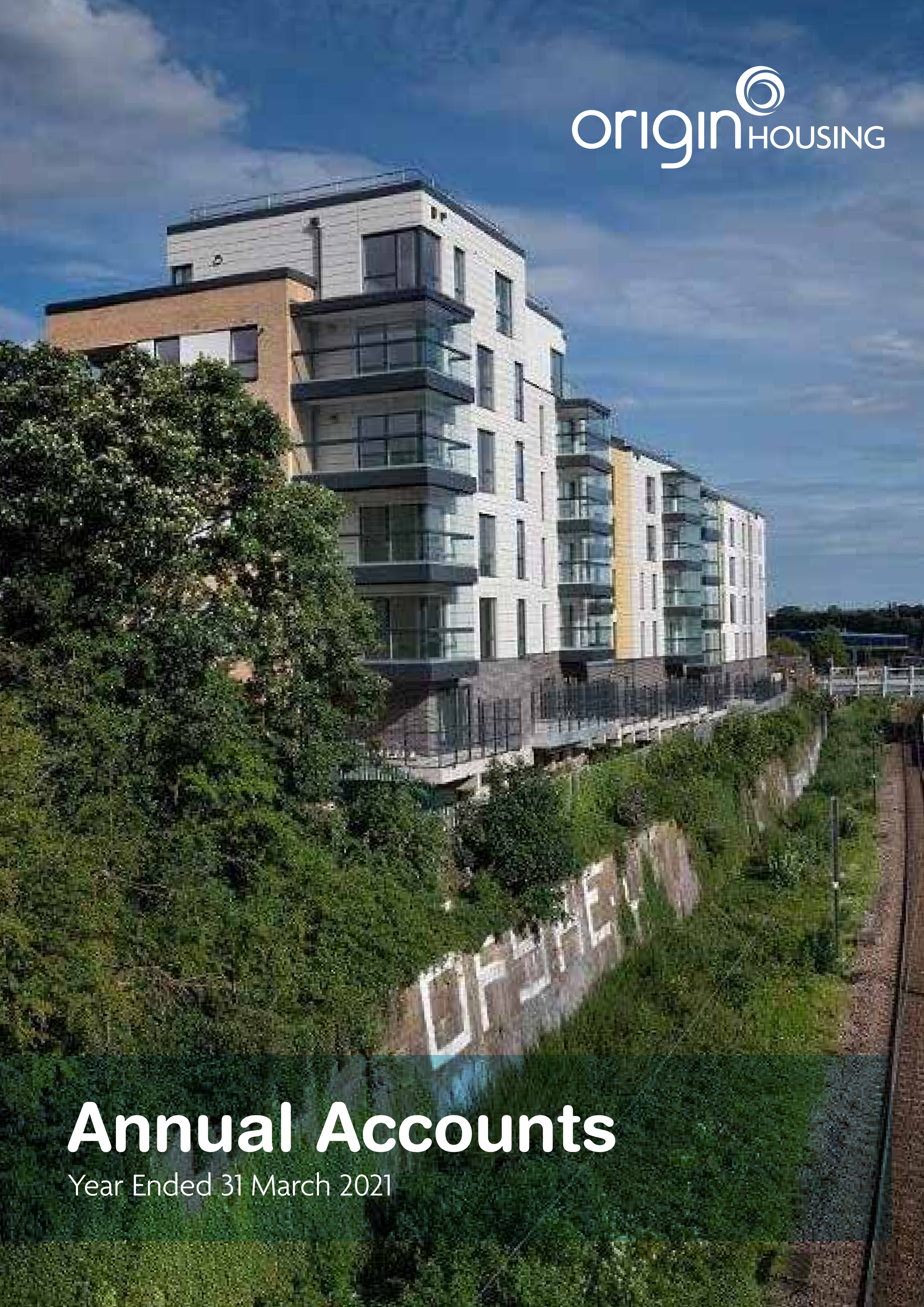
origin HOUSING



Annual Accounts

Year Ended 31 March 2021

Contents

Board members, executive directors, advisers, and bankers As at 31 March 2021

The Board of Origin Housing Association	
Chair	Neil McCall
Vice Chair	Bryan Ingleby
Other Members	Carol Carter (Chief Executive)
	Meena Anand (appointed 9 September 2020)
	Chris Bond
	Vicky Bonner
	Robert Green
	Mash Halai (retired 9 September 2020)
	Stephen Mutton
	Argiri Papathos
	Julia Porter
	Gordon Wright
Committees	
Audit and Risk Committee	Gordon Wright - Chair
Customer Services Committee	Julia Porter - Chair
Investment Committee	Chris Bond – Chair
Health & Safety Oversight Group	Neil McCall - Chair
Refinancing Committee (time-limited)	Neil McCall - Chair
Remuneration and Nominations Committee	Bryan Ingleby - Chair
Executive Directors	
Carol Carter	Chief Executive
Gloria Yang	Deputy CEO and Director of Finance
Gareth Jones	Director of Development and Assets
Carol Williams	Director of Operations
Company Secretary	Gloria Yang
Registered office and head office	St Richard's House 110 Eversholt Street London NW1 1BS
Registrations:	Registered Society Number: 10008R Regulator of Social Housing Number: L0871
Auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Principal Solicitors	Trowers & Hamlins 3 Bunhill Row London EC1Y 8YZ
Banker	Royal Bank of Scotland 189-191 Camden High Street London NW1 7BP

Chair's Statement

In reflecting on the last year, I am immensely proud of how our people have positively responded to the challenges posed by the impact of the pandemic: demonstrating resilience and undimmed commitment to our residents and communities. Week after week, there have been stories of how our people have gone 'above and beyond', often grappling with difficult personal circumstances, as we all were. Our ability to swiftly adapt is testament to the investment we had already made in technology and our people, and the experience has been a catalyst for more agile innovation, helping to ensure we were able to sustain and improve services as well as business efficiency.

During 2020/21, we made great advances in our digital service offer, streamlined our ways of working and further strengthened our staff skills, IT infrastructure and our future finances. We reached out to more of our residents who may be vulnerable or in crisis and distributed charitable funds and food and fuel vouchers, and we gave advice and support to hundreds of residents who faced debt problems due to lost income as a result of lockdown.

At the same time we continued to keep our residents safe with **£6.1m** of investment in building safety to meet new standards and completed **313** new homes – **53%** of which were for social rent or shared ownership – with **47** more homes starting on site.

In spite of the impact of COVID-19 which put pressure on income, as well as the necessity for increased fire safety spend, our surplus for the year was a healthy £15.3m - representing an operating margin of 19.6% - all of which will be reinvested in building affordable homes and improving our existing stock and services.

We maintained strong liquidity throughout the year and met all our financial covenants as well as our golden rules. Our A credit rating and G1/V2 governance grading were reaffirmed, demonstrating strong stakeholder confidence.

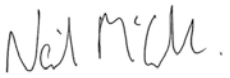
We have also seen some important positive improvements in our customers service experience with a 15% increase in residents saying we are easy to deal with, 75% feeling their home was safe and secure and 92% satisfied with their last repair. But we know we need to do more to respond to provide consistently high-quality landlord services which meet changing expectations.

At the end of 2020, we launched our new corporate plan 'On Your Side, Together' which takes us to our 100th anniversary in 2024, and which consciously and practically seeks to re-connect back to our founding principles, putting our residents and communities right at the centre of what we do; ensuring that their priorities shape our activities and deliver the outcomes they value.

Our corporate ambitions are simple and clear - to provide services that make people's lives easier and homes, places and communities that people are proud to live in. Success will be underpinned by continuing to work together in partnership with all stakeholders – our residents, developers, funders and local authorities as well as charities and voluntary groups - to achieve more and maximise our social impact.

With our long held environment, social and governance credentials, we successfully raised a new £120m Green Private Placement in April 2021. The full net proceeds will be used to finance energy efficient buildings with EPC ratings A and B. We are extremely pleased with this outcome amid strong investor demand, which will further strengthen our financial headroom and liquidity pipeline.

I look forward to working with all our stakeholders, the Board and the leadership team to deliver our new corporate plan.

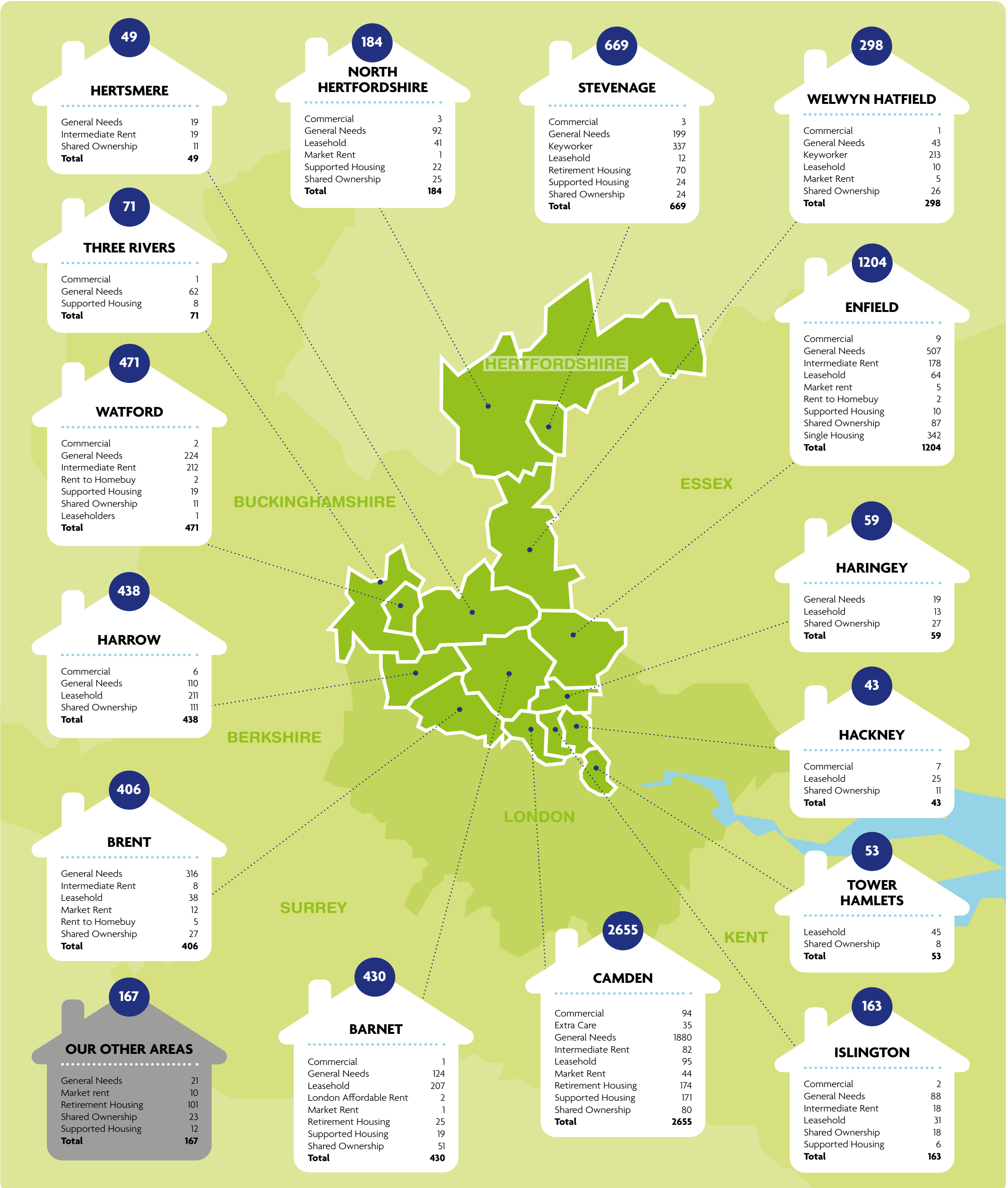


Strategic Report

About Origin

Origin Housing Limited ("Origin") is a dynamic and diverse organisation that owns and manages over 7,300 homes across London and Hertfordshire. Our homes include social rented housing, affordable rent, intermediate and market rent, and shared ownership.

We have a strong care and support offering including retirement housing for older people and specialist services such as learning disability and young people leaving care, and we invest in communities - offering people opportunities for improved quality of life.



49 – HERTSMERE

General Needs	19
Intermediate Rent	19
Shared Ownership	11
Total	**49**

184 – NORTH HERTFORDSHIRE

Commercial	3
General Needs	92
Leasehold	41
Market Rent	1
Supported Housing	22
Shared Ownership	25
Total	**184**

669 – STEVENAGE

Commercial	3
General Needs	199
Keyworker	337
Leasehold	12
Retirement Housing	70
Supported Housing	24
Shared Ownership	24
Total	**669**

298 – WELWYN HATFIELD

Commercial	1
General Needs	43
Keyworker	213
Leasehold	10
Market Rent	5
Shared Ownership	26
Total	**298**

71 – THREE RIVERS

Commercial	1
General Needs	62
Supported Housing	8
Total	**71**

1204 – ENFIELD

Commercial	9
General Needs	507
Intermediate Rent	178
Leasehold	64
Market rent	5
Rent to Homebuy	2
Supported Housing	10
Shared Ownership	87
Single Housing	342
Total	**1204**

471 – WATFORD

Commercial	2
General Needs	224
Intermediate Rent	212
Rent to Homebuy	2
Supported Housing	19
Shared Ownership	11
Leaseholders	1
Total	**471**

59 – HARINGEY

General Needs	19
Leasehold	13
Shared Ownership	27
Total	**59**

438 – HARROW

Commercial	6
General Needs	110
Leasehold	211
Shared Ownership	111
Total	**438**

43 – HACKNEY

Commercial	7
Leasehold	25
Shared Ownership	11
Total	**43**

406 – BRENT

General Needs	316
Intermediate Rent	8
Leasehold	38
Market Rent	12
Rent to Homebuy	5
Shared Ownership	27
Total	**406**

53 – TOWER HAMLETS

Leasehold	45
Shared Ownership	8
Total	**53**

2655 – CAMDEN

Commercial	94
Extra Care	35
General Needs	1880
Intermediate Rent	82
Leasehold	95
Market Rent	44
Retirement Housing	174
Supported Housing	171
Shared Ownership	80
Total	**2655**

167 – OUR OTHER AREAS

General Needs	21
Market rent	10
Retirement Housing	101
Shared Ownership	23
Supported Housing	12
Total	**167**

430 – BARNET

Commercial	1
General Needs	124
Leasehold	207
London Affordable Rent	2
Market Rent	1
Retirement Housing	25
Supported Housing	19
Shared Ownership	51
Total	**430**

163 – ISLINGTON

Commercial	2
General Needs	88
Intermediate Rent	18
Leasehold	31
Shared Ownership	18
Supported Housing	6
Total	**163**

Strategic Report

Vision, objectives and strategy

We are driven by our core social purpose and residents are at the heart of what we do. Our vision: great homes; positive people; strong communities underpins this strong commitment and shapes the way we deliver our services.

Our new Corporate plan sets out our corporate ambitions for:

Services that make People's lives easier:

- A partnership approach with residents – their priorities genuinely shaping services and an organisational culture, standards, organisational design and processes which are customer centric
- Personalised and face to face support for vulnerable individuals/ those in crisis to access services, sustain tenancies and improve their quality of life
- An efficient, fast evolving, digitally based service offer

Communities: places people are proud to be part of:

- We work in partnership with our communities and with commercial, statutory, voluntary agencies and groups to lever in resources to develop opportunities for individuals to reach their potential and communities to become more cohesive

Homes people are proud to live in:

- We Invest to meet and maintain best practice building safety
- We Invest in communal areas and public realm to create safe, attractive shared spaces
- We invest to maintain modern standards in our homes

New homes: meeting future needs:

- We maximise the building of affordable homes focused on meeting emerging and future needs as the needs of younger, older and working people are changing
- We find new ways to maximise capacity for new homes at the same time as meeting the investment needs of existing homes and services

Our People:

- An engaged, motivated, skilled and productive workforce living the values every day
- A great place to work with a positive culture, embracing diversity and tackling inequality, offering opportunity and flexible working options

Social impact:

- We maximise the social impact of our core business and ensure that adding social value drives our business strategy, priorities and activities
- Delivering homes where people are proud to live - housing is a long-term commitment, so it is important to us that we build quality properties and continue to invest in keeping our homes at modern standards over many decades
- Responsive, caring staff getting services right for customers - it is crucial that our staff are skilled, dedicated and positive people who are committed to providing the best possible customer service
- Helping people and neighbourhoods thrive - we want our communities to be places where people feel safe and proud, and where they can aspire to reach their potential. To help achieve this, we provide support for people to find sustainable employment, manage their money, and stay in their homes for longer

Great Homes

Our fundamental purpose is to use our assets and experience to provide housing to those who could not otherwise afford a home without our help. Our business model is structured to facilitate our ability to undertake development activities and provide landlord services to support our social purpose. The profits we generate from market sale and market rent as well as any surplus created from our social stock is reinvested for the development of sub-market rent and affordable properties in line with our social objectives.

During 2020/21, we delivered 313 new homes and 47 homes started on site, despite disruptions experienced due to COVID-19.

We develop new homes with grant funding from the Greater London Authority (GLA) as a Strategic Partner, and with our own financing. Having secured £120m in Green Private Placement in April 2021, we will use the proceeds exclusively on new sustainable buildings with energy performance ratings (EPC) A or B. Our new development strategy will deliver 1,200 homes by 2028. 57% will be rented tenure, 37% for shared ownership, and 6% for market sales.

Building and fire safety remain our top priority for all of our stock. We continued to invest heavily in the safety of our existing homes, spending £6.1m on fire safety, completed 203 in depth fire risk assessments and delivered a £2.5m door replacement programme to replace 1,079 doors.

For new homes, we retain high standards for design reviews, specification compliance, on-site inspection, EWS1 certificate and Reg.38 sign off prior to completion.

We have continued upgrading of our housing asset data and system, and improved surveying methodology to capture a large set of data, to assess the compliance and investment needs. Our asset management strategy has a greater than ever focus on maximising the use of data, asset performance attributes and automating data processes.

During 2020/21, we:

- Centralised 35 Service maintenance contracts on to one database
- Completed a high-rise building survey programme for MHCLG
- Carried out desktop surveys for all block of buildings under management
- Developed an energy efficiency database and carried out 400 building surveys
- Carried out £473k worth of thermal insulation works, funded by grant from Warmer Homes
- Offered same day repairs service to people, resulting in 35% of calls being a same day repair

Strategic Report

In 2021/22, we will

Deliver our asset management strategy:

- Commence the asset management system replacement project with a phased approach
- Add new surveys data and remaining service maintenance contracts to the centralised database
- Implement the six tier property hierarchy data structure to enable better management of communal services and improve service charge accuracy and compliance
- Utilise energy data and use tailored interventions to help reduce the cost of utility bills
- Have a priority-based approach to deliver major works and component replacements
- Review asset performance model to analyse socio-economic value
- Collaborate with early adopters and invest to meet the Building Safety Bill requirements
- Undertake a sustainability data project which aims to identify affordable interventions we can deliver in volume to improve homes, reduce utility bills and work towards achieving a Carbon reduction target
- Continue to invest in our existing homes to meet the evolving standards following the proposals in the Building Safety Bill and Fire Safety Order

Positive People

Origin is committed to both excellent customer service and investing in its people to deliver this. Our people strategy is aimed to provide:

- An engaged, motivated, skilled and productive workforce living the values every day
- A great place to work with a positive culture, embracing diversity and tackling inequality, offering opportunity and flexible working options
- Build a wide talent pool and alumni network

We are also investing in our systems and processes and by bringing together people, process, data and technology in new ways we are seeking to improve our services, reduce customer effort and create efficiencies.

During 2020/21, we:

- Launched our new Equality, Diversity and Inclusion Strategy (EDI)
- Launched New Ways of Working (NWOW) – learning from experiences of lockdown for a more agile way of working
- Developed and converted all our mandatory training courses on-line for ease of access
- Developed our employer branding through increasing our online presence
- Launched our new 'on boarding' programme which is tailored to support new employees during introduction and set up for success
- Launched our new employee benefits portal which enables personalised benefits
- Improved our Dynamics CRM system, introducing omnichannel which seamlessly brings together conversations from WhatsApp, email, phone, live chat and social media into one place, enabling more options to support our residents
- Internally developed and delivered a new Resident's Portal, which enables our residents to view account balances, making payments, view tenancy details, ordering rent card and update personal details. It also enables residents to report a repair, view updates on a repair, and to view what has been reported in their block on a safe and secure platform
- Enhanced and improved our data warehousing and reporting capability to form a solid foundation for our ambition to become more data driven
- Introduced an enhanced PCI telephony solution, which ensures that customer payments over the phone can be processed using the latest security standards
- Introduced a new improved Chatbot and LiveChat facility for our residents
- Created online appointment booking facility so our residents can book appointments with our income and neighbourhood teams
- Moved our Sales CRM system in-house onto Microsoft Dynamics platform for improved reporting and functionality
- Created a new sales website that integrates with our core systems
- Migrated our on-premise datacentre to the cloud to improve resiliency and robustness of our IT services
- Introduced first suite of self-service reports, which enables real-time insight on our performance

In 2021/22, we will:

Deliver our people strategy

- Continue to deliver our Equality Diversity and Inclusion Strategy
- Review our human resource systems to ensure they meet the needs of the organisation
- Launch our new 'high potential' programme as well as building career pathways across the business
- Strengthening our talent attraction and selection methods
- Introduce a new performance management framework.
- Continue our focus on well-being and engagement

Strategic Report

Deliver other business change projects focused on reducing customer and staff effort

- Move other functionality onto our Dynamics CRM system, including migrating our asset data onto this platform
- Replace our full suite of manual reports to self-service reporting, which will provide real-time reports to shift further to data-driven decision making to improve the services to our residents
- Continue to improve our remote working capability by:

Over 2,000 welfare calls made to our older and vulnerable residents during COVID-19

- Moving fully onto SharePoint to enable greater collaboration and control of our documents both internally and with our customers and partners
- Migrating from Skype for Business towards Microsoft Teams for an improved remote experience and greater integration with our existing systems
- Continue to strengthen Cyber resiliency capability holistically, by testing not just our key systems and networks, but also our processes and people
- Improve our call centre platform, to move to an integrated platform with our CRM that provides a more seamless customer experience

Strong Communities

Our community investment strategy provides for steady annual investment into supporting our residents and communities within which we operate, with measurable social benefits. We quickly adapted our investment to support the needs of our residents and communities in response to COVID-19.

Resident Engagement

We engage residents in decision-making through a range of mechanisms, for example, ongoing independent customer feedback surveys; scrutiny group; resident panel; neighbourhood explorer; digital engagement; tenant & resident associations and community events.

During 2020/21, we brought to life our 'Together' resident engagement strategy. The strategy commits every Board and Origin staff member to these three ways of working: involvement and scrutiny; investing in communities and trying new ways and learning from others. We made the following progress:

- Engagement with 1,900 residents through resident involvement and community activities
- Maintained regular communication with involved residents during the national lockdown by host meetings via Zoom and supporting those who needed training to attend meetings online
- Supported our Spotlight panel to deliver their first online event on Social Housing White Paper with positive feedback from residents
- 15 new residents recruited onto Spotlight panel and scrutiny groups and attended scrutiny training delivered by TPAS
- Over 2,000 welfare calls made by 88 staff to check on our older and vulnerable residents as part of our Time Together with residents' initiative and response to COVID-19
- Launched community fund and awarded just under £20k to 11 community projects

Strategic Report

Community investment

During 2020/21, we invested £0.2m across a range of activities:

- Provided over 400 food boxes and over 150 vouchers to support our residents who were most impacted by COVID-19
- We Are Ageing Better activities had positive impact of the physical and mental wellbeing of 150 older people in Camden, with 687 attendances despite most activities being online and over the telephone. A survey carried out found that 90% of participants felt less lonely whilst 96% reported improved mental health

Helped

486

individuals with employment and training

- Our Employment service supported 145 residents with 20 securing employment, 32 gained a new qualification whilst 25 completed accredited courses
- Delivered 486 employment and training related sessions, such as courses, CV writing, 1-1, coaching and interview preparation
- Provided 15 residents with Chromebooks and data allowances as part of Digital Inclusion scheme to support residents' job search and training
- Through our Assessment & Support officers, we have secured £70k for residents in back-dated Benefits, Discretionary Housing Payment awards and Personal Independence Payment
- Five new young tenants developed confidence in managing their tenancy as a result of participation in the Settle mentoring Programme
- 200 people benefited from our food Christmas hampers delivered through We Are Ageing Better Programme for older people and welfare project

In 2021/22, we plan to:

- Launch and implement our new three-year community investment strategy following involvement of residents, staff, Customer Services Committee, and the voluntary and community sector
- Expand opportunities available for residents to have meaningful engagement with us.
- Continue welfare checks for residents that need it
- Generate opportunities through our business activities and partnership working for our residents and communities

Strategic Report

Financial performance highlights

The financial results for Origin are set out on pages 33 to 61. The following tables and supporting commentary highlight key features of our financial performance for the year to 31 March 2021.

Table 1: Summary of the Group's Statement of Comprehensive Income	**2021**	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Turnover	**72,848**	55,922	56,114	56,060	59,329
Cost of sales	**(17,407)**	(3,173)	(3,536)	(3,407)	(7,757)
Operating expenditure	**(41,256)**	(39,850)	(36,923)	(36,239)	(32,681)
Operating surplus prior to disposal and FV adjustment	**14,185**	12,899	15,655	16,414	18,891
Operating margin %	**20%**	22%	28%	29%	32%
Gain/(loss) on disposal of fixed assets	**975**	1,961	3,076	3,558	5,673
Fair value movements	**188**	(803)	7,215	8,727	11,563
Operating surplus	**15,278**	14,057	25,946	28,699	36,127

Turnover at £72.8m (2020: £55.9m) is 30% higher than last year, due to higher turnover from market sales and first tranche sales of £18.2m (2020: £3.1m), which accounts for 25% of total turnover. As we operate in high demand London boroughs, the £18.2m sales proceeds were generated from only 59 sales, with the average transaction at £0.3m each.

Total operating surplus at £15.3m (2020: £14.1m) is higher than last year largely due to increased surplus from property sales. Operating costs have increased in service and routine maintenance cost, which was partly offset by reduced planned maintenance costs due to limited access to properties for more substantial work. The gain from disposal of fixed asset continues to drop, reflecting our asset management strategy, which meant fewer properties require disposal, with the gain on the disposal generated mainly from staircasing.

Our investment properties portfolio has seen a minor reduction in value of £0.1m, together with disposals and conversion to social housing units, our holding is now £78.4m as the end of March 2021 (2020: £83.7m). The balancing fair value increase of £1.5m relates to the revaluation of a current asset prior to sale.

Table 2: Summary of the Group's Statement of Financial Position	**2021**	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Fixed assets	**825,956**	790,532	733,444	706,704	700,247
Investments	**83,738**	95,099	99,261	87,842	65,923
Net current assets	**27,944**	(9,325)	12,502	27,100	16,034
Loans after more than one year	**(395,684)**	(335,765)	(329,479)	(317,291)	(292,689)
Grant and other provisions	**(185,862)**	(182,765)	(163,861)	(159,841)	(160,383)
Net assets	**356,092**	357,775	351,867	344,514	329,132
Capital and reserves	**356,092**	357,775	351,867	344,514	329,132

The Group's financial position remains strong. During 2020/21, the Group invested £30.3m (2020: £56.5m) in developing new properties, and invested £6.3m (2020: £10.3m) in existing stock, despite the significant disruptions to on-site developments and restricted access to residents' homes.

Investment in joint ventures have come to a successful conclusion, earlier than planned, which reflects the reduction in the investment in joint ventures.

At 31 March 2021, the Group had total loan facilities of £464.6m (2020: £447.3m), with £397.0m drawn (2020: £380.7m). Approximately 67% (2020: 69%) of the loan portfolio is subject to fixed rate interest arrangements. The undrawn debt facility of £67.6m coupled with cash held at year end of £18.4m provides strong liquidity for the coming 12 months in meeting the Group's requirements.

Strategic Report

The Group carries out regular reviews of cash flow risk as part of its risk management procedures. Responding to the COVID-19 disruptions, the frequency of reviews of liquidity and cash planning have increased. The key elements of cash flow risk are the availability of loan finance and property sales receipts. The Board is confident that these risks are appropriately monitored and controlled. Treasury management for Origin is performed by an in-house treasury function whose primary responsibility is administration of liquidity and risk management, with the oversight provided by the Board. Origin uses the services of professional treasury, legal and tax advisors to provide independent advice and support when required.

Surplus cash is invested with approved banks and counterparties with the priority on the preservation of capital rather than maximising returns.

Origin's loan covenants are based primarily on interest cover and gearing ratios. Golden rules are in place to provide additional headroom over covenant performance, which are independently monitored monthly and reported to the Board. Quarterly performance information is provided to our lenders and investors and we hold regular meetings with bondholders and our credit rating agency, and provide covenant certification as part of the annual audit process.

Value for Money (VFM)

Introduction

We work hard to ensure the best use of resources in delivering our business goals. We have a robust focus on all our activities to ensure maximum value is derived for the residents and communities we serve. The unprecedented COVID-19 pandemic, the demand for affordable housing in our local communities, the evolving building and fire safety regime and the drive and ambition to achieve zero carbon emissions remain our biggest challenges. Maintaining our focus on VFM is all the more important.

Our ambition is to out-perform our financial plan so that we can achieve more in relation to our corporate ambitions. Our strategy has been to build a framework by which we can assess and review the VFM implications of our collective strategic intent, from asset management through to resident engagement and across all areas of our operations; as well as providing an opportunity to examine long term strategic options and choices-such as the balance of further investment in new homes versus existing services.

VFM benefits have been delivered by a cohesive portfolio of complementary strategies, notably:

- **Landlord Service Vision** delivered by the change programme. The vision and programme are focused on improving the customer experience and achieving enhanced efficiency through 'right first time' services. Overall customer satisfaction with Origin as a Landlord improved by 3% points to 72% in 2020/21.
- **Asset Management Strategy**. The Asset Management Strategy is based on key themes covering the broad spectrum of our repair and maintenance services and asset management processes. The strategy ensures we have good quality information on our housing stock and that this is used to inform investment decisions. In 2020/21, we extended the data requirements for our stock to enable better planning.
- **Technology Strategy**. The refreshed strategy and change programme focus on delivering improvement through technology, building on our success to date and providing services that 'make people's lives easier'. It includes improving reporting capabilities and data insights, consolidating systems, developing skills, improving our capability to collaborate and communicate safely, and improving processes.
- **Funding Strategy** including refinancing strategy ensures we access the financial markets at the best time and in the best way to secure the funds required for investment in new homes at the best price we can achieve.
- **Income Strategy**. The refreshed strategy strikes the balance between collection and better value from income generating portfolio, enhances our digital solutions to streamline processes and improve the service post COVID-19 disruptions through active intervention and support for residents. In 2020/21 arrears for social rent rose to 5.1% (2019/20: 3.6%) as a direct result of COVID-19 disruptions.
- **People Strategy**. The new three-year strategy focuses on engagement, wellbeing, diversity, leadership and skills, ensuring that we recruit and retain, invest in, reward, support and motivate the people we need to achieve our business goals. In 2021/22, we launched New Ways of Working, which allows us to leverage the way we adapted to during the pandemic, enabling us to provide a more flexible approach to work without diminishing output and service to our customers.
- **Development Strategy**.. The refreshed strategy ensures that we deliver the maximum number of new affordable homes through making best use of our resources and working in partnership.

Value for Money (VFM)

We use Contractor and Consultant OJEU Framework agreements to deliver value for money across our programme.

- **Procurement Strategy**. We continue to review procurement strategy, policies and procedures this year in view of post Brexit changes to regulations. This is to ensure we continue to achieve best value in the market and contractual arrangements that work well for our business, including benchmarking within the sector and using framework agreements where appropriate.
- **Care and Support Strategy**. This strategy is being refreshed with a view to improve outcomes for customers, offer additional services and grow our financial contribution in order to reinvest in other services.

  Community Investment Strategy. The refreshed strategy ensures our investment responds to the needs and ambitions of our communities and builds further partnerships to leverage additional resources. In 2020/21, we invested £0.2m across a range of activities.
- **Resident Engagement Strategy**. Our 'Together' strategy ensures that we have a range of routes for residents to get involved, be heard and support service improvements. In 2020/21, we strengthened our governance structure to ensure that the Board is in tune with our residents and their priorities. We will continue to embed this in the coming year and continue to involve our residents to ensure that our engagement are meaningful, in line with the Social Housing White paper.

Our approach to VFM is to enable robust decision making and planning:

- The Board holds overall responsibility for delivering VFM, including setting the five-year business plan and the financial model, which supports it. It undertakes an annual Board strategic review, which includes consideration of VFM targets.
- The Investment Committee is responsible for decisions to invest in our existing and new homes.
- The Audit and Risk Committee's work includes reviewing internal audit reports on organisational performance.
- The Customer Service Committee is responsible for monitoring performance of services to customers, overseeing major service transformation and responding to stakeholder feedback.
- The Investment Appraisal Panel assesses investment options, takes decisions and makes recommendations to the Investment Committee.
- Our Business plan defines our key priorities and is refreshed regularly and approved by the Board annually.
- The Executive team reviews business performance, risks and delivery monthly.
- Senior management has overall responsibility for the day-to-day work driving value for money, including the management of procurement and the control and effective use of our assets.
- Change Board reviews the initiatives, risk and delivery of the portfolio programme monthly.
- We use the Regulator of Social Housing - RSH - (London data set), Housemark (London and South East benchmark peer group) and other benchmarking as appropriate to compare our costs, quality and performance to identify where we can improve VFM.

Value for Money (VFM)

Our Performance

Table 3 below sets out a range of indices comparing Origin's performance against a number of sector ratings adopted by the Social Housing Regulator and benchmarked against their London median.

Table 3. RSH Value for Money Metric	2021/22 Budget	2020/21 Actual	2019/20 Actual	RSH release 2019/20 London Median Sub sector
Reinvestment	7.5%	**4.4%**	7.9%	6.0%
New social housing supply delivered	2.0%	**2.6%**	2.8%	1.3%
New non-social housing supply delivered	0.0%	**2.0%**	0.0%	0.0%
Gearing	50.9%	**45.8%**	46.3%	38.7%
EBITDA-MRI	47%	**88%**	100%	121%
Cost per unit	£7,152	**£6,001**	£5,877	£6,200
Operating margin (social housing lettings)	21.0%	**24.0%**	24.1%	23.7%
Operating margin	19.1%	**19.6%**	21.6%	18.6%
ROCE	1.8%	**1.6%**	1.6%	2.4%

Our key strategic priorities drive these results.

Under our asset management strategy and development strategy, reinvestment into existing and new stock compares favourably with London median results. In 2020/21, COVID-19 lockdown disrupted planned programme in our existing stock due to access issues, which resulted in lower investment compared to 2019/20. We expect a higher level of investment in 2021/22. Our new housing supply remains high and above the median. We have the skills, resources and pipeline to continue to deliver new housing supply. In addition, we have secured £120m Green Private Placement in 2021/22 to enable the delivery of green buildings with an energy rating performance of A or B.

Our gearing will remain high compared to the benchmark in order to attain our target of 1,200 new homes in key London boroughs where land and development values are high. Gearing at 46% was well under covenant requirement, and we report to the Board monthly on our gearing and interest cover ratio golden rules to ensure continued compliance. We envisage Gearing will increase during 2021/22, whilst we complete our refinancing strategy to remove restrictive covenants, reduce ongoing funding costs and simplify the group structure, all of which will greatly improve our operating headroom and financial resilience for any unforeseen events and sustained uncertainties.

EBITDA-MRI without fire and building safety remedial works carve out will remain low, as we continue to respond to the evolving legislations, four years on from the Grenfell tragedy. We have renegotiated all relevant loan covenants to ensure that such exceptional, one-off investment plans do not reduce our capacity in business-as-usual activities. We have planned for a ten-year remedial programme in the long-term financial plan based on the most prudent estimate, which was further stress tested to ensure adequate headroom and capacity at all times to deliver to the programme, alongside the development pipeline.

Our cost per unit is slightly lower than the London median as we continue to expand our asset base by organic growth. This measure will increase in 2021/22 as we continue to provide support services, invest significantly in achieving high standards of safety and quality of our residents' homes as well as investing in our people and technology. The improved year on year performance measures of 'easy to deal with', 11% increase, 'overall home owner satisfaction', 26% increase, and 'communal repairs satisfaction', 2% increase are just a few examples highlighting the outcome from the investments made.

Operating margin related measures are slightly ahead of the median London benchmark result, reflecting the increased investments across London based Registered Providers. In 2021/22, these margins will further reduce due to our continued investment to deliver to our new corporate plan and ambitions.

ROCE at 1.6% is lower than the London benchmark as 40% of our stock is located in Camden, central London, where social rent level is considerably lower as a proportion when compared to the asset value. We remain committed to developing more social housing in central London, with support from the GLA as a Strategic Partner, maintaining current performance.

Value for Money (VFM)

We are committed to providing the best possible services to our residents while continually striving to achieve value for money. All surplus achieved through our core and non-core activities is reinvested back into our social purpose, and this provides great impetus to achieve the best value in everything we do. Our skilled Board members provide strong oversight and scrutiny of our performance to facilitate the delivery of our business plan with a comprehensive training and succession programme to retain high quality governance to enable the effective delivery to our ambitions.

Strong business health coupled with our rigorously stress tested financial plan, and Fitch "A" credit rating continues to demonstrate that we are financially viable in spite of the sustained economic uncertainty post the COVID-19 pandemic.

In addition to the metrics above, a range of measures are monitored and reported to the management team and Board as part of monthly reporting, budget setting and business plan process. Targets are set in the context of RSH and Housemark benchmarks where available. The measures below together with a wider range of mainly customer focused indicators demonstrate performance against our strategic objectives.

Table 4. Other key measures

Strategic objectives	Measures	2021/22 Target	2020/21 Actual	Housemark 2019/20 London Median	2019/20 Actual
Homes people are proud to live in	% resident satisfied with the overall quality of their home	75%	**72%**	72%	72%
	% satisfied with last repair	90%	**92%**	86%	86%
Services that make people's lives easier	% overall tenant satisfaction (GN and HFOP)	77%	**69%**	71%	66%
Communities that people are proud to be part of	number of new homes completed	127	**313**	–	247
Financial viability and efficiency	Current arrears - social rent	4.7%	**5.1%**	3.9%	3.6%
Our People	Average no. of sickness in days	5.5	**4.5**	8.1	8.6

Our resident satisfaction continues to improve in relation to overall tenant satisfaction and repairs as we invest, develop and deliver against the change programme and key strategies. As we remain committed to investing into existing and new homes, and embed our 'Together' resident engagement strategy, we are set to improve the overall customer experience in the coming year.

We have delivered a record 313 new homes in 2020/21 and plan to deliver 1,200 new homes under the new development strategy in our local communities.

It has been an extraordinarily unsettling period for our residents during COVID-19. Arrears across all tenures have increased. We do not envisage a rapid improvement in 2021/22. Our focus remains people centric, striking the balance between tenancy sustainment and proactive financial support offer. There were 1,092 tenants on Universal Credit as at the end of March 2021, a 56% increase from the previous year end, with further increases expected throughout 2021/22.

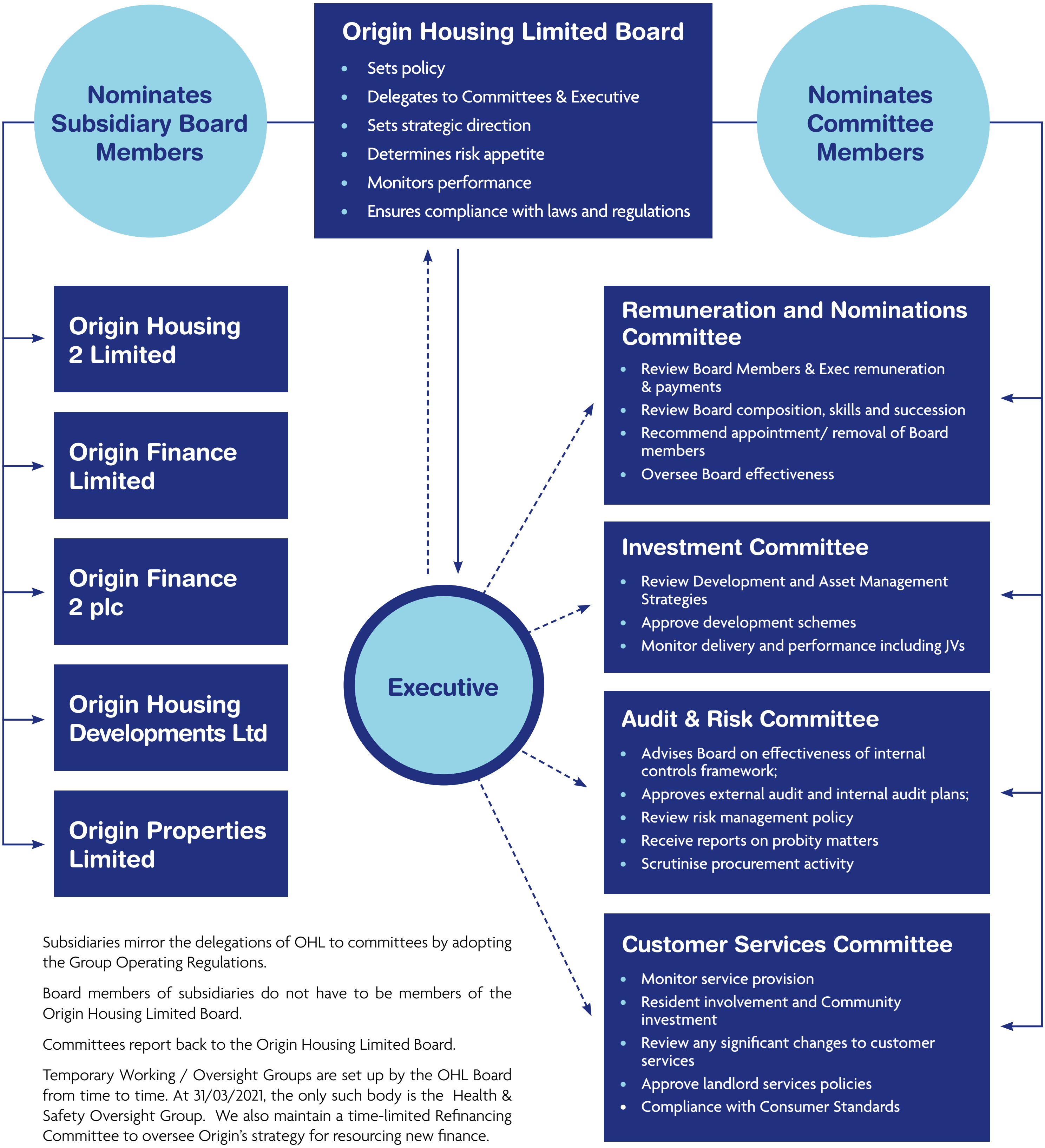
Our employee engagement programme is extensive, aimed at improving wellbeing and productivity, which reflects the actual results achieved.

We have maintained our Best Company Ones to Watch status and continue to work on our offering to ensure we are an employer of choice.

Governance

Group Structure

Origin Housing Limited is registered under the Cooperative and Community Benefit Societies Act 2014 and is a registered provider. Origin has a number of subsidiaries, listed in note 30 of the financial statements. The charitable objectives of the association and the protection of social housing assets are delivered through this structure.



Subsidiaries mirror the delegations of OHL to committees by adopting the Group Operating Regulations.

Board members of subsidiaries do not have to be members of the Origin Housing Limited Board.

Committees report back to the Origin Housing Limited Board.

Temporary Working / Oversight Groups are set up by the OHL Board from time to time. At 31/03/2021, the only such body is the Health & Safety Oversight Group. We also maintain a time-limited Refinancing Committee to oversee Origin's strategy for resourcing new finance.

Governance

Board Membership

In September 2020 one long-standing board member, Mash Halai, stood down in line with tenure requirements a new Board member, Meena Anand was recruited through an open advertisement and appointed in September 2020.

At 31 March 2021, the Board comprised ten non-executive members and one executive member, the Chief Executive. All Board members have the same legal status and share responsibility equally for decisions taken. Board members are appointed through an open and transparent recruitment process based on the Board's considered view of the skills and attributes required to discharge its function effectively.

Our Board members are recruited for their individual skills and experience and more information about each of our Board members' backgrounds can be found on our website. The principle of boardroom diversity is strongly supported by the Board.

Diversity and inclusion continue to be an area of focus for the Board. The Board is committed to having a diverse and inclusive leadership team which provides a range of perspectives and insights and the challenge needed to support good decision making.

Board and Committee Focus

Each non-executive member of the Board holds one fully-paid share of £1 in Origin Housing Limited, which is cancelled when they leave the Board.

The Board is responsible for the governance of Origin's affairs. Its role is to lead, direct, control, scrutinise and evaluate the organisation's work. During the year key issues considered by the Board included:

- A new Corporate Plan, outlining Origin's objectives for the next five years (2020-2025)
- The adoption of a new Development Strategy which sets out the approach Origin intends to take in building sustainable homes and developing new business opportunities in the areas that Origin has chosen to operate in
- The approval of a new Diversity and Inclusion Strategy, which outlines our commitments for the next 3 years
- The approval of a strategy for restructuring Origin's legacy debt portfolio
- The contents and recommendations of the Social Housing White Paper - preparing for the forthcoming legislation and ensure that our policies and procedures are up to date in respect of tenant safety and tenant involvement
- Managing the near-term and longer-term impact of COVID-19

The Board has delegated specific responsibilities to five Board Committees. Each of these committees has clear terms of reference and delegated authority. They report back to the Board after each meeting, where their recommendations are considered and approved where appropriate.

Committee	2020/21 Focus
Audit and Risk Committee	• Reviewed the risk management framework • Approved an internal audit programme based on risk • Received regular reports on Internal Audit findings, financial reporting and risk management • Placed particular emphasis on internal and external audit recommendations and management's implementation of responses to recommendations
Customer Services Committee	• Regular review of customer service KPIs and customer insight • Oversight and assessment of the impact of the delivery and implementation of the resident engagement strategy - Together • Progressing Origin's Change Programme
Investment Committee	• Monitored the group's exposure to committed development project expenditure, liquidity and financial performance • Monitored the group's investment in existing homes • Contributed to the objective of building new homes for those who need them by scrutinising investment opportunities that will provide new homes
Remuneration and Nominations Committee	• Led the process of appointing two new non-executive members • Approved the outcomes of the staff pay, reward and benefits review • Approved the implementation of the refreshed Board evaluation framework
Refinancing Committee	• Established by the Board for a limited time to oversee Origin's strategy for sourcing of new finance and the approval of associated transactions
Health and Safety Oversight Group	• Scrutinised delivery of the Safety First Plan • Monitored and oversaw all matters relating to customer health and safety compliance through risk and KPI analysis

Governance

Resident accountability/involvement

Residents are actively encouraged to become involved in decision-making by Origin, which promotes mechanisms through which they can influence operations. At 31 March 2021, we had one resident Board member, as well as one resident as an independent member of the Customer Service Committee, who will be joining the Board. There are clear reporting arrangements between resident groups and the Board.

Throughout 2020/21, we have been working closely with residents to enable them to have their say and influence the services we provide.

Induction, training and professional development

On appointment, all new Board and Independent Committee members receive a tailored induction which is supplemented by the provision of key governance documents as reading material, including the Rules, Code of Conduct, Regulatory Standards, Board meeting schedule and previous Board and committee minutes.

Board Effectiveness

The Board recognises that it continually needs to monitor and improve its performance. This is achieved through annual performance evaluation, induction of new Board members and ongoing Board development activities.

Modern Slavery Approach

The Board is committed to upholding the provisions of the Modern Slavery Act 2015. Origin published its annual statement in July 2021.

Code of Governance

Origin has adopted the National Housing Federation's 'Code of Governance: Promoting Board Excellence for Housing Associations (2015 edition)' and has committed to uphold it and keep to the high standards expected. Compliance with it has been reviewed by Board.

On 10 February 2021, the Board agreed to adopt the NHF 2020 Code of Governance, with effect from 1 April 2021.

Risk and Internal Controls

The Board has overall responsibility for establishing and monitoring the system of internal controls, reviewing its effectiveness and taking necessary action to remedy any significant failings or weaknesses identified in its review.

The Board recognises that the system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Origin's systems are designed to provide the Board with assurance that problems are identified on a timely basis and dealt with appropriately, that assets are safeguarded against unauthorised use or disposition, that proper accounting records are maintained, and that the financial information used within the business or for publication is reliable.

Origin has a multi-tiered internal control framework which sets out how actions and decisions should be taken, and which ensures that compliance is effectively assessed. Our Governance Structure sets out the operating boundaries and defines the activities of the Board, committees, subsidiary organisations and the executive team. Our Scheme of Delegation sets out who has authority to do what at an operational level and those authorities are embedded in our key financial and management systems.

Origin has an embedded risk management structure which involves an ongoing process to identify, evaluate and manage operational and strategic risks faced by the Group. The process provides assurance to successive levels of management that risks and controls are being properly identified, and material risks can be escalated up to Board level for consideration as required.

Our Group Strategic Risk Register has continued to be developed and monitored on a rolling basis during the course of the year with input from the Executive Team, and was reviewed quarterly by the Audit and Risk Committee as well as being approved by the Board at particular intervals within the year. In particular, the Board ensured that the Group Strategic Risk Register effectively and immediately responded to the COVID-19 pandemic and continues to do so in the longer term while enabling informed strategic decision making in pursuit of achieving the Group's strategic priorities. The Board's primary objective was that our current suite of Group Risks remains fit for purpose given the rapidly changing external environment and that risks are managed proactively and adequately.

The risks at the operational level were reviewed as part of the 2020/21 business planning process. Operational risks are now presented in one register. The risks identified now provide a golden thread up to strategic risks that will strengthen risk management.

There are specific quantitative boundaries (relating mainly to development, financial and investment) and qualitative boundaries (relating to the degree of risk taking and innovation tolerated by the Board in relation to our key business objectives).

The Group uses enhanced risk scenarios to stress test the business to determine where financial, operational and reputational weaknesses might occur in extreme adverse operating conditions. The outcome from this testing enhances our internal processes in mitigating these risks.

Risk and Internal Controls

Key risks and mitigation strategies

At the date of this report, the Board has identified the following key strategic risks to the delivery of Origin's plans:

Risk	Key Controls
Fail to achieve an engaged, motivated, skilled and productive workforce living the values every day	• New People Strategy approved by Board in April 2021 • Staff turnover and sickness absence in advance of target • During pandemic recruitment activity has reduced and retention has improved • Training needs analysis completed, and L&D plan agreed • Pay and benefits review completed • People Risks Internal Audit - 'Substantial Assurance'
IT security breach adversely impacts the organisation	• Cyber essentials • Dark Trace monitoring tool in place • Multi factor authentication and penetration testing • Dedicated Security Engineer in post • Laptop upgrade programme
Fail to deliver landlord services that are shaped by customer priorities and make their lives easier	• KPIs in place and monitored • Customer insight, complaints & lessons learned to Exec and CSC • Resident engagement strategy – progress reviewed by CSC • New corporate plan 'On your Side – Working together' puts resident priorities at the heart of our ambitions
Inadequate Data governance	• Assets and Liabilities register data verified. Audit recommendations management actions underway • Data Governance Framework and Data Governance Strategy • Focus on asset data through asset management project • Regular compliance data reconciliations • Data Intelligence Hub formed to increase organisation wide use of data to inform decision making
Failure to comply with health and safety law and regulations resulting in serious incident involving death or injury leading to criminal and/or civil proceedings	• H&S policies and system in place, supported by strong assurance system • Compliance checks in place. Focus on data quality. KPIs and Board (HSOG) oversight • Building a Safer Future project on track • Weekly Executive led fire safety meetings

COVID-19

The health and safety and wellbeing of our customers, employees and sub-contractors our Origin's top priority and have been the focus of our response to the COVID-19 crisis. We formed a COVID-19 response team which met throughout the year to monitor service delivery and key trends across the business. As a result of recent investment in remote working technologies, we were able to swiftly move to home working for the vast majority of our employees.

Actions during 2020/21 included:

- Introduced screening for repairs, and personal protective equipment for our operatives to reduce the risk of COVID-19 spreading during repairs visits
- Maintained caretaking and estate services to ensure health and safety compliance on our estates
- Completed COVID-19 risk assessments at all of our care and support schemes, and introduced infection control measures including additional cleaning and hand washing requirements
- We instructed our specialist income team to put in place arrangements to help people access emergency government support that was put in place by the government
- Established robust finance procedures to ensure liquidity, and that contractors and suppliers continued to receive payment for goods and services

Following the Government announcement on 22 February 2021 regarding its roadmap towards the gradual easing of the lockdown, our teams have been planning accordingly. Recovery plans have been put in place for each area which continue to evolve to take account of changing Government advice and releasing of lockdown measures.

Risk and Internal Controls

Internal controls performance and effectiveness

Origin's internal auditor (Beever and Struthers) assessed the effectiveness of internal controls in mitigating Origin's exposure to risk.

Their reports assess and rate the design and operating effectiveness of management systems and controls. The ratings for operating effectiveness are consistently 'reasonable' or 'substantial'. Taking account of the issues identified, the Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

The internal control framework is designed to identify, evaluate and manage significant risks to Origin. The Board has received the Chief Executive's annual report on internal control assurance, reviewed the main policies designed to provide effective internal control, reviewed the fraud register which indicates whether the Regulator of Social Housing has been notified of any frauds identified, and reflected the information contained within it in its review.

The Board confirms that during the year there were no identified weaknesses in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements or in the report of the auditor.

Fraud and Anti-Corruption

Origin is committed to maintaining the highest possible ethical standards in all of its business activities.

An Anti-Fraud Policy is in place covering the prevention, detection, investigation and reporting of fraud and any remedial action to prevent a recurrence. All cases of fraud and attempted fraud are reported to the Executive Team and to the Audit and Risk Committee.

The fraud register is reviewed by the Executive Team and the Audit and Risk Committee. During 2020/21, there was a small amount of tenancy fraud reported but no non-tenancy fraud. This will be included on the 2020/21 annual fraud return to the Regulator of Social Housing.

Origin's Anti-Bribery Policy makes clear that we have zero tolerance of any form of bribery. The Policy sets out Origin's rules and expectations regarding the acceptance of gifts and hospitality.

Origin operates a Whistleblowing Policy that enables employees and others to express any serious concerns regarding suspected misconduct or malpractice going on within the organisation.

Origin is aware of its responsibilities with regard to detecting and reporting money laundering.

Regulation and Compliance

Statement of Board's responsibilities

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the group and the association and of the income and expenditure of the group and the association for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Compliance with the Governance and Financial Viability Standard

The Board is required to formally certify compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and supporting Code of Practice on an annual basis.

A detailed, evidence-based assessment against each element of the Standard and Code was carried out in preparation for making a statement of compliance to the Board. The Board approved the statement and formally certified its compliance with the Standard and Code at its meeting on 9 June 2021.

On 13 January 2021, the RSH issued a strapline judgement upholding the G1 grading Origin retained its V2 rating for viability, recognising that Origin is an active, successful and developing housing association.

Going Concern

After making enquiries, the Board has a reasonable expectation that the overall group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed.

In particular, the Board has considered the material risks arising both from the continued COVID-19 environment and from the need to undertake material building and fire safety related works in an evolving regulatory environment, the impact of these operational risks and how they can be mitigated. Origin tailored stress testing and mitigating actions to address these risks. Scenarios that brought in multiple challenges to cash flows and covenants were considered. The Group is able to withstand these stresses whilst remaining fully compliant with its loan covenants.

In addition, the implementation of the refinancing strategy approved in September 2020 was largely complete in June 2021, with £120m Green Private Placement priced in April 2021 under a range of long term tenors between 15 to 30 years. The proceeds will be used to finance and refinance green buildings with an energy performance ratings of A or B, further cementing our long held environmental commitments.

For this reason, it continues to adopt the going concern basis in the financial statements.

Regulation and Compliance

Independent Auditor and Annual General Meeting

The Annual General Meeting will be held on 8 September 2021. A resolution to reappoint KPMG LLP as auditors will be put to shareholders at the AGM.

At the date of this report, each Board member confirms the following:

- So far as each Board member is aware, there is no relevant information needed by Origin's auditors in connection with preparing their report of which Origin's auditors are unaware.
- Each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the auditors in connection with preparing their report and to establish that the auditors are aware of that information.

In preparing the strategic report, the Board has followed the principles set out in the Statement of Recommended Practice for Registered Social Housing Providers (SORP: 2018).

By order of the Board

Neil McCall

Neil McCall

Chair

Independent auditor's report to Origin Housing Limited

Opinion

We have audited the financial statements of Origin Housing Limited ("the association") for the year ended 31 March 2021 which comprise the Group and Association Statement of Comprehensive income, the Group and Association Statement of Financial Position, the Group Cash Flow Statement, the Group and Association Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the group and the association as at 31 March 2021 and of the income and expenditure of the group and the association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group and the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the association or to cease their operations, and as they have concluded that the group's and the association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group's and the association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group's and the association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board, the Audit and Risk Committee, and internal audit as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from property sales and non-social housing income is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted with unusual account combinations to cash and revenue
- Evaluating whether revenue transactions posting in the final month of the year should have been recorded before or after year end.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

Independent auditor's report to Origin Housing Limited

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements

Other information

The Association's Board is responsible for the other information, which comprises the Board's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 17, the association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association for our audit work, for this report, or for the opinions we have formed.

J Lees

Joanne Lees
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

21 September 2021

Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	**2**	**72,848**	**55,922**
Cost of sales	2	(17,407)	(3,173)
Operating expenditure	2	(41,256)	(39,850)
Gain on disposal of property, plant and equipment	2 & 5	975	1,961
Movement in fair value of investment properties	2 &12	118	(803)
Operating surplus	**2**	**15,278**	**14,057**
Interest receivable	6	23	78
Interest and financing costs	7	(12,185)	(12,952)
Surplus/(deficit) before taxation		**3,116**	**1,183**
Taxation	10	(782)	–
Surplus/(deficit) & comprehensive income for the year		**2,334**	**1,183**
Other comprehensive income			
Actuarial gains/(losses) on pension liability	22	(4,017)	4,725
Total comprehensive income for the year		**(1,683)**	**5,908**

Turnover and operating surplus for the current and prior years relate to continuing activities.

The financial statements were approved and authorised for issue by the Board on 8 September 2021 and signed on its behalf by:

Chair Neil McCluskey Board Member Secretary 杨中午

Association Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	**2**	**59,346**	**51,805**
Cost of sales	2	(5,891)	(2,642)
Operating expenditure	2	(39,969)	(38,186)
Gain on disposal of property, plant and equipment	2 & 5	975	1,877
Movement in fair value of investment properties		(276)	(826)
Operating surplus	**2**	**14,185**	**12,028**
Interest receivable	6	628	714
Interest and financing costs	7	(11,319)	(12,097)
Surplus/(deficit) before taxation		**3,494**	**645**
Taxation	10	–	–
Surplus/(deficit) & total comprehensive income for the year		**3,494**	**645**
Actuarial gains/(losses) on pension liability	22	(4,017)	4,725
Total comprehensive income for the year		**(523)**	**5,370**

Turnover and operating surplus for the current and prior years relate to continuing activities.

The financial statements were approved and authorised for issue by the Board on 8 September 2021 and signed on its behalf by:

Chair Neil McCluskey Board Member Secretary 杨中午

Financial Statements

Consolidated Statement of Financial Position

As at 31 March 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
Fixed Assets			
Property Plant and Equipment			
Housing properties	11	821,761	787,205
Other tangible fixed assets	13	4,195	3,327
		825,956	**790,532**
Investments			
Commercial properties	12	48,468	48,648
Market rent properties	12	30,113	35,036
Investment in joint ventures	14	2,526	8,764
Homebuy loans		2,631	2,651
		83,738	**95,099**
Current assets			
Properties held for sale	15	23,745	33,418
Trade and other debtors	16	7,590	7,525
Cash and cash equivalents		18,395	14,445
		49,730	**55,388**
Creditors: amounts falling due within one year	17	(21,786)	(64,713)
Net current assets		**27,944**	**(9,325)**
Total assets less current liabilities		**937,638**	**876,306**
Creditors: amounts falling due after more than one year			
Loans	18	(395,684)	(335,765)
Deferred grant & other capital grant	20	(179,307)	(179,440)
Provisions for liabilities			
Provision for Pension Fund Liability	22	(6,555)	(3,325)
Net assets		**356,092**	**357,775**
Capital and reserves			
Non-equity share capital	23	–	–
Revaluation reserve		111,567	111,272
Revenue reserve		244,525	246,503
		356,092	**357,775**

The financial statements were approved and authorised for issue by the Board on 8 September 2021 and signed on its behalf by:

Chair Board Member Secretary

Financial Statements

Association Statement of Financial Position

As at 31 March 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
Fixed Assets			
Property Plant and Equipment			
Housing properties	11	735,126	713,799
Other tangible fixed assets	13	4,195	3,327
		739,321	**717,126**
Investments			
Commercial properties	12	39,873	40,253
Market rent properties	12	27,949	32,061
Long term intercompany lending and investments	14	17,175	19,176
Homebuy loans		2,631	2,651
		87,628	**94,141**
Current assets			
Properties held for sale	15	14,824	14,763
Trade and other debtors	16	13,716	13,409
Cash and cash equivalents		14,482	11,123
		43,022	**39,295**
Creditors: amounts falling due within one year	17	(19,593)	(62,650)
Net current assets		**23,429**	**(23,355)**
Total assets less current liabilities		**850,378**	**787,912**
Creditors: amounts falling due after more than one year			
Loans	18	(356,217)	(296,374)
Deferred grant & other capital grant	20	(175,269)	(175,352)
Provision for Pension Fund Liability	22	(6,555)	(3,325)
Net assets		**312,337**	**312,860**
Capital and reserves			
Non-equity share capital	23	–	–
Revaluation reserve		78,581	78,257
Revenue reserve		233,756	234,603
		312,337	**312,860**

The financial statements were approved and authorised for issue by the Board on 8 September 2021 and signed on its behalf by:

Chair Neil McCl. Board Member Secretary 杨中午

Consolidated Cash Flow Statement

For the year ended 31 March 2021

	2021 £'000	2020 £'000
Cashflow from operating activities		
Operating surplus for the year	15,278	14,057
Tax on surplus on ordinary activities	–	–
Depreciation	7,451	7,856
Amortisation	(2,015)	(1,963)
Gain on disposal of property, plant and equipment	(975)	(1,961)
Fair value adjustment for investment properties	(118)	768
Decrease/(increase) in current assets properties for sale	9,673	(6,673)
(Increase)/Decrease in trade and other debtors	552	10,250
(Decrease)/increase in trade and other creditors	(46,605)	18,337
(Decrease)/Increase in provisions	(857)	(1,002)
Net cash generated from operating activities	**(17,161)**	**39,669**
Cash flow from investing activities		
Proceeds from sale of housing properties	1,922	5,068
Payments to acquire and develop housing properties	(34,425)	(63,315)
Payments to acquire other fixed assets	(1,654)	(1,415)
Payments to acquire and develop investment properties	(302)	–
Capital grants received	1,286	26,452
Net cash from investing activities	**(33,173)**	**(33,210)**
Cash flow from financing activities		
Interest received	23	78
Interest paid	(15,460)	(12,602)
Loans received	110,596	45,529
Loans repaid	(46,658)	(39,427)
Investment in joint ventures	6,238	(594)
Net cash from financing activities	**54,739**	**(7,016)**
Increase/(decrease) in cash	**3,950**	**(557)**
Cash and cash equivalents at the beginning of the year	14,445	15,002
Cash and cash equivalents at the end of the year	**18,395**	**14,445**

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2021

Group 2021	Revaluation reserve	Revenue reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2020	111,272	246,503	357,775
Surplus for the financial year	–	2,334	2,334
Other comprehensive income	–	(4,017)	(4,017)
	111,272	**244,820**	**356,092**
Reserve Transfers:			
Transfer from revenue reserve to revaluation reserve	295	(295)	–
Balance at 31 March 2021	**111,567**	**244,525**	**356,092**

Group 2020	Revaluation reserve	Revenue reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2019	110,977	240,890	351,867
Surplus for the financial year	–	1,183	1,183
Other comprehensive income	–	4,725	4,725
	110,977	**246,798**	**357,775**
Reserve Transfers:			
Transfer from revenue reserve to revaluation reserve (restated)	295	(295)	–
Balance at 31 March 2020	**111,272**	**246,503**	**357,775**

Financial Statements

Association Statement of Changes in Reserves

For the year ended 31 March 2021

Association 2021	**Revaluation reserve**	**Revenue reserve**	**Total**
	£'000	**£'000**	**£'000**
Balance at 1 April 2020	78,257	234,603	312,860
Surplus for the financial year	–	3,494	3,494
Other comprehensive income	–	(4,017)	(4,017)
	78,257	**234,080**	**312,337**
Reserve Transfers:			
Transfer from revenue reserve to revaluation reserve	324	(324)	–
Balance at 31 March 2021	**78,581**	**233,756**	**312,337**

Association 2020	**Revaluation reserve**	**Revenue reserve**	**Total**
	£'000	**£'000**	**£'000**
Balance at 1 April 2019	77,933	229,557	307,490
Surplus for the financial year	–	645	645
Other comprehensive income	–	4,725	4,725
	77,933	**234,927**	**312,860**
Reserve Transfers:			
Transfer from revenue reserve to revaluation reserve (restated)	324	(324)	–
Transfer reserve to subsidiary			
Balance at 31 March 2020	**78,257**	**234,603**	**312,860**

Notes to the Financial Statements

1. Accounting policies

Legal status

Origin Housing Limited is incorporated as a charitable social landlord under the Co-operative and Community Benefit Societies Act 2014, No. 10008R.

Basis of accounting

The financial statements of the Group and the Association have been prepared in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice - UK GAAP), which for Origin Housing Limited includes Cooperative and Community Benefit Societies Act 2014 (and related Group accounts regulations) includes: FRS 102 "The Financial Reporting Standards applicable in the UK and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2014, "Accounting by Registered Social Housing Providers" 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The Association has elected to adopt the amendments to FRS102 published by the Financial Reporting Council in December 2017.

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.

In preparing the separate financial statements of the parent company, 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 company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in May 2021 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of Covid-19 the Group has undertaken a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The Board, after reviewing the group and association budgets for 2021/22 and the Group's medium term financial position as detailed in the 30-year business plan, including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). In order to reach this conclusion, the Board has considered the following factors:

- The property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales, reductions in sales values;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities of £81m which gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period;
- The group's ability to withstand other adverse scenarios such as higher interest rates and increases in the number of void properties.

The board believe the Group and association have sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios. Consequently, the Directors are confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis..

Turnover and revenue

Turnover comprises rental income receivable in the year, income from sales of first tranche shared ownership sales and outright sales (whenever applicable), other services included at the invoiced value (excluding Value Added Tax) of goods and services supplied in the year and revenue grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, income from first tranche sales and sales of properties built for sale are recognised at the point of legal completion of sale.

Current and deferred taxation

The tax expense for the period comprises of 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. The current income tax charge is calculated on the basis of UK tax rates and laws that have been enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

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. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset respectively.

Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

a) interest on borrowings specifically financing the development programme after deduction of interest on Social Housing Grant received in advance; or

b) interest on borrowings of the Group as a whole after deduction of interest on Social Housing Grant received in advance to the extent that they can be deemed to be financing the development programme.

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

Derivatives

The Group uses interest rate swaps to reduce its exposure to future increases in the interest rates on floating rate loans. The notional principal is not reflected in the Group's balance sheet. Payments made under swaps are accrued over the payment period on a straight-line basis and adjusted against interest payable on the loans.

Pensions

The Group operates defined benefit and defined contribution pension schemes.

Defined benefit pension scheme

The Group contributes to the Social Housing Pension Scheme (SHPS) a defined benefit final salary pension for staff that were in post before 1 April 2007, and to a career average earnings scheme for other new staff who were in post and elected to join the scheme by 30 September 2010. From these dates the schemes were closed to new members.

SHPS is a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a defined benefit scheme with separately identifiable assets and liabilities, and is accounted for adopting a full FRS 102 valuation at 31 March 2020.

Defined contribution pension scheme

Staff who were not members of either scheme at 30 September 2010 could elect to join a defined contribution scheme to which the Group contributes. From 1 February 2014 all qualifying staff not already a member of the defined contribution scheme, and new starters are automatically enrolled into the scheme as set out by legislation. The costs arising on the Group's defined contribution schemes are recognised in the statement of comprehensive income in the year in which they become payable. The Group has no legal or constructive obligation to pay further contributions in the event that these plans do not hold sufficient assets to provide retirement benefits.

Contributions to the Group's pension schemes in respect of pension entitlements earned in the current year for the defined benefits scheme and all contributions to the defined contributions scheme are charged to the statement of comprehensive income in the year in which they become payable.

Employee benefits

A liability is recognised for all employee benefits to which employees have become entitled as a result of their service during the reporting period. This includes any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods, measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Housing properties

Housing properties are principally properties rented to provide social housing and are not held to earn commercial rentals or for capital appreciation.

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing properties includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements. Major components of properties are treated as separate assets and components additions are described as works to existing properties.

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

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties

Notes to the Financial Statements

1. Accounting policies (continued)

expected to be sold in first tranche, are included in PPE and held at cost less any impairment, and are transferred to completed properties when ready for letting.

The sale of housing properties are part of the normal operating activities of the business and consequently the profits and losses on these transactions are included in the operating surplus of the Association and Group.

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected items of housing properties and using that amount as deemed cost. To determine the deemed cost at 1st April 2014, the Group engaged an independent valuation specialist to value the housing properties on an EUV-SH basis. Housing properties will subsequently be measured at cost less depreciation.

Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and income and expenditure reserve.

Shared ownership and staircasing

Under shared ownership arrangements, the Group disposes of a long lease of shared ownership housing units to persons who occupy them, at a premium equal to between 25% and 75% of the open market value (the 'first tranche'). The occupier has the right to purchase further proportions at the current valuation at that time up to 100% ('staircasing').

A shared ownership property comprises two assets: that to be disposed of in the first tranche sale, which is recorded as a current asset; and that retained by Group, which is recorded as a fixed asset in the same manner as for general needs housing properties.

Proceeds of sale of first tranches are accounted for as turnover in the income and expenditure account, with the apportioned cost being shown within operating results as the cost of sale. Subsequent tranches sold ('staircasing sales') are disclosed in the income and expenditure account as a surplus or deficit on sale of fixed assets. Such staircasing sales may result in capital grant being deferred or abated and this is credited in the sales account arriving at the surplus or deficit.

Properties under rent to homebuy arrangements (where the occupier has the right to purchase within 5 years) are also disclosed under shared ownership, with 100% recorded as a fixed asset.

Depreciation of housing properties

Freehold land is not depreciated. Buildings are depreciated over their estimated useful economic life of 100 years. Major components of buildings are treated as separable assets and depreciated over their estimated useful economic lives at the following rates:

Roof, doors and windows	40 years
Kitchens and bathrooms	25 years
Boilers and heating equipment, electrical, lifts	20 years

Properties held on leases are amortised over the shorter of life of the lease or their estimated useful economic lives.

Depreciation of other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The expected useful lives of other assets are:

Computers and office equipment	4-10 years

Impairment

Housing properties are assessed for indicators of impairment at each balances 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 the impairment is indicated to their recoverable amounts. The impairment loss must be charge to the Statement of Comprehensive Income as expenditure and disclosed as a separate line in operating expenditure where it is considered to be material.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Leased assets

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Investment properties

Investment properties are held to earn commercial rent and/or for capital appreciation. Such properties include properties held for residential market rent and commercial properties.

Investment properties are measured at cost on initial recognition and subsequently at fair value at the balance sheet date, with changes in fair value recognised in the income and expenditure.

Fair value is determined annually by appropriately qualified external valuers and is derived from current market rents and investment property yields for comparable properties, adjusted if necessary for any differences in the nature, location or condition of the specific asset.
Commercial properties are stated at market value. The rolling valuation method has been adopted for valuations.

Market value is defined as the estimated amount for which the property should exchange on the valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted 'knowledgeably, prudently and without compulsion'.

The sale of investment properties are part of the normal operating activities of the business and consequently the profits and losses on these transactions are included in the operating surplus of the Association and Group.

Social Housing Grant

Social Housing Grant ('SHG') is receivable from the Homes and Communities Agency ('HCA') and the Greater London Authority ('GLA").

Grants received in relation to assets that are presented at deemed

Notes to the Financial Statements

1. Accounting policies (continued)

cost at the date of transition have been accounted for using the performance model as required by Housing SORP 2014. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within reserves.

Grant received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2014 the useful economic life (UEL) of the housing property structure has been selected (average UEL has been estimated as 88 years, which also took into account the components in coming up with this figure as permitted by the SORP).

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

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

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the HCA and GLA 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 the HCA or GLA 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".

Homebuy loans and grants

Under these arrangements the Association receives Social Housing Grant representing a maximum of 30% of the open market purchase price of a property in order to advance interest free loans of the same amount to a homebuyer. The buyer meets the balance of the purchase price from a combination of personal mortgage and savings.

Grants received by the Group under these arrangements are recognised as a liability in full until the loan is redeemed and the grant is transferred to the recycled capital grant fund.

In the event that the property is sold on, the Group recovers the equivalent loaned percentage value of the property at the time of the sale. The grant becomes recyclable when the loans are repaid up to the amount of the original grant and to the extent the proceeds permit. The Group is able to retain any surplus proceeds less sale costs attributable to the equivalent loan percentage share of the value of the property. If there is a fall in the value of the property the shortfall of the proceeds is offset against the recycled grant. There are no circumstances in which the Group will suffer any capital loss.

Other grant

Other grants are receivable from local authorities and other organisations. Such grants are recognised using the performance model in accordance with Section 34 of FRS 102.

- Where the grant does not impose specific future performance-related conditions, it is recognised as revenue when the grant proceeds are received or receivable.
- Where the grant does impose specific future performance-related conditions. It is recognised only when the performance-related condition are met.
- Where the grant is received before the revenue recognition criteria are satisfied, it is recognised as a liability.

Properties for sale

Properties for outright sale and shared ownership first tranche developments are valued at the lower of cost and net realisable value, regardless of whether they are completed or still under construction. Cost comprises materials, direct labour, direct development overheads and attributable interest on borrowings. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Current asset investments

Current asset investments are readily disposable liquid resources stated at market value. They include some money market deposits, held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Reserves

The Group establishes restricted reserves for specific purposes where their use is subject to external restrictions and designated reserves where reserves are earmarked for a particular purpose.

Revaluation reserve

The difference between the EUV of housing properties and the historical cost carrying value is credited to the revaluation reserve.

Deferred financing costs

Costs of financing are capitalised and amortised over the life of the loan.

Financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

All loans, investments and short term deposits held, are classified as basic financial instruments in accordance with FRS 102. As such these are recorded at historical cost.

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.

Notes to the Financial Statements

1. Accounting policies (continued)

Joint venture investments

Investment in joint venture partnerships are valued at cost.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- whether there are indicators of impairment of the association's tangible and intangible assets, including goodwill. 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 association has 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 association has also considered impairment based on their assumptions to define cash or asset generating units.
- the anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the association then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the association's best estimate of sales value based on economic conditions within the area of development.
- whether leases entered into by the association, either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. There were no additional assets recognised as Property, Plant and Equipment in the association's balance sheet.
- the appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- what constitutes a cash generating unit when indicators of impairment require there to be an impairment review.
- the discount, inflation, salary growth and mortality rates for obligations under the defined benefit pension scheme.

Other key sources of estimation and uncertainty

- Tangible fixed assets (see note 11 and 12)

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 wear and tear, decay, and casualty (e.g. fire, flood) are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations were:

- Capitalisation rate market rented properties: 7.75%
- Capitalisation rate commercial properties: 3.5% - 7.5%, with a weighted average of 6.0%
- Rental and other trade receivables debtors

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

Notes to the Financial Statements

2. Turnover, cost of sales, operating costs and operating surplus

	Note	Group 2021			
		Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings		**47,966**	–	**(36,441)**	**11,525**
Other social housing activities					
Shared ownership first tranche sales		2,893	(2,825)	–	68
Community development		69	–	(225)	(156)
Charges for support services		1,344	–	(1,421)	(77)
Development activities		235	–	(688)	(453)
		4,541	**(2,825)**	**(2,334)**	**(618)**
Non-social housing activities					
Properties for outright sale		15,298	(14,582)	–	716
Investment property lettings		3,648	–	(1,153)	2,495
Leasehold		1,081	–	(884)	197
Home improvement agency		166	–	(396)	(230)
Other (non-housing)		148	–	(48)	100
		20,341	**(14,582)**	**(2,481)**	**3,278**
Gain on disposal of housing properties	5	–	–	–	975
Movement in fair value of investment properties	12	–	–	–	118
Gift aid		–	–	–	–
		72,848	**(17,407)**	**(41,256)**	**15,278**

	Note	Group 2020			
		Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings		**46,088**	**–**	**(34,971)**	**11,117**
Other social housing activities					
Shared ownership first tranche sales		2,527	(2,642)	–	(115)
Community development		110	–	(293)	(183)
Charges for support services		1,183	–	(1,340)	(157)
Development activities		69	–	(578)	(509)
		3,889	**(2,642)**	**(2,211)**	**(964)**
Non-social housing activities					
Properties for outright sale		556	(531)	–	25
Investment property lettings		4,143	–	(1,306)	2,837
Leasehold		999	–	(900)	99
Home improvement agency		173	–	(414)	(241)
Other (non-housing)		74	–	(48)	26
		5,945	**(531)**	**(2,668)**	**2,746**
Gain/(loss) on disposal of fixed assets	5	–	–	–	1,961
Movement in fair value of investment properties	12	–	–	–	(803)
		55,922	**(3,173)**	**(39,850)**	**14,057**

Notes to the Financial Statements

2. Turnover, cost of sales, operating costs and operating surplus

	Note	Turnover £'000	Association 2021 Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings		**45,002**	**–**	**(35,209)**	**9,793**
Other social housing activities					
Shared ownership first tranche sales		2,893	(2,825)	–	68
Community development		69	–	(225)	(156)
Charges for support services		1,314	–	(1,429)	(115)
Development activities		187	–	(683)	(496)
		4,463	**(2,825)**	**(2,337)**	**(699)**
Non-social housing activities					
Properties for outright sale		5,028	(3,066)	–	1,962
Investment property lettings		2983	–	(1,106)	1,877
Leasehold		1,081	–	(867)	214
Home improvement agency		166	–	(402)	(236)
Other (non-housing)		623	–	(48)	575
		9,881	**(3,066)**	**(2,423)**	**4,392**
Gain on disposal of housing properties	5	–	–	–	975
Movement in fair value of investment properties	12	–	–	–	(276)
		59,346	**(5,891)**	**(39,969)**	**14,185**

	Note	Turnover £'000	Association 2020 Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings		**43,404**	**–**	**(33,357)**	**10,047**
Other social housing activities					
Shared ownership first tranche sales		2,527	(2,642)	–	(115)
Community development		110	–	(293)	(183)
Charges for support services		1,152	–	(1,340)	(188)
Development activities		48	–	(565)	(517)
		3,837	**(2,642)**	**(2,198)**	**(1,003)**
Non-social housing activities					
Investment property lettings		3,284	–	(1,258)	2,026
Leasehold		999	–	(911)	88
Home improvement agency		173	–	(414)	(241)
Other (non-housing)		108	–	(48)	60
		4,564	**–**	**(2,631)**	**1,933**
Gain on disposal of fixed assets	5	–	–	–	1,877
Movement in fair value of investment properties	12	–	–	–	(826)
		51,805	**(2,642)**	**(38,186)**	**12,028**

Notes to the Financial Statements

2. Turnover, cost of sales, operating costs and operating surplus

Particulars of income and expenditure from social housing lettings

Group	General needs housing £'000	Supported housing & housing for older people £'000	Key worker/ Intermediate housing £'000	Shared ownership £'000	2021 Total £'000	2020 Total £'000
Rent	26,086	3,118	6,420	2,363	37,987	36,535
Service charge income	2,885	1,993	167	542	5,587	5,214
Other income	24	743	1,563	47	2,377	2,376
Amortisation of housing grant	1,410	210	267	128	2,015	1,963
Net rental income	**30,405**	**6,064**	**8,417**	**3,080**	**47,966**	**46,088**
Management	(2,883)	(1,211)	(920)	(376)	(5,390)	(5,295)
Service charge costs	(3,593)	(1,504)	(1,168)	(689)	(6,954)	(6,324)
Other costs	(3,462)	(2,859)	(1,061)	(419)	(7,801)	(7,013)
Routine maintenance	(4,943)	(249)	(543)	(23)	(5,758)	(4,725)
Planned maintenance	(2,506)	(669)	(369)	(134)	(3,678)	(4,700)
Rent losses from bad debt	(106)	(39)	(50)	–	(195)	(272)
Depreciation	(4,858)	(512)	(1,295)	–	(6,665)	(6,642)
Operating expenditure	**(22,351)**	**(7,043)**	**(5,406)**	**(1,641)**	**(36,441)**	**(34,971)**
Operating surplus	**8,054**	**(979)**	**3,011**	**1,439**	**11,525**	**11,117**
Void losses	(576)	(237)	(642)	(34)	(1,489)	(990)

2. Turnover, cost of sales, operating costs and operating surplus

Particulars of income and expenditure from social housing lettings

Association	General needs housing £'000	Supported housing & housing for older people £'000	Key worker/ Intermediate housing £'000	Shared ownership £'000	2021 Total £'000	2020 Total £'000
Rent	22,527	3,006	6,420	2,301	34,254	32,846
Service charge income	2,663	1,959	167	535	5,324	4,958
Other income	1,050	773	1,563	74	3,460	3,686
Amortisation of housing grant	1,367	205	267	125	1,964	1,914
Net rental income	**27,607**	**5,943**	**8,417**	**3,035**	**45,002**	**43,404**
Management	(2,589)	(1,192)	(952)	(364)	(5,097)	(5,195)
Service charge costs	(3,505)	(1,502)	(1,168)	(693)	(6,868)	(6,221)
Other costs	(3,561)	(2,940)	(1,091)	(431)	(8,023)	(7,006)
Routine maintenance	(4,736)	(248)	(543)	(23)	(5,550)	(4,544)
Planned maintenance	(2,316)	(667)	(369)	(133)	(3,485)	(4,144)
Rent losses from bad debt	(82)	(36)	(13)	–	(131)	(268)
Depreciation	(4,272)	(488)	(1,295)	–	(6,055)	(5,979)
Operating expenditure	**(21,061)**	**(7,073)**	**(5,431)**	**(1,644)**	**(35,209)**	**(33,357)**
Operating surplus	**6,546**	**(1,130)**	**2,986**	**1,391**	**9,793**	**10,047**
Void losses	(532)	(237)	(642)	(34)	(1,445)	(965)

Notes to the Financial Statements

3. Accommodation in management

At the end of the financial year accommodation in management for each class of accommodation was as follows:

	Group		Association	
	2021 No.	2020 No.	2021 No.	2020 No.
Social housing				
General needs housing				
Social	3,490	3,464	3,027	3,003
Affordable	559	502	485	430
Supported housing and housing for older people	661	662	646	647
Keyworker housing	1,067	959	1,067	959
Shared ownership	544	464	532	452
Rent to homebuy	9	11	9	11
Residential care homes	35	35	35	35
Total managed	**6,365**	**6,097**	**5,801**	**5,537**
Non-social housing				
Commercial/Right to buy/Leasehold/Market rented	995	862	971	836
Total owned and managed	**7,360**	**6,959**	**6,772**	**6,373**

The Group owns 47 supported housing units (2020: 47) that are managed on its behalf, under management agreements, by other bodies who contract with Supporting People Administering Authorities and carry the financial risk relating to the supported housing units.

4. Operating Surplus

This is arrived at after charging:

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Depreciation of housing properties	6,665	6,642	6,055	5,979
Depreciation of other tangible fixed assets	786	1,214	786	1,214
Impairment (release)/provision on housing properties	–	–	–	–
Operating lease rentals for office equipment and computers	36	14	14	14
Auditors' remuneration exclusive of VAT				
- for audit services	65	64	46	45
- for non-audit services	20	20	7	7

Notes to the Financial Statements

5. Gain/(loss) on disposal of property, plant and equipment

	Group		Association	
	2021 **£'000**	**2020** **£'000**	**2021** **£'000**	**2020** **£'000**
Disposal proceeds	1,896	4,292	1,896	3,886
Carrying value of fixed assets	(921)	(2,331)	(921)	(2,009)
	975	**1,961**	**975**	**1,877**

6. Interest receivable

	Group		Association	
	2021 **£'000**	**2020** **£'000**	**2021** **£'000**	**2020** **£'000**
Bank interest receivable	16	78	16	77
Other interest receivable	7	–	612	637
	23	**78**	**628**	**714**

7. Interest and financing costs

	Group		Association	
	2021 **£'000**	**2020** **£'000**	**2021** **£'000**	**2020** **£'000**
Loans and bank overdrafts	15,041	15,465	13,132	13,556
Amortisation of financing costs	241	477	204	440
Pension interest costs	70	188	70	188
	15,352	**16,130**	**13,406**	**14,184**
Interest capitalised on housing properties under construction	(3,167)	(3,178)	(2,087)	(2,087)
	12,185	**12,952**	**11,319**	**12,097**
Capitalisation rate used to determine the finance costs capitalised during the period	**4.02%**	**4.58%**	**4.09%**	**4.04%**

8. Employees

Average monthly number of employees expressed in full time equivalents:

	Group and Association	
	2021	**2020 (restated)**
	No.	**No.**
Administration	63	52
Development	24	16
Housing, support and care	161	178
	248	**246**

Full time equivalents are calculated based on a standard working week of 37 hours.

Employee costs:	Group and Association	
	2021	**2020**
	£'000	**£'000**
Wages and salaries	10,334	9,225
Social security costs	1,024	881
Other pension costs	1,020	912
Employee benefits accrued	194	26
	12,572	**11,044**

The Group operates a salary sacrifice scheme by which employees forego remuneration equivalent to the value of the pension contributions attributable to the employee. The Group then pays these contributions on behalf of the employee. Thus, the charge for the year ended 31 March 2020 under FRS 17 represents the total contributions payable.

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

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

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017 by a professionally qualified Actuary using the Projected Unit Method. This valuation revealed a deficit of £1.52m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. The Association paid £835,555 during the year in additional contributions.

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme. Details can be found in note 22 Pension Fund Liability.

The Association also participates in The Pension's Trust Growth Plan which is a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. It is also subject to the same funding legislation as the SHPS Scheme and also classified as a 'last-man standing arrangement'.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 January 2025 £11.2m increasing by 3% each year (in respect of September 2017 valuation)

From 1 April 2016 to 30 September 2025 £12.9m increasing by 3% each year (in respect of September 2014 valuation)

From 1 April 2016 to 30 September 2028 £55k increasing by 3% each year (in respect of September 2014 valuation)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of Series 1 and Series 2 scheme liabilities. The Association paid £32,415 in deficit contributions during the year.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost. Details of the liability can be found in note 22 Pension Fund Liability.

Notes to the Financial Statements

9. Board members, independent committee members, executive directors and senior staff emoluments

Group and Association	Basic salary £'000	Benefits in kind £'000	Pension contr'ns £'000	2021 Total £'000	2020 Total £'000
Aggregate emoluments	**524**	**–**	**93**	**617**	**593**

Non-executive Board Members received emoluments of £78,341 cumulatively, including £12,847 (2020: £12,847) received by the Chair. This excludes the Chief Executive aggregate emoluments as the highest paid director, which is detailed below. Expenses paid during the year to Board members amount to £144 (2020: £5,294).

Group and Association	Basic salary £	Benefits in kind £	Pension contr'ns £	2021 Total £	2020 Total £
Jane Amobi*	560	–	–	560	–
Anthony Bacon**	1,682	–	–	1,682	–
Christopher Bond	5,000	–	–	5,000	5,000
Victoria Bonner	5,000	–	–	5,000	2,174
Anne Bowers (former)	–	–	–	–	2,143
Olivia Gadd (former)	–	–	–	–	5,000
Mari Gibbons (former)	–	–	–	–	2,143
Robert Green	5,000	–	–	5,000	2,877
Bryan Ingleby	5,000	–	–	5,000	5,000
Mash Halai	2,216	–	–	2,216	5,000
Meena Anand	2,803	–	–	2,803	–
Neil McCall	11,859	–	988	12,847	12,847
Stephen Mutton	5,000	–	–	5,000	5,000
Argiri Papathos	5,000	–	–	5,000	2,174
Julia Porter	5,000	–	–	5,000	5,000
Gordon Wright	5,000	–	–	5,000	5,000
Aggregate emoluments of Board Members (excluding Chief Executive)	**59,120**	**–**	**988**	**60,108**	**59,358**

* Independent Member of the Customer Services Committee.

** Independent Member of the Investment Committee.

Origin's policy on board member remuneration is to pay at the median rate for housing associations of our size in the not-for-profit sector. In setting the median rates for Board Members and the Chair of the Board, benchmarking data comes from the National Housing Federation's annual survey of board member pay. Board Member and Chair remuneration rates are formally reviewed against the market every three years.

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £143,297 (2020: £140,454). The Chief Executive is a member of the Social Housing Pension Scheme. She is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive.

Group and Association	Basic salary £'000	Benefits in kind £'000	Pension contr'ns £'000	2021 Total £'000	2020 Total £'000
Aggregate emoluments of highest paid director	**143**	**–**	**29**	**172**	**169**

The full time equivalent number of staff whose remuneration, including pension contributions, was greater than £60,000 in bands of £10,000 is below:

	Group and Association 2021 No.	2020 No.
£60,000 to £69,999	17	2
£70,000 to £79,999	16	9
£80,000 to £89,999	1	3
£90,000 to £99,000	1	0
£110,000 to £110,999	1	0
£120,000 to £129,999	0	1
£130,000 to £139,999	2	1
£160,000 to £169,999	0	1
£170,000 to £179,999	1	0
£180,000 to £189,999	1	0
	40	**17**

Key management personnel include all board members, the executive directors and a number of senior managers across the group who together, and to various degrees, have the authority and responsibility for planning, directing and controlling the activities of the group. The total compensation for loss of office paid to key management personal was £52k (2020: £nil). The total compensation paid to off payroll key management personnel for services provided to the group was £170k (2020: £246k).

10. Tax on surplus on ordinary activities

Origin Properties Limited, Origin Finance Limited, Origin Finance 2 Plc, and Origin Housing Developments Limited are subject to corporation tax. Origin Housing Limited has Charitable Objects and is exempt from corporation tax on its charitable activities.

	Group		Association	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
United Kingdom Corporation Tax				
Current tax on income for the year	782	–	–	–
Adjustments in respect of prior periods	–	–	–	–
Current tax (credit)/charge for the period	**782**	–	–	–
Deferred tax	–	–	–	–
Origination and reversal of timing differences	–	–	–	–
	782	**–**	**–**	**–**

Factors affecting the tax charge for the period

	Group		Association	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Surplus for the year before taxation	**3,116**	**1,183**	**3,494**	**645**
Corporation tax at 19% (2020: 19%)	592	216	664	123
Effects of:				
Income from exempt activities	(3,386)	(2,705)	(2,804)	(2,501)
Expenses not deductible for tax purposes	2,884	2,528	2,140	2,378
Chargeable gains	–	–	70	–
Group relief claimed	–	–	(70)	–
Adjust closing deferred ta to average rate	–	(216)	–	(16)
Deferred tax asset not recognised	(172)	177	–	16
Share of joint venture profits	864	–	–	–
	782	**–**	**–**	**–**

11. Tangible fixed assets – housing properties

Group	Social housing held for letting completed £'000	Social housing held for letting under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total £'000
Cost					
At 1 April 2020	727,745	40,293	64,398	26,107	858,543
Transfer from investment properties	5,522	–	–	–	5,522
Additions – new properties/ construction	–	20,062	–	10,216	30,278
Additions – works to existing properties	6,279	–	–	–	6,279
Schemes completed	17,971	(17,971)	10,561	(10,561)	–
Disposals	(109)	–	(874)	–	(983)
At 31 March 2021	**757,408**	**42,384**	**74,085**	**25,762**	**899,639**
Accumulated depreciation and impairment					
At 1 April 2020	70,150	–	1,188	–	71,338
Depreciation charge	6,576	–	–	–	6,576
Disposals	(19)	–	(17)	–	(36)
At 31 March 2021	**76,707**	**–**	**1,171**	**–**	**77,878**
Net book value					
At 1 April 2020	657,595	40,293	63,210	26,107	787,205
At 31 March 2021	**680,701**	**42,384**	**72,914**	**25,762**	**821,761**

Association	Social housing held for letting completed £'000	Social housing held for letting under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total £'000
Cost					
At 1 April 2020	660,568	34,542	62,013	23,540	780,663
Transfer from investment properties	4,515	–	–	–	4,515
Additions – new properties/ construction	–	11,740	–	6,448	18,188
Additions – works to existing properties	5,537	–	–	–	5,537
Schemes completed	17,971	(17,971)	10,561	(10,561)	–
Disposals	(89)	–	(874)	–	(963)
At 31 March 2021	**688,502**	**28,311**	**71,700**	**19,427**	**807,940**
Accumulated depreciation and impairment					
At 1 April 2020	65,623	–	1,241	–	66,864
Depreciation charge	5,982	–	–	–	5,982
Disposals	(15)	–	(17)	–	(32)
At 31 March 2021	**71,590**	**–**	**1,224**	**–**	**72,814**
Net book value					
At 1 April 2020	594,945	34,542	60,772	23,540	713,799
At 31 March 2021	**616,912**	**28,311**	**70,476**	**19,427**	**735,126**

11. Tangible fixed assets – housing properties (continued)

The net book value of Group housing properties may be further analysed as:

	2021 £'000	2020 £'000
Freehold	487,260	487,260
Long leasehold	334,501	299,945
At 31 March	**821,761**	**787,205**

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

	2021 £'000	2020 £'000
Historic cost	765,577	724,481
Accumulated depreciation	(24,254)	(31,088)
At 31 March	**741,323**	**693,393**

Interest capitalisation by the Group on properties under construction

	2021 £'000	2020 £'000
Interest capitalised in the year	3,167	3,178
Cumulative interest capitalised	7,326	2,735
At 31 March	**10,493**	**5,913**

Expenditure on works to existing properties by the Group:

	2021 £'000	2020 £'000
Amounts capitalised	6,279	5,561
Amounts charged to income statement	3,678	4,700
At 31 March	**9,957**	**10,261**

Valuation

On transition to FRS 102 Origin Housing took the option of carrying a one off valuation on a number of its housing properties and using that amount as deemed costs.

To determine the deemed cost at 1st April 2014, the Group engaged external valuers Jones Lang LaSalle Ltd to value housing properties on an Existing Use Value for Social Housing (EUV-SH) basis. Housing properties will subsequently be measured at cost.

The valuation was carried out as a desktop exercise on an EUV-SH basis using discounted cashflows. The property portfolio was Grouped by a number of key parameters to determine the valuation including:

Location	Age	Tenure Type
Spread	Construction	Rental streams less key deductions for expected maintenance and management costs
Usage categories	Property Type	

The valuation apportioned rates between 84% (Outer London) and 87.5% (Inner London) as a land apportionment of the EUV-SH asset value. The carrying value at 31 March 2021 of letting properties under the cost model would be £741,323k compared with £821,761k shown in the Statement of Financial Position and notes above.

Impairment

Under FRS 102, the SORP (Statement of Recommended Practice) considers that properties held for their social benefit are not held solely for the cash inflows they generate but for their service potential. Hence, an impairment provision will not be triggered on initial recognition of the value being below costs under FRS 102. No impairment triggers have been identified for the year ended 31 March 2021.

12. Tangible fixed assets – investment properties

Group	Commercial 2021 £'000	Market Rent 2021 £'000	Total 2021 £'000
Valuation			
At 1 April 2020	48,648	35,036	83,684
Additions	32	–	32
Transfer to/from housing properties	–	(5,253)	(5,253)
Revaluation	(212)	330	118
At 31 March 2021	**48,468**	**30,113**	**78,581**

Association	Commercial 2021 £'000	Market Rent 2021 £'000	Total 2021 £'000
Valuation			
At 1 April 2020	40,253	32,061	72,314
Transfer from/to housing properties	32	(4,248)	(4,216)
Revaluation	(412)	136	(276)
At 31 March 2021	**39,873**	**27,949**	**67,822**

There are no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal. In addition there are no contractual obligations to purchase, construct or develop investment property, or provide enhancements. The Group is required to repair and maintain these properties in line with lease agreements.

Valuation

The Group's investment properties are valued annually on 31 March at fair value, determined by independent, professionally qualified valuers, Jones Lang LaSalle Ltd. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

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. Key inputs into the valuations were:

- Capitalisation rate market rented properties: 7.75% for Greater London and 8.00% of Hertfordshire
- Capitalisation rate commercial properties: 3.5% - 7.50%, with a weighted average of 6.00%

The decrease in value as a result of revaluation of investment property arising of £102k (Association £496k) has been debited to the Statement of Comprehensive Income for the year. The historic cost of market rent properties is £21,516k for the Group and £20,886k for the Association (2020: £20,290k Group and £19,659k Association).

Notes to the Financial Statements

13. Tangible fixed assets - other

Group and Association	Computers & office equipment £'000	Total £'000
Cost		
At 1 April 2020	14,158	14,158
Additions	1,654	1,654
Disposals	(9,984)	(9,984)
At 31 March 2021	**5,828**	**5,828**
Accumulated depreciation		
At 1 April 2020	10,831	10,831
Charged in year	786	786
Disposals	(9,984)	(9,984)
At 31 March 2021	**1,633**	**1,633**
Net book value		
At 1 April 2020	3,327	3,327
At 31 March 2021	**4,195**	**4,195**

Notes to the Financial Statements

14. Investment in joint ventures & long term intercompany debt

Group	2021 £'000	2020 £'000
Investment in South Harrow LLP	697	2,252
Investment in Central Harrow LLP	1,799	6,482
Sector lending vehicle	30	30
	2,526	**8,764**

Association	2021 £'000	2020 £'000
Long term lending to Origin Properties Limited	14,387	16,388
Long term lending to other subsidiaries	2,758	2,758
Sector lending vehicle	30	30
	17,175	**19,176**

The Association owns the following shares:

Company	Number of Shares	Percentage of issued share capital
Origin Finance Limited	2 ordinary £1 share	100%
Origin Properties Limited	4 ordinary £1 shares	100%
Origin Housing Developments Limited	4 ordinary £1 share	100%
Origin Housing 2 Limited	6 ordinary £1 share	100%
Origin Finance 2 Plc	50,000 ordinary £1 shares	100%

The country of incorporation for all these companies was England.

As required by statute, the financial statements consolidate the results of Origin Finance Limited, Origin Properties Limited, Origin Housing Developments Limited, Origin Housing 2 Limited, and Origin Finance 2 Plc which were members of the Group for the whole of the year. The Association has the right to appoint members to the Boards of the Group members and thereby exercises control over them. Origin Housing Limited is the ultimate parent undertaking.

During the year the Association provided management services to all members of the Group. It also provided loans to Origin Properties Limited in the year and received repayments bringing the total advanced to £14,388k (2020: £16,388k).

15. Properties held for sale

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Properties under construction	17,413	22,491	9,469	10,943
Capitalised interest (properties under construction)	875	771	451	257
Completed properties	5,457	10,156	4,904	3,563
	23,745	**33,418**	**14,824**	**14,763**

Notes to the Financial Statements

16. Debtors

	Group		Association	
	2021 £'000	2020 £'000 Restated	2021 £'000	2020 £'000
Rent and service charges receivable	2,812	4,465	2,610	4,467
Provision for bad and doubtful debts	(399)	(1,100)	(360)	(1,076)
	2,413	**3,365**	**2,250**	**3,391**
Commercial rent and service charge arrears	401	584	370	541
Amounts due from Group companies	–	–	6,670	6,156
Amounts due from joint ventures	49	63	49	63
Prepayments and accrued income	1,070	1,109	1,070	1,102
Other debtors	3,657	2,404	3,307	2,156
	7,590	**7,525**	**13,716**	**13,409**

17. Creditors: amounts falling due within one year

	Group		Association	
	2021 £'000	2020 £'000 Restated	2021 £'000	2020 £'000
Loans (note 19)	5,390	46,586	5,390	46,586
Deferred financing costs (note 19)	(151)	(293)	(76)	(218)
Trade creditors	985	849	979	810
Grants received in advance	–	172	–	172
Amounts owed to Group companies	–	–	–	–
Recycled capital grant fund (note 21)	1,416	1,345	1,416	1,345
Corporation tax	782	–	–	–
Other taxation and social security	331	243	331	347
Leaseholder sinking funds	1,375	1,368	1,375	1,368
Accrued interest	2,968	3,147	2,379	2,558
Capital accrual	2,631	3,575	2,031	2,537
Deferred income	442	449	348	396
Other creditors and accruals	5,617	7,272	5,420	6,749
	21,786	**64,713**	**19,593**	**62,650**

18. Creditors: amounts falling due after more than one year

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Loans (note 19)	391,629	334,140	351,629	294,140
Deferred financing costs (note 19)	1,564	(1,660)	2,142	(1,006)
Recycled capital grant fund (note 21)	2,491	3,285	2,446	3,240
Corporation tax	–	–	–	–
Total Loans	**395,684**	**335,765**	**356,217**	**296,374**

19. Debt

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Due within one year				
Bank loans	5,390	46,586	5,390	46,586
	5,390	46,586	5,390	46,586
Deferred financing costs	(151)	(293)	(76)	(218)
	5,239	**46,293**	**5,314**	**46,368**
Due after more than one year				
Bank loans	311,610	254,121	206,370	146,501
Other loans	19	19	19	19
Bond Issue	80,000	80,000	–	–
Loans from subsidiaries	–	–	145,240	147,620
	391,629	334,140	351,629	294,140
Deferred financing costs	1,564	(1,660)	2,142	(1,006)
	393,193	**332,480**	**353,771**	**293,134**
Between one and two years	110,153	45,439	103,753	45,439
Between two and five years	49,379	102,404	49,379	96,004
In five or more years	232,097	186,297	198,497	152,697
	391,629	334,140	351,629	294,140
Deferred financing costs	1,564	(1,660)	2,142	(1,006)
	393,193	**332,480**	**353,771**	**293,134**
Total debt				
Loans	397,019	380,726	357,019	340,726
Deferred financing costs	1,413	(1,953)	2,066	(1,224)
	398,432	**378,773**	**359,085**	**339,502**

The bank loans are secured by fixed charges on individual properties.

The bank and other loans are repaid at various times of the year. The interest rates are a mixture of fixed and variable rates, and range from 1.3% to 12.46% (2020: 1.61% to 12.46%).

The interest of 12.46% relates to £1.6m which is repayable in March 2039.

Notes to the Financial Statements

20. Deferred government grant

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 1 April	179,440	154,997	175,352	150,818
Grant received in the year	2,283	26,184	2,283	26,184
Transfer from RCGF	17	599	17	599
Homebuy redemption	(20)	(46)	(20)	(46)
Disposals	(398)	(330)	(398)	(289)
Amortisation	(2,015)	(1,964)	(1,965)	(1,914)
At 31 March	**179,307**	**179,440**	**175,269**	**175,352**

21. Recycled capital grant fund & disposal fund

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 1 April	4,630	4,795	4,585	4,795
Grants recycled / net sale proceeds recycled	435	430	435	385
Grants repaid	(1,145)	–	(1,145)	–
Interest accrued	4	4	4	4
Purchase/ development of properties	(17)	(599)	(17)	(599)
At 31 March	**3,907**	**4,630**	**3,862**	**4,585**
Disclosed as:				
Amounts falling due within one year (note 17)	1,416	1,345	1,416	1,345
Amounts falling due after more than one year (note 18)	2,491	3,285	2,446	3,240
	3,907	**4,630**	**3,862**	**4,585**
Amount due for repayment to the Homes and Communities Agency and Greater London Authority	–	–	–	–

22. Pension fund liability

Group and Association	2021 £'000	2020 £'000
Social Housing Pension Scheme defined benefit obligation / funding liability for 2020-201	6,419	3,164
Growth Plan funding liability	136	161
	6,555	**3,325**

Present values of defined benefit obligation, fair value of assets and defined benefit liability

Group and Association	Social Housing Pension Scheme 2021 £'000	2020 £'000
Fair value of plan assets	27,938	24,980
Present value of defined benefit obligation	(34,357)	(28,144)
Net defined benefit liability recognised	**(6,419)**	**(3,164)**

The Association participates in the Social Housing Pension Scheme (SHPS), a defined benefit scheme in the UK. For the year ending 31 March 2021 the Association has recognise the present values of its defined benefit obligation and the fair value of it's share of the plan assets.

SHPS reconciliation between opening and closing balances

Fair value of plan assets	£'000
At 1 April 2020	24,980
Interest income	598
Experience on plan assets (excluding amounts included in interest income - gain	2,000
Employer contributions	951
Benefits paid and expenses	(591)
At 31 March 2021	**27,938**

Defined benefit obligation	£'000
At 1 April 2020	(28,144)
Current service cost	(104)
Expenses	(19)
Interest Expense	(664)
Actuarial gains	379
Benefits paid and expenses	591
Acturial losses due to changes in demographic assumptions	(124)
Acturial losses due to changes in financial accumptions	(6,272)
At 31 March 2021	**(34,357)**

The actual return on plan assets including any changes in share of assets over the period ended 31 March 2021 was £2,598k.

SHPS defined benefit costs recognised in Income Statement

Statement of Comprehensive Income	2021 £'000
Current service cost	104
Expenses	19
Net interest expense	66
Defined benefit costs recognised in statement of comprehensive income	**189**

Other Comprehensive Income	2021 £'000
Experience on plan assets (excluding amounts included in net interest costs) - gain	2,000
Experience gains arising on the plan liabilities - gain	379
Effects of changes in the demographic assumptions underlying in the present value of the defined benefit obligation (loss)	(124)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation (loss)	(6,272)
Total acturial gains and losees (before restriction due to some of the surplus not being recognisable) - gain (loss)	(4,017)
Effect of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	–
Total amount recognised in Other Comprehensive Income - gain (loss)	**(4,017)**

Notes to the Financial Statements

22. Pension fund liability (continued)

SHPS Plan Assets	**2021 £'000**	**2020 £'000**
Global Equity	4,453	3,654
Absolute Return	1,542	1,302
Distressed Opportunities	807	481
Credit Relative Value	879	685
Alternative Risk Premia	1,052	1,747
Fund of Hedge Funds	3	15
Emerging Markets Debt	1,128	756
Risk Sharing	1,017	844
Insurance-Linked Securities	671	767
Property	580	550
Infrastructure	1,863	1,859
Private Debt	666	503
Opportunistic Illiquid Credit	710	605
High Yield	837	–
Opportunistic Credit	766	–
Corporate Bond Fund	1,651	1,424
Liquid Credit	333	10
Long Lease Property	548	432
Secured Income	1,162	948
Liability Driven Investment	7,100	8,291
Net Current Assets	170	107
Total assets	**27,938**	**24,980**

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

Key assumptions	**2021**	**2020**
Discount Rate	2.15%	2.38%
Inflation (RPI)	3.29%	2.63%
Inflation (CPI)	2.86%	1.63%
Salary Growth	3.86%	2.63%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

22. Pension fund liability (continued)

Group and Association	Growth Plan	
	2021	2020
	£'000	£'000
Provision 1 April 2020	161	195
Interest expense (unwinding of discount factor)	4	2
Deficit contribution paid	(33)	(32)
Remeasurements recognised in other comprehensive income	4	(4)
Provision 31 March 2021	**136**	**161**

Interest expense and remeasurments been recognised in the Income Statement.

The following discount rates have been used, these are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions:
31 March 2021: 0.66% per annum
31 March 2020: 2.53% per annum

23. Non-equity share capital

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

Association	2021	2020
	£	£
Shares of £1 each issued and fully paid		
At 1 April	27	28
Shares issued during the year	1	3
Shares surrendered during the year	(1)	(4)
At 31 March	**27**	**27**

Notes to the Financial Statements

24. Financial commitments

Capital expenditure commitments were as follows:

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the accounts	44,700	42,386	10,207	33,359
Expenditure authorised by the Board, but not contracted	25,175	9,114	25,175	9,114
Total	**69,875**	**51,500**	**35,382**	**42,473**

The commitments are to June 2024 and there are no performance related conditions in relation to these.

Commitments under operating leases were as follows:

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Operating lease payments receivable:				
- Within one year	273	264	273	264
- One to five years	249	455	249	455
- More than five years	–	35	–	35
Total	**522**	**754**	**522**	**754**
Operating lease payments due:				
- Within one year	32	7	32	7
- One to five years	37	6	37	6
- More than five years	–	–	–	–
Total	**69**	**13**	**69**	**13**

25. Financial Instruments

	2021 £'000	2020 £'000
Financial assets		
Financial assets measured at historical cost		
- Trade receivables	7,590	9,639
- Cash and cash equivalents	18,395	14,445
Total	**25,985**	**24,084**
Financial liabilities		
Financial liabilities measured at historical cost		
- Trade creditors	16,547	20,534
Financial liabilities measured at amortised cost		
- Loans payable	398,432	378,773
Total	**414,979**	**399,307**

26. Other provisions and contingent liabilities

The Group (and Association) has no other provisions or contingent liabilities.

27. Financial liabilities

Financial liabilities excluding trade creditors – interest rate risk profile.

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Floating rate	130,379	116,784	100,379	86,784
Fixed rate	266,640	263,942	256,640	253,942
Total	**397,019**	**380,726**	**357,019**	**340,726**

The Association's financial liabilities are sterling denominated. After taking into account various interest rate swaps, the interest rate profile of the Group's financial liabilities at 31 March were:

The fixed rate financial liabilities have a weighted average interest rate of 4.53% (2020: 4.92%) and the average period for which it is fixed is 15 years (2020: 15 years).

The floating rate financial liabilities comprise bank loans and overdrafts that bear interest at rates based on the three-month LIBOR.

The debt maturity profile is shown in note 19.

Borrowing facilities

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

	2021 £'000	2020 £'000
Expiring between two to five years	61,000	66,595

28. Analysis of net debt

	Group				Association			
	2020 £'000	Cashflow £'000	Non-Cashflow Items £'000	2021 £'000	2020 £'000	Cashflow £'000	Non-Cashflow Items £'000	2021 £'000
Loans	(380,726)	(16,293)	–	(397,019)	(340,726)	(16,293)	–	(357,019)
Deferred financing costs	1,953	–	(3,366)	(1,413)	1,224	–	(3,290)	(2,066)
Debt	(378,773)	(16,293)	(3,366)	(398,432)	(339,502)	(16,293)	(3,290)	(359,085)
Cash and cash equivalents	14,445	3,950	–	18,395	11,123	3,359	–	14,482
Net debt	**(364,328)**	**(12,343)**	**(3,366)**	**(380,037)**	**(328,379)**	**(12,934)**	**(3,290)**	**(344,603)**

29. Related parties

The Board includes one leasehold member who holds a lease on normal commercial terms and cannot use their position to their advantage. During the year, service charge costs charged to the leasehold Board member were £1,049 (2020: £1,007) and the balance outstanding at year end amounted to £nil (2020: £nil).

The Association is a member of the Social Housing Pension Scheme (SHPS), see note 22 for details of significant transactions. Origin Housing Developments Limited and Origin Properties Limited provide development services to the Association. In addition Origin Properties Limited leases properties from the Association.

The Association provides management services to all other group members as well as long term lending to Origin Properties Limited.

Origin Finance Limited and Origin Finance 2 Plc provide long term lending to the Association with the latter also providing long term lending to Origin Housing 2 Limited. Both Origin Housing 2 Limited and Origin Properties Limited provide long term lending to Origin Housing Developments Limited.

During the year the following significant transactions took place between related parties.

Outstanding balances as at 31st March:

Debtor	Creditor	2020 £'000	Movement £'000	2021 £'000
Origin Housing Ltd	Origin Properties Ltd	16,388	(2,000)	14,388
Origin Housing 2 Ltd	Origin Properties Ltd	7,356	–	7,356
Origin Housing 2 Ltd	Origin Housing Development Ltd	7,280	–	7,280
Origin Housing Ltd	Origin Housing Development Ltd	2,708	–	2,708
Origin Properties Ltd	Origin Housing Development Ltd	13,313	(1,972)	11,341
Origin Finance Ltd	Origin Housing Ltd	120,000	(12,380)	107,620
Origin Finance 2 Plc	Origin Housing Ltd	40,000	–	40,000
Origin Finance 2 Plc	Origin Housing 2 Ltd	40,000	–	40,000
Origin Housing Development Ltd	South Harrow LLP	2,251	(1,554)	697
Origin Housing Development Ltd	Central Harrow LLP	6,482	(4,683)	1,799
South Harrow LLP	Origin Housing Ltd	39	(47)	(8)
Central Harrow LLP	Origin Housing Ltd	29	29	58
		255,846	**(22,607)**	**233,239**

Payable to Origin Housing Ltd by subsidiaries:	Management & lease charges		Interest charges	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Origin Properties Ltd	356	550	606	637
Origin Housing Development	15	15	–	–
Origin Finance Ltd	2	2	–	–
Origin Finance 2	2	2	–	–
Origin Housing 2	1,154	1,349	–	–
	1,529	**1,918**	**606**	**637**

Payable by Origin Housing Ltd to subsidiaries:	Management charges		Interest charges	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Origin Finance Ltd	15	15	4,351	5,577
Origin Finance 2	2	2	1,402	1,823
	17	**17**	**5,753**	**7,400**

Notes to the Financial Statements

30. Post balance sheet events

In April 2021, Origin priced a Green Private Placement at £120m, with the proceeds used exclusively to finance and refinance energy efficient buildings at EPC ratings of A and B, across a range of tenors from 15 to 30 years. The private placement, together with other planned refinancing activities for 2021/22, will strengthen the liquidity pipeline, improve the covenant headroom and further consolidate the treasury portfolio.

31. Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Provider of Social Housing registered with the Homes and Communities Agency under the Housing and Regeneration Act 2008.

Origin Housing 2 Limited is an incorporated charity under the Co-operative and Community Benefits Societies Act 2014 and is a Registered Provider of Social Housing.

Origin Properties Limited, Origin Housing Developments Limited, Origin Finance Limited and Origin Finance 2 Plc are incorporated under the Companies Act 2006 and are limited companies.

32. Acquisition of subsidiary

There were no acquisitions of subsidiaries during the year.

33. Joint ventures

Origin Housing Developments Ltd holds a 50% investment in South Harrow LLP and Central Harrow LLP, which develop properties for market sales in Harrow, London.

The value of this investment at March 2021 was £2.5m (2020: £8.7m). The aggregate amount of capital commitments relating to these joint ventures is £nil.

origin HOUSING

Head Office: St Richards House, 110 Eversholt St, London, NW1 1BS