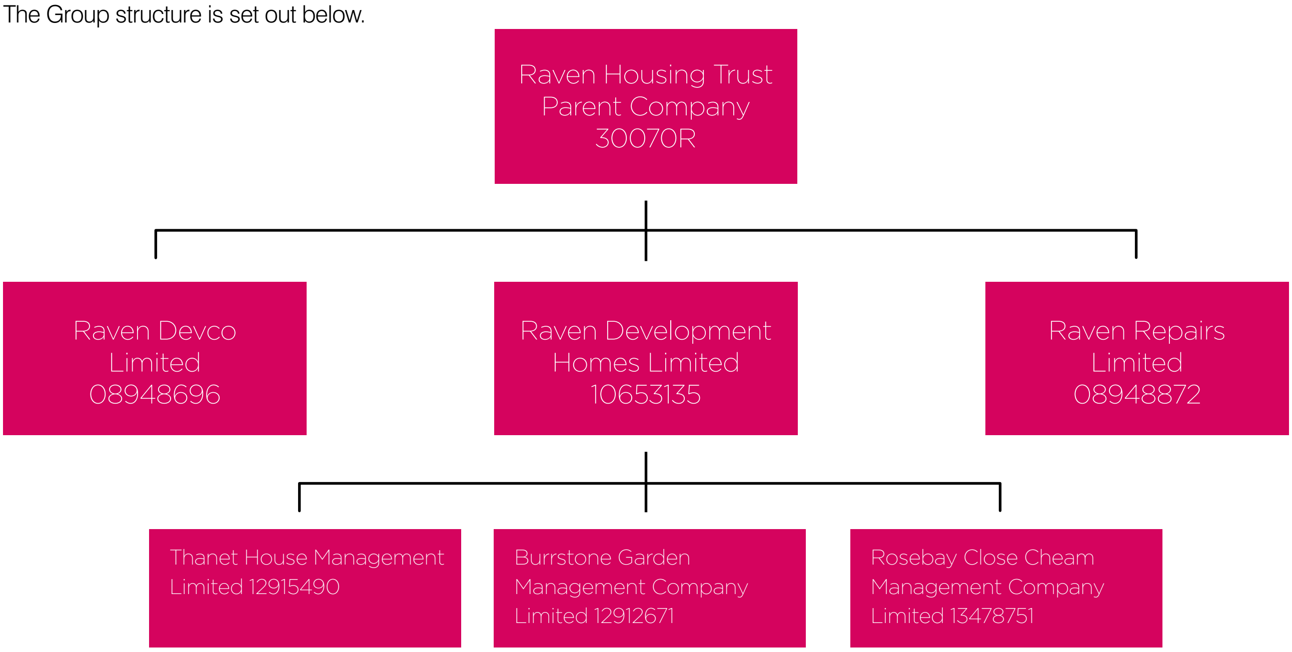
Raven's vision and mission is to 'Build Homes and Change Lives'.

Raven Group Structure

Raven Housing Trust ('the Association') is the parent company of the Group.

The Association has charitable status and is regulated by the Regulator of Social Housing and complies with the Regulatory Framework for social housing in England, and Regulatory Standards of Governance.

The Group structure is set out below.



Following the transfer of assets from East Grinstead Tenants Ltd (EGTL) to Raven Housing Trust in 2020/21 the company was formally put into liquidation on 15 December 2021.

In March 2021 the Group Board approved Raven Development Homes Limited to enter into a Joint Venture Limited Liability Partnership (LLP) with Reigate and Banstead Council (RBBC). The Members will "own" the LLP in equal shares (50:50). The LLP is being established to enable Raven and RBBC to work together to facilitate the delivery of new homes in the borough and Local Enterprise Partnership area. The new company is expected to be incorporated in the 2022/23 financial year.

Business Objectives

Raven Housing Trust is a social business, investing in homes and lives across Surrey and Sussex to create resilient communities.

Raven is here to ‘Build Homes and Change Lives.

Raven's Values

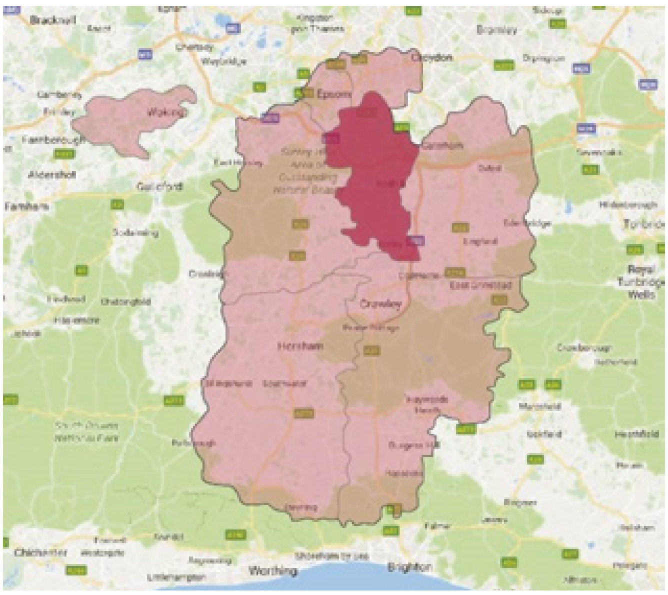
Trust	We earn trust by being open and accountable.
Understanding	We seek to truly understand others' needs before we act.
Collaborate to innovate	We collaborate with colleagues, customers and partners to develop innovative services.
Care	We come to work because we care about providing good quality, affordable homes and services to those that need them. We believe we can make tomorrow better than today.

Our Operating Area

We operate in South East England across the following Local Authority areas:

Local Authority	Number of Properties
Crawley Borough Council	223
Epsom and Ewell Borough Council	46
Horsham District Council	156
Lewes District Council	22
Mid Sussex District Council	562
Mole Valley District Council	41
Reigate and Banstead Borough Council	5,154
London Borough of Sutton	29
Tandridge District Council	96
Woking Borough Council	21
Total	6,350

Our operating area is outlined by the pink area in the map below:



There are circa. 1,600 registered social housing providers in the UK providing 2.4m homes.

3. Our World

There are circa. 1,600 registered social housing providers in the UK providing 2.4m homes.

The sector has continued to face challenging operating conditions during the last year, with on-going effects of the pandemic and a significant worsening of the economic outlook, resulting in greater service and financial risks.

The key long term issues for the sector to manage are high levels of housing demand/homelessness, meeting new building and fire safety requirements, consumer standards, ensuring quality of existing homes and meeting net zero carbon targets by 2050. Alongside this Housing Associations must manage the consequences of immediate economic issues (inflation, workforce and material shortages) and the impact of the high cost of living on residents.

The housing market continues to face acute supply problems despite some recovery in house building after the pandemic. There were 153,339 new home registrations in 2021, a 25% increase on 2020 driven by private sector registrations whilst new rental sector registrations were 8% lower.

But the property market maintained a strong rebound from the first national lockdown with UK house prices up by 10% in 2021, the fastest growth in 15 years. Our shared ownership and market sales values held up well in 2021/22.

Estimates on the level of homelessness in England are circa 300,000 (per Shelter and Crisis). Core homelessness, the most severe or immediate form of homelessness is estimated by Crisis at 200,000, this has reduced by 10% as a result of emergency measures during the pandemic but is expected to increase as measures end and economic conditions worsen. Homelessness in Crawley and Reigate & Banstead are in the top 70 of 300 local authority areas.

Building and fire safety legislation was passed in 2020 and regulations are being implemented with significant new requirements on landlords. The National Housing Federation estimates the sector will invest over £10bn to meet these requirements. Raven's business plan includes £9m investment over the next ten years. The funding of remedial works for private and shared ownership leaseholders has not been fully resolved and is expected to take many years to resolve.

The government has set energy standards relating to EPC C ratings for 2030, the phasing out of gas boilers and a target for net zero carbon by 2050. The Social Housing Decarbonisation Fund is £3.8 bn over 10 years; with £179m offered to 69 projects in Wave 1. Raven secured £0.6m of funding for 2022/23. The sector is still assessing the level of investment required but it will be significant and require innovation and collaboration across the sector. Raven has taken a sector-leading role and included plans to meet sustainability targets by 2045 in our latest Business Plan.

The final strand of national policy is consumer standards and protection including new requirements on providers to be more accountable and transparent. The Housing Ombudsman's new operating model promotes the benefits of complaints and raises awareness amongst residents. All Housing Associations expect complaints to increase. Delivery of Raven's new Customer Experience Strategy will ensure we can deliver these standards and more and address issues where complaints are raised.

The most immediate issue for the sector and our residents is the cost of living from a combination of energy prices, food inflation, tax increases, benefit reductions and interest rate increases. The level of arrears across the sector is expected to have increased by about a third to over 3% in 2021/22; our level of arrears is below average (2.74%) but has increased in line with national trend. This trend is likely to continue in 2022/23. Development and operating costs are increasing significantly for all Housing Associations. Our budget and business plans for 2022/23 include funding for these pressures and support for residents. Plans are subject to tougher stress tests and mitigation plans. A continuation of current conditions will likely impact on other investment choices.

Building Homes, Changing Lives: It's more than just a slogan; it's what we've always done.

4. Our Strategy

Building Homes, Changing Lives: It's more than just a slogan; it's what we've always done.

Raven's Strategic Plan 2019-24

In the face of turbulent times, Raven's purpose remains clear. Raven doesn't just build houses it builds homes, and in doing so provides the services and support that help change lives.

Everyone at Raven is proud of our purpose 'Building Homes, Changing Lives'.

We believe that having a good quality, affordable home makes a huge difference to people's lives and that creating social value is an important part of our work.

Our strategy – 'Making the Difference' – will seek to do this. It will work to identify what we can do that makes the most significant difference to people's lives and will develop ways to make that happen.

This strategy has been substantially refreshed in 2021 to take into account the huge shifts in our external environment (worldwide pandemic, UK exit from the EU, learnings from the Grenfell tragedy have informed Building Safety expectations, the carbon reduction imperative and Housing White Paper reforms).

The updated strategy includes our bold plans for a step change in investment in Raven's existing assets and a culture shift to new ways of working, and increased customer focus.

We know our vision to give our residents a louder voice, to innovate and to make the best use of new technology, will inspire others and we want them to come and work with us as part of our team or as a partner, so we can do more together than we can alone.

We are Raven and we are proud to put our residents at the heart of everything we do.

Raven's route for the future

Our vision has been developed to better reflect our ambition, a sharper focus on the outcomes our residents value, and the increased investment demanded by the health and safety and carbon reduction agendas.

Raven wants to excel at delivering easy-to-use, valued, and trusted services to our customers, alongside more high-quality, sustainable, and affordable homes in resilient communities.

We believe our investment in our Better Connected transformation programme, our homes, and our staff can stand us apart from other landlords.

The delivery of easy-to-use, valued, and trusted services to our customers has been at the centre of our Better Connected programme for the last two years and is rooted in what customers have told us is important to them.

Following two years of research and review, our plans have shifted significantly towards investment in our existing homes, reflecting not only what residents are asking for, but also the evolving regulatory demands of being a social housing landlord.

There is a housing crisis which demands more affordable homes. Provision of more homes is central to our purpose although we will no longer necessarily own the homes we build and/or manage.

Providing homes that are affordable is important to us because affordability is <u>the</u> most important thing to our residents.

We share our residents' desire to see their homes part of healthy and flourishing communities. As we emerge from the impact of the pandemic our immediate priority is to help build the resilience of those communities, supporting those that need it most to recover.

Building Homes, Changing Lives: It's more than just a slogan; it's what we've always done.

Strategic Outcomes

We have six strategic outcomes driven by our Vision. These are the outcomes we seek to deliver and what they mean to us:

To provide easy to use, valued and trusted services

We will put customers at the centre of what we do; their feedback and our own valuable data will inform our decisions and the design of our services. Our customer centric culture, supported by tailored customer communications, is accountable, open, and transparent. Our digital offer will be easy for customers to access services they value and trust, when it suits them; and our attention to individual needs will make sure no one is left behind.

To provide more homes

We will deliver additional affordable homes by working in partnership: developing joint ventures, managing for others, utilising commercial investment and establishing our own development consortium with a tight geographical focus. Our new home programme will meet the range of housing needs in our area. We will make the most of our expertise in helping prevent and address homelessness.

To ensure our homes are high quality, sustainable, and affordable

We will assess the long-term viability of each home to inform investment decisions. We will deliver improved energy and carbon performance of our homes, improving affordability and environmental sustainability. We will deliver more investment in line with resident priorities to improve the quality of our homes and ensure the safety of those who live in them.

To develop resilient communities

We will play our part in developing resilient communities as we emerge from the pandemic through partnerships, targeting community investment to support independence and resilience through employment support, digital inclusion, improving estates and reducing ASB. Where we are taking action to improve our homes, we will seize opportunities to improve the neighbourhoods of which they are a part. Wherever we work, and with our partners, we will support people to feel safe, secure and part of their community.

To improve value for money

We will deliver services that customers value in the most efficient way we can, continuously improving how we work to keep things simple for staff and customers. We will have a rigorous approach to procurement of goods and services, spending every £1 wisely and taking social value into account. We will invest to create value through commercial activity aligned to our expertise. We will be robust and transparent in our accountability for improving value for money.

To create better together

We are committed to creating a working environment where every person enjoys coming to work; each member of staff feels they are known as an individual, valued for who they are and empowered to do interesting work, driven by a commitment to deliver the best experience to Raven's customers. They can do this because they work in a supportive and trusting environment; they have flexibility and enjoy a good work life balance; they are given opportunities for personal development and receive good pay and recognition for a job well done.

How we measure our success

As an organisation with a social purpose our success is not measured through the bottom line alone, but by our impact on people's lives – not just that of our customers but their neighbours and the wider community. We will measure our impact and always seek to improve the value for money that we provide. Our headline measures of success are customer satisfaction, employee engagement and financial return on capital employed.

Raven has developed plans and implemented specific actions to deliver this strategy over the last year as set out in this Annual Report.

How we manage risks to our business

The Group Audit, Risk & Assurance Committee and Board regularly review strategic risks and use an assurance framework to ensure that risks are adequately managed. The main risks identified during the year and on-going relate to:

- economic downturn (inflation and supply issues) following on from pandemic, Brexit, energy prices and war in Ukraine, with potential risks for reductions in rent and sales income, housing market downturn, increase in operating and construction costs plus supplier failure or supply chain risks;
- impact of welfare reform, recession and cost of living on our residents, with the potential impact of increase in financial hardship and the level of arrears;
- data protection, cyber security, and health and safety compliance, with potential impact on the protection and well-being of residents and customers
- recruitment and retention across the organisation's workforce with current labour market, impacting the capacity and capability to deliver on all of the corporate plan priorities

5. Our Finances

Raven remains financially strong and retains a G1 V2 rating, following an In Depth Assessment (IDA) undertaken by the Regulator in 2021. This is the top rating for Governance and is compliant for Financial Viability. The V2 rating reflects a greater level of financial risk that needs to be managed in line with the Board's ambition to use financial capacity to maximise investment in customer services, existing properties and building new homes.

Group Financial Performance 2021/22

The financial performance for the year was strong across Raven Housing Trust and subsidiaries, with all entities delivering an outturn better than planned.

The overall Group operating surplus was £14.5m. This is slightly lower than achieved in the previous year for both the Group and Trust (£2m lower than 2020/21) but exceeded the plans approved by the Board.

	Raven Housing Trust £'m	Raven Development Homes Limited £'m	Raven Devco Limited £'m	Raven Repairs Limited £'m	Total £'m
Operating surplus	**14.04**	**0.77**	**(0.02)**	**(0.04)**	**14.50**
Operating Margin (%)	25.4%	8.2%	(11.2%)	(8.0%)	22.6%
Interest and Other	7.13	0.34	0.0	0.02	7.58
Total Surplus	**6.91**	**0.43**	**(0.02)**	**(0.06)**	**6.92**

Raven Housing Trust turnover grew in 2021/22 with rent, shared ownership sales and other disposals all increasing year on year. The surplus for the year significantly exceeded plans (by £2.9m).

Raven Housing Trust Financial Performance 2021/22

	2021/22			2020/21
	Actual £'m	Budget £'m	Variance £'m	Actual £'m
Turnover	55.3	54.8	+0.5	52.9
Cost of sales	5.8	4.6	-1.2	5.8
Operating costs	38.0	39.2	+1.2	32.4
Surplus on disposal of assets	2.6	1.1	+1.5	1.3
Operating surplus	**14.0**	**12.1**	**+1.9**	**16.0**
Operating margin (%)	25%	22%	+3%	30%
Interest and other adjustments	7.1	8.1	+1.0	6.9
Total surplus	**6.9**	**4.0**	**+2.9**	**9.1**

Sales Expenditure and Income 2021/22

	Raven Housing Trust £'m	Raven Development Homes Limited £'m	Total £'m
Shared Ownership Sales / Market Sales	7.5	9.4	16.9
Cost of Sales	5.8	8.4	14.2
Surplus on Sales	**1.7**	**1.0**	**2.7**
Budget Surplus on Sales	1.8	0.7	2.5
Variance	0.1	-0.3	-0.2

Liquidity and Borrowing

Raven Housing Trust completed a significant re-financing programme during the year with the re-negotiation of terms with existing bank lenders including new Revolving Credit Facilities (RCF) and a change in security valuation. We agreed amended terms for our existing private placement and secured a new private placement investment. At the 31 March 2022 the Lloyds Bank agreement had completed, and all other agreements were completed by 1 July 2022.

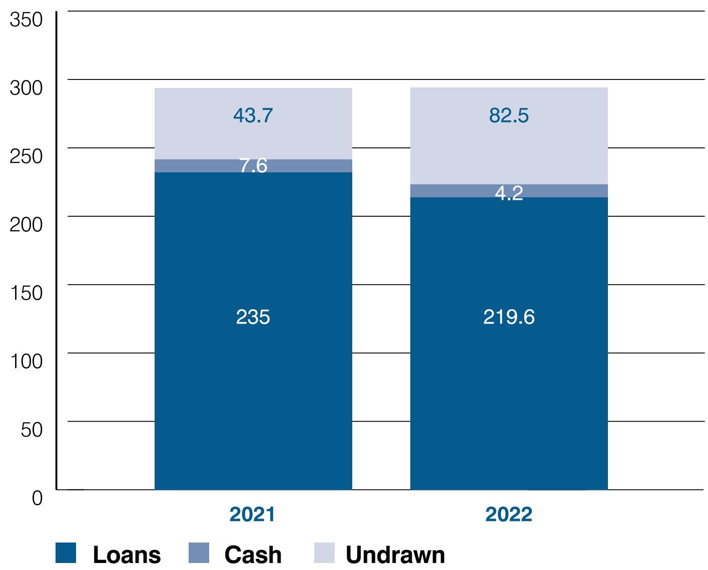
In summary

Lender	Facilities	Completed	Agreement
Lloyd's	New £50m RCF plus other loans totalling £96m	6 March	Amended terms and valuation basis
Barclays	New £25m RCF plus other loans totalling £35m	11 May	Amended terms and valuation basis.
Legal & General	Existing facility of £50m	4 July	Some updated terms (temporary)
Pension Insurance Corporation	New facilities of £130m (£75m/£25m/£30m over two years)	6 April	New Agreement

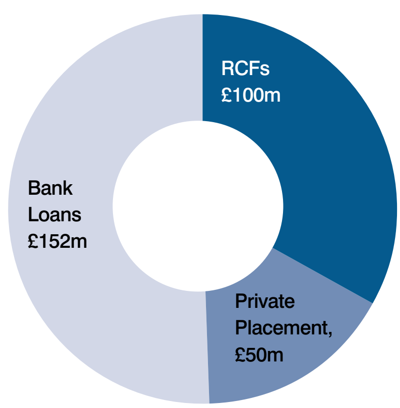
The change in valuation basis from social housing (EUS-SH) to market valuation (MV-T) increased the value of security against which we can borrow by over £300m and was used to secure the new private placement.

The completion of the Lloyds RCF in March increased facilities to £302m at 31 March 2022. The level of drawn funds and cash was lower than at 31 March 2021 due to strong sales performance plus delays in development programme.

Cash & Borrowing at 31 March 2021 & 2022 £'m



Borrowing Facilities at 31 March 2022 Total £302m



All of the key loan covenants with our lenders (income to cover debt interest, net borrowing per property and asset to borrowing ratio) were met during the year with significant headroom on each of them.

6. Our Customers

We are committed to delivering an excellent experience for our customers, increasing opportunities to engage with us through a wide variety of channels. We are listening to customers to understand their needs and priorities, improving communication and feedback to demonstrate how this is influencing decisions.

We have continued to improve complaint handling with a renewed focus on learning from complaints and delivering new expectations in the revised Housing Ombudsman Service Complaint Handling Code. We have continued to increase the reach of our Community Investment activities through additional funding for employment support, homelessness prevention and to mitigate the cost of living impact on customers.

We continued to respond to the Covid 19 pandemic through the Level Up digital inclusion project, ensuring over 1,500 customers and school children were not excluded as services moved online. We continued to expand digital transactions with customers, including an increase in online rent transactions, use of digital document signing, and innovative ways of providing support services.

Customer experience and engagement

Following the launch of a new Customer Experience Strategy and Engagement Framework in May 2021, we have increased the number of different opportunities for customers to get involved. We have seen engagement with email surveys increase from around 300 responses to over 800.

We have improved strategic customer engagement, developing two resident Board Member roles and creating a new Customer Voice Panel. The panel is focused on accountability and performance management, working with the Board to drive service improvements that benefit customers.

In September 2021, we launched a new Customer Charter, developed based on customer feedback about their highest priorities and setting out clear professional standards in the way we will work with customers. We have refreshed customer segments and personas taking into account new lettings. We continue to use this data to understand the needs, priorities, preferences and values of our customers through customer journey mapping.

Customer satisfaction

Overall customer satisfaction remained fairly steady other than a dip in March 2022 to 79%, which led to ending the year at 83%. Over the course of the year the average level of customer satisfaction with Raven was 84%, the same as in 2020/21.

Customer's perception that they receive value for money for rent remained steady at 83% in 2021/22. Our net promoter score reduced from 32 last year to 28 this year. The year to date figure was affected by a significant drop in January 2022 when we also saw a drop in satisfaction with repairs.

Following the change in focus in 2020/21, we have continued to develop a greater understanding of how customers feel about Raven, focusing on trusting us to do the right thing and whether our customers feel listened to. This has been a challenging year and perceptions have fluctuated between 71% and 81%, influenced by satisfaction with repairs and the rent increase. We ended the year with satisfaction for both measures reducing slightly compared with 2020/21.

Measure	2021/22	2020/21
Satisfaction that Raven listens to and acts on resident views	74%	78%
Trust Raven to do what is right	75%	78%

Tenancy Sustainability

As well as extending the Parashoot homelessness prevention service into Sussex during 2021 with new funding through Nationwide, we secured a longer term contract, protecting the future of this important service.

Following the outcomes of the Voice of the Customer research in 2019 and 'Spark Lab' innovation project we have focused on improving onboarding at the start of tenancy. We have extended a settling in service pilot and are reviewing the end to end customer experience of the moving process. We are improving processes and tracking the reduction in arrears where more practical support is provided at start of tenancy.

Supporting our customers

Lessons learned from the impact of the pandemic on customers has seen us continue support for some customers identified through initial welfare calls in 2020, primarily through the sheltered outreach service for older people.

We have retained a customer support fund (formerly hardship fund) and changed the criteria to ensure we can support customers with the increase in utility costs and cost of living. We have continued to offer flexibility and support where customers struggle with rent and debts, increasing referrals to Moneywise and obtaining over £1.8 million in benefits for customers. Evictions have significantly reduced, despite the Court system re-opening in 2021 as we have refocused our relationship with customers, ensuring we collect with care and consider the mental health impacts of worry about debt.

The Pathways to Employment scheme has been extended due to the success of the programme and we are delivering a new employment project in Sussex, extending our reach to support more new customers into employment and better paid work.

Regulatory standards and compliance

We continue to regularly review compliance with the Tenant Involvement and Empowerment Standard as well as delivery against the Housing Ombudsman Service (HOS) Complaint Handling Code. Our complaints process is renewed annually and we have added new good practice recommendations as well as delivering new expectations in the HOS code. We have amended our compensation policy in line with HOS recommendations, added dedicated resource to ensure consistent high standards of case management and increased accountability to customers by including Customer Voice Panel members in complaint appeal hearings. To date, we have not received any maladministration findings relating to any cases reviewed by the Housing Ombudsman Service.

Learning from complaints

As well as ensuring we comply with the Housing Ombudsman Service Complaint handling code, we have listened to customers and learned from complaints, demonstrating continuous improvement, and feeding back improvements to customers and Board members. Examples include improving feedback and communications so customers can clearly see where their feedback has influenced improvements, adding complaint management to the MyRaven customer portal so customers can log and track complaint cases 24/7, making it easy to contact us, easy to upload data and evidence and easy to track progress of their case.

Raven is here to ‘Build Homes and Change Lives.

7. Our Homes

We own and manage over 6,000 homes to meet a range of local housing needs.

Stock Type	At 31 March 2021	Change of Type	Additions	Disposals	At 31 March 2022
General Needs rented homes	5,233	(2)	65	(13)	5,283
Shared Ownership homes	469	0	36	(15)	490
Homes managed for other landlords	0	0	14	0	14
Temporary Accommodation	201	2	0	0	203
Sheltered Accommodation	360	0	0	0	360
Total	**6,263**	**0**	**115**	**(28)**	**6,350**

Development Programme

As England emerged from Covid restrictions our development programme continued despite supply chain and labour shortage issues. We experienced delays across the programme, but these were generally not significant due to where sites were in their programmes. We delivered 101 new homes, in line with our latest development strategy, approved in 2020, which aims to build over 900 new homes to March 2026.

We are committed to building high quality, sustainable homes in our target areas for development and started on site in Q4 with our first operationally net zero carbon development. We continue to focus on land-led delivery, acquiring sites under option during the year and focusing on investing in our existing assets. We have a small element of s106 delivery. We deliver homes across a range of tenures. We see the value in delivering in partnership, maximising our return on investment and maximising delivery. Through our land-led developments we are focused on place making and how we build; seeking net zero carbon wherever possible.

Our Existing Homes

We have developed a strategy to invest £9m over the next 9 years to deliver improvements to building safety across our homes, and health and safety compliance measures. A study has confirmed that there is no dangerous cladding at the Dome, our only high rise building. We have begun work on the building safety case for this building.

We remain concerned about the ongoing national uncertainty facing leaseholders in flats where there is external cladding while detailed government guidance is awaited. We are working to ensure as little disruption as possible to any planned sales, and where work is required to reduce health and safety risk, we are communicating regularly with those affected.

We continued work on our Healthy Homes programme which addresses mould and condensation in our homes through a combination of physical improvements, education/information to residents on how best to manage this in their home and the provision of sensor-based technology to alert residents of issues so they can take action. We identified over 800 homes with concerns and have completed work on nearly 600 of these since 2020. We will initiate ‘property MOT’ surveys, to review the condition of homes who have not asked for repairs for many years, to ensure we are not missing any potential issues. We will track ongoing success from a drop in numbers of damp, mould and condensation cases raised.

We consulted customers and identified proposals for a ‘hit list’ of improvements people would like to see to home standards. The items prioritised by our customers will be incorporated into our standards as part of our future business plan from 2022/23.

The lockdowns due to the pandemic did result in delays of some planned major works in 2020/21 and these were included as ‘catch-up’ works in 2021/22. This has resulted in us spending a grand total of £18.6m in 2021/22 in maintaining our homes, estates, trees and garages, including cleaning, compared to £16m in 2020/21.

7. Our Homes

Sustainability Strategy

As part of taking a sector lead role in tackling climate change our strategy was developed to address environmental sustainability and how Raven will meet the government's net zero carbon target by 2050. Importantly, this work will benefit our residents as their homes will be warmer, with more affordable energy bills. This will be a significant investment for Raven and delivery begins in earnest in 2022. Our current business plan includes investment of £25m for energy improvements in the next ten years. The investment approach to meet the 2050 target was approved by Board in March 2022 and they approved adopting The Sustainability Reporting Standard for Social Housing in April 2021.

Raven adopted our Sustainability Strategy in March 2021 committing us to ambitious environmental targets. The report below only details the environmental side of the work that we are doing on ESG, with social and governance aspects reported in the Value For Money and Governance sections of the main Annual Report.

In our Raven Sustainability Strategy we committed to tracking our performance using the Social Housing Sustainability Reporting Standard (SRS). Our progress against the standard's themes and core objectives is therefore reported below (numbered as per the standard).

Raven's ESG-linked financial framework has eligibility criteria and indicators that are also referenced below.

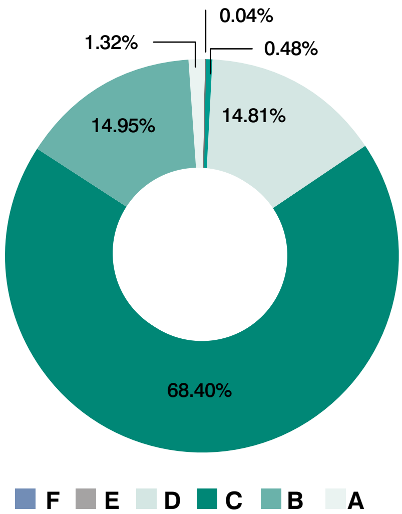
Indicator 1

- SRS Theme 6 – Climate Change, Core C14 C15 – EPC Ratings of Current and New Homes
- ESG-F Construction, acquisition or ongoing ownership of green buildings with EPC A or B

The pie chart below shows the deemed EPC ratings for all our homes. Raven has lodged EPC's for over 95% of our homes but the deemed scores extrapolates the predicted SAP across the remaining 5% and the deemed score also accounts for any energy efficiency works carried out to the property since the Energy Performance Certificates (EPC) were last lodged.

Raven has 891 (15%) properties that fall below EPC C. Work has begun to improve all of these properties to SAP C and above by 2030 and net zero across all our homes by 2050. This is an increase of 1% from the baseline in 2020.

Our Development Team have committed that all new build homes where feasible will be net zero carbon and will be SAP rated A. Raven have built 275 properties in the last 2 years. 257 (94%) of these have been built to a SAP B and above. The remaining 18 (6%) are all electric properties and currently SAP C which should achieve a SAP B under the new SAP 10 methodology coming in this summer.



F	2
E	28
D	861
C	3976
B	869
A	77

Indicator 2

- Core C16 – Greenhouse Gas Emissions

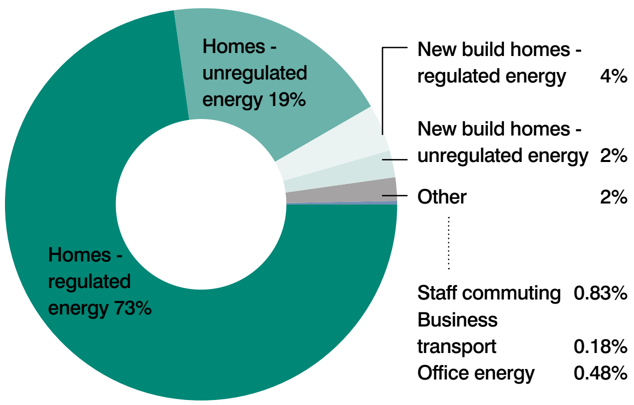
To establish Raven's carbon emissions, we used the Greenhouse Gas (GHG) reporting protocols. An overview of the approach is below

Scope 1 – GHG emissions resulting directly from Raven property – we used Raven's gas bills and fleet fuel purchases, together with standard conversion factors to evaluate scope 1 carbon emissions

Scope 2 - GHG emissions resulting from electricity directly purchased by Raven - we used Raven's electricity bills, together with standard conversion factors to evaluate scope 2 carbon emissions

Scope 3 – these are broadly all other emissions. The most important for this work is the housing stock where we used SAP data from the asset management database. We also calculated business travel from mileage claims and employee commuting emissions from staff survey conducted by Raven.

Using this methodology we calculated that Raven's baseline in scope carbon footprint as of 2019/20 is 12,538 tonnes CO2 per year, with the following breakdown. Raven will have an updated carbon figure by the end of 2022.



Indicator 3

- Core C17 – Energy Efficiency Actions
- ESG-F Retrofit or renovation of Raven's existing buildings to an EPC rating of A,B or C or 30% improvement in energy efficiency.
- Capacity of Renewable Energy Installations (kW)

Raven has Solar PV installed on our head office and on over 700 of our homes, with 2 more installs carried out in 2021. The Solar PV on each property is averaging over 2,000 kwh per year, generating 1.4 million kwh of electricity per year. In 2021 one of these installs was done alongside an air source heat pump and solar iboost, which diverted the free electricity to the immersion to provide free hot water. This was the first iboost Raven installed and Raven calculated the savings to be £150 per year. These works raised the property from a low SAP B to a high SAP B.

In 2020 Raven installed external wall insulation to 33 solid wall ground floor flats which had suffered from cold and damp. These works lifted 18 properties from a SAP D to a SAP C and the remaining 15 properties from a low SAP C to a high SAP C.

In 2021 Raven installed a ground source heat pump with Sunamp to 12 flats in Epsom, replacing old and inefficient storage heaters. This project was part of BEIS electrification of heat demonstrator so for the next 2 years Raven are providing data to BEIS on the performance of the new system. The works raised the SAP levels in all 12 properties from a low SAP C to a high SAP C.

Key actions planned for 2022-23

- Deliver an energy efficiency retrofit project funded under the government's Social Housing Decarbonisation Fund to improve a number of homes to above EPC C. The final number will depending on final measures and costs once design and costs are complete.
- Dispose of 12 homes that are poor EPC, difficult to maintain and/or not well configured/located for future social housing use.
- Construct 109 new homes at a target SAP of B or above.
- Re-procure the vehicle fleet, aiming for 50% electric or hybrid.

Raven is here to 'Build Homes and Change Lives.

8. Our People

The past year has been one of ongoing change and adjusting to new ways of working for Raven staff in terms of both where they work and also how they work due to the significant investment that Raven has made on improved technology to better support customers.

Like many organisations, flexible working is here to stay, and we have been working with our staff to ensure that our new ways of working from home, scheme sites and Raven House continue to work well for both customers and staff.

Raven has been leading the way in improving our digital systems for customers and staff with a new customer website and portal where customers have access to many of Raven's services online including raising and tracking their queries, repairs and ASB cases. Behind the scenes, Raven has automated many processes, improved the quality of data management and governance, invested in an improved finance system and is continuing to develop all of this technology to deliver the best customer experience possible. These changes require our staff to learn new ways of working and we are grateful to both our staff and customers for their hard work and patience as we adjust to these new systems.

We continue to work hard on developing our reputation as an attractive employer in the local area with a new career's website, regular promotion of vacancies on social media and by visiting local schools and colleges to help young people understand the exciting range of careers available at Raven.

In September 2021 we launched our updated Equality, Diversity and Inclusion (EDI) strategy to highlight our commitment to equality, diversity and inclusion in our workforce and for our customers. For staff this has included delivering training on topics such as Unconscious Bias in recruitment and we have achieved Disability Confident Level 1 (a confirmation of our commitment to supporting candidates with disabilities during the recruitment process). We are now working towards Disability Level 2 so that we attract staff to represent the communities we support.

For customers, Raven is working with a research partner to find out more about the real-life experiences of our customers with protected characteristics (such as gender, race and age). The research will enable us to have a much clearer understanding of the ways in which Raven policies, procedures and services may be positively or negatively impacting particular people. We will use the feedback to give us a baseline position and prioritise the actions and steps we can take to improve services where we need to.

The progress Raven has made in people and technology is summarised below:

People

- Hub Home Roam policy and procedure developed in consultation with staff to support flexible working
- Consultation on pension changes to reduce future financial risk
- Equality, Diversity and Inclusion strategy launched with quarterly web updates
- Disability Confident Level 1 achieved
- New career's website launched
- Training for staff delivered in sustainability, digital skills, customer service, diversity and inclusion
- Further development of Raven's culture and behaviour framework to focus staff and leadership development on the behaviours which will underpin Raven's future ways of working
- We maintained Investors in People Gold Accreditation

Technology

- New customer portal and customer support systems launched
- New customer website
- Improvements in telephony system
- New finance system
- Shortly launching repairs on the portal with improvements in how customers can book and track repairs for themselves and receive a follow up text to check satisfaction with the repair
- Compliance processes automated with improved reporting
- Cybersecurity improvements

There are many more technical advances we will see in the next 12 months which will lead to ever greater improvements in the customer experience.

Raven is here to 'Build Homes and Change Lives.

9. Delivering Value for Money

Raven reports on Value for Money (VfM) in line with the Regulatory standard, assessing our performance on a set of standard metrics against other housing associations plus our locally determined measures and targets.

Value for Money Strategy

The Group Board approved the VfM strategy in March 2020. The strategy reflects the complexity of delivering and measuring value against our strategic objectives.

The objectives that underpin the strategy are:

- we will be open and transparent regarding the value for money we provide;
- we aim to be sector median cost, across all our activities, except for community investment where we have chosen to maintain a higher on-going level of expenditure;
- we expect business as usual operating costs to remain at 2018/19 baseline levels, but total unit costs will be higher over the period of this strategy due to investment in customer satisfaction, process improvement and building safety requirements;
- we aim to be a high performing organisation as measured by customer satisfaction and staff engagement, maintaining these above the sector median;
- we will measure the cost of our carbon emissions and develop plans to reduce the level of emission generated by our activities; and
- where our cost or performance is worse than above, we will understand why, and if it is not reasonable, we will have a plan for improving it.

We can summarise our VfM priorities as follows:

- spending money on the things that are valued by our residents;
- improving customer satisfaction with activities valued by our residents;
- recognising the social value our investment returns;
- maximising the value of our assets;
- improving the efficiency of our processes;
- effective procurement;
- generating additional income; and
- reducing the level of carbon emissions generated by our activities.

Value for Money Metrics

We will monitor our VfM performance through the following metrics:

Financial Performance Measures	Organisational Performance Measures
• Sector Scorecard financial metrics, as set by the Regulator	• Sector Scorecard non-financial metrics, as set by the Regulator
• Return on Capital Employed as measured by • our definition of EBITDA-MRI • our definition of capital employed	• Social value of investment • Overall customer satisfaction • Net Promoter Score • Overall satisfaction with new home • Value for money for rent
• Margin on commercial investment, ensuring our investment decisions perform in line with Development and Commercial appraisal criteria	• Employee engagement • IiP Accreditation

Value for Money Performance

The actual performance against the Value for Money metrics is set out below.

Value for Money Metric	Raven Group Budget 21/22	Actual 21/22	Actual 20/21	Sector median 20/21	Peer Group median 20/21
Reinvestment %	8.3%	3.14%	4.54%	5.8%	7.4%
New Supply Delivered % – Social Housing	1.5%	1.60%	2.25%	1.30%	1.30%
New Supply Delivered % – Non-Social Housing	0.5%	0.00%	0.44%	0.00	0.00%
Gearing %	63.7%	62%	66%	44%	48%
Earnings before interest, tax, depreciation, and amortisation (EBITDA, Interest Cover) %	124%	146%	205%	183%	207%
Headline Social Housing Cost per Unit £'000 (Group)	5.64	5.56	4.31	3.73	3.55
Operating Margin % *	15%	19%	25%	24%	24%
Operating Margin, Social Housing Lettings %	26%	27%	36%	26%	27%
Return on Capital Employed %	2.4%	3.88%	4.49%	3.30%	3.97%

** operating margin; EBITDA and ROCE all calculated per Value for Money guidelines for comparative purposes but varies to local measures*

Value for Money – Our Finances

The overall financial performance for the year exceeded target for the Group and Trust with respect to operating surplus, margin and net surplus, as set out in section 5. The Group continues to generate cash from operating activities to support future investment. The level of undrawn loan facilities and cash at year end was £82.5m.

Re-Investment and Supply

Completions of new homes were slightly lower in 2021/22 due to current phasing of new schemes but is expected to increase next year. The pipeline is 401 units identified out of a planned 690 units in the business plan to 2025/26.

Gearing

A lower level of borrowing reduced our gearing in 2021/22 but we continue to be above median across the sector but more closely aligned to our peer group. This is due to the how Raven was created as a debt funded local authority transfer and will be the same for most of our peer group. Our business plan and corporate strategy set out how Raven can continue to raise finance for future development within our current gearing position.

Financial Operating Performance

We overachieved against our headline financial measures EBITDA and Return on Capital Employed. We use a local EBITDA measure excluding Shared Ownership sales and surplus from other disposals; so that it is a measure of underlying annual performance.

Local Financial Measures	Actual 2021/22 £'m	Target 2021/22 £'m
Raven EBITDA	11.4	9.3
Raven Return on Capital Employed	3.0%	2.4%

Our operating margins were higher and unit cost lower than planned in 2021/22 due to a combination of strong income performance and management of costs, with some asset programme slippage to future years.

Our unit costs are higher than sector and peer group benchmarks due to current investment in staffing, technology, asset improvement and building safety works in line with our corporate strategy. This investment will continue at current levels for the next financial year and is planned to reduce relative to benchmark medians in line with VfM Strategy target of performance at sector median benchmark by 2024/25. The increase in operating costs will have an impact on margins, EBITDA and Return on Capital Employed over this period.

The main driver of this is unit cost performance as set out below.

	Raven Group Actual 2020/21 £'000 per unit	Raven Group Actual 2020/21 £'000 per unit	Sector Median 2020/21 £ per unit *	Peer Group Median (Trust) 2020/21 £ per unit *
Management costs	0.89	0.82	1.02	0.98
Service charge costs	0.54	0.46	0.38	0.32
Maintenance costs	1.50	1.39	1.10	1.15
Major repairs costs	1.86	1.03	0.72	0.73
Other social housing	0.77	0.63	0.22	0.26
Headline social housing costs	5.56	4.33	3.44	3.44

* Note that the individual lines of the Sector and Peer Group medians do not add to the same as the total as they are based on medians of individual unit cost calculations which are not published.

	Budget 2022/23 £ per unit	Actual 2021/22 £ per unit	Budget 2021/22 £ per unit	Actual 2020/21 £ per unit
Headline social housing costs (RHT entity)	5.64	5.56	5.64	4.33

The actual headline unit cost for 2021/22 was below target but much higher than the previous year. A planned increase in the level of major repairs and maintenance as a result of the catch up from the 2020 lockdowns was the main reason for this.

We maintained a good financial operating performance with regards to income and lettings during the pandemic with only small movements on arrears and void times despite lockdown restrictions.

	Actual 2021/22	Actual 2020/21
Current tenant arrears (%)	2.7%	2.4%
Re-let times (days)	23.6	28.6
Void losses (%)	0.9%	1.1%
Rent collection (%)	99.6%	99.9%

Value for Money – Delivering Value to Our Customers and Communities

Our VfM Strategy sets out the importance of customer experience and listening to customers, taking their views into account. The level of satisfaction of our residents with the service we are providing and the positive impact we are having on our communities are important measures of the value we are delivering.

Customer satisfaction is a priority, and a number of different indicators are used to assess how our residents feel we are delivering housing and repair services to them. In May 2021 we agreed a new Customer Experience Strategy, alongside a new approach to customer engagement. We have already implemented a number of new engagement initiatives during the year with an increase in the number of customers responding to consultation. Despite a challenging year for customers and service delivery, Customer satisfaction remained close to levels to last year. This year, we will be amending reporting in line with the new consumer standard Tenant Satisfaction Measures.

Over the last year and next year significant investment is being made in technology and process changes to deliver a transformation in the way services are delivered to meet the future needs of all our customers.

KPI	Actual 2021/22	Actual 2020/21
Overall satisfaction (%)	83%	84%
Value for Money with rent satisfaction (%)	83%	84%
Repairs satisfaction (%)	77%	80%
Net Promoter Score	28	32
Overall satisfaction with home (%)	79%	77%
Satisfaction with neighbourhood (%)	84%	81%

Raven has a strong commitment to supporting and making a difference to the communities that we work within. This is reflected in our VfM strategy and demonstrated by the ring-fencing of community investment and higher unit costs for other social housing. During the pandemic we have invested more resources to support our most vulnerable residents and wider community, setting up a hardship fund, providing more financial advice plus, supporting food banks and access to food and medicines.

The annual value of social return (as measured by HACT) has increased over the last year.

Social Return on Investment	Actual 2021/22	Actual 2020/21
Value	£11.5m	£10.3m
Return for every £1 spent	1:18	1:11

Value for Money - Getting Better Value from our Assets

Raven is focused on understanding asset performance to enable informed investment decisions. Raven's position is that social return on assets is valued as well as the financial return in arriving at an overall return on assets.

Our properties are re-let when they become available, provided that the property remains fit for purpose and has positive asset financial performance and a social return which is within the tolerance levels agreed. We embrace the diversity and benefits brought about by maintaining mixed communities and therefore do not have a policy of selling properties in high value areas. We recognise that our housing assets are valuable and, in many cases, provide affordable homes in areas where many residents want to continue to live, but cannot afford to do so.

The return of capital employed (per sector defined metric) reduced in the last financial year but remains above sector median and in line with peer group benchmarks.

Asset performance for 2021/22 is summarised below:

Portfolio	Turnover £'m	Operating surplus £'m	Operating margin %	Net book value £'m	Operating return on assets %
Total social housing lettings	43.7	11.9	27%	351	3.4%
General needs social housing lettings	36.5	11.3	31%	280	4.0%
Sheltered housing	2.6	0.2	7%		
Shared ownership	3.0	0.2	7%	72	0.3%
Other	1.6	0.2	13%		

Value for Money – Performance against our Future Plans

The Business Plan is based on a set of assumptions on economic factors and the housing market. It includes investment plans for the next five years to deliver the corporate strategy and VfM Strategy with regards to customer satisfaction and engagement, investment in existing assets and efficiency targets and delivery of our Development Strategy.

Raven's Business Plan was updated March 2022 to reflect the re-financing activity completed plus for the first time the full value of estimated commitments to deliver our Sustainability Strategy and net zero carbon targets and associated regeneration of existing properties and sites by 2050. This follows on from nearly two years work in developing our Sustainability Strategy.

We are investing £9m in building safety over the next nine years and £26m in improving energy ratings by 2030 and a further £123m to deliver net zero carbon targets by 2050. It includes the regeneration schemes of existing sites. The Business Plan is assessed against Raven's Golden Rules. The key tests are:

- liquidity and financing (cash generated and facilities available to meet commitments);
- the level of income to cover financing interest (EBITDA-MRI or Interest Cover); and
- level of debt relative to the value of our assets (net debt per unit or asset cover).

These indicators demonstrate Raven's ability to meet future commitments (operating costs and development activity), meet its interest payment requirements from the projected surpluses and maintain debt levels in line with agreements with our lenders.

Mark Baker

Director of Finance and Governance

Report of the Board

1. Corporate governance

The Board exists to set out the strategic direction of Raven and to approve its plans and policies in order to achieve this. The details of the Board membership are set out in the section Board Members, Executives and Advisers. Meetings are held at least four times per year.

The Audit, Risk and Assurance Committee consists of four members and meets at least four times per year. The Committee provides scrutiny and assurance to the Board that the internal controls framework and risk management are appropriate and robust.

The People and Culture Committee meets at least twice a year and considers the reward and remuneration framework for the organisation, specifically for members of the Leadership Team and Board plus development and succession planning for the Board.

The Group Investment Committee has oversight responsibility for development, sales and commercial activities. The Committee is co-terminus with the three subsidiary boards. The Committee consists of four members plus the Directors of Raven Development Homes Limited, Raven Repairs Limited and Raven Devco Limited and meets at least four times a year.

The Association undertakes an annual assessment of compliance with the Governance and Financial Viability Standard. The Association considers it is fully compliant with the provisions of the standard.

Raven has adopted the National Housing Federation's Code of Governance (2020). The Board has undertaken a self-assessment against the Code and is compliant.

2. Executive management team

The executive officers of Raven, listed in the section Board Members, Executives and Advisers, hold no equity interest and act as executives within the authority delegated by the Board. They meet regularly to scrutinise performance and the development of policy and procedures, and manage the day to day running of the organisation.

The Chief Executive and Director of Finance and Governance are Group Board members and Directors of Raven Development Homes Limited, Raven Repairs Limited and Raven Devco Limited.

3. Employees

Raven is accredited with Investors in People gold status. The Association has established 'Connected' which consists of members of staff representatives from the various parts of the business. This group of 'Connectors' enable Raven to consult easily with all members of staff. This year we have focused on increasing the interactions between Connected Group and the Leadership Team.

4. Equality and diversity

Raven is committed to promoting equality, diversity and inclusion. The Equality, Diversity and Inclusion (EDI) Strategy was published in August 2021. The strategy sets the framework for how we will identify and priorities EDI actions, and how progress will be monitored and reported to the Board. The strategy supports compliance with the NHF Code of Governance.

5. Going concern

After making enquiries and reviewing the financial viability, liquidity, business plan and strategy, the Group's Board has a reasonable expectation that the Raven Housing Group has adequate resources to continue in operational existence for the foreseeable future.

The latest budget and business plan confirm that the Group is financially sound, with good liquidity, headroom across all covenants and all Golden Rules met. The scenario testing highlights where covenant and golden rule pinch points exist and low, medium and high value options have been developed as mitigation plans, if any of the scenarios look likely to materialise.

For this reason, the going concern basis continues to be adopted in the preparation of the Group's financial statements.

6. Disclosure of information to the auditors

Crowe UK LLP were appointed as external auditors in December 2021 after undergoing a competitive tender process.

At the date of making this report each of the Association's Directors, as set out in the section Board Members, Executives and Advisers, confirm the following:

- so far as the Directors are aware there is no relevant audit information of which the Association's auditor is unaware; and
- each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

7. Statement on systems of internal control

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal financial control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Raven's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls that are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed.

The Board received and approved the Internal Controls Assurance report from the Chief Executive at the September 2022 meeting which included a review of:

- Board and Audit, Risk and Assurance Committee overview;
- Management Assurance;
- Risk Management Framework;
- Internal and External Audit;
- The Regulatory Compliance; and
- Loan Covenant Compliance.

8. Fraud and impropriety

The Fraud and Bribery Policy sets out the Board's current strategy and policy on fraud covering prevention, detection and reporting of fraud, and the recovery of assets.

The Speaking Up policy sets out how Raven staff can speak out against any fraud or impropriety that they may encounter.

9. Conclusion

The Board has reviewed the effectiveness of the systems of internal controls, including a summary of the main policies, which the Board have established. These are designed to provide a summary of the process and key sources of evidence utilised by the Board in reviewing the effectiveness of the internal controls. They also provide confirmation that the Board has reviewed the fraud register, which has been reflected in the information contained within its review. Where problems have been identified, action has been taken to ensure the control environment meets this requirement.

No weaknesses were identified which would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

10. Statement of Board's financial responsibility

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

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

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

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

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the Group and 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 Group and 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 Group and 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.

On behalf of the Board.

Caroline Armitage
Chair of the Board

Date: Sep 28, 2022

Report of the Independent Auditors on the Financial Statements

Independent auditor's report to the members of Raven Housing Trust

Opinion on the financial statements

We have audited the financial statements of Raven Housing Trust Limited (the "Trust") and its subsidiaries (the "Group") for the year ended 31 March 2022 which comprise the consolidated and Trust Statement of Comprehensive Income, the consolidated and Trust Statement of Financial Position, the consolidated and Trust Statement of Changes in Reserves, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2022 and the Group and Trust's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Trust'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 is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the Board's responsibilities statement set out on page 32, 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 determines 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 is responsible for assessing the Group's and Trust'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 intends to liquidate the Group or Trust 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Trust's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP,
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

28th September 2022

Financial Statements

Consolidated and Trust Statement of Comprehensive Income for the year ended 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Turnover	5	64,145	64,775	55,309	52,889
Cost of sales	5	(14,305)	(16,399)	(5,837)	(5,838)
Operating costs	5	(37,916)	(32,407)	(38,002)	(32,372)
Surplus on disposal of fixed assets	5,13	2,568	1,282	2,568	1,282
Operating surplus	5,8	**14,492**	**17,251**	**14,038**	**15,961**
Interest receivable		2	6	444	953
Interest and financing costs	14	(8,422)	(8,197)	(8,422)	(8,197)
Loan amortisation		354	322	354	322
Change in fair value of investment properties	18	68	66	68	66
Surplus before taxation		6,494	9,448	6,482	9,105
Taxation	9	-	1,599	-	(5)
Surplus for the year	8	**6,494**	**11,047**	**6,482**	**9,100**
Actuarial gain/ (loss) in respect of pension schemes	30	426	(839)	426	(839)
Other Comprehensive Income		-	-	-	790
Total comprehensive income for the year		**6,920**	**10,208**	**6,908**	**9,051**

All amounts derive from continuing activities.

The accompanying notes form part of these financial statements.

Consolidated and Trust Statement of Financial Position as at 31 March 2022

Organisation Number 30070R

	Note	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Fixed assets					
Social housing properties	16	351,409	349,197	352,098	349,899
Other tangible fixed assets	17	6,180	3,526	6,180	3,526
Investment property	18	16,490	16,448	16,490	16,448
Investments - homebuy loans	19	287	419	287	419
Investments in subsidiaries	35	-	-	16	531
Goodwill	15	1,213	1,238	-	-
		375,579	370,828	375,071	370,823
Current assets					
Properties for sale	20	3,133	13,777	1,857	5,215
Stock		93	118	93	118
Debtors - receivable within one year	21	2,630	3,096	5,967	15,468
Cash and cash equivalents		3,972	7,614	2,876	4,069
		9,828	24,605	10,793	24,870
Creditors: amounts falling due within one year	22	(12,148)	(11,535)	(11,770)	(10,948)
Net current assets		**(2,320)**	**13,070**	**(977)**	**13,922**
Total assets less current liabilities		373,259	383,898	374,094	384,745
Creditors: amounts falling due after one year	23	(260,072)	(277,349)	(260,072)	(277,349)
Pension liability	30	(780)	(1,329)	(780)	(1,329)
Provision for other liabilities	29	(450)	(183)	(450)	(183)
Net assets		**111,957**	**105,037**	**112,792**	**105,884**
Capital and reserves	31	-	-	-	-
Called up share capital		-	-	-	-
Revaluation reserve		-	-	-	-
Income and expenditure reserve		111,957	105,037	112,792	105,884
Total Capital and reserves		**111,957**	**105,037**	**112,792**	**105,884**

The financial statements were approved by the Board of Management and authorised for issue on 1/09/22 and signed on their behalf by:

Caroline Armitage
Chair
Sep 28,2022

Mark Baker
Director
Sep 27, 2022

Dawn Kenson
Chair of Audit Committee
Sep 27, 2022

The accompanying notes form part of these financial statements.

Consolidated and Trust Statement of Changes in Reserves for the year ended 31 March 2022

Group

	Note	Income and expenditure reserve £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2021		105,037	-	105,037
Surplus for the year		6,494	-	6,494
Actuarial loss in respect of pension schemes	30	426	-	426
Revaluation surplus		-	-	-
Transfer from revaluation reserve		-	-	-
Balance at 31 March 2022		**111,957**	**-**	**111,957**
Balance at 1 April 2020		**94,206**	**-**	**94,206**
Surplus for the year		11,047	-	11,047
Actuarial gain in respect of pension schemes	30	(839)	-	(839)
Revaluation surplus		-	623	623
Transfer from revaluation reserve		623	(623)	-
Balance at 31 March 2021		**105,037**	**-**	**105,037**

Trust

	Note	Income and expenditure reserve £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2021		105,884	-	105,884
Surplus for the year		6,482	-	6,482
Actuarial loss in respect of pension schemes	30	426	-	426
Dividend in kind		-	-	-
Transfer to revaluation reserve		-	-	-
Balance at 31 March 2022		**112,792**	**-**	**112,792**
Balance at 1 April 2020		**96,833**	-	**96,833**
Surplus for the year		9,100	-	9,100
Actuarial gain in respect of pension schemes	30	(839)	-	(839)
Dividend in kind		790		790
Transfer to revaluation reserve		-		-
Balance at 31 March 2021		**105,884**	**-**	**105,884**

Consolidated Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Operating surplus for the financial year		**14,492**	**17,251**
Adjustments for:			
Depreciation of fixed assets - housing properties	16	4,763	4,544
Depreciation of fixed assets- other	17	224	233
Amortisation of goodwill	15	25	26
Impairment	16	-	-
Amortised grant	6,25	(436)	(463)
Adjustment for pension funding		(150)	(147)
Surplus on sale of fixed assets - housing	13	(2,568)	(1,282)
Movement in stock		10,686	7,041
Movement in trade and other debtors		466	1,108
Movement in trade creditors		(2,185)	(59)
Movement in provisions		267	183
Proceeds from sale of fixed assets		5,765	2,390
Cash from operations		**31,349**	**30,825**
Taxation paid		-	-
Net cash generated from operating activities		**31,349**	**30,825**
Cash flows from investing activities			
Acquisition of subsidiaries	35	-	-
Purchase of fixed assets - housing properties		(7,302)	(18,403)
Purchase of fixed assets - other		(2,877)	(425)
Receipt of grant		-	-
Interest received		2	6
Net cash used in investing activities		**(10,177)**	**(18,822)**
Cash flow from financing activities			
Cash obtained through acquisition	35	-	-
Bank loan drawn down		16,280	10,250
Repayment of borrowings		(31,979)	(16,590)
Interest paid		(8,657)	(9,179)
Loan arrangement fees paid		(459)	-
Net cash (used in) / generated from financial activities		**(24,815)**	**(15,519)**
Net (decrease)/ increase in cash and cash equivalents		(3,642)	(3,516)
Cash and cash equivalents at beginning of period		7,614	11,130
Cash and cash equivalents at end of the period		**3,972**	**7,614**

Reconciliation of Net Debt for the year ended 31 March 2022

Group	Note	1 April 2021 £'000	Cash flows £'000	Non-cash changes £'000	31 March 2022 £'000
Cash and cash equivalents					
Cash at bank and in hand		7,614	(3,642)	-	3,972
		7,614	**(3,642)**	**-**	**3,972**
Borrowings					
Loans due within 1 year	27	1,582	280	(118)	1,743
Loans due after more than 1 year	27	236,484	(15,978)	(430)	220,077
		238,066	**(15,698)**	**(548)**	**221,820**

Notes to the Financial Statements for the year ended 31 March 2022

1. Legal Status

The Association is registered in England with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 (No. 30070R) and the Regulator of Social Housing as a social housing provider (No. L4334). The Association is a public benefit entity.

Raven Housing Trust is the ultimate parent of the Group. The details of all entities within the Group are outlined in Note 35. All subsidiaries are limited companies incorporated in England and Wales under the Companies Act 2006.

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 Raven Housing Trust includes the Cooperative 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, "Accounting by registered social housing providers" 2018, and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent /subsidiary disclosure exemptions

In preparing the separate financial statements of the parent, advantage has been taken of the following disclosure exemptions available in FRS 102:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent would be identical;
- no cash flow statement has been presented for the parent; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Raven Housing Trust and its subsidiaries as if they formed a single entity ("the Group"). Intercompany transactions and balances between group companies are therefore eliminated in full. All financial statements are made up to 31 March 2022.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term borrowing facilities, with re-financing complete in 2022/23 which provide adequate resources to finance committed investment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service debt facilities whilst continuing to comply with lenders' covenants.

The Group has not suffered significant negative financial impact as a result of lockdowns in 2020/21 and 2021/22. However, the Group continues to consider in its business plan and forecasts the potential impact of economic downturn, inflation and impact on income and expenditure. The Board approved stricter golden rules for 2022/23 planning to ensure greater headroom in approved plans. Following stress testing of these plans the Group remains financially sound, with good liquidity, headroom across covenants and all Golden Rules met.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Turnover

Income is measured at the fair value of the consideration received or receivable. The group generates the following material income streams:

- **Rent:** rental income receivable (after deducting lost rent from void properties available for letting) is recognised in accordance with tenancy and lease agreement which is based on the tenure type.
- **First tranche shared ownership sales:** income from first tranche sales are recognised at the point of legal completion based on the proportion of equity sold of the property;

- **Service charges:** the Group agrees service charges to its tenants and leaseholders on an annual basis. Chargeable Expenditure is recognised when the service is provided. Income is recognised based on the estimated amounts charge with any element of that relating sinking fund recognised as a liability. Over recovery of charges relating to leaseholders is set against future expense.
- **Revenue grants** (the policy on our treatment of grants is explored in more detail later on);
- **Sale of land and property:** income from land and property sales are recognised at the point of legal completion of the sale;
- **Management fees:** management fees are recognised on a receivable basis as management services are provided;
- **Dividend income:** Dividend income is recognised when the right to receive payment is established; and
- **Other income:** other income is recognised as receivable on the delivery of services provided.

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

Schemes managed by agents

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

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

The Group 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 Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

Pension costs

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

The Group also participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). In accordance with the requirements of FRS 102, the costs are accounted for when committed, regardless of when the benefits are deliverable. The financial statements reflect, at fair value, the assets and liabilities arising from the Group's retirement obligations.

The related finance costs and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise. The attributable assets of the schemes are measured, at their fair value, at the statement of financial position date, and are shown net of attributable scheme liabilities.

Actuarial gains and losses arising from any new valuation, and from updating the latest actuarial valuation to reflect conditions at the statement of financial position date, are recognised in the Statement of Total Other Comprehensive Income for the year.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and is carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and accrued at the balance sheet date.

Qualifying charitable donations

Following the Triennial review of FRS 102 the Association recognise the gift aid as a distribution from the entity to its owners and as such is not accrued unless a legal obligation to make the payment exist at the reporting date.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed, and of equity instruments issued, plus the costs directly attributable to the business combination.

Goodwill is initially recognised as the excess of the cost of a business combination over the fair value of the group's interest in the assets, liabilities and contingent liabilities acquired. Goodwill shall be considered to have a finite useful life and shall be amortised on a systematic basis over its life. The goodwill recognised by the Group will be released into profit and loss over a period of 50 years starting from the first full year after acquisition. The Group will review the goodwill annually for impairment.

However, where the cost of the business combination is less than the fair value of the group's interest in the assets, liabilities and contingent liabilities acquired, negative goodwill arises. Negative goodwill is recognised on the Statement of Financial Position and is released to profit and loss, up to the fair value of non-monetary assets acquired, over the periods in which the non-monetary assets are recovered. Where the amount of negative goodwill is less than the fair value of net assets acquired, any excess over the fair value of non-monetary assets is recognised in the income statement over the period expected to benefit.

Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable).

The Group has taken the transition exemption to record certain property, plant and equipment at their fair value as deemed cost at the transition date. Management have based their estimate of fair value on an external market valuation as at 31 March 2014.

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period, directly attributable administration costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties. Directly attributable administration costs includes 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 housing properties 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 Property, Plant, Equipment (PPE) and held at cost less any impairment, and are transferred to completed properties when ready for letting. Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets in the Statement of Comprehensive Income.

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 with substantially different economic lives.

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 life on a straight line basis as follows:

Description	Economic useful life
Structure and other	100
Kitchen	30
Bathroom	40
Roofs	50
External doors	40
Boiler	12-15
Electrics	30
External windows	40
Lifts	30
Central heating	30
Photo Voltaic Panels	30
Lighting	15
CCU	30
Electric charging points	30

Any difference between the historical annual depreciation charge and the annual depreciation charge on assets carried at deemed cost is transferred to the revaluation reserve for the asset concerned until that reserve is depleted.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last reporting date in the pattern by which the Group expects to consume an asset's future economic benefit.

Shared ownership properties and staircasing

Under shared ownership arrangements, the Group disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The Buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Shared ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as 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 staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sales account in arriving at the surplus or deficit.

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

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.

Other tangible fixed assets

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group capitalise costs incurred as a result of staff spending time on capital projects, provided that time can be linked to bringing a specific, separately identifiable asset into working condition, or substantially enhancing the working life of an existing asset.

The Group 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 Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation of other tangible fixed assets

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

Description	Economic useful life
Freehold office buildings	100
Office furniture and equipment	4
Computer equipment and software	3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if 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.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. They are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income. Rental income from these properties is taken to revenue.

Investment properties held by Raven consist of:

- Raven House - a proportion of Raven House is let to commercial tenants and is shown as an investment property;
- shops;
- freeholds; and
- garages.

Mixed Use Properties

Properties held for more than one purpose are split between asset types. Where part of the property is for business own use it is held within Properties, Plant and Equipment and the part used for commercial purposes is classified as Investment Properties. Costs are allocated to the different areas of the building directly to the appropriate tenure where it is possible to specify which part of the property the expense relates to. Where it is not possible to relate costs to a specific area of the building, costs are allocated based on floor area.

Impairment of fixed assets

The housing property portfolio for the Group is assessed for indications of impairment at each balance sheet 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 Group 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.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Government grants

Government grants are held in creditors using the accrual model set out in FRS 102. Grant is recognised over the useful life of the asset and amortised to the income statement over a 60 year period for the shared ownership properties or 100 year period for the housing properties. The amount due to be amortised to the Statement of Comprehensive Income in the next year is held within creditors due within one year. The remaining balance is held within creditors due greater than one year.

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 in the Statement of Comprehensive Income.

Grants relating to revenue are recognised in income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group 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 balance sheet under 'creditors due after more than one year'. The remainder is disclosed under 'creditors due within one year'.

Disposal Proceeds Fund

Receipts from Right to Acquire (RTA) sales were required to be retained in a ring fenced fund that can only be used for providing replacement housing. Any sales receipts less eligible expenses held within disposal proceeds fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under 'creditors due after more than one year'. The remainder is disclosed under 'creditors due within one year'. Section 92 of the Housing and Planning Act has removed the obligation to account for proceeds from sale of a disposal which occurs after 6 April 2017.

Stock

Stock represents raw materials, work in progress and completed properties, including housing properties developed for transfer to other registered providers; properties developed for outright sale; and shared ownership properties. For shared ownership properties 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.

An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the Statement of Comprehensive Income.

On disposal, sales proceeds are included in turnover and the costs of sales, including costs incurred in the development of the properties, marketing and other incidental costs are included in operating expenses.

Homebuy

Raven received a grant representing 25% of the purchase price in order to provide a loan to the homebuyer. In the event of the sale of the property, the grant becomes repayable and Raven retains 25% of any surplus sale proceeds less sale costs. Grant received is shown in creditors. The loan by Raven represents a concessionary loan and is accounted for at transaction price and presented within investments in the Statement of Financial Position.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

Rent and service charge agreements

The Group 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 Group, 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 using the effective interest rate method, less any impairment losses. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

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

Cash and cash equivalents

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

Leased assets: Lessee

All 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.

Provision for liabilities

The Group would recognise provisions for liabilities of any uncertain timing or amounts.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made. A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

The revaluation reserve is created from surpluses on asset revaluation.

3. Judgements in applying accounting policies

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

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- A number of the Group's loan agreements contain clauses which entitle the borrower to compensation in the event that, on cancellation or redemption of a loan, the underlying derivative positions would return a benefit to the lender. In preparing these financial statements, management have judged that the requirements of FRS 102 are unclear as to whether these arrangements result in the affected loans being classified as 'basic' or 'other'. On the basis of this lack of clarity and because it is not the intention of the Group to redeem or actively trade in these borrowings for speculative purposes, management consider that the criteria for classification as basic instruments are met. These amounts are therefore carried at amortised cost. Should management determine that the alternative judgement becomes appropriate or additional clarity is offered by FRS 102 in future that indicates that the instruments are 'other' financial instruments, they would be required to be presented at their fair value in the financial statements with annual fair value movements reported through the Income and Expenditure account.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the Association 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 member'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.
- Where schemes are mixed tenure, costs are allocated based on area split. The allocation of under construction costs relating to shared ownership schemes between current and fixed assets is determined by looking at the predicted amount to be sold for development schemes within a year.
- Whether the surplus/(deficit) on disposal of housing properties is considered part of our operating activity and therefore the results should be presented within operating surplus. We consider the development and sale of both shared ownership properties, Right to Buy (RTB) and Right to Acquire (RTA) properties (including subsequent staircasing sales) to be part of our core operating activities and therefore appropriate to include within operating surplus.

- Property assets are classified between investment property and property, plant and equipment depending on the intended use of each property. In determining the intended use of each property the following are taken into consideration:
  - whether the asset is held for social benefit;
  - whether the property is operated at below a market rent for the wider benefit of the community;
  - whether Raven is subsidising the property and operating at a loss in order to continue providing a service; and
  - what the purpose for holding the asset is.

4. Key Sources of Estimation Uncertainty

In preparing these financial statements, the key sources of estimation uncertainty are:

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, factors such as current use and market are 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. Investment properties are professionally valued annually using a yield methodology. 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 (see note 16 and 17).

In the year ended 31 March 2021, the properties owned by EGTL were transferred to Raven Housing Trust using the most recently available professional valuation from the Group's professional valuation advisers. The distribution of the assets has been treated as a dividend in kind within the financial statements.

Housing property allocation

Where schemes are mixed tenure, cost are allocated based on area split. The allocation of under construction costs relating to shared ownership schemes between current and fixed assets is determined by looking at the predicted amount to be sold for development schemes within a year (see note 16).

Investment property

Investment properties are professionally valued annually.

Assumptions used by experts for valuing investment properties were as follows:

Garages:	discount rate – 7.75%; the average cost per annum - £170;
Leaseholders:	the ground rent capitalisation - 7%;
Commercial properties:	blended yield across all of the commercial investments – c. 7.50%

Housing property and stock recognition of land

Allocation of land costs for mixed tenure developments. Management estimates the proportion of the land cost to allocate to different tenure types for mixed developments based upon actual data, where available, otherwise this is based upon management's estimate of the respective site values.

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 based on age and where practical, on an individual debtor basis to consider whether each debt is recoverable (see note 21).

Measurements for financial instruments

Where FRS 102 requires a variable rate loan to be re-measured, for factors other than change in LIBOR, judgement is required as to the most appropriate method, either re-measurement by changing the effective interest rate or re-measuring the new cash flows at the old effective interest rate. In making their assessment management considers the nature of the changes made that led to the requirement to re-measure. Where these changes predominantly relate to changes in finance costs then the loan is re-measured using the new effective interest rate and the impact of re-measurement spread over the remaining life of the financial instrument. Where the changes predominantly related to the principal amounts the loan is re-measured using the old effective interest rate resulting in a change to the carrying value of the loan (see note 28).

Defined benefit and multi-employer pension schemes

Estimations in relation to financial and actuarial assumptions are based upon best estimates derived from the Group's policies and practices and confirmed with actuaries where these are beyond management expertise. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses. Estimation is also required in respect of the appropriate discount rate for the social housing pension scheme liability. This estimate is calculated by a professionally qualified valuer and primarily derived from externally published market data. The sensitivity analysis has been performed over the estimate (see note 30).

5. Particulars of turnover, cost of sales and operating surplus

Group	Turnover 2022 £'000	Cost of sale 2022 £'000	Operating costs 2022 £'000	Operating surplus/ (deficit) 2022 £'000	Turnover 2021 £'000	Cost of sale 2021 £'000	Operating costs 2021 £'000	Operating surplus/ (deficit) 2021 £'000
Social housing lettings (note 6)								
Social housing lettings	43,695	-	(31,792)	11,903	42,424	-	(27,061)	15,363
	43,695	**-**	**(31,792)**	**11,903**	**42,424**	**-**	**(27,061)**	**15,363**
Other social housing activities								
First tranche low cost home ownership sales	7,545	(5,360)	-	2,185	7,177	(5,465)	(1)	1,711
Development activities	(38)	(118)	(1,450)	(1,606)	2	-	(1,256)	(1,254)
Community investment	149	-	(1,317)	(1,168)	130	-	(1,207)	(1,077)
Floating support	203	-	(882)	(679)	171	-	(408)	(237)
Other	350	-	-	350	428	-	-	428
	8,209	**(5,478)**	**(3,649)**	**(918)**	**7,908**	**(5,465)**	**(2,872)**	**(429)**
Activities other than social housing								
Leasehold	856	-	(858)	(2)	868	-	(783)	85
Garages	1,196	-	(688)	508	1,295	-	(904)	391
Shops	67	-	(5)	62	48	-	(8)	40
Raven House lettings	295	-	(298)	(3)	327	-	(222)	105
Market sale properties	9,577	(8,447)	(146)	984	11,861	(10,894)	(142)	825
Other-repairs	250	(380)	(480)	(610)	44	(40)	(415)	(411)
	12,241	**(8,827)**	**(2,475)**	**939**	**14,443**	**(10,934)**	**(2,474)**	**1,035**
Surplus on disposal of fixed assets	-	-	2,568	2,568	-	-	1,282	1,282
Total	**64,145**	**(14,305)**	**(35,348)**	**14,492**	**64,775**	**(16,399)**	**(31,125)**	**17,251**

Trust	Turnover 2022 £'000	Cost of sale 2022 £'000	Operating costs 2022 £'000	Operating surplus/ (deficit) 2022 £'000	Turnover 2021 £'000	Cost of sale 2021 £'000	Operating costs 2021 £'000	Operating surplus/ (deficit) 2021 £'000
Social housing lettings (note 6)								
Social housing lettings	43,720	-	(31,715)	12,005	41,864	-	(26,813)	15,051
	43,720	**-**	**(31,715)**	**12,005**	**41,864**	**-**	**(26,813)**	**15,051**
Other social housing activities								
First tranche low cost home ownership sales	7,545	(5,837)	-	1,708	7,177	(5,838)	(1)	1,338
Development activities	238	-	(1,521)	(1,283)	123	-	(1,414)	(1,291)
Community investment	149	-	(1,317)	(1,168)	130	-	(1,202)	(1,072)
Floating support	203	-	(882)	(679)	171	-	(406)	(235)
Other	292	-	-	292	554	-	(135)	419
	8,427	**(5,837)**	**(3,720)**	**(1,130)**	**8,155**	**(5,838)**	**(3,158)**	**(841)**
Activities other than social housing								
Leasehold	856	-	(858)	(2)	868	-	(781)	87
Garages	1,197	-	(687)	510	1,295	-	(902)	393
Shops	67	-	(5)	62	48	-	(7)	41
Raven House lettings	295	-	(298)	(3)	327	-	(222)	105
Market sale properties	603	-	(279)	324	257	-	(257)	-
Other-repairs	144	-	(440)	(296)	75	-	(232)	(157)
	3,162	**-**	**(2,567)**	**595**	**2,870**	**-**	**(2,401)**	**469**
Surplus on disposal of fixed assets	-	-	2,568	2,568	-	-	1,282	1,282
Total	**55,309**	**(5,837)**	**(35,434)**	**14,038**	**52,889**	**(5,838)**	**(31,090)**	**15,961**

6. Income and Expenditure from social housing lettings - Group and Trust

Group	General Needs 2022 £'000	Supported Housing 2022 £'000	Shared Ownership 2022 £'000	Other[1] 2022 £'000	Total 2022 £'000	Total 2021 £'000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	34,719	2,103	2,578	1,336	40,736	39,571
Service income	1,345	484	374	292	2,495	2,390
Amortised Government Grants	387	25	36	16	464	463
Turnover from social housing lettings	**36,451**	**2,612**	**2,988**	**1,644**	**43,695**	**42,424**
Expenditure on social housing lettings						
Management costs	4,368	390	623	365	5,746	4,904
Service charge costs	1,454	773	826	363	3,416	2,878
Routine maintenance	6,514	420	605	249	7,788	7,025
Planned maintenance	1,364	88	127	52	1,631	1,665
Major repairs expenditure	5,629	363	523	215	6,730	4,570
Bad debts	564	36	(3)	30	627	479
Amounts written off on replacement/demolition	317	20	29	12	378	146
Depreciation of housing properties	4,319	278	-	165	4,762	4,544
Other	596	53	46	19	714	850
Operating costs on social housing lettings	**25,125**	**2,421**	**2,776**	**1,470**	**31,792**	**27,061**
Operating surplus on social housing lettings	**11,326**	**191**	**212**	**174**	**11,903**	**15,363**
Void losses	**199**	**41**	**-**	**109**	**349**	**401**

Note 1 – Other includes keyworker and temporary accommodation.

Trust	General Needs 2022 £'000	Supported Housing 2022 £'000	Shared Ownership 2022 £'000	Other[1] 2022 £'000	Total 2022 £'000	Total 2021 £'000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	34,719	2,103	2,578	1,337	40,737	39,011
Service income	1,345	484	374	291	2,494	2,390
Amortised Government Grants	408	26	38	17	489	463
Turnover from social housing lettings	**36,472**	**2,613**	**2,990**	**1,645**	**43,720**	**41,864**
Expenditure on social housing lettings						
Management costs	4,227	381	610	359	5,577	4,993
Service charge costs	1,454	773	826	363	3,416	2,868
Routine maintenance	6,514	420	605	249	7,788	6,966
Planned maintenance	1,364	88	127	52	1,631	1,662
Major repairs expenditure	5,707	368	530	218	6,823	4,566
Bad debts	564	36	(3)	30	627	486
Amounts written off on replacement/demolition	317	20	29	12	378	146
Depreciation of housing properties	4,319	278	-	165	4,762	4,448
Other	595	53	46	19	713	680
Operating costs on social housing lettings	**25,061**	**2,417**	**2,770**	**1,467**	**31,715**	**26,815**
Operating surplus on social housing lettings	**11,411**	**196**	**220**	**178**	**12,005**	**15,049**
Void losses	**199**	**41**	**-**	**109**	**349**	**401**

Note 1 - Other includes keyworker, temporary accommodation and shared ownership.

7. Units of housing stock

Group

	2022 At start of the period	2022 Developed or newly built units acquired	2022 Units sold / demolished	2022 Other movements	2022 Period end	2021 At start of the period	2021 Developed or newly built units acquired	2021 Units sold / demolished	2021 Other movements	2021 Period end
Social rent general needs	4,095	0	(13)	(10)	4,072	4,094	9	(5)	(3)	4,095
Affordable rent general needs	1,138	73	-	8	1,219	1,058	82	(1)	(1)	1,138
Social rent supported housing and housing for older people	342	-	-	-	342	342	-	-	-	342
Affordable rent supported housing and housing for older people	18	-	-	-	18	18	-	-	-	18
Shared ownership	469	42	(15)	-	496	425	49	(5)	-	469
Other social housing	201	-	-	2	203	197	-	-	4	201
Total social housing units owned and / or managed	**6,263**	**115**	**(28)**	**-**	**6,350**	**6,134**	**140**	**(11)**	**-**	**6,263**
Social housing units managed but not owned	-	14	-	-	14	-	-	-	-	-
Social housing units owned but not managed	54	-	-	-	54	54	-	-	-	54
Total owned and managed accommodation	**6,263**	**115**	**(28)**	**-**	**6,350**	**6,134**	**140**	**(11)**	**-**	**6,263**
Total leasehold units	**854**	**4**	**-**	**-**	**858**	**838**	**6**	**-**	**-**	**854**
Outright sale units	1	-	(1)	-	-	1	29	(29)	-	1
Total units owned and / or managed	**7,118**	**119**	**(29)**	**-**	**7,208**	**6,973**	**175**	**(40)**	**-**	**7,118**

Trust	2022 At start of the period	2022 Developed or newly built units acquired	2022 Units sold / demolished	2022 Other movements	2022 Period end	2021 At start of the period	2021 Developed or newly built units acquired	2021 Units sold / demolished	2021 Other movements	2021 Period end
Social rent general needs	4,095	0	(13)	(10)	4,072	4,094	9	(5)	(3)	4,095
Affordable rent general needs	1,138	65	-	8	1,211	1,058	82	(1)	(1)	1,138
Social rent supported housing and housing for older people	342	-	-	-	342	342	-	-	-	342
Affordable rent supported housing and housing for older people	18	-	-	-	18	18	-	-	-	18
Shared ownership	469	42	(15)	-	496	425	49	(5)	-	469
Other social housing	201	-	-	2	203	197	-	-	4	201
Total social housing units owned and / or managed	**6,263**	**107**	**(28)**	**-**	**6,342**	**6,134**	**140**	**(11)**	**-**	**6,263**
Social housing units managed but not owned	-	14	-	-	14	70	-	-	(70)	0
Social housing units owned but not managed	54	-	-	-	54	54	-	-	-	54
Total owned and managed accommodation	**6,263**	**107**	**(28)**	**-**	**6,342**	**6,134**	**140**	**(11)**	**-**	**6,263**
Total leasehold units	**854**	**4**	**-**	**-**	**858**	**848**	**6**	**-**	**-**	**854**
Outright sale units	-	-	-	-	-	-	-	-	-	-
Total units owned and / or managed	**7,117**	**111**	**(28)**	**-**	**7,200**	**6,982**	**146**	**(11)**	**-**	**7,117**

During 2020/21 the 70 properties owned by East Grinstead Tenants Limited, a subsidiary of Raven Housing Trust, were transferred as a dividend in specie to Raven Housing Trust.

8. Surplus for the year

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
This is arrived after charging:				
Depreciation of housing properties	4,762	4,544	4,763	4,448
Depreciation of other fixed assets	224	233	224	233
External auditors' remuneration (excluding VAT):				
- fees for audit of accounts	55	54	55	37
- fees for other assurance services	12	12	12	12
Operating lease rentals: other	518	768	518	768

9. Tax on surplus on ordinary activities

The charitable status of Raven Housing Trust means that no corporation tax is payable on their charitable activities.

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Corporation tax				
UK Corporation tax on income for the year	1	88	(1)	(6)
Deferred tax provision	(1)	(1,687)	1	1
	-	(1,599)	-	(5)
Factors affecting the tax charge/(credit) for the current period				
Surplus on ordinary activities before tax	6,494	9,448	6,482	9,105
Current tax at 19% (2021: 19%)	1,234	1,795	1,232	1,730
Effects of:				
Charitable surpluses not subject to tax	(1,157)	(1,555)	(1,218)	(1,714)
Qualifying charitable donations	(80)	(152)	-	-
Utilisation of tax losses	-	(84)	-	-
Adjustment to tax charge in respect of previous periods	-	-	-	-
Tax losses not relieved	3	1	-	-
Tax losses carried forward	2	-	-	-
Fixed asset differences	(1)	2	(1)	-
Group relief surrendered / (claimed)	-	-	(14)	(18)
Group relief claimed- brought forward losses	-	(3)	-	(3)
Deferred tax	(1)	(1,603)	1	-
Total tax (credit)/charge	**-**	**(1,599)**	**-**	**(5)**

Tax is payable on the profits from the activities of the Group's other non-charitable subsidiary companies.

The deferred tax released in the year of £1,603k relates to £1,687k which was initially recognised upon the acquisition of East Grinstead Tenants Limited then released in 2020/21 upon transfer of the properties to Raven Housing Trust (see Note 22 for further details) and the utilisation of £84k of prior year tax losses in Raven Development Homes Limited.

10. Employees information

Group and Trust

The total remuneration (including Executive Management Team) paid was:	**2022 £'000**	**2021 £'000**
Wages and salaries	10,375	9,699
Social security costs	1,078	1,023
Cost of defined contribution scheme	794	701
	12,247	**11,423**

Group and Trust

The average number of full time equivalent employees was: ***(calculated based on standard working week of 36 hours)***	**2022 No.**	**2021 No.**
Central services	66	55
Customer service	23	21
Development	13	15
Housing operations	170	166
Other	18	17
	290	**274**

The Group participates in the Social Housing Pension Scheme (SHPS). Further information on the scheme is given in note 30.

Government grants relating to furloughed staff were received of £6k (2021: £170k).

11. Directors' and senior executives' remuneration

The key management personnel are defined as the members of the Board of Management, the Chief Executive and the Executive Management Team. The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply.

Group and Trust	**2022 £'000**	**2021 £'000**
Emoluments (including pension contribution and benefit in kind) paid to directors	931	823
Emoluments (excluding pension contribution) paid to highest paid director	163	150

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

Group and Trust	**2022 No**	**2021 No**
£60,000 - £69,999	13	9
£70,000 - £79,999	2	4
£80,000 - £89,999	1	1
£90,000 - £99,999	2	2
£100,000 - £109,999	1	1
£110,000 - £119,999	1	2
£120,000 - £129,999	1	1
£130,000 - £139,999	1	-
£140,000 - £149,999	-	-
£150,000 - £159,999	1	1
	23	**21**

12. Board members

During the year, Board members received emoluments totalling £77k (2021: £81k).

Group and Trust	2022 £'000	2021 £'000
Andrew Rinaldi	3	-
Bryan Ingleby	5	5
Caroline Armitage	17	17
David Gannicott	7	7
Dawn Edith Kenson	10	9
Greg Hyatt	-	4
Heather Bowman	5	5
Hena Ali	1	-
Henrietta Irving	3	7
John Amans	5	5
Kush Rawal *	3	2
Nicholas Meinertzhagen	2	5
Patrick Bradley *	3	3
Paul Edwards	5	5
Philip Andrew	7	7
Robert Kingsmill	3	-
Sophie Fuller	1	-
	80	**81**

Chief Executive, Director of Finance and Governance and Director of Development do not receive remuneration in relation to Board members duties.

* Co-Optee

13. Surplus on disposal of fixed assets

Group and Trust	2022 £'000	2021 £'000
Proceeds from disposal of properties - Right to Buy	3,126	1,169
Cost of sales (including selling costs)	(2,315)	(1,133)
Transfer to recycled capital grant fund	-	-
Surplus on Right to Buy sales	**811**	**36**
Proceeds from disposal of properties - Right to Acquire	1,568	689
Cost of sales (including selling costs)	(921)	(80)
Transfer to recycled capital grant fund	(50)	-
Grant abated	-	-
Surplus on Right to Acquire sales	**597**	**609**
Income from staircasing	3,453	1,367
Cost of sales (including selling costs)	(1,920)	(843)
Transfer to recycled capital grant fund	(232)	(12)
Grant abated	-	18
Surplus on other sales	**1,301**	**530**
Income from other assets sales	279	120
Cost of sales (including selling costs)	(420)	(13)
Surplus on other sales	**(141)**	**107**
Total gain on disposal of fixed assets	**2,568**	**1,282**

14. Interest payable and similar charges

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Bank loans and overdrafts	8,581	8,834	8,581	8,834
Recycled capital grant	-	-	-	-
Disposal Proceed Fund	-	-	-	-
Other interest payable	41	25	41	25
Net interest on pension defined benefit liability	**27**	**13**	**27**	**13**
	8,649	8,872	8,649	8,872
Interest capitalised on construction of housing properties	(227)	(675)	(227)	(675)
	8,422	**8,197**	**8,422**	**8,197**

Interest capitalised in housing properties during 2022 was £1,213k (2021: £675k), interest charged to properties held for sale during 2022: £17k (2021: £93k).

15. Goodwill on consolidation

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
As at 1 April	1,238	1,264	-	-
Additions arising from new business combinations	-	-	-	-
Amounts released into profit or loss	(25)	(26)	-	-
As at 31 March	**1,213**	1,238	**-**	**-**

Goodwill arose on the acquisition of East Grinstead Tenants Limited on 17 December 2019. The expected useful life of goodwill is 50 years.

16. Tangible fixed assets - Housing properties

Group	General needs completed £'000	General needs under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total £'000
Cost					
At 1 April 2021	318,935	7,809	65,676	8,408	400,828
Additions					
- construction costs	-	4,265	-	4,535	8,800
- replaced components	3,853	-	-	-	3,853
- transfer from subsidiary	-	-	-	-	-
- transfer between tenure		1,204	-	(1,204)	-
- assets held for sale		-	-	(2,505)	(2,505)
Completed schemes	11,165	(11,165)	6,280	(6,280)	-
Disposals					
- property disposals	(496)	-	-	-	(496)
- replaced components	(980)	-	-	-	(980)
- demolition	(523)	-	-	-	(523)
- staircasing sales	-	-	(2,133)	-	(2,133)
At 31 March 2022	**331,954**	**2,113**	**69,823**	**2,954**	**406,844**
Depreciation					
At 1 April 2021	(50,919)	-	(521)	-	(51,440)
Charge for the year	(4,762)	-	-	-	(4,762)
Disposals					
- property disposals	139	-	-	-	139
- replaced components	601	-	-	-	601
- demolition	180		-		180
- staircasing sales	-	-	38	-	38
At 31 March 2022	**(54,761)**	**-**	**(483)**	**-**	**(55,244)**
Impairment					
At 1 April 2021	(191)	-	-	-	(191)
Charge for the year	-	-	-	-	-
At 31 March 2022	**(191)**	**-**	**-**	**-**	**(191)**
Net book value:					
At 31 March 2022	277,002	2,113	69,340	2,954	351,409
At 31 March 2021	267,825	7,809	65,155	8,408	349,197

Trust	**General needs completed £'000**	**General needs under construction £'000**	**Shared ownership completed £'000**	**Shared ownership under construction £'000**	**Total £'000**
Cost					
At 1 April 2021	319,710	7,788	65,530	8,407	401,435
Additions					
- construction costs	-	4,251	-	4,545	8,796
- replaced components	3,853	-	-	-	3,853
- transfer from subsidiary	-	-	-	-	-
- transfer between tenure	-	1,204	-	(1,204)	-
- assets held for sale			-	(2,512)	(2,512)
Completed schemes	11,148	(11,148)	6,279	(6,279)	-
Disposals					
- property disposals	(496)	-	-	-	(496)
- replaced components	(981)	-	-	-	(981)
- demolition	(523)	-	-	-	(523)
- staircasing sales	-	-	(2,133)	-	(2,133)
At 31 March 2022	**332,711**	**2,095**	**69,676**	**2,957**	**407,439**
Depreciation					
At 1 April 2021	(50,824)	-	(521)	-	(51,345)
Charge for the year	(4,763)	-	-	-	(4,763)
Disposals					
- property disposals	139	-	-	-	139
- replaced components	601	-	-	-	601
- demolition	180		-		180
- staircasing sales	-	-	38	-	38
At 31 March 2022	**(54,667)**	**-**	**(483)**	**-**	**(55,150)**
Impairment					
At 1 April 2021	(191)	-	-	-	(191)
Charge for the year	-	-	-	-	-
At 31 March 2022	**(191)**	**-**	**-**	**-**	**(191)**
Net book value:					
At 31 March 2022	277,853	2,094	69,193	2,953	352,098
At 31 March 2021	268,695	7,788	65,009	8,407	349,899

The net book value of housing properties can be further analysed as:	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Freehold	344,022	330,676	344,729	331,401
Long leasehold	2,304	2,304	2,304	2,304
	346,326	**332,980**	**347,033**	**333,705**

Group and Trust	2022 £'000	2021 £'000
Interest capitalisation in the year	210	582
Cumulative interest capitalised	6,946	6,736

Group and Trust	2022	2021
Average rate used for capitalisation	2.6%	3.1%

Works to properties	2022 £'000	2021 £'000
Improvements to existing properties capitalised	3,853	1,836
Major repairs expenditure to income and expenditure account	6,823	4,566
	10,676	**6,402**

Total social housing grant received and receivable as follows:	2022 £'000	2021 £'000
Capital grant - housing properties	39,905	40,624
Capital grant - homebuy investments	287	419
Recycled capital grant fund	266	285
Disposal proceeds fund	-	-
	40,458	**41,328**

Impairment

The group considers individual properties to represent separate cash generating units (CGU's) when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. During the current year, the Group and Association have not recognised any impairment loss (2021: £nil) in respect of general needs housing stock.

Properties held for security

The Association had property with a net book value of £114m pledged as security at 31 March 2022 (2021: £114m).

17. Other fixed assets

Group and Trust	**Freehold office building £'000**	**Non residential properties £'000**	**Office & computer equipment £'000**	**Total £'000**
Cost				
At 1 April 2021	3,107	13	1,081	4,201
Additions	-	-	2,878	2,877
Disposals	-	-	(62)	(62)
At 31 March 2022	**3,107**	**13**	**3,897**	**7,016**
Depreciation				
At 1 April 2021	(253)	(2)	(420)	(675)
Charge for the year	(35)	(1)	(188)	(224)
Disposals	-	-	62	62
At 31 March 2022	**(288)**	**(3)**	**(546)**	**(837)**
Net book value:				
At 31 March 2022	2,819	10	3,351	6,180
At 31 March 2021	2,854	11	661	3,526

The Group classifies the rental part of Raven Housing Trust's office building as investment property. The office space is classified as other fixed assets.

18. Investment properties

Group and Trust	**2022 £'000**	**2021 £'000**
At 1 April	16,448	16,316
Additions	-	64
Disposals	(26)	-
Transfer	-	-
Revaluations	68	68
At 31 March	**16,490**	**16,448**

The Group's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyor's Appraisal and Valuation Manual. Garage properties were valued at open market values and commercial properties at fair value.

19. Investments - Homebuy loans

Group and Trust	2022 £'000	2021 £'000
At 1 April	419	419
New loans issued	-	-
Loans redeemed	(132)	0
Provision against loans	-	-
At 31 March	**287**	**419**

The investment in Homebuy loans represents an equity stake in third party properties purchased under the schemes.

There is no interest charged on Homebuy loans. Security for the loans is based on the assets to which the loans relate. Terms of repayment for all loans are over an undefined period.

20. Properties for sale

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Work in progress	1,180	2,750	1,180	2,750
Completed properties	677	2,465	677	2,465
Work in progress for outright market sale	20	8,129	-	-
Completed outright sale	1,256	433	-	-
	3,133	**13,777**	**1,857**	**5,215**

Interest charged to properties held for sale during the year 2022 were £17k (2021: £93k).

21. Debtors

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Due within one year				
Rent and service charges arrears	1,649	1,388	1,649	1,388
Less: Provision for bad and doubtful debts	(1,431)	(1,055)	(1,431)	(1,055)
	218	**333**	**218**	**333**
Help to Buy	-	413	-	-
Amounts due from group undertakings	-	-	3,575	12,760
Leasehold debtors	168	369	168	369
Other debtors	323	490	64	353
Prepayments and accrued income	1,921	1,491	1,942	1,653
	2,630	**3,096**	**5,967**	**15,468**

22. Creditors: amount falling due within one year

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Loans and borrowings (Note 27)	1,743	1,582	1,743	1,582
Trade creditors	-	1,313	-	1,193
Rent received in advance	1,824	1,720	1,828	1,720
Taxes and social security costs	435	304	435	304
Sinking funds	1,071	664	1,068	660
Recycled capital grant (Note 26)	-	-	-	-
Disposal proceeds fund (Note 24)	-	-	-	-
Deferred capital grant Income (Note 25)	463	463	463	463
Recycled Homebuy grant	890	542	890	542
Amounts due from group undertakings	-	-	-	-
Other creditors, accruals and deferred income	5,722	4,947	5,343	4,484
	12,148	**11,535**	**11,770**	**10,948**

23. Creditors: amount falling due after one year

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Loans and borrowings (Note 27)	220,077	236,484	220,077	236,484
Deferred capital grant (Note 25)	39,442	40,161	39,442	40,161
Disposal proceeds fund (Note 24)	-	-	-	-
Recycled capital grant fund (Note 26)	266	285	266	285
Homebuy grant (Note 19)	287	419	287	419
	260,072	**277,349**	**260,072**	**277,349**

24. Disposal proceeds fund

Funds pertaining to activities within areas covered by Homes England:

Group and Trust	2022 £'000	2021 £'000
At 1 April	-	145
Net sales proceeds recycled	-	-
Interest accrued	-	-
Recycling of grant: new build	-	(145)
At 31 March	**-**	**-**
Amounts falling due within one year	-	-
Amounts falling due after one year	-	-
	-	**-**
Amounts 3 years or older where repayment may be required	-	-

25. Deferred capital grant income fund

Group and Trust	2022 £'000	2021 £'000
At 1 April	40,624	40,300
Grant received in the year	-	-
Grant recycled to recycled capital grant fund	(283)	(12)
Grant recycled from the recycled capital grant fund	-	669
Grant recycled from disposal proceeds fund	-	145
Other non-recyclable grant disposal	-	(18)
Eliminated on disposal	54	3
Released in the year	(490)	(463)
At 31 March	**39,905**	**40,624**
Amounts falling due within one year	463	463
Amounts falling due after one year	39,442	40,161
	39,905	**40,624**
Amounts 3 years or older where repayment may be required	-	-

26. Recycled capital grant

Funds pertaining to activities within areas covered by Homes England:

Group and Trust	2022 £'000	2021 £'000
At 1 April	285	942
Grant recycled from deferred capital grants	283	12
Less administrative fees	-	-
Grant used	(302)	(669)
Interest accrued	-	-
At 31 March	**266**	**285**
Amounts falling due within one year	-	-
Amounts falling due after one year	266	285
	266	**285**
Amounts 3 years or older where repayment may be required	-	-

27. Loans and borrowings

Borrowings at amortised cost **Group and Trust**	**2022** **£'000**	**2021** **£'000**
Due within one year		
Bank loans & other borrowings	1,988	1,698
Less: issue cost	(245)	(116)
	1,743	**1,582**
Due after more than one year		
Bank loans & other borrowings	221,124	237,466
Less: issue cost	(1,047)	(982)
	220,077	**236,484**

Group and Trust	**2022** **£'000**	**2021** **£'000**
In one year or less	1,743	1,582
In more than one year but no more than two years	19,719	20,119
In more than two years but no more than five years	31,429	34,360
Later than 5 years	168,929	182,005
	221,820	**238,066**

Capital repayment **Group and Trust**	**2022** **£'000**	**2021** **£'000**
In one year or less	2,128	1,848
In more than one year but no more than two years	2,472	20,378
In more than two years but no more than five years	48,865	34,741
Later than 5 years	166,131	178,327
	219,596	**235,294**

The Group has drawn down £16.3m (2021: £10.5m) and repayments totalling £32m (2021: £16.8m) were made during the year. At the year-end there were undrawn facilities for £82.5m (2021: £43.7m) available for draw down. All loans are secured by way of specific charges on housing properties.

The loans either bear interest at fixed rates ranging from 1.9% to 6.6% (inclusive of margin) or variable rates calculated at a margin averaging between 0.8% and 2.7% above LIBOR.

28. Financial instruments

The Group and Trust's financial instruments may be analysed as follows:

Financial assets	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Financial assets measured at transaction cost:				
Loan due from subsidiary	-	-	3,575	12,760
Financial assets measured at undiscounted amount receivable:				
Debtors	2,630	3,181	2,392	2,709
Cash and cash equivalents	3,972	7,614	2,876	4,069
	6,602	**10,795**	**8,843**	**19,538**

Financial liabilities	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Financial liabilities measured at amortised cost:				
Loans and borrowings	221,820	238,066	221,820	238,065
Financial liabilities measured at undiscounted amount payable:				
Trade and other creditors	9,052	8,944	8,669	8,358
	230,872	**247,010**	**230,489**	**246,423**

Borrowing facilities

The Group has undrawn committed borrowing facilities. The facilities available at 31 March 2022 in respect of which all conditions precedent had been met were as follows:

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Group 2021 £'000
Expiring in one year or less	50,000	-	50,000	-
Expiring in more than one year but not more than two years	-	-	-	-
Expiring in more than two years	32,500	43,650	32,500	43,650
	82,500	**43,650**	**82,500**	**43,650**

29. Other provisions

Group and Trust	2022 £'000	2021 £'000
At 1 April	183	-
Utilised in year	(183)	-
Additions	450	183
At 31 March	**450**	**183**

The Group has provided during 2020/21 £183k for a shortfall in contributions to shared ownership sinking funds.

30. Pension scheme

A number of pension schemes were operated by the Group during the year.

Defined benefit obligation breakdown:

Social Housing Pension Scheme

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

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

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

Present Values of defined benefit obligation

	2022 £'000	2021 £'000
Fair value of plan assets	5,439	5,305
Present value of defined benefit obligation	6,219	6,634
Deficit in plan	(780)	(1,329)
Defined benefit liability to be recognised	**(780)**	**(1,329)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2022 £'000	2021 £'000
Defined benefit obligation at start of period	6,634	5,219
Expenses	4	4
Interest expense	143	123
Actuarial (gains) due to scheme experience	110	(75)
Actuarial losses / (gains) due to changes in demographic assumptions	(93)	22
Actuarial losses / (gains) due to changes in financial assumptions	(460)	1,378
Benefits paid and expenses	(119)	(37)
Defined benefit obligation at end of period	**6,219**	**6,634**

Reconciliation of opening and closing balances of the fair value of plan assets

	2022 £'000	2021 £'000
Fair value of plan assets at start of period	5,305	4,595
Interest income	116	110
Experience on plan assets (excluding amounts included in interest income) - gain	(17)	486
Contributions by the employer	154	151
Benefits paid and expenses	(119)	(37)
Fair value of plan assets at end of period	**5,439**	**5,305**

Defined benefit costs recognised in the Statement of Comprehensive Income

	2022 £'000	2021 £'000
Current service cost	-	-
Expenses	4	4
Net interest expense	27	13
Remeasurement - impact of any changes in assumptions	**-**	**-**
Defined benefit costs recognised in statement of comprehensive income	**31**	**17**

Defined Benefit Costs recognised in the Other Comprehensive Income

	2022 £'000	2021 £'000
Initial recognition of multi-employer defined benefit scheme		
Derecognition of deficit funding liability	-	-
Initial recognition of multi-employer defined benefit scheme	-	-
	-	**-**
Actuarial (loss) / gain in respect of pension schemes		
Experience on plan assets (excluding amounts included in net interest cost) - gain	(17)	486
Experience gains and losses arising on the plan liabilities - gain	(110)	75
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) / gain	93	(22)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) / gain	460	(1,378)
	426	**(839)**
Total amount recognised in other comprehensive income - (loss) / gain	**426**	**(839)**

Assets	2022 £'000	2021 £'000
Absolute return	218	293
Alternative risk premia	179	200
Corporate bond fund	363	313
Credit relative value	181	167
Distressed opportunities	195	153
Emerging markets debt	158	214
Fund of hedge funds	-	1
Global equity	1,044	846
High yield	47	159
Infrastructure	387	354
Insurance-linked securities	127	127
Liability driven investment	1,518	1,348
Liquid Credit	-	63
Long lease property	140	104
Net current assets	15	32
Opportunistic credit	19	145
Cash	18	-
Opportunistic illiquid credit	183	135
Private debt	139	127
Property	147	110
Risk sharing	179	193
Currency Hedging	(21)	-
Secured income	203	221
Total assets	**5,439**	**5,305**

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.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Key Assumptions

	2022 % per annum	2021 % per annum
Discount rate	2.79%	2.18%
Inflation (RPI)	3.57%	3.27%
Inflation (CPI)	3.19%	2.87%
Salary growth	4.19%	3.87%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.1
Female retiring in 2021	23.7
Male retiring in 2041	22.4
Female retiring in 2041	25.2

The Association has performed a sensitivity analysis based on the changes to RPI rate and impact on the deficit position of the plan.

Sensitivity analysis of RPI changes	**RPI 3.57%**	**RPI 3.27%**	**RPI 3.87%**
Present value of defined benefit obligation	6,219	6,127	6,313
Deficit in plan	(780)	(688)	(892)

31. Share capital

The share capital of the Association consists of shares with nominal value of £1 each, which carry no right to dividend 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 shareholdings relate to non-equity interests.

	2022 £	**2021 £**
At 1 April	24	22
Shares issued in the year	2	3
Shares cancelled in the year	(8)	(1)
At 31 March	**18**	**24**

32. Operating leases

The Group and the Association had minimum lease payments under non-cancellable operating leases set out below:

Group and Trust **Amounts payable as a lessee**	**2022** **£'000**	**2021** **£'000**
No later than 1 year	326	300
Later than 1 year and not later than 5 years	192	468
Later than 5 years	-	-
	518	**768**

Raven Housing Trust leases vans and photocopiers.

Amounts receivable as a lessor	**2022** **£'000**	**2021** **£'000**
No later than 1 year	191	192
Later than 1 year and not later than 5 years	240	247
Later than 5 years	207	267
	638	**706**

Raven Housing Trust leased assets include shops and offices.

33. Capital commitments

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Commitments contracted but not provided for	3,625	9,145	3,263	7,631
Commitments approved by the Board but not contracted for	29,977	26,931	10,067	15,842
	33,602	**36,076**	**13,330**	**23,473**

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

	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Social housing grant	6,227	6,213	746	2,293
New loans	-	-	-	5,808
Sales of properties	12,908	23,335	7,916	10,484
Existing reserves	14,467	6,528	4,668	4,889
	33,602	**36,076**	**13,330**	**23,474**

These are commitments towards fixed assets which have been contracted and predominantly relate to developments where known contracts have been appointed and which have started on site.

34. Related party transactions

The ultimate controlling party of the Group is Raven Housing Trust (RHT) - registered social housing provider, which itself has no ultimate controlling party. The three immediate active subsidiaries are Raven Devco Limited (RDL), Raven Repairs Limited (RRL), Raven Development Homes Limited (RDHL). East Grinstead Tenants Limited (EGTL) was placed into Liquidation in 15 December 2021. Raven Housing Trust retains constitutional control of all subsidiary undertakings.

The objective of Raven Devco Limited is the provision of development services to the parent.

The Association performs a number of functions of an administrative nature on behalf of its subsidiaries. The cost of services provided to RDL and RRL is calculated on a cost basis, with central overheads being apportioned on a headcount or hourly basis.

During the year overheads of £92k were charged to RDL (2021: £116k). The Association has received a total of £300k (2021: £395k) value of invoices from RDL related to design and build fees, which included a mark-up of cost.

RRL in the year received overhead charges which amounted to £73k (2020: £74k).

RRL has borrowed an additional £315k of available loan facility. As of 31 March 2022, £645k (2021: £330k) has been drawn down.

During the year overheads of £206k were charged to RDH (2021: £206k). As of 31 March 2022 RDH, has repaid £9.5m drawn £12.43m (2021: £12.04m was drawn) of its available loan facility.

The following transactions took place between the parent and its associated companies during the year:

Transactions with non-regulated entities

	RRL 2022 £'000	RDL 2022 £'000	RDH 2022 £'000	EGTL 2022 £'000	RRL 2021 £'000	RDL 2021 £'000	RDH 2021 £'000	EGTL 2021 £'000
Net loan movements	315	-	(9,500)	-	30	-	(2,650)	-
Net sales and purchases of goods and services	111	(119)	187	1	49	(285)	219	51
Net management fees received	17	12	17	-	16	15	37	43

The Association provides management services, other services and loans to its subsidiaries. The Association also receives charges from its subsidiaries. The quantum and the basis of those charges is set out below.

Payable to the Trust by the subsidiaries	Management charges		Interest charges		Gift Aid	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Raven Devco Limited	16	8	-	-	(3)	6
Raven Repairs Limited	17	12	26	12	-	-
Raven Development Homes Limited	17	24	416	643	(377)	-
East Grinstead Tenants Limited	-	12	-	-	-	800
	50	**56**	**442**	**655**	**(380)**	**806**

Payable by the Trust to the subsidiaries	Management charges	
	2022 £'000	2021 £'000
Raven Devco Limited	4	9

Intra-group management fees are receivable by the Association from subsidiaries to cover the running costs the Association incurs on behalf of managing its subsidiaries. The management fee is calculated on a department basis, with headcount as the method of allocation.

Other intra-group charges

Other intra-group charges that are payable to the Association from subsidiaries relate to staff recharges and gift aid payments. Gift aid was received from subsidiaries in 2022 of £380k (2021: £806k).

Intra-group interest charges

Intra-group interest is charged by the Association to its subsidiaries at a rate of 4.75% (RRL) and 5.5% (RDH).

Intra-group loans

	Opening Balance £'000	Movement £'000	Closing Balance £'000
Loan from Raven Housing Trust to:			
Raven Repairs Limited	330	315	645
Raven Development Homes Limited	12,430	(9,500)	2,930

The loans from Raven Housing Trust are repayable on demand.

35. Subsidiary undertakings

On 23 February 2021 the 70 properties held by EGTL were transferred to Raven Housing Trust at which point EGTL became dormant. On 15 December 2021 EGTL was placed into liquidation and the investment held by Raven Housing Trust was accordingly impaired.

	2022 £'000	2021 £'000
As at 1 April	531	9,914
Additions	-	-
Transfer of assets to RHT	(515)	(9,296)
Impairment	-	(87)
As at 31 March	**16**	**531**

The legal form and the share capital of each subsidiary of Raven Housing Trust is as follows:

Name of subsidiary undertaking	Company Registration Number	Principal Activity	Interest	Legal Status	Issued share capital
Raven Repairs Limited	8948872	To provide commercial repairs and maintenance services.	Wholly owned subsidiary of the Association	Company Limited by Shares	1 x £ 1 ordinary shares
Raven Devco Limited	08948696	To provide development services to the parent	Wholly owned subsidiary of the Association	Company Limited by Shares	1 x £ 1 ordinary shares
Raven Development Homes Limited	10653135	To develop homes for outright sale.	Wholly owned subsidiary of the Association	Company Limited by Shares	1 x £ 1 ordinary shares
Thanet House Management Limited	12915490	Dormant	Wholly owned subsidiary of Raven Development Homes Limited	Private company limited by guarantee	n/a
Burrstone Gardens Management Company Limited	12912671	Dormant	Wholly owned subsidiary of Raven Development Homes Limited	Private company limited by guarantee	n/a
Rosebay Close Cheam Management Company Limited	13478751	Dormant	Wholly owned subsidiary of Raven Development Homes Limited	Private company limited by guarantee	n/a

The Association exercise its functions as parent of the entities listed above through ownership of 100% of the share capital in all Companies Limited by Shares, through the ownership of a parent share with controlling rights as a Co-operative and Community Benefit Society and through a controlling interest as a member of the Companies Limited by Guarantee.

36. Subsequent Events

After the year end, the Group completed a refinancing exercise with its existing lenders where it paid existing debt of £62.8m which was funded a new private placement with PIC for a facility of £130m entered into.

Raven
Housing Trust

www.ravenht.org.uk

@RavenHT

RavenHousingTrust