Raven Housing Trust Limited

Annual Review and Consolidated Financial Statements

Year Ended 31 March 2023

Registration Number 30070R

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Board Members, Executives and Advisers

Board Members

Caroline Armitage (Chair)

Mark Baker

Heather Bowman

David Gannicott

Jonathan Higgs

Bryan Ingleby

Robert Kingsmill

Andrew Rinaldi

John Amans	resigned 7th September 2022
Paul Edwards	resigned 7th September 2022
Dawn Kenson	resigned 24th November 2022
Philip Andrew	resigned 31st May 2023
Sophie Fuller	appointed 7th September 2022
Joanne Stewart	appointed 24th November 2022
Claire Hyland	appointed 24th November 2022
Kush Rawal	appointed 1st June 2023

Executive Officers

Jonathan Higgs	Chief Executive
Mark Baker	Director of Finance and Governance & Company Secretary
Alison Bennett	Director of Development
Amy Cheswick	Director of Customers and Partners (resigned 27th January 2023)
Natalie Flageul	Director of Customer Experience (appointed 3rd January 2023)
Joanna Hills	Director of Assets and Services (resigned 14th October 2022)
Julia Mixter	Director of People and Transformation
Nigel Newman	Director of Strategy and Growth

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 LLP
55 Ludgate Hill
London
EC4M 7JW

Funder

Barclays Bank Plc
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E14 5HP

Funder

Lloyds Bank Plc
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London
EC2V 7HN

Funder

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

Funder

Pension Insurance Corporation
14 Cornhill
London
EC3V 3ND

Tax Advisers

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

Chair and Chief Executive's Introduction

It has been a year when the social housing sector has rightly been the subject of significantly more scrutiny and challenge from residents, government, and the regulator of social housing. Every successful organisation recognises the need to be better, and Raven embraces this challenge.

We know that during the cost of living crisis many of our residents have struggled to adequately heat their homes and this has increased the risk of damp, mould, and condensation in their homes – conditions that no one should have to live with. We have been proactively investing to address issues of heating, insulation, and ventilation in our homes over the last 3 years with our Healthy Homes programme and have doubled down on this work during this year. Our focus, as ever, has been on the immediate needs of our residents but we must also have an eye on the long term, and have started work on our second project to retrofit homes with carbon reducing technology, and we were pleased to secure funding for a third project next year. We will shortly be moving from pilot projects to a much bigger programme bringing comfort and cost benefits to our residents and delivering on our carbon reduction ambitions.

Not surprisingly, there has been a significant increase in demand from our residents for our support during the year. We have responded, putting more resources into our Moneywise team offering benefits and welfare advice, and continuing to provide our Customer Support Fund. This support has been central to sustaining tenancies and contributed to a year on year reduction in rent arrears.

Given the challenges we and our residents have faced this year, we are pleased to end the year with 83% of our residents satisfied or very satisfied with Raven's services.

Our shift of resources into our existing homes, combined with a focus on building our new homes ourselves, has led to fewer new affordable homes. This year we completed 19 new homes, although we have continued to grow, taking a further 117 into management on behalf of our partners.

Our investment in new ICT systems has continued this year with the aim of making services easy to use for our residents. The results have been well received. Nearly 50% of rent payments, reports of anti-social behaviour, and complaint reporting are made via our portal and we are seeing a steady increase of repairs reporting through the portal, with almost 25% of repairs ordered on-line. Accessing services digitally isn't for everyone, but for many it is a given.

We can't deliver on our promises if we are not financially strong, and we ended the year with operating costs per home 5% lower than last year which has been a tremendous achievement in the face of fierce inflation.

We continue to strengthen our Board and Committees increasing the breadth and depth of experience available to us. We have been particularly pleased to see our Board mentoring programme helping develop Board members of the future.

Finally, we want to recognise that none of our successes this year would have been possible without the passion and commitment of our Raven colleagues who continue to rise to each and every challenge

Jonathan Higgs	Caroline Armitage
Chief Executive	Chair of the Board

Strategic report

1. Highlights

£17m Group operating surplus delivered with a 30% operating margin

£0.4m in subsidiary profits gift aided to the group plus £0.5m subsidiary contribution to overheads

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

Customer Service Excellence accreditation retained in 2022

1,043 customers supported with managing money

£14 of social value generated for every £1 spent with £1.5m in additional benefits for customers

19 new properties completed with income of £3m from Shared Ownership first tranche sales and £2.8m from Outright Sales

£9.3m invested in property repairs and improvements

Employee engagement of 75% and staff feeling comfortable being themselves at work at 83%

IiP Gold Standard accreditation retained in 2022

2. Who we are and what we do

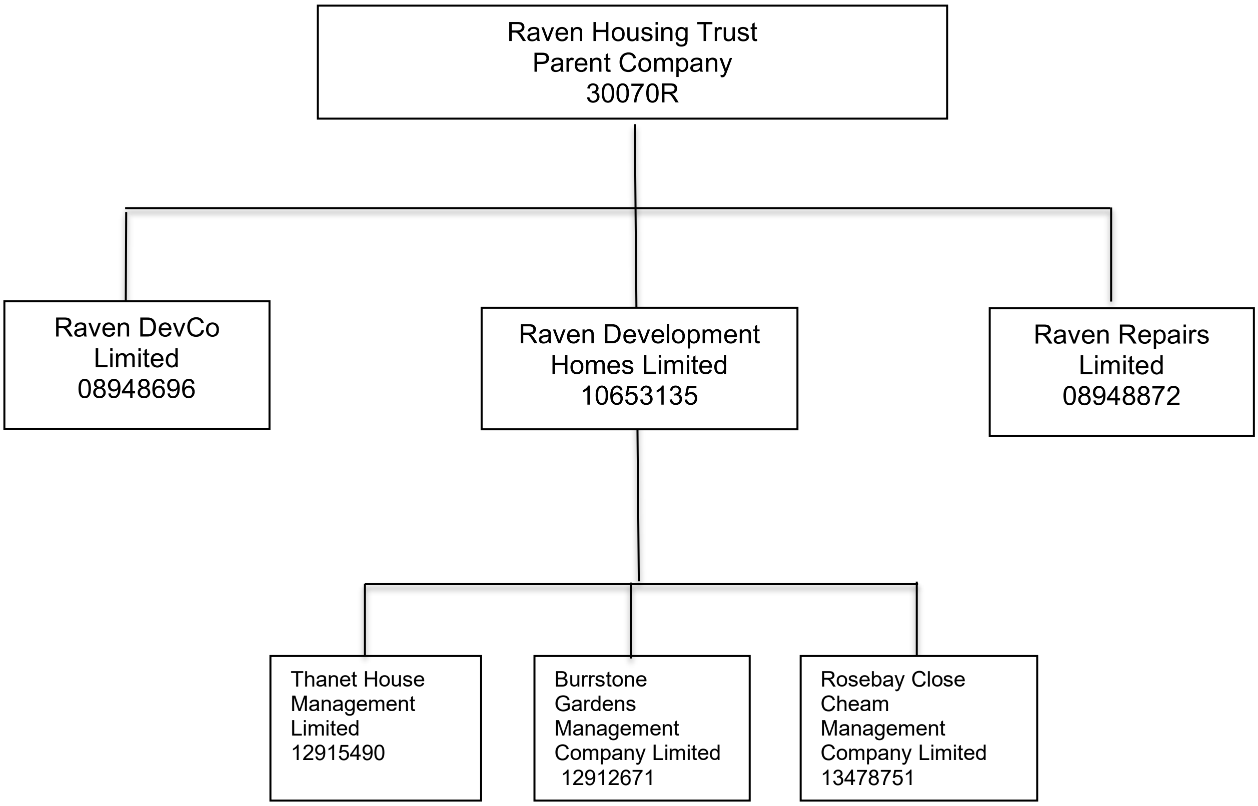
Raven's vision and mission is to 'Build Homes and Change Lives'.

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 and was dissolved on 27 May 2023.

The three management companies within Raven Development Homes are dormant companies.

Business Objectives

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

Raven's Values

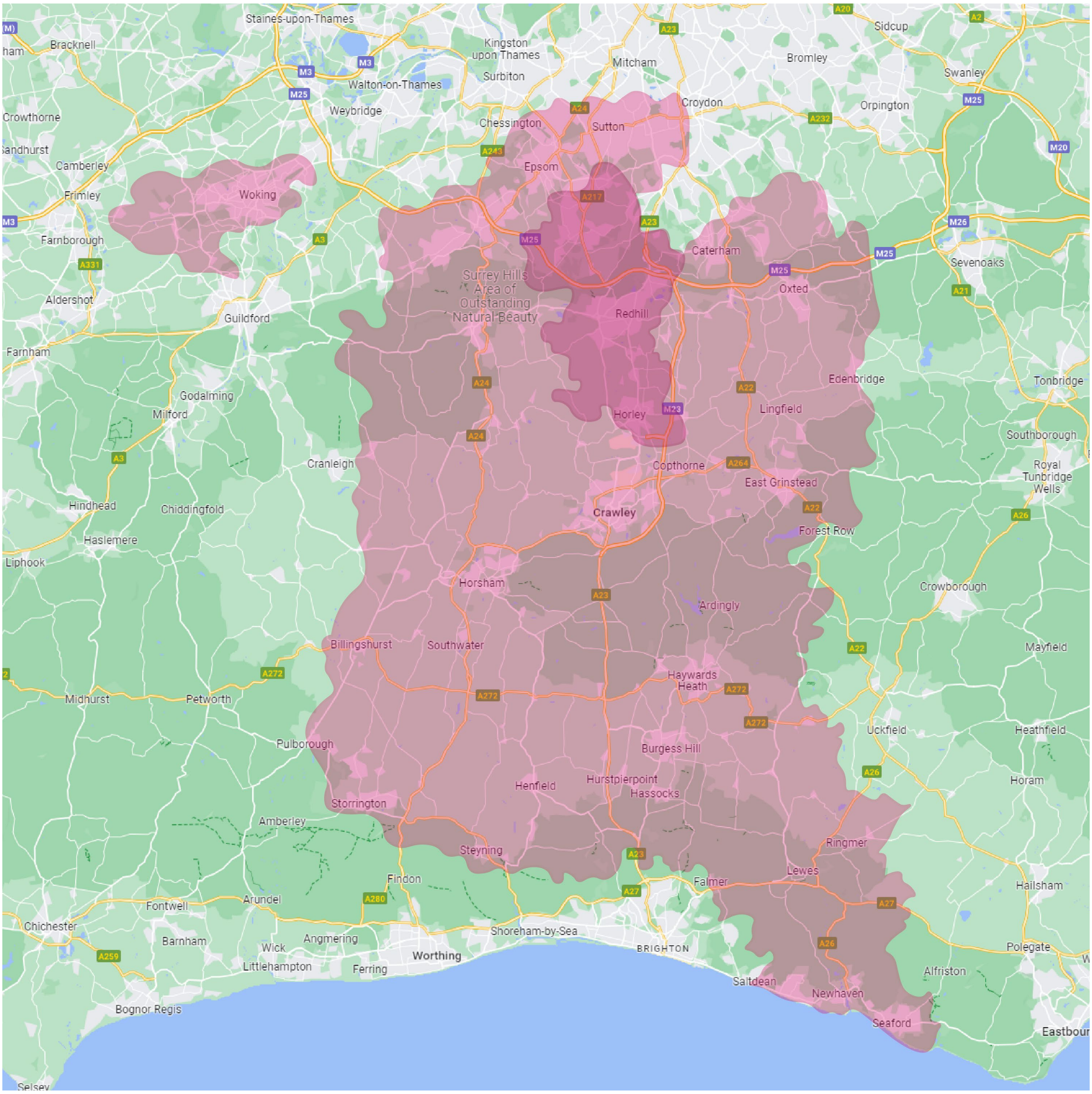
Trust	We earn trust by being open and accountable.
Understanding	We seek to truly understand others' needs before we act.
Collaborate to innovate	We collaborate with colleagues, customers and partners to develop innovative services.
Care	We come to work because we care about providing good quality, affordable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

Our Operating Area

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

Local Authority	No. of Properties
Crawley Borough Council	223
Epsom & Ewell Borough Council	46
Horsham District Council	195
Lewes District Council	57
Mid Sussex District Council	610
Mole Valley District Council	41
Reigate & Banstead Borough Council	5,138
London Borough of Sutton	29
Tandridge District Council	96
Woking Borough Council	21
Tonbridge & Malling Borough Council	6
Surrey Heath Borough Council	6
Total	6,468

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



3. Our World

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

The sector continues to face challenging financial and operating conditions with the rent cap, economic downturn, inflation plus workforce and supply constraints. The political spotlight on performance of social housing providers and quality of homes represents a significant reputational challenge.

The housing market continues to face acute supply problems despite recovery in house building since 2021. The number of social homes completed in 2021/22 increased by 9,000 to 49,000 but this still represents a big shortfall against demand. 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. Homelessness in Crawley and Reigate & Banstead are in the top 70 of 300 local authority areas.

The most immediate issues for our customers are cost of living (for example, energy and food inflation, tax increases, interest rate increases) and the condition of their homes (particularly damp and mould). The level of arrears increased across the sector from 2020 but is now stabilising and expected to be at 3% for 2023/24. Raven has seen a similar trend with our level of arrears reduced slightly in 2022/23 to 2.67%. A combination of less heating of homes and media spotlight on damp homes has increased the number of calls, works and complaints across the sector relating to damp and mould. This is expected to continue in 2023.

Associations are facing the challenge of development and operating costs increasing significantly and outstripping rent increases, combined with the need to invest in improving the condition of existing homes, and build new homes. The lack of supply of a skilled workforce creates a delivery challenge on day to day works and new builds. This is illustrated by the increase in repairs and maintenance across the sector to £6.5bn (20%) during 2021/22 and deterioration of the overall operating margin across the sector, falling to 19%, the lowest level reported since 2011.

Raven's budget and business plan includes expected inflationary pressure, support for residents and investment in home standards, however the results are lower margins, higher unit costs and less development in the short term.

The key long-term issues for the sector are providing new homes to meet high levels of housing demand, ensuring quality of existing homes including fire and building safety, plus net zero carbon targets by 2050.

The National Housing Federation estimates the sector will invest over £10bn to meet new fire and building safety requirements. 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 and net zero carbon by 2050. The Social Housing Decarbonisation Fund is £3.8bn over 10 years. Raven has secured over £1m funding for schemes over two years. As yet there are no firm estimates of investment required but it will be significant. Raven has taken a sector-leading role and included funding to meet sustainability targets in our Business Plan.

The final strand of national policy is consumer standards including requirements on providers to be more accountable and transparent. The Housing Ombudsman is raising awareness on standards and complaints and the Regulator has introduced new common measures for customer satisfaction. The number of complaints across the sector is increasing. Raven's Customer Experience Strategy aims to ensure we can deliver against these standards and learn and improve from complaints.

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 was 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 the 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.

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 Anti Social Behaviour (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 cost of living on our residents, with the potential impact of increase in financial hardship and the level of arrears;
- health and safety compliance and meeting building and fire safety standards, 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;
- data protection and cyber security with growing threat of ransomware attack, other IT business interruption and loss of sensitive data;

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 and stability check in 2022. 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 new homes.

The operating and net surplus achieved by Raven is used to finance our long-term loans and invest in our existing properties and services and to build new homes, all in line with our charitable aims.

Group Financial Performance 2022/23

The financial performance for the year was strong across Raven Housing Trust and Group. Trust and Group operating margins were better than planned and improved compared to 2021/22.

	Raven Housing Trust £'m	Subsidiaries £'m	Intra Group Eliminations £'m	Group £'m	Group 2021/22 £'m
Operating surplus (loss)	17.4	(0.1)	(0.1)	17.2	14.5
Operating margin (%)	32.5%	(2%)	(0.1%)	30.4%	22.6%
Interest and exceptional items	12.1	0.1	(0.2)	12.5	7.6
Net surplus	5.4	(0.1)	(0.4)	5.0	6.9

Raven Housing Trust Financial Performance 2022/23

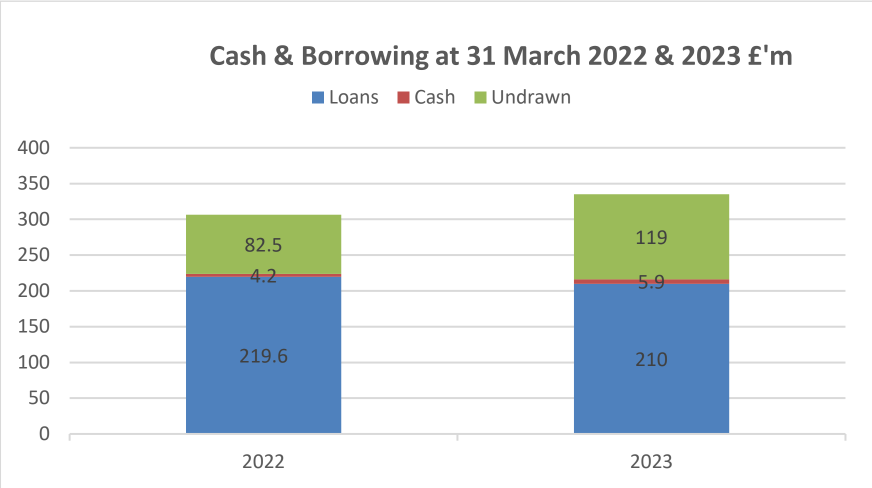
The level of operating surplus and margins for the Trust increased compared to last year and exceeded plan for the year. The lower net surplus for the year compared to 2021/22 was due to two exceptional items: the cost of exit from Social Housing Pension Scheme (£2.7m) and write off of goodwill relating to East Grinstead Tenants Limited following liquidation of the company (£1.3m).

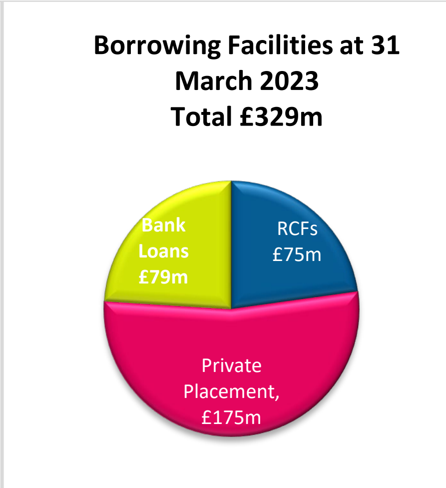
	2022/23			2021/22
	Actual £'m	Budget £'m	Variance £'m	Actual £'m
Turnover	53.7	58.1	-4.4	55.3
Cost of sales	2.3	1.0	-1.3	5.8
Operating costs	38.1	42.5	+4.4	38.0
Surplus on disposal of assets	4.0	1.2	+2.8	2.6
Operating surplus	**17.4**	**15.8**	**+1.6**	**14.0**
Operating margin (%)	32%	27%	+5%	25%
Interest and exceptional items	12.1	15.8	-3.7	7.1
Total surplus	5.4	0.7	4.7	6.9

Liquidity and Borrowing

The Trust cash position remains strong with undrawn facilities of £119m at year end and sufficient funds to meet commitments until 2028. The first drawdown from long term private placement with Pension Insurance Corporation (£75m) was received in April 2022 and two further drawn downs due in April 2023 (£25m) and April 2024 (£30m).

In light of favourable market conditions, the Trust took the opportunity to repay £99m of long term fixed loans during the year, incurring minimal breakage costs. The repayments have reduced interest payments and the financing risk for period 2028-31, when a number of these loans were maturing.





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

The overall customer satisfaction measure for 2022/23 was 83%, based on our regular surveys. This is at the same level as the previous year.

Over 4,500 customers have now registered for MyRaven portal and are now viewing their account online, paying their rent, raising an enquiry or complaint, reporting anti-social behaviour and managing their home maintenance, with 89% of customers advising the service is easy to use.

We continue to develop a greater understanding of how our customers feel about Raven, focusing on “trusting us to do the right thing” and whether our customers feel listened to. Our performance has improved over the last year.

Measure	2022/23	2021/22
Satisfaction that Raven listens to and acts on resident views	77%	74%
Trust Raven to do what is right	75%	75%

The Customer Voice Panel formed during 2021, meets monthly to review performance and provide feedback. This is an increasingly important element of our governance enabling the Board to hear the ‘voice of the customer’. During the year we held two joint Panel and Board seminars focused on customer engagement, learning from complaints and dealing with damp and mould.

Tenancy Sustainability

Our Settling in Service provides support to new customers who have more complex needs and vulnerabilities. They are given extra help at the start of their tenancy for up to 12 weeks which includes support with moving home, budgeting, setting up direct debits, accessing grant funding and affordable furniture.

Supporting our customers

Raven is committed not just to providing a secure home, but to supporting customers to live well in their Raven property. Our Community Investment programme provides support which is linked to affordability (which we know is our customer’s number one priority) and includes employment, financial and digital support plus eviction prevention (as part of a contract with Surrey County Council). In 2022/23 our Moneywise team supported 1,043 customers with managing their budget, which is a significant increase on previous years due to the cost-of-living crisis, securing over £1.5m in benefits for customers. The employment team helped over 100 people into work, better paid work or education and training, meaning that household income has improved. In 2022/23, we distributed £56,000 of grants to customers though our Customer Support Fund for a range of essential items including white goods and furniture.

Regulatory standards and compliance

Complaints

Whilst we do our best to get things right first time, we’re not perfect and don’t always succeed. Sometimes things go wrong, and when they do, we want to know. Learning from complaints enables us to make improvements. We recorded 136 formal complaints during 2022/23, of which 87% were upheld – meaning when we investigated it was evident that we hadn't got things right for the customer and the complaints were valid. The other 13% were not upheld upon investigation, as there was not sufficient evidence to support the complaint.

The Housing Ombudsman is appointed by the Secretary of State for Housing, Communities and Local Government, the service looks into complaints and helps resolve disputes with tenants, leaseholders and housing associations.

During the 12 months of this report 7 complaints went to the Housing Ombudsman Service. In all 7 cases the Ombudsman found we had dealt with the complaints appropriately.

Acting on customer concerns

We've listened to customer feedback and made improvements where we could have done better. Some examples include:

What we heard from customers	Improvements we made as a result
A customer with extra needs found the right support and signposting to make a complaint isn't always offered.	**What we changed:** We've introduced a check early into the complaints process to ensure additional support needs are identified early, enabling us to adapt communications and the right support is given from the start.
It is not always clear when a decant is required for major works. Customers found information relating to this is confusing and it caused anxiety and concern.	**What we changed:** We have reviewed the decant procedure setting out areas of accountability. We introduced one point of contact for customers and we are clear under what circumstances a customer is required to move out of their home.
When we write to homeowners concerning charges, estimates and reconciliations, the language and terminology used is difficult to understand.	**What we changed:** We've reviewed all our standard homeownership letters and simplified them, (where language isn't governed by legislation), to make them more customer-friendly and easier to understand.

7. Our Homes

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

Property/Home Type	At 31 March 2022	Change of Type	Additions	Disposals	At 31 March 2023
General Needs Rented	5,283	0	6	-11	5,278
Shared Ownership	490	0	13	-7	496
Managed for Other Landlords	14	0	117	0	131
Temporary	203	0	0	0	203
Sheltered	360	0	0	0	360
Total	6,350	0	136	-18	6,468

Development Programme

Despite another challenging year with delays in planning and increased building and material inflation, our development programme continued. We delivered 19 new homes, in line with the development strategy, approved in 2021, which aims to build 248 new homes by March 2026.

We are committed to building high quality, sustainable homes that meet resident needs now and in the future. We have started on site with our first operationally net zero carbon development, which is also our first scheme that will be built using fully volumetric Modern Methods of Construction.

We have started work on a number of regeneration schemes focussing on delivering net zero carbon homes which will help to improve the environmental impact of our homes and the overall quality of our homes. We continue to seek out new opportunities, whether that be land led or section 106, that fit into our overall development plans, focused on place making, build quality and net zero carbon wherever possible.

Our Existing Homes

The past year has seen us complete the restructure within the Asset, Compliance and Development teams, leading to the creation of the Homes Directorate, equipped to deliver a joined-up approach to placemaking, property renewal, carbon reduction and new provision.

Maintaining the safety of our residents is paramount, with a continued focus on building safety works. The building safety case for The Dome, our only building in scope of building safety regulations, is being prepared and we are ensuring that we are incorporating recent changes required by the Building Safety Regulator. This property will be registered with the regulator as soon as they request it.

Like many in the sector the tragic death of Awaab Ishak, in Rochdale, came as a shock to Raven staff, and refocussed our attention on investigating and addressing any cases of damp, mould, and condensation. Although we have spent two years proactively seeking out and dealing with cases of damp, mould, and condensation we, like many others landlords, have received an influx of new reports. We have ensured every case has been investigated via a surveyor visit and action taken where necessary. In addition, we have allocated further resources to continue to accelerate our

Healthy Homes project. This will allow for more installations of physical measures that not only mitigate damp, mould, and condensation but also align to our Net Zero Carbon objectives.

From April 2023 we are implementing higher void standards for our existing homes, redecorating all voids and installing carpets and curtains in the 25% where our resident needs are the greatest.

We have managed the backlog of works caused as a direct result of the pandemic and have reported 100% decency standards for our homes. We have insourced our Stock Condition Survey process, to be more efficient and ensure that a Raven employee will visit every property to formally consider its quality at least once every in the next 5 years. Using the new technology available to us, our intention is to make our records of property condition far more dynamic.

Building on the benefits of our Better Connected change programme and data available to us we are refreshing our assessment of the operational and financial performance of our properties, last undertaken in 2019. This approach will provide us with a much greater understanding of our property portfolio and plans for implementing our Net Zero Carbon plans, initially focused on delivering EPC requirements by 2030.

Sustainability Strategy

Continuing our work developing our strategic approach to delivering Net Zero Carbon, we were successful in our bids for Wave 1 for the Sustainable Housing Decarbonisation Fund. We are now focussed on delivery of that programme of works, which includes whole house retrofits and the installation of solar panels and battery storage. We have also successfully bid for grant under wave 2 of this process. We are working with consortium partners, Sutton Housing Partnership and the London Borough of Kingston, to procure the works for this next round of delivery.

During the year we disposed of six homes that are either poor EPC, difficult to maintain and are not well configured or located for future social housing use.

Further information on our approach to Sustainability is set out in our first annual Environmental, Social and Governance (ESG) Report.

8. Our People & Technology

In the past year, Raven has made significant strides in technology investment and support for our staff, evident in the recognition we have received, such as Housing Digital's Best Digital Transformation Programme award and the retention of Investors in People Gold. These accomplishments reflect our commitment to equipping our staff with the necessary tools, technology, and training to provide effective support to our customers.

A growing number of customers are using our user-friendly portal to raise and track repairs, complaints, and ASB-related issues. More than 85% of portal users report finding it easy to use.

Behind the scenes, Raven has made substantial investments in cybersecurity, updated laptops, and process automation, resulting in improved data management and governance. These measures are implemented to safeguard customer information.

We are nearing the completion of our major systems transformation programme, Better Connected, which has required significant time and effort from our dedicated staff. We extend our gratitude to them for their resilience and dedication to maintaining excellent customer service during this time. Moving forward, we will focus on maximising our technology investment while monitoring developments such as Artificial Intelligence (AI) for further enhancements.

We prioritise supporting our staff's well-being, offering sessions on financial and mental health. Our lifestyle contract allows flexibility in work arrangements while ensuring optimal service delivery. We continue to work towards Disability Level 2 to attract staff representing the communities we serve and are now part of the Sunflower Hidden Disabilities network, emphasising our support for all individuals with disabilities.

In terms of Equality, Diversity, and Inclusion, Raven conducted important research with Watermelon to understand the real-life experiences of customers with protected characteristics. These findings will inform improvements in designing inclusive and supportive services for all customers.

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

People

- Headline measure staff feeling comfortable being myself at work 83%
- Retention of Investors in People Gold
- Lifestyle contract with supporting Hub, Home, Roam policy and procedure
- Manager and leadership development programmes focusing on improving manager performance
- Membership of Sunflower Hidden Disabilities Network
- Enhancements to flexible benefits scheme without additional cost to Raven
- Changes to pension fund moving from SHPS (Social Housing Pension Scheme) to Aviva
- Wellbeing activities including financial wellbeing sessions and Mental Health First Aiders
- Service design workshops with employees and managers to improve recruitment, onboarding, and induction
- Launch of iLearn - an online learning platform that staff can access from anywhere
- Review of mandatory training

Technology

- Raven awarded Best Digital Transformation –Housing Digital Awards
- Deployment of a Virtual Chief Information Security Officer to strengthen our expertise and keep Raven cyber safe
- Refreshed entire laptop estate for improved performance for staff and therefore customers
- Changed our Microsoft license model to reduce costs for Raven
- Updated the Wi-Fi infrastructure at Head Office
- Updated network infrastructure at our hub locations allowing staff to work more efficiently close to customer locations
- We now perform monthly phishing simulation to our staff to ensure they are aware of cyber threats and how to deal with them
- Reduction of servers in our data centre reducing associated cost and risk
- Working towards Cyber Essential Plus/ISO27001
- A complex systems architecture of 60 systems reduced to 6 core systems

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 (refreshed in 2022 & 2023). 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; and • our definition of capital employed. Margin on commercial investment, ensuring our investment decisions perform in line with Development and Commercial appraisal criteria	Overall customer satisfaction Net Promoter Score Overall satisfaction with new home Value for money for rent Social value of investment Employee engagement IiP Accreditation

Value for Money Performance

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

	Actual 22/23	Budget 22/23	Actual 21/22	Sector Median 21/22	Peer Group Median 21/22
Reinvestment %	0.77%	9.2%	3.1%	6.5%	8.48%
New Supply % - Social Housing	0.3%	0.3%	1.6%	1.4%	1.7%
New Supply % - Non Social Housing	0%	0.0%	0%	0%	0%
Gearing	57.6%	65.2%	62%	44%	46%
Earnings before interest, tax, depreciation & amortisation (EBITDA) %	161%	149%	146%	146%	150%
Social Housing Cost Per Unit £'000	£5,247	£5,916	£5,600	£4,150	£4,146
Operating Margin %	23%	18%	19%	21%	20%
Operating Margin Social Housing Lettings %	30%	19%	27%	23%	21%
Return on Capital Employed (ROCE)	4.6%	2.40%	3.9%	3.2%	3.6%

* all figures are Group

* 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 key financial operating measures (operating surplus, margin, net surplus) as set out in section 5. All main financial performance measures (EBITDA, ROCE, Gearing, Margins) improved compared to 2021/22 as set out above.

Re-Investment and Supply

Completions of new homes was low in 2022/23 due to current profile and commitments of our Development Programme and will continue at this level in 2023/24 but with planned 248 homes (pipeline 114 unidentified 134) by 2025/26 and included in Business Plan assumptions.

Gearing

A lower level of borrowing reduced our gearing in 2022/23 but we continue to be significantly above median across the sector but slightly more closely aligned to our peer group. This is due to 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 use local EBITDA and Return on Capital measures excluding Shared Ownership sales and surplus from other disposals; so that it is a measure of underlying annual performance. We overachieved against our two financial measures in 2022/23 and improved significantly compared to 2021/22.

Local Financial Measures	Actual 2022/23 £'m	Target 2022/23 £'m	Actual 2021/22 £'m
Raven EBITDA	15.5	15.3	11.4
Raven Return on Capital Employed	4.6%	4.0%	3.0%

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

£ per unit	Actual 2022/23 £	Actual 2021/22 £	Sector Median 2021/22 £
Management Costs	1,040	890	1,014
Service Charge Costs	509	504	701
Maintenance Costs	1,391	1,500	910
Major Repairs Costs	1,429	1,860	1,393
Other Social Housing Costs	878	806	491
	5,247	5,560	4,509

Our relatively high costs compared to sector median reflect the investment in our Better Connected Programme (digital change) and higher operating costs during the implementation, the pro-active work we are undertaking on improving the quality of our homes (damp and mould and energy efficiency) and on-going investment in customer and community support activities e.g. moneywise and employment support services.

We maintained a good financial operating performance with regards to income and lettings during the year.

KPI	Actual 2022/23	Actual 2021/22
Current tenant arrears (%)	2.67%	2.74%
Re-let times (days)	25.7	23.6
Void losses (%)	0.6%	0.9%
Rent collection (%)	100.4%	99.6%

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.

	Actual 2022/23	Actual 2021/22
Overall satisfaction (%)	83%	83%
Value for Money with rent satisfaction (%)	84%	83%
Repairs satisfaction (%)	82%	77%
Net Promoter Score	27	28
Overall satisfaction with home (%)	79%	79%
Satisfaction with neighbourhood (%)	85%	84%

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. In 2022/23 we invested resources to support our most vulnerable residents through financial help and advice, customer support fund and employment.

The annual value of social return (as measured by HACT) was lower than last year but continues to be significant.

Social Return on Investment	Actual 2022/23	Actual 2021/22
Value	£8.9m	£11.5m
Return for every £1 spent	1:14	1:18

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 2022/23 is summarised below:

	Turnover £'m	Operating Surplus £'m	Operating Margin %	Net Book Value £'m	Operating Return on Assets %
Social Housing Lettings	46.3	13.8%	30%	353	3.9%
General Needs Social Housing Lettings	38.4	12.8%	33%	282	4.6%
Sheltered Housing	2.7	0.1%	5%		
Shared Ownership	3.4	0.7%	19%	71	0.9%
Other	1.7	0.2%	12%		

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.

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 and risk management frameworks are appropriate and robust.

The People and Culture Committee meets at least three times per 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 and Raven's workforce.

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 the 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 prioritise 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.

Raven engages Beever & Struthers to provide internal audit function for the group. Based on the work undertaken and subject to the weaknesses identified and reported in our internal audit reports, the Board can be provided with a reasonable level of assurance that there is an effective framework of governance, risk management and controls' .

The Board received and approved the Internal Controls Assurance report from the Chief Executive at the September 2023 meeting following review of this by Audit, Risk and Assurance Committee in August. The key elements of the Assurance report were evidence and assurance of :

- Board and Audit, Risk and Assurance Committee overview
- Management Assurance;

- Risk Management Framework;
- Internal and External Audit findings, recommendations and assurance;
- Regulatory Compliance;
- 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

Date 6th September 2023

Independent Auditor's Report on the Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVEN HOUSING TRUST

We have audited the financial statements of Raven Housing Trust Limited (the "Trust") and its subsidiaries (the "Group") for the year ended 31 March 2023 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 2023 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 2022.

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 as set out on page 28, 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, building safety, 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, Risk and Assurance 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 recognition 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
Date: 22 September 2023

Financial Statements

Consolidated and Trust Statement of Comprehensive Income for the Year Ended 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Turnover	5	56,374	64,145	53,705	55,309
Cost of sales	5	(3,848)	(14,305)	(2,266)	(5,837)
Operating costs	5	(39,368)	(37,916)	(38,035)	(38,002)
Surplus on disposal of fixed assets	5,13	4,028	2,568	4,028	2,568
Operating surplus	5,8	**17,186**	**14,492**	**17,432**	**14,038**
Interest receivable		157	2	244	444
Interest and financing costs	14	(9,455)	(8,422)	(9,455)	(8,422)
Loan amortisation		688	354	688	354
Change in fair value of investment properties	18	(1,303)	68	(1,303)	68
Surplus before taxation		7,273	6,494	7,606	6,482
Taxation	9	(9)	-	(9)	-
Surplus for the year	8	**7,264**	**6,494**	**7,597**	**6,482**
Actuarial (loss) / gain in respect of pension schemes	29	(2,233)	426	(2,233)	426
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the year		**5,031**	**6,920**	**5,364**	**6,908**

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 2023

Organisation Number 30070R	Note	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Fixed assets					
Social housing properties	16	352,630	351,409	353,266	352,098
Other tangible fixed assets	17	7,034	6,180	7,034	6,180
Investment property	18	15,220	16,490	15,220	16,490
Investments - homebuy loans	19	242	287	242	287
Investments in subsidiaries	34	-	-	-	16
Goodwill	15	-	1,213	-	-
		375,126	375,579	375,762	375,071
Current assets					
Properties for sale	20	1,129	3,133	1,129	1,857
Stock		88	93	88	93
Debtors - receivable within one year	21	3,884	2,630	3,829	5,967
Cash and cash equivalents		8,784	3,972	8,522	2,876
		13,885	9,828	13,568	10,793
Creditors: amounts falling due within one year	22	(15,135)	(12,148)	(14,286)	(11,770)
Net current assets		**(1,250)**	**(2,320)**	**(718)**	**(977)**
Total assets less current liabilities		373,876	373,259	375,044	374,094
Creditors: amounts falling due after one year	23	(253,531)	(260,072)	(253,531)	(260,072)
Pension liability	29	(2,907)	(780)	(2,907)	(780)
Provision for other liabilities	28	(450)	(450)	(450)	(450)
Net assets		**116,988**	**111,957**	**118,156**	**112,792**
Capital and reserves					
Called up share capital	30	-	-	-	-
Income and expenditure reserve		116,988	111,957	118,156	112,792
Total Capital and reserves		**116,988**	**111,957**	**118,156**	**112,792**

The financial statements were approved by the Board of Management and authorised for issue in September 2023 and signed on their behalf by:

Caroline Armitage
Chair
06/09/2023

Mark Baker
Director
06/09/2023

Bryan Ingleby
Chair of Audit Committee
06/09/2023

The accompanying notes form part of these financial statements.

Consolidated and Trust Statement of Changes in Reserves for the Year Ended 31 March 2023

Group

	Note	Income and expenditure reserve £'000	Total Equity £'000
Balance at 1 April 2022		111,957	111,957
Surplus for the year		7,264	7,264
Defined benefit pension exit costs	29	(2,233)	(2,233)
Balance at 31 March 2023		**116,988**	**116,988**
Balance at 1 April 2021		**105,037**	**105,037**
Surplus for the year		6,494	6,494
Actuarial gain in respect of pension schemes	29	426	426
Balance at 31 March 2022		**111,957**	**111,957**

Trust

	Note	Income and expenditure reserve £'000	Total Equity £'000
Balance at 1 April 2022		**112,792**	**112,792**
Surplus for the year		7,597	7,597
Defined benefit pension exit costs	29	(2,233)	(2,233)
Balance at 31 March 2023		**118,156**	**118,156**
Balance at 1 April 2021		**105,884**	**105,884**
Surplus for the year		6,482	6,482
Actuarial gain in respect of pension schemes	29	426	426
Balance at 31 March 2022		**112,792**	**112,792**

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Operating surplus for the financial year		**17,186**	**14,492**
Adjustments for:			
Depreciation of fixed assets - housing properties	16	4,846	4,763
Depreciation of fixed assets- other	17	335	224
Amortisation of goodwill	15	1,213	25
Amortised grant	6,24	(465)	(436)
Adjustment for pension funding		(106)	(150)
Surplus on sale of fixed assets - housing	13	(4,028)	(2,568)
Movement in stock		2,009	10,686
Movement in trade and other debtors		(1,263)	466
Movement in trade creditors		3,670	(2,185)
Movement in provisions		-	267
Proceeds from sale of fixed assets		6,053	5,765
Cash from operations		**29,450**	**31,349**
Taxation paid		-	-
Net cash generated from operating activities		**29,450**	**31,349**
Cash flows from investing activities			
Purchase of fixed assets - housing properties		(7,848)	(7,302)
Purchase of fixed assets - other		(1,199)	(2,877)
Additions to investment properties		(36)	-
Receipt of grant		2,683	-
Interest received		157	2
Net cash used in investing activities		**(6,243)**	**(10,177)**
Cash flow from financing activities			
Bank loan drawn down		89,000	16,280
Repayment of borrowings		(98,720)	(31,979)
Interest paid		(8,260)	(8,657)
Loan arrangement fees paid		(415)	(459)
Net cash (used in) / generated from financial activities		**(18,395)**	**(24,815)**
Net (decrease) in cash and cash equivalents		4,812	(3,642)
Cash and cash equivalents at beginning of period		3,972	7,614
Cash and cash equivalents at end of the period		**8,784**	**3,972**

Net Debt Reconciliation

Group	Note	1 April 2022 £'000	Cash flows £'000	Non-cash changes £'000	31 March 2023 £'000
Cash and cash equivalents					
Cash at bank and in hand		3,972	4,812	-	8,784
		3,972	**4,812**	**-**	**8,784**
Borrowings					
Loans due within 1 year	26	1,743	(1,703)	310	350
Loans due after more than 1 year	26	220,077	11,423	(20,140)	211,360
		221,820	**9,720**	**(19,830)**	**211,710**

Notes to the Financial Statements for the year ended 31 March 2023

1. Legal Status

Raven Housing Trust ("the Association") is registered in England under the Co-operative and Community Benefits Societies Act 2014 (Registered number 30070R) and the Regulator of Social Housing as a social housing provider Registered number 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 34. 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 2022.

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. Key judgements and estimates are further detailed in notes 3 and 4.

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.

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 2023.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Annual Report. The Group has in place long-term borrowing facilities, with re-financing exercise completed in 2022 with drawdown of funding due in April 2023 and April 2024. These provide adequate resources to finance committed investment and development programmes, along with the Group's day to day operations beyond the next 18 months.

The Group has not suffered significant negative financial impact as a result of current economic conditions but has adapted plans and commitments to ensue financial stability. 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 continues to consider in its business plan and financial forecasts on a regular basis and take account and plan for impact of further economic downturn and inflation or government policy.

The Board sets golden rules to ensure enough headroom on key financial indicators, covenants and security 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 with mitigation plans to maintain this in the event of adverse economic or financial events or changes.

Raven Housing Trust retains a G1V2 assessment from the Regulator for Social Housing.

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 (after deducting lost rent from void properties available for letting) is recognised on a receivable basis for the period in accordance with tenancy and lease agreement.
- **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**: Raven sets service charge budgets for all variable and fixed charges as part of the annual rent setting process based on costs we expect to incur during the year, including major repairs. In September each year we issue closing accounts to all homeowners, and managed properties that have a variable service charges as part of their lease / tenancy agreement. At this stage, any appropriate works are covered by any held sinking fund balances. Sinking fund collections and balances are recognised as a liability;
- **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 properties developed for sale are recognised at the point of legal completion of the sale;
- **Management fees, including units owned and/or managed by others**: Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out management contracts and rechargeable expenses are included in operating costs.
- **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.

Sale of housing properties

The sale of tangible fixed assets, including second and subsequent tranches of shared ownership properties, Right to Buy (RTB) and Right to Acquire (RTA) properties are recognised at the point of completion within surplus on disposal of housing property in the statement of comprehensive income.

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;
- 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;
- qualifying charitable donations; and
- charitable exemptions from corporation tax.

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.

Directly attributable administration costs when acquiring or developing housing properties includes capitalised interest. Capitalised interest is 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.

Pension costs

The Group participates in a defined contribution plan. This changed in the year 2022/23 from The Pensions Trust (TPT) to Aviva. 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. During the year 2022/23, the Board agreed to exit the SHPS pension scheme; effective date of 30 September 2022 and the statements reflect the estimated cost of exit and liabilities due based on this date.

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

The Association recognise the gift aid donation as a distribution from the subsidiary to its parent and as such is not accrued unless a legal obligation to make the payment exist at the reporting date. It is recognised on a receivable basis in the period the distribution was declared and made as there is no deed of covenant in place between Raven Housing Trust and its subsidiaries.

Goodwill

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 amortised on a systematic basis over its life. The goodwill that was recognised by the Group on the purchase of East Grinstead Tenants Limited (EGTL) will be released into profit and loss over a period of 50 years starting from the first full year after acquisition. Following the closure of EGTL with Companies House and the full integration of EGTL'S properties into the Group's stock, it has been decided that there is no further value to the original goodwill and so it has been impaired down to nil in the 2022/23 financial statements.

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 took the transition exemption on adoption of FRS 102 in 2014 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. Additions subsequent to this date are recognised at cost.

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.

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 split as appropriate to the relevant category and accounted for as such. 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
Ground Source Heat Pumps	15

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.

Any impairment in the value of shared ownership properties is charged to the Statement of Comprehensive Income.

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 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 (excluding finance and housing management software)	3
Finance and housing management software	5

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- where Raven doesn't own the leasehold; 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'.

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. Following the sale of the property, the grant is recycled to be used in the same local authority area as the original agreement.

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.

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.

Contingent liabilities

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

Reserves

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:

- Impairment- 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.

- Development Scheme Costs- 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 when considering whether any impairment exists at the reporting date. This judgement is also based on the member's best estimate of sales value based on economic conditions within the area of development.

- 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.

- Shared ownership first tranche sales, completed properties for outright sale, and property under construction are valued at the at the lower of cost and estimated selling price less costs to complete and sell.

- 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

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).

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).

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 29).
Estimation is required for the value of the exit costs of the Group's decision to exit the SHPS defined benefit scheme. The value included in the financial statements has been provided by TPT and reviewed by an external professional adviser.

5. Particulars of Turnover, Cost of Sales and Operating Surplus

Group	Turnover 2023 £'000	Cost of sale 2023 £'000	Operating costs 2023 £'000	Operating surplus/ (deficit) 2023 £'000	Turnover 2022 £'000	Cost of sale 2022 £'000	Operating costs 2022 £'000	Operating surplus/ (deficit) 2022 £'000
Social housing lettings (note 6)								
Social housing lettings	46,269	-	(32,375)	13,894	43,695	-	(31,792)	11,903
	46,269	**-**	**(32,375)**	**13,894**	**43,695**	**-**	**(31,792)**	**11,903**
Other social housing activities								
First tranche low cost home ownership sales	3,038	(2,273)	-	765	7,545	(5,360)	-	2,185
Development activities	158	-	(1,673)	(1,515)	(38)	(118)	(1,450)	(1,606)
Community investment	153	-	(1,423)	(1,270)	149	-	(1,317)	(1,168)
Floating support	197	-	(510)	(313)	203	-	(882)	(679)
Other	262	-	-	262	350	-	-	350
	3,808	**(2,273)**	**(3,606)**	**(2,071)**	**8,209**	**(5,478)**	**(3,649)**	**(918)**
Activities other than social housing								
Leasehold	1,140	-	(893)	247	856	-	(858)	(2)
Garages	1,355	-	(614)	741	1,196	-	(688)	508
Shops	69	-	(3)	66	67	-	(5)	62
Raven House lettings	217	-	(277)	(60)	295	-	(298)	(3)
Market sale properties	2,752	(1,408)	(303)	1,041	9,577	(8,447)	(146)	984
Other-NSHA	764	(167)	(1,297)	(700)	250	(380)	(480)	(610)
	6,297	**(1,575)**	**(3,387)**	**1,335**	**12,241**	**(8,827)**	**(2,475)**	**939**
Surplus on disposal of fixed assets				4,028			2,568	2,568
Total	**56,374**	**(3,848)**	**(39,368)**	**17,186**	**64,145**	**(14,305)**	**(35,348)**	**14,492**

Trust	Turnover 2023 £'000	Cost of sale 2023 £'000	Operating costs 2023 £'000	Operating surplus/ (deficit) 2023 £'000	Turnover 2022 £'000	Cost of sale 2022 £'000	Operating costs 2022 £'000	Operating surplus/ (deficit) 2022 £'000
Social housing lettings (note 6)								
Social housing lettings	46,269	-	(31,332)	14,937	43,720	-	(31,715)	12,005
	46,269	**-**	**(31,332)**	**14,937**	**43,720**	**-**	**(31,715)**	**12,005**
Other social housing activities								
First tranche low cost home ownership sales	3,038	(2,266)	-	772	7,545	(5,837)	-	1,708
Development activities	280	-	(1,797)	(1,517)	238	-	(1,521)	(1,283)
Community investment	153	-	(1,423)	(1,270)	149	-	(1,317)	(1,168)
Floating support	197	-	(510)	(313)	203	-	(882)	(679)
Other	262	-	-	262	292	-	-	292
	3,930	**(2,266)**	**(3,730)**	**(2,066)**	**8,427**	**(5,837)**	**(3,720)**	**(1,130)**
Activities other than social housing								
Leasehold	1,140	-	(893)	247	856	-	(858)	(2)
Garages	1,355	-	(614)	741	1,197	-	(687)	510
Shops	69	-	(3)	66	67	-	(5)	62
Raven House lettings	217	-	(277)	(60)	295	-	(298)	(3)
Market sale properties	405	-	(182)	223	603	-	(279)	324
Other	320	-	(1,004)	(684)	144	-	(440)	(296)
	3,506	**-**	**(2,973)**	**533**	**3,162**	**-**	**(2,567)**	**595**
Surplus on disposal of fixed assets				4,028			2,568	2,568
Total	**53,705**	**(2,266)**	**(38,035)**	**17,432**	**55,309**	**(5,837)**	**(35,434)**	**14,038**

6. Income and Expenditure from Social Housing Lettings - Group and Trust

Group	General Needs 2023 £'000	Supported Housing 2023 £'000	Shared Ownership 2023 £'000	Other [1] 2023 £'000	Total 2023 £'000	Total 2022 £'000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	36,547	2,213	2,944	1,427	43,131	40,736
Service income	1,456	493	424	288	2,661	2,495
Amortised Government Grants	395	29	37	16	477	464
Turnover from social housing lettings	**38,398**	**2,735**	**3,405**	**1,731**	**46,269**	**43,695**
Expenditure on social housing lettings						
Management costs	5,199	495	715	318	6,727	5,746
Service charge costs	1,525	748	653	367	3,293	3,416
Routine maintenance	6,202	448	588	237	7,475	7,788
Planned maintenance	1,265	91	120	48	1,524	1,631
Major repairs expenditure	5,457	394	517	208	6,576	6,730
Bad debts	(256)	(15)	(1)	115	(157)	627
Amounts written off on replacement/demolition	59	4	6	2	71	378
Depreciation of housing properties	4,388	317	-	168	4,873	4,762
Other	1,673	120	142	58	1,993	714
Operating costs on social housing lettings	**25,512**	**2,602**	**2,740**	**1,521**	**32,375**	**31,792**
Operating surplus on social housing lettings	**12,886**	**133**	**665**	**210**	**13,894**	**11,903**
Void losses	**200**	**23**	**-**	**41**	**264**	**349**

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

Trust	General Needs 2023 £'000	Supported Housing 2023 £'000	Shared Ownership 2023 £'000	Other [1] 2023 £'000	Total 2023 £'000	Total 2022 £'000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	36,547	2,213	2,944	1,427	43,131	40,737
Service income	1,456	493	424	287	2,660	2,494
Amortised government grants	395	29	37	17	478	489
Turnover from social housing lettings	**38,398**	**2,735**	**3,405**	**1,731**	**46,269**	**43,720**
Expenditure on social housing lettings						
Management costs	5,199	495	715	318	6,727	5,577
Service charge costs	1,525	748	653	367	3,293	3,416
Routine maintenance	6,205	448	588	237	7,478	7,788
Planned maintenance	1,265	91	120	48	1,524	1,631
Major repairs expenditure	5,457	394	517	208	6,576	6,823
Bad debts	(256)	(15)	(1)	115	(157)	627
Amounts written off on replacement/demolition	188	14	18	7	227	378
Depreciation of housing properties	4,401	318	-	168	4,887	4,762
Other	664	47	47	19	777	713
Operating costs on social housing lettings	**24,648**	**2,540**	**2,657**	**1,487**	**31,332**	**31,715**
Operating surplus on social housing lettings	**13,750**	**195**	**748**	**244**	**14,937**	**12,005**
Void losses	**200**	**23**	**-**	**41**	**264**	**349**

7. Units of Housing Stock

Group	2023 At start of the period	2023 Developed or newly built units acquired	2023 Units sold / demolished	2023 Other movements	2023 Period end	2022 At start of the period	2022 Developed or newly built units acquired	2022 Units sold / demolished	2022 Other movements	2022 Period end
Social rent general needs	4,072	13	(9)	(1)	4,075	4,095	-	(13)	(10)	4,072
Affordable rent general needs	1,219	58	(2)	1	1,276	1,138	73	0	8	1,219
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	496	65	(7)	-	554	469	42	(15)	-	496
Other social housing	203	-	-	-	203	201	-	-	2	203
Total social housing units owned and / or managed	**6,350**	**136**	**(18)**	**-**	**6,468**	**6,263**	**115**	**(28)**	**-**	**6,350**
Social housing units managed but not owned	14	117	-	-	131	-	14	-	-	14
Social housing units owned but not managed	54	-	-	-	54	54	-	-	-	54
Total owned and managed accommodation	**6,282**	**19**	**(18)**	**-**	**6,283**	**6,263**	**115**	**(28)**	**-**	**6,282**
Total leasehold units	**858**	-	-	-	**858**	**854**	4	**-**	**-**	**858**
Outright sale units	-	-	-	-	-	1	-	(1)	-	-
Total units owned and / or managed	**7,208**	**136**	**(18)**	**-**	**7,326**	**7,118**	**119**	**(29)**	**-**	**7,208**

Trust	**2023** **At start of the period**	**2023** **Developed or newly built units acquired**	**2023** **Units sold / demolished**	**2023** **Other movements**	**2023** **Period end**	**2022** **At start of the period**	**2022** **Developed or newly built units acquired**	**2022** **Units sold / demolished**	**2022** **Other movements**	**2022** **Period end**
Social rent general needs	4,072	13	(9)	(1)	4,075	4,095	-	(13)	(10)	4,072
Affordable rent general needs	1,219	58	(2)	1	1,276	1,138	73	-	8	1,219
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	496	65	(7)	-	554	469	42	(15)	-	496
Other social housing	203	-	-	-	203	201	-	-	2	203
Total social housing units owned and/ or managed	**6,350**	**136**	**(18)**	**-**	**6,468**	**6,263**	**115**	**(28)**	**-**	**6,350**
Social housing units managed but not owned	14	117	-	-	131	-	14	-	-	14
Social housing units owned but not managed	54	-	-	-	54	54	-	-	-	54
Total owned and managed accommodation	**6,282**	**19**	**(18)**	**-**	**6,283**	**6,263**	**115**	**(28)**	**-**	**6,282**
Total leasehold units	**858**	**-**	**-**	**-**	**858**	**854**	4	**-**	**-**	**858**
Outright sale units	-	-	-	-	-	**-**	-	-	-	-
Total units owned and/ or managed	**7,208**	**136**	**(18)**	**-**	**7,326**	**7,117**	**119**	**(28)**	**-**	**7,208**

Included in the 2023 year-end total for Social Rents General Needs units are 28 properties that were vacant at the year end and scheduled for demolition during 2023/24.
During 2022/2023 Raven Housing Trust took handover of a further 117 properties under a management agreement with a third party provider.

8. Surplus for the Year

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
This is arrived after charging:				
Depreciation of housing properties	4,846	4,762	4,887	4,763
Depreciation of other fixed assets	334	224	334	224
External auditors' remuneration (excluding VAT):				
- fees for audit of accounts	70	55	59	55
- fees for other assurance services	9	12	9	12
Operating lease rentals: other	370	518	370	518

9. Tax on Surplus on Ordinary Activities

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Corporation tax				
UK Corporation tax on income for the year	7	1	7	(1)
Deferred tax provision	2	(1)	2	1
	9	-	**9**	-
Factors affecting the tax (credit) / charge for the current period				
Surplus on ordinary activities before tax	7,273	6,494	7,606	6,482
Current tax at 19% (2021: 19%)	1,389	1,234	1,445	1,232
Effects of:				
Charitable surpluses not subject to tax	(1,380)	(1,157)	(1,424)	(1,218)
Qualifying charitable donations	-	(80)	-	-
Utilisation of tax losses	-	-	-	-
Adjustment to tax charge in respect of previous periods	-	-	-	-
Tax losses not relieved	-	3	-	-
Tax losses carried forward	-	2	-	-
Fixed asset differences	(2)	(1)	(2)	(1)
Group relief surrendered / (claimed)	-	-	(12)	(14)
Group relief claimed- brought forward losses	-	-	-	-
Deferred tax	2	(1)	2	1
Total tax (credit)/charge	**9**	**-**	**9**	**-**

The charitable status of Raven Housing Trust means that no corporation tax is payable on their charitable activities. Tax is payable on the profits from the activities of the Group's other non-charitable subsidiary companies and on commercial activities carried out within Raven Housing Trust.

10. Employees Information

The total remuneration (including Executive Management Team) paid was:	**2023 £'000**	**2022 £'000**
Wages and salaries	10,920	10,375
Social security costs	1,219	1,078
Cost of defined contribution scheme	793	794
	12,932	**12,247**

Group and Trust

The average number of full time equivalent employees was: ***(calculated based on standard working week of 36 hours)***	**2023 No.**	**2022 No.**
Central services	67	66
Customer service	26	23
Development	11	13
Housing operations	167	170
Other	23	18
	294	**290**

The Group participates in the Social Housing Pension Scheme (SHPS) but was in the process of exiting at the 31st March 2023. Further information on the scheme is given in note 29.
Government grants relating to furloughed staff were received of £0k (2022: £6k).

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	**2023 £'000**	**2022 £'000**
Emoluments (including pension contribution and benefit in kind) paid to directors	905	931
Emoluments (excluding pension contribution) paid to highest paid director	164	163

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

Group and Trust	2023 No	2022 No
£60,000 - £69,999	8	13
£70,000 - £79,999	4	2
£80,000 - £89,999	1	1
£90,000 - £99,999	3	2
£100,000 - £109,999	-	1
£110,000 - £119,999	1	1
£120,000 - £129,999	-	1
£130,000 - £139,999	2	1
£140,000 - £149,999	-	-
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-
	20	**23**

12. Board members

During the year, Board members received emoluments totalling £77k (2022: £80k).

Group and Trust	2023 £'000	2022 £'000
Andrew Rinaldi	5	3
Bryan Ingleby	7	5
Caroline Armitage	16	17
Claire Whelan	2	-
David Gannicott	7	7
Dawn Edith Kenson	6	10
Heather Bowman	5	5
Hena Ali	2	1
Henrietta Irving	-	3
Joanne Stewart	2	-
John Amans	2	5
Kush Rawal *	3	3
Nicholas Meinertzhagen	-	2
Patrick Bradley *	3	3
Paul Edwards	2	5
Philip Andrew	7	7
Robert Kingsmill	5	3
Sophie Fuller	3	1
	77	**80**

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

* Co-Optee

13. Surplus on disposal of fixed assets

Group and Trust	2023 £'000	2022 £'000
Proceeds from disposal of properties - Right to Buy	410	3,126
Cost of sales (including selling costs)	(382)	(2,315)
Transfer to recycled capital grant fund	-	-
Surplus on Right to Buy sales	**28**	**811**
Proceeds from disposal of properties - Right to Acquire	1,450	1,568
Cost of sales (including selling costs)	(129)	(921)
Transfer to recycled capital grant fund	-	(50)
Surplus on Right to Acquire sales	**1,321**	**597**
Income from staircasing	2,763	3,453
Cost of sales (including selling costs)	(1,723)	(1,920)
Transfer to recycled capital grant fund	(81)	(232)
Grant abated	22	-
Surplus on other sales	**981**	**1,301**
Income from other assets sales	1,833	279
Cost of sales (including selling costs)	(135)	(420)
Surplus on other sales	**1,698**	**(141)**
Total gain on disposal of fixed assets	**4,028**	**2,568**

14. Interest payable and similar charges

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Bank loans and overdrafts	9,510	8,581	9,510	8,581
Recycled capital grant	2	-	2	-
Other interest payable	-	41	-	41
Net interest on pension defined benefit liability	-	27	-	27
	9,512	8,649	9,512	8,649
Interest capitalised on construction of housing properties	(57)	(227)	(57)	(227)
	9,455	**8,422**	**9,455**	**8,422**

Interest capitalised in housing properties during 2023 was £57k (2022: £1,213k), interest charged to properties held for sale during 2023: £28k (2022: £17k).

15. Goodwill on consolidation

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
As at 1 April	1,213	1,238	-	-
Additions arising from new business combinations	-	-	-	-
Amounts released into profit or loss	(1,213)	(25)	-	-
As at 31 March	-	1,213	-	-

Goodwill arose on the acquisition of East Grinstead Tenants Limited on 17 December 2019. Following the liquidation of East Grinstead Tenants Limited it was decided that the value of the remaining goodwill was £Nil and was fully amortised during 2022/23.

16. Tangible fixed assets - Housing properties

Group	**General needs completed**	**General needs under construction**	**Shared ownership completed**	**Shared ownership under construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 April 2022	331,954	2,113	69,823	2,954	406,843
Additions					
- construction costs	-	5,016	-	397	5,413
- transfer between tenure	-	(48)	-	48	-
- replaced components	2,670	-	-	-	2,670
- assets held for sale	-	-	-	-	-
Completed schemes	2,895	(2,895)	1,562	(1,562)	-
Disposals					
- property disposals	(265)	-	-	-	(265)
- replaced components	(617)	-	-	-	(617)
- staircasing sales	-	-	(1,780)	-	(1,780)
At 31 March 2023	**336,637**	**4,186**	**69,605**	**1,837**	**412,264**
Depreciation					
At 1 April 2022	(54,761)	-	(483)	-	(55,244)
Charge for the year	(4,846)	-	-	-	(4,846)
Disposals					
- property disposals	89	-	-	-	89
- replaced components	545	-	-	-	545
- staircasing sales	-	-	13	-	13
At 31 March 2023	**(58,973)**	**-**	**(470)**	**-**	**(59,443)**
Impairment					
At 1 April 2022	(191)	-	-	-	(191)
Charge for the year	-	-	-	-	-
At 31 March 2023	**(191)**	**-**	**-**	**-**	**(191)**
Net book value:					
At 31 March 2023	**277,473**	**4,186**	**69,135**	**1,837**	**352,630**
At 31 March 2022	277,002	2,113	69,340	2,954	351,409

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 2022	332,711	2,095	69,676	2,957	407,439
Additions					
- construction costs	-	5,083	-	420	5,503
- transfer between tenure	-	(48)	-	48	-
- replaced components	2,715	-	-	-	2,715
- assets held for sale	-	-	-	-	-
Completed schemes	2,895	(2,895)	1,562	(1,562)	-
Disposals					
- property disposals	(265)	-	-	-	(265)
- replaced components	(672)	-	-	-	(672)
- staircasing sales	-	-	(1,773)	-	(1,773)
At 31 March 2023	**337,384**	**4,235**	**69,465**	**1,863**	**412,947**
Depreciation					
At 1 April 2022	(54,667)	-	(483)	-	(55,150)
Charge for the year	(4,887)	-	-	-	(4,887)
Disposals					
- property disposals	89	-	-	-	89
- replaced components	445	-	-	-	445
- staircasing sales	-	-	13	-	13
At 31 March 2023	**(59,020)**	-	**(470)**	-	**(59,490)**
Impairment					
At 1 April 2022	(191)	-	-	-	(191)
Charge for the year	-	-	-	-	-
At 31 March 2023	**(191)**	**-**	**-**	**-**	**(191)**
Net book value:					
At 31 March 2023	**278,173**	**4,235**	**68,995**	**1,863**	**353,266**
At 31 March 2022	277,853	2,095	69,193	2,953	352,098

The net book value of housing properties can be further analysed as:	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Freehold	344,415	344,022	344,959	344,729
Long leasehold	2,207	2,304	2,207	2,304
	346,622	**346,326**	**347,166**	**347,033**

Group and Trust	2023 £'000	2022 £'000
Interest capitalisation in the year	57	210
Cumulative interest capitalised	7,003	6,946

Group and Trust	2023	2022
Average rate used for capitalisation	3.6%	2.6%

Works to properties	2023 £'000	2022 £'000
Improvements to existing properties capitalised	2,713	3,853
Major repairs expenditure to income and expenditure account	6,590	6,823
	9,303	**10,676**

Total social housing grant received and receivable as follows:	2023 £'000	2022 £'000
Capital grant - housing properties	42,382	39,905
Capital grant - homebuy investments	242	287
Recycled capital grant fund	9	266
	42,634	**40,458**

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 (2022: £nil) in respect of general needs housing stock.

Properties held for security

The Association had property with a net book value of £127m pledged as security at 31 March 2023 (2022: £114m).

17. Other fixed assets

Group and Trust	Freehold office building £'000	Non residential properties £'000	Office & computer equipment £'000	Software £'000	Total £'000
Cost					
At 1 April 2022	3,107	13	3,896	-	7,016
Additions	49	-	845	305	1,199
Transfer	-	65	(3,953)	3,888	-
Disposals	-	-	(236)	-	(236)
At 31 March 2023	**3,156**	**78**	**552**	**4,193**	**7,979**
Depreciation					
At 1 April 2022	(288)	(3)	(546)	-	(837)
Charge for the year	(35)	(1)	(136)	(162)	(334)
Transfer	-	(1)	1	-	-
Disposals	-	-	225.00	-	225
At 31 March 2023	**(323)**	**(5)**	**(456)**	**(162)**	**(946)**
Net book value:					
At 31 March 2023	**2,833**	**73**	**97**	**4,031**	**7,034**
At 31 March 2022	2,819	10	3,351	-	6,180

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	2023 £'000	2022 £'000
At 1 April	16,490	16,448
Additions	36	-
Disposals	(3)	(26)
Transfer	-	-
Revaluations	(1,303)	68
At 31 March	**15,220**	**16,490**

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	2023 £'000	2022 £'000
At 1 April	287	419
New loans issued	-	-
Loans redeemed	(45)	(132)
Provision against loans	-	-
At 31 March	**242**	**287**

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 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Work in progress	1,129	1,180	1,129	1,180
Completed properties	-	678	-	677
Work in progress for outright market sale	-	20	-	-
Completed outright sale	-	1,256	-	-
	1,129	**3,133**	**1,129**	**1,857**

Interest charged to properties held for sale during the year 2023 were £28k (2022: £17k).

21. Debtors

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Due within one year				
Rent and service charges arrears	1,761	1,649	1,761	1,649
Less: Provision for bad and doubtful debts	(1,037)	(1,431)	(1,037)	(1,431)
	724	**218**	**724**	**218**
Amounts due from group undertakings	-	-	395	3,575
Leasehold debtors	230	168	230	168
Other debtors	1,218	323	757	64
Prepayments and accrued income	1,712	1,921	1,723	1,942
	3,884	**2,630**	**3,829**	**5,967**

22. Creditors: amount falling due within one year

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Loans and borrowings (Note 26)	350	1,743	350	1,743
Trade creditors	1,680	-	1,604	-
Rent received in advance	2,021	1,824	2,021	1,828
Taxes and social security costs	313	331	317	331
Pension	108	104	108	104
Sinking funds	2,474	1,071	2,474	1,068
Deferred capital grant Income (Note 24)	463	463	463	463
Recycled Homebuy grant	954	890	954	890
Other creditors, accruals and deferred income	6,772	5,722	5,995	5,343
	15,135	**12,148**	**14,286**	**11,770**

23. Creditors: amount falling due after one year

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Loans and borrowings (Note 26)	211,360	220,077	211,360	220,077
Deferred capital grant (Note 24)	41,920	39,442	41,920	39,442
Recycled capital grant fund (Note 25)	9	266	9	266
Homebuy grant (Note 19)	242	287	242	287
	253,531	**260,072**	**253,531**	**260,072**

24. Deferred capital grant income fund

Funds pertaining to activities within areas covered by Homes England:

Group and Trust	**2023 £'000**	**2022 £'000**
At 1 April	39,905	40,624
Grant received in the year	2,683	-
Grant recycled to recycled capital grant fund	(81)	(283)
Grant recycled from the recycled capital grant fund	340	-
Other non-recyclable grant disposal	(22)	-
Eliminated on disposal	14	54
Released in the year	(457)	(490)
At 31 March	**42,382**	**39,905**
Amounts falling due within one year	463	463
Amounts falling due after one year	41,920	39,442
	42,383	**39,905**
Amounts 3 years or older where repayment may be required	-	-

25. Recycled capital grant

Funds pertaining to activities within areas covered by HCA:

Group and Trust	**2023 £'000**	**2022 £'000**
At 1 April	266	285
Grant recycled from deferred capital grants	81	283
Grant used	(340)	(302)
Interest accrued	2	-
At 31 March	**9**	**266**
Amounts falling due within one year	-	-
Amounts falling due after one year	9	266
	9	**266**
Amounts 3 years or older where repayment may be required	-	-

26. Loans and borrowings

Borrowings at amortised cost

Group and Trust	**2023 £'000**	**2022 £'000**
Due within one year		
Bank loans & other borrowings	427	1,988
Less: issue cost	(77)	(245)
	350	**1,743**
Due after more than one year		
Bank loans & other borrowings	212,277	221,124
Less: issue cost	(917)	(1,047)
	211,360	**220,077**

Group and Trust	**2023 £'000**	**2022 £'000**
In one year or less	350	1,743
In more than one year but no more than two years	347	19,719
In more than two years but no more than five years	12,997	31,429
Later than 5 years	198,016	168,929
	211,710	**221,820**

Capital repayment
Group and Trust

	2023 £'000	2022 £'000
In one year or less	425	2,128
In more than one year but no more than two years	425	2,472
In more than two years but no more than five years	425	48,865
Later than 5 years	208,600	166,131
	209,875	**219,596**

The Group has drawn down £89m (2022: £16.3m) and repayments totalling £98.7m (2022: £32m) were made during the year. At the year-end there were undrawn facilities for £119m (2022: £82.5m) available for draw down. All loans are secured by way of specific charges on housing properties. During the year the Group secured a new private placement with Pension Insurance Corporation (PIC).

The loans either bear interest at fixed rates ranging from 2.1% to 6.6% (inclusive of margin) or variable rates calculated at a margin averaging between 1% and 1.8% above SONIA.

27. Financial instruments

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

Financial assets	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Financial assets measured at transaction cost:				
Loan due from subsidiary	-	-	395	3,575
Financial assets measured at undiscounted amount receivable:				
Debtors	3,884	2,630	3,434	2,392
Cash and cash equivalents	8,784	3,972	8,522	2,876
	12,668	**6,602**	**12,351**	**8,843**

Financial liabilities	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Financial liabilities measured at amortised cost:				
Loans and borrowings	211,710	221,820	211,710	221,820
Financial liabilities measured at undiscounted amount payable:				
Trade and other creditors	13,368	9,052	12,519	8,669
	225,078	**230,872**	**224,229**	**230,489**

Borrowing facilities

The Group has undrawn committed borrowing facilities. The facilities available at 31 March 2023 in respect of which all conditions precedent had been met were as follows:

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'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	119,000	32,500	119,000	32,500
	119,000	**82,500**	**119,000**	**82,500**

28. Other provisions

Group and Trust	2023 £'000	2022 £'000
At 1 April	450	183
Utilised in year	-	(183)
Additions	-	450
At 31 March	**450**	**450**

The provision included in the financial statements relates to potential fire safety remedial works at The Dome and Delta House.

29. Pension scheme

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

Defined benefit obligation breakdown:

Social Housing Pension Scheme

After consultation with employees, in July 2022 the Raven Board approved the organisations exit from the Social Housing Pension Scheme (SHPS) at 30 September 2022 and transfer to Aviva as the pension scheme provider for Raven employees. The exit from SHPS on 30 September triggered a valuation of the liabilities for Raven Housing Trust of members with a defined benefit pension in SHPS; the valuation is £2.7m and at the date of the accounts being signed 90% has been paid to the scheme. The final amount is due following resolution of a current court case brought by SHPS provider The Pension Trust (TPT) regarding the administration of scheme changes since 2000. It is estimated that the court case could increase the total liabilities for Raven by 5%. When the final valuation has been confirmed and paid to SHPS there will be no further pension liabilities for Raven for any defined pension benefit scheme. The accounts have been prepared on the basis of Raven having no on-going participation in SHPS and the estimated value of all liabilities as at the date of exit.

	2023 £'000
Opening Pension Liability at 1 April 2022	780
Exit of SHPS removing current liabilities	(780)
Employer Section75 Debt	2,874
Deficit reduction payments in year	(105)
Additional pending court case liability	138
Closing Pension Liability at 31 March 2023	**2,907**

This closing pension liability is due within one year.

Prior year breakdown of SHPS assets and obligations:

Present values of defined benefit obligation

	2023 £'000	2022 £'000
Fair value of plan assets	-	5,439
Present value of defined benefit obligation	-	6,219
Deficit in plan	105	(780)
Employer section 75 debt	(2,874)	-
Pending court case liability at 5%	(138)	-
Defined benefit liability to be recognised	**(2,907)**	**(780)**

Prior year reconciliation of opening and closing balances of the defined benefit obligation

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

Prior year reconciliation of opening and closing balances of the fair value of plan assets

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

Prior year defined benefit costs recognised in the Statement of Comprehensive Income

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

Defined Benefit Costs recognised in the Other Comprehensive Income

	2023 £'000	2022 £'000
Initial recognition of multi-employer defined benefit scheme		
Derecognition of deficit funding liability	(780)	-
Initial recognition of multi-employer defined benefit scheme	-	-
	(780)	**-**
Actuarial (loss) / gain in respect of pension schemes		
Experience on plan assets (excluding amounts included in net interest cost) - gain	-	(17)
Experience gains and losses arising on the plan liabilities - gain	-	(110)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) / gain	-	93
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) / gain	-	460
Employer Section75 Debt	2,874	-
Additional pending court case liability	139	-
Total amount recognised in other comprehensive income - (loss) / gain	**2,233**	**426**

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

30. 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.

	2023 £	2022 £
At 1 April	18	24
Shares issued in the year	3	2
Shares cancelled in the year	(3)	(8)
At 31 March	**18**	**18**

31. 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	2023 £'000	2022 £'000
No later than 1 year	220	326
Later than 1 year and not later than 5 years	150	192
Later than 5 years	-	-
	370	**518**

Raven Housing Trust leases vans and photocopiers.

Amounts receivable as a lessor	2023 £'000	2022 £'000
No later than 1 year	246	191
Later than 1 year and not later than 5 years	249	240
Later than 5 years	133	207
	627	**638**

Raven Housing Trust leased assets include shops and offices.

32. Capital commitments

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Commitments contracted but not provided for	12,895	3,625	3,886	3,263
Commitments approved by the Board but not contracted for	36,551	29,977	22,441	10,067
	49,446	**33,602**	**26,327**	**13,330**

Capital commitments for the Group and Trust will be funded as follows:

	Group 2023 £'000	Group 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
Social housing grant	8,814	6,227	3,450	746
Sales of properties	8,885	12,908	5,000	7,916
Existing reserves	31,747	14,467	17,877	4,668
	49,446	**33,602**	**26,327**	**13,330**

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.

33. 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 Tents Limited (EGTL) was placed into Liquidation on 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 £124k were charged to RDL (2022: £192k). The Association has received a total of £2,827k (2022: £300k) 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 £268k (2022: £73k).

RRL has repaid £250k of its available loan facility. As of 31 March 2023, £395k (2022: £645k) has been drawn down.

During the year overheads of £102k were charged to RDH (2022: £206k). As of 31 March 2022 RDH, has repaid all of its available loan facility.

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

	RRL 2023 £'000	RDL 2023 £'000	RDH 2023 £'000	EGTL 2023 £'000	RRL 2022 £'000	RDL 2022 £'000	RDH 2022 £'000	EGTL 2022 £'000
Net loan movements	(250)	-	(2,930)	-	315	-	(9,500)	-
Net sales and purchases of goods and services	41	(2,772)	8	-	111	(119)	187	1
Net management fees received	268	68	102	-	17	12	17	-

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

Payable to the Trust by the subsidiaries	Management charges		Interest charges		Gift Aid	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Raven Devco Limited	124	16	-	-	3	3
Raven Repairs Limited	268	17	30	26	-	-
Raven Development Homes Limited	102	17	58	416	405	377
	494	**50**	**88**	**442**	**408**	**380**

Payable by the Trust to the subsidiaries	Management charges	
	2023	2022
	£'000	£'000
Raven Devco Limited	56	4

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	645	(250)	395
Raven Development Homes Limited	2,930	(2,930)	-

Other related party transactions

One Board member utilised the services of Raven Repairs Limited during the year for the value of £3,792. Two directors employed by Raven Housing Trust also utilised the services of Raven Repairs Limited during the year for a total value of £3,966.

All transactions were completed on an arm's length basis.

34. 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 fully drawn down. The remaining balance was fully utilised during 2022/23.

	2023 £'000	2022 £'000
As at 1 April	16	531
Transfer of assets to RHT	(16)	(515)
As at 31 March	-	**16**

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	08948872	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 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.