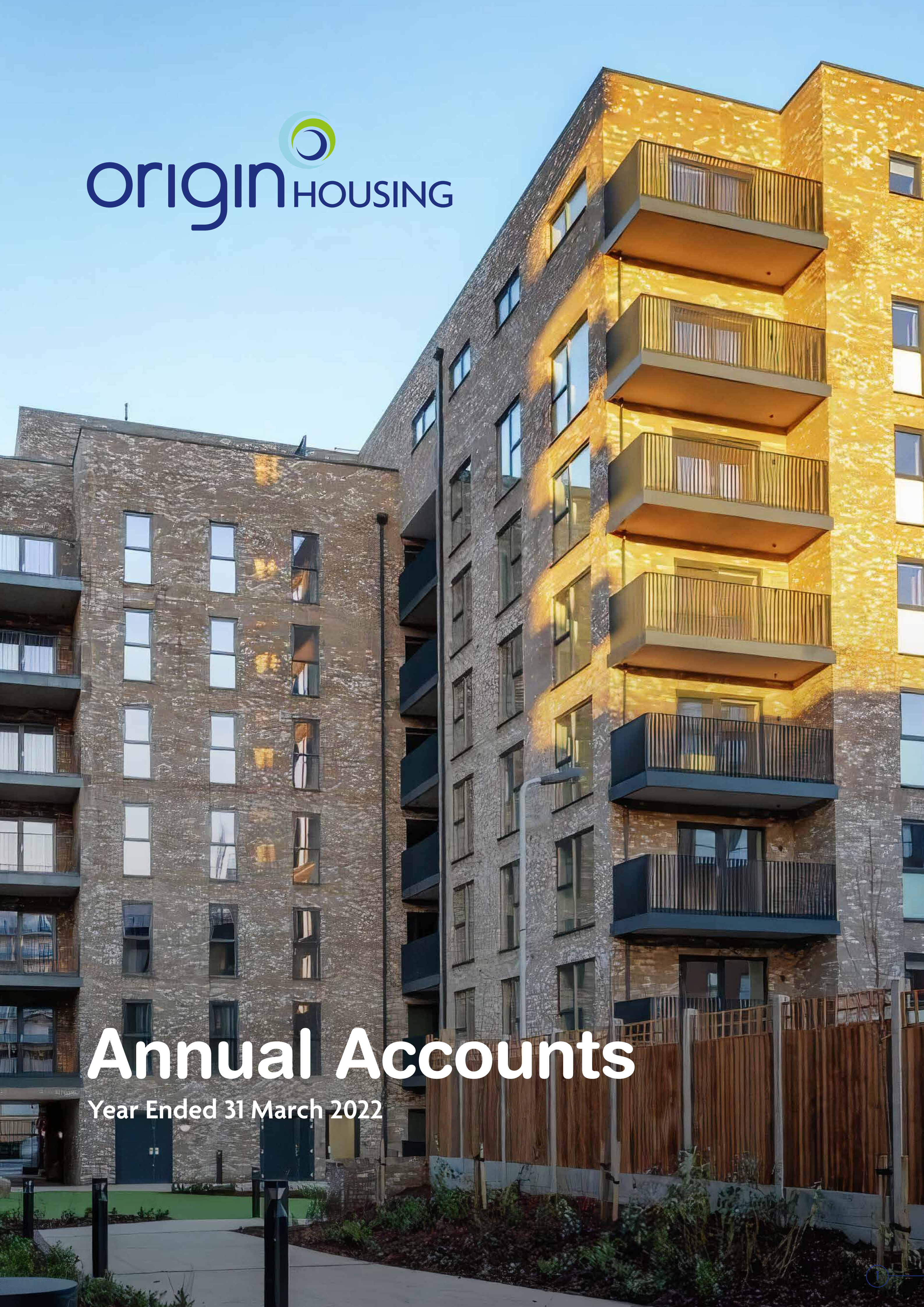


origin HOUSING

Annual Accounts

Year Ended 31 March 2022

Contents

Origin in Numbers

Homes

7,466
homes

122
new rented and shared ownership homes delivered

131
homes started on site in 2021/2022

1,190
more new homes are planned by 2028. 94% for rented & shared ownership

Financials

£73.2m
turnover

£13m
operating surplus

£16.1m
invested in existing stock

£120m
'ESG-linked' private placement to support ambition

Community Investment

67%
easy to deal with satisfaction. Housemark top quartile is 70%

90%
of people satisfied with last repair

88
residents supported with employment services

1,413
residents received additional support and advice services incl. employment, wellbeing,training, and community grant

Board members, executive directors, advisers, and bankers

As at 31 March 2022

The Board of Origin Housing Association

Chair	Neil McCall	
Vice Chair	Bryan Ingleby	
Other members	Abi Jacobs	(Appointed 15 December 2021)
	Argiri Papathos	
	Caron Bradshaw	(Appointed 8 September 2021)
	Carol Carter	(Chief Executive)
	Chris Bond	(Resigned 8 September 2021)
	Gordon Wright	(Retired 8 September 2021)
	Jane Ryland	(Appointed 8 September 2021)
	Julia Porter	
	Meena Anand	
	Robert Green	
	Stephen Mutton	(Retired 8 September 2021)
	Vicky Bonner	
Committees		
Audit and Risk Committee	Bryan Ingleby	Chair (from 9 September 2021)
	Gordon Wright	Chair (until 8 September 2021)
Customer Services Committee	Julia Porter	Chair
Investment Committee	Robert Green	Chair (from 9 September 2021)
	Chris Bond	Chair (until 8 September 2021)
Health & Safety Oversight Group	Neil McCall	Chair
Remuneration and Nominations Committee	Meena Anand	Chair (from 9 September 2021)
	Bryan Ingleby	Chair (until 8 September 2021)
Executive Directors		
Chief Executive	Carol Carter	
Deputy CEO and Director of Finance	Gloria Yang	
Director of Development	Gareth Jones	
Director of Asset and Compliance	Lisa Blamire	(Appointed 9 August 2021)
Director of Resident Services	Pam Bhamra	(Appointed 4 January 2022)
	Carol Williams	(Resigned 31 July 2021)
Company Secretary	Daniel Sabel	(Appointed 8 September 2021)
	Gloria Yang	(Resigned 7 September 2021)
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	Towers & Hamlins 3 Bunhill Row London EC1Y 8YZ	
Banker	Royal Bank of Scotland 189-191 Camden High Street, London NW1 7BP	

Chair's Statement

As we emerged from the pandemic during 2021/22, we built on the resilience and flexibility we had demonstrated during that period and successfully faced and tackled a range of challenges including retention and recruitment of skilled staff in a tightening labour market, rising building safety standards and associated costs, high demand from customers and increased consumer scrutiny.

We responded by reinforcing our commitment to our social purpose, working to listen more actively and act on customer views and introducing new customer service principles, investing in our people's skills and wellbeing and in technology to enhance efficiency, continuing to work pro actively to meet emerging fire and building safety legislation and building a record number of new homes. At the same time in order to increase our capacity to do more, we decided to go to market to refinance our loan portfolio, successfully securing improved terms and reducing our annual interest costs. Thank you to our staff for the success we've achieved so far.

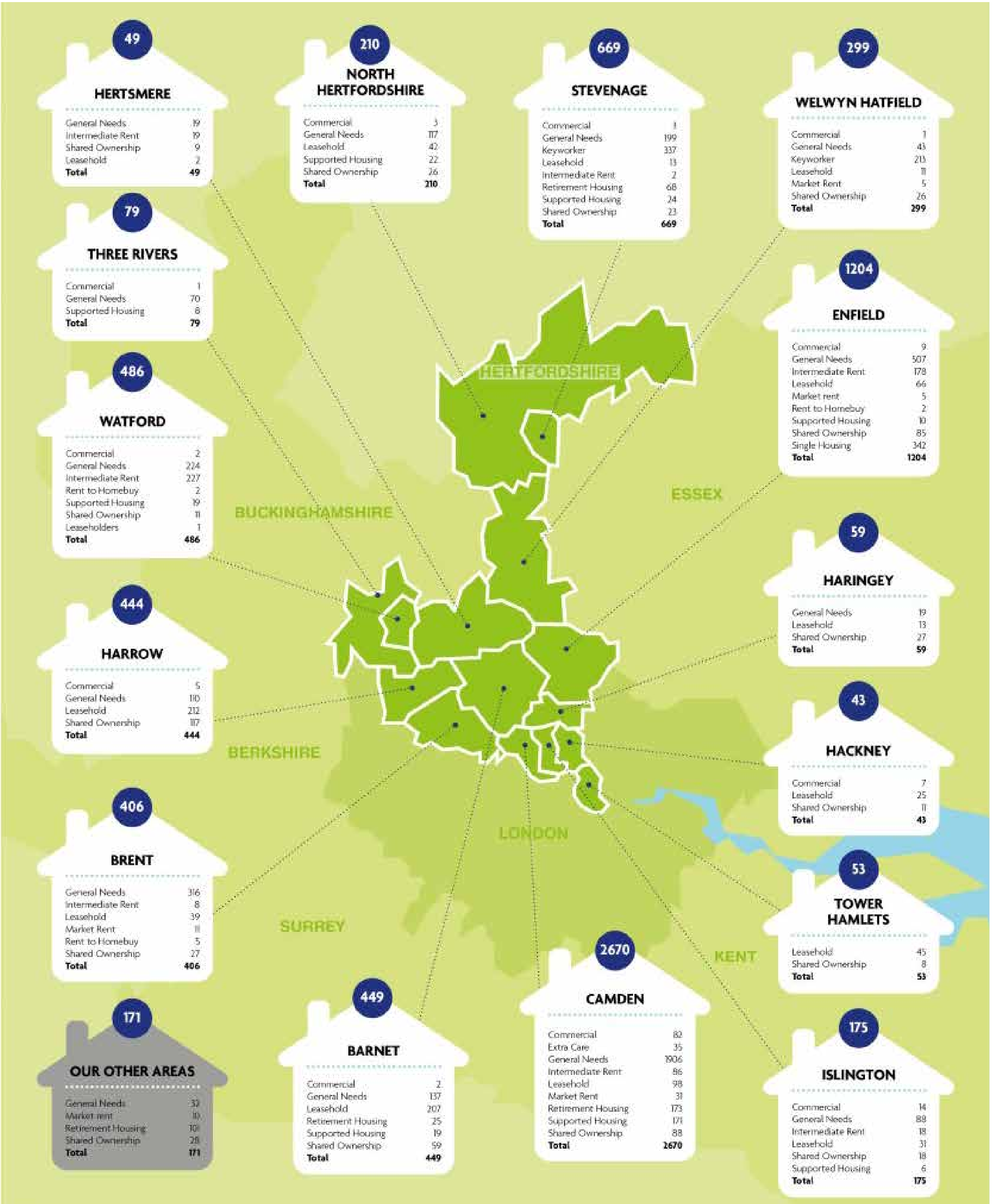
Undoubtedly there is more to do to deliver on the ambitions we have set for ourselves in our 2021-2024 Corporate Plan: On your side: Working together, to deliver services that make people's lives easier and homes and communities that people are proud to live in - and we are confident we have a committed team of people, the right strategies and plans in place and an undimmed commitment and passion to make a tangible positive difference to our local communities by working in partnership and building strong relationships of trust.

Strategic Report

About Origin

Origin Housing Limited ("Origin") is a dynamic and diverse organisation that owns and manages over 7,466 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.



Vision, objectives and strategy

We are driven by our core social purpose and residents are at the heart of what we do. By 2024, we will have achieved the ambitions set out in our corporate plan ‘On your side:Working together’ and will have reached our 100th anniversary.

Our vision of ‘great homes; positive people; strong communities’ underpins this strong commitment and shapes the way we deliver our services.

Our 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 focused on our customers.
- Personalised and face to face support for vulnerable individuals and those in crisis to access services, sustain tenancies and improve their quality of life.
- An efficient, fast evolving, digitally based service offer supplementing face to face services.

Our People:

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

“ Great homes; positive people; strong communities

Communities: places people are proud to be part of:

- Working 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 standards.
- Active asset management – comprehensive good quality useable data informing decisions about investment.
- Investment in communal areas and public realm to create safe, attractive shared spaces.
- Investing to maintain modern standards in our residents’ homes.
- Developing and delivering strategy for re-modelling/purposing housing stock with low demand.
- Planning to enhance environmental standards by reducing the carbon footprint of our housing stock towards 2030/50 global climate goals.

Social impact:

- Demonstrating the full extent of social impact of our core business and ensuring that delivering social value drives our business strategy, priorities and activities.

New homes: meeting future needs:

- Maximising new build of affordable homes focused on meeting emerging and future needs.
- Finding new ways to maximise capacity for new homes at the same time as meeting the investment needs of existing homes and services.

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 2021/22, we delivered 122 new rented and shared ownership homes and 313 homes were started on site. We develop new homes with grant funding from the Greater London Authority (GLA) as a Strategic Partner, and with our own financing. The new 2021-26 funding programme will help our ambition to deliver zero carbon homes.

> “ 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 focus on quality has enabled us to deliver two of the most efficient communal heating systems in the country, ensuring lower costs to residents, with one scheme winning a CIBSE collaboration award in February 2022.

Our new development strategy will deliver 1,190 homes by 2028. Of this, 62% will be rented tenure, 32% 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 £8.8m on fire safety, completing 302 in-depth fire risk assessments and eleven intrusive surveys in line with new fire safety standards, £0.9m was spend on fire door replacement programme and £2.7m on fire door repairs and servicing. We also completed two Safety Cases for our buildings that are 18 metres or taller in preparation for the new Building Safety legislation.

For new homes, we achieve high standards for design reviews, specification compliance, on-site inspection, EWS1 certificate and Reg.38 sign off prior to completion. We also have our first Carbon Zero scheme in development.

We have continued development of our new in-house asset management system based on Dynamics 365, with the first phase to go live in 2022. The new asset data structure improves the ease of compliance monitoring and investment

planning. The investments we make through technology assist active asset management.

During 2021/22, we also:

- Developed a survey app to digitalise the stock condition survey process
- Completed the new five-tier hierarchy asset data structure
- Increased access to fibre optic broadband for our stock to 419 homes
- Invested in thermal efficiency software
- Started strategy work to remodel/purpose low demand housing stock
- Completed a disrepair review and accelerated remedial works to existing homes

In 2022/23, we will

- See the first phase of the asset management system go live and will start working on phase 2
- Increase energy efficiency data records for our stock from 51% to 70%
- Embed a consistent safety culture across the entire organisation
- Accelerate stock condition surveys of existing homes to 100%
- Expand available contractors and improve value for money through proactive procurement activities
- Review data insight from the new thermal efficiency software
- Continue to collaborate with our peers and invest to meet the Building Safety Act requirements
- Assess opportunities for Social Housing Decarbonisation Fund (SHDF) Wave 2
- Sees the results of our damp and mould review taskforce

Positive People

Origin is committed to both excellent customer service and investing in its people to deliver this. We continue to work in an agile way to innovate and try out new ways of working which deliver business efficiency, staff engagement and service improvement.

We will use robust data intelligently to make decisions which help us achieve our goals more effectively.

We have keen focus on equality, diversity and inclusion, reflecting on the local communities we serve in. Our EDI strategy and its action plan are reviewed by the Board annually.

During 2021/22, we:

- Launched and trained all staff on the new Origin Oath to our customers: 'We are on your side; we will keep you informed; we will follow it through'
- Introduced a new performance management framework, and a new digital tool, weekly10
- Launched a new staff reward and recognition scheme
- Developed and rolled out a modular training programme for managers
- Sponsored a Royal Institution of Chartered Surveyor (RICS) programme, with twelve staff enrolled, and one successfully qualified as MRICS
- Provided five kickstart placements, with two taking up permanent employment during the placement period
- Expanded the Data and Analytic team to enhance our skill set to become a data driven business
- Reviewed our flexible working arrangements and re-shaped them to reinforce the key principles including ensuring customer service quality is enhanced through greater visibility and connectedness

In 2022/23, we will:

- Embed the Origin Oath further into our everyday practices
- Continue to improve our complaints handling process
- Continue to deliver our Equality Diversity and Inclusion Strategy
- Launch new 'high potential' programme and build career pathways across the business
- Build employer brand attraction and target key groups (career changers and young people)
- Insist on and invest in leadership quality
- Continue our focus on well-being and engagement
- Develop a new Data and Digital Strategy
- Continue to strengthen Cyber resiliency capability holistically, by testing not just our key systems and networks, but also our processes and people

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.

Resident Engagement

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

During 2021/22, we made the following progress:

- Worked with resident Spotlight panel and scrutiny group to develop a new parking policy
- Supported our Spotlight panel to deliver their first online event on the Social Housing White Paper with positive feedback from residents
- Hosted a series of repairs services roadshows online and in person, and launched a survey to shape the re-procurement of repairs contract in 2022
- Continued with the community fund and awarded £12k for 8 resident led projects
- Appointed a resident to the Board who had previously chaired Spotlight

98%

of older residents reported improved mental health through We Are Aging Better project

Community Investment

During 2021/22, we delivered a range of activities:

- We Are Ageing Better activities had positive impact of the physical and mental wellbeing older people in Camden. We delivered 355 activities with 162 participants and 1,683 attendances. End of year survey found that 94% of participants reported improved physical health and 98% reported improved mental health.
- We delivered Christmas hampers which 162 people enjoyed.
- Our Employment service supported 88 residents with 20 securing employment, 10 into voluntary work, 14 gained new qualifications whilst 23 completed accredited courses.
- Delivered employment and training related sessions, such as, CV writing and 1-1 coaching and interview preparation. 404 people attended the sessions.
- Provided 19 residents with Chromebooks and data allowances as part of Digital Inclusion scheme to support residents' job search and training.
- Through our Financial Support officers, we have secured £53k for residents in back-dated Benefits, Discretionary Housing Payment awards and Personal Independence Payments.
- Through Friends of Origin, £18k grant fund was allocated to 38 families for the purchase of essential household white goods and furniture.

In 2022/23, we will:

- Set up a resident panel to support the procurement of the new repair services contract.
- Identify more partnership working opportunities to provide access to a range of community investment initiatives that reflect the needs and diversity of the communities we serve.
- Continue to provide access to our community fund to empower residents and community to tackle issues that matters to them.
- We will work to further strengthen the resident voice in the way we shape and deliver our services.

Financial performance highlights

The financial results for Origin are set out on pages 31 to 71. The following tables and supporting commentary highlight key features of our financial performance for the year to 31 March 2022.

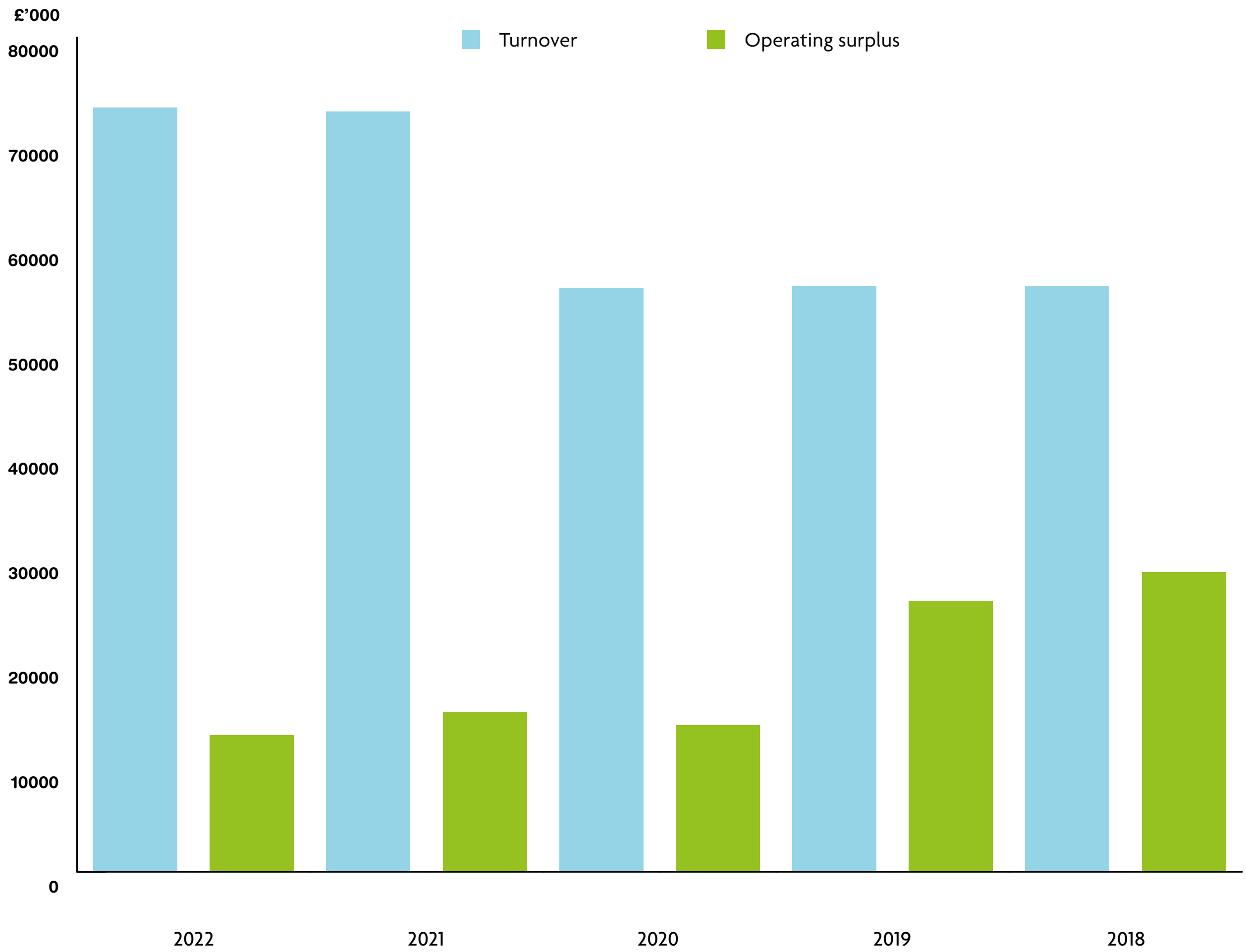


Table 1: Summary of the Group's Statement of Comprehensive Income	**2022**	**2021**	**2020**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Turnover	76,332	72,848	55,922	56,114	56,060
Cost of sales	(16,718)	(17,407)	(3,173)	(3,536)	(3,407)
Operating expenditure	(51,714)	(41,256)	(39,850)	(36,923)	(36,239)
Gain on disposal of fixed assets	1,319	975	1,961	3,076	3,558
Share of profits from joint ventures	4,538	–	–	–	–
Change in valuation of investment properties	(657)	118	(803)	7,215	8,727
Operating surplus	**13,100**	**15,278**	**14,057**	**25,946**	**28,699**
Net interest payment	(11,140)	(12,162)	(12,874)	(13,678)	(13,368)
Exceptional cost - refinancing	(23,587)	–	–	–	–
Taxation	330	(782)	–	–	51
Surplus for the year	**(21,297)**	**2,334**	**1,183**	**12,268**	**15,382**
Actuarial gains/(losses) on pension liability	1,237	(4,017)	4,725	(4,915)	–
Total comprehensive income for the year	**(20,060)**	**(1,683)**	**5,908**	**7,353**	**15,382**

Turnover at £73.2m (2021: £72.8m) remains similar to the last year. Turnover from market sales and first tranche sales of £19m (2021: £18.2m), accounts for 26% of total turnover, and is now at the peak looking ahead at the next four financial years. We operate in high demand London boroughs, both volume of sales and price remain high. The £19m sales proceeds were generated from 90 first tranche shared ownership sales totaling £12.3m, and six market sales totaling £6.7m. There are no market sales homes either under development or completed for sale in the coming financial year. The income from first tranche shared ownership homes will reduce in the coming financial years as there are fewer of these homes in our development pipeline.

Operating surplus at £13.3m (2021: £15.3m) was lower than last year largely due to accelerated repairs and maintenance spend during the financial year, mainly for a backlog of major works and meeting new fire safety standards as we emerged from the pandemic. The gains from disposal of fixed assets were generated from staircasing (purchase of additional tranches of equity by shared owners), with the transaction volume at 15 remaining similar to previous financial years.

To increase our long-term financial capacity to develop and maintain affordable and energy efficient homes, we negotiated new terms and refinanced our existing loan portfolio, successfully raising £120m through a new Green Private Placement in April 2021. As part of the refinancing exercise, a number of legacy loans were repaid, and a number of embedded fixed rate instruments were cancelled during June 2021, resulting in the one-off breakage costs of £23.5m (2021: £nil), which lowered the weighted average cost of debt from 3.27% to 2.30%. In addition to the increased capacity and reduced refinancing risk, we have also reduced operational complexity by restating loan agreements from OFL to OHL, with the intention to dissolve OFL in the coming financial year.

Our investment properties portfolio has seen a reduction in value of £0.5m, together with conversions from market rent to social rent homes, our holding is now £72.8m as the end of March 2022 (2021: £78.4m).

Table 2: Summary of the Group's Statement of Financial Position	**2022**	**2021 (restated)**	**2020**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets	885,281	830,427	790,532	733,444	706,704
Investments	70,385	78,628	95,099	99,261	87,842
Net current assets	(18,981)	27,944	(9,325)	12,502	27,100
Loans after more than one year	(425,682)	(395,684)	(335,765)	(329,479)	(317,291)
Grant and other provisions	(175,608)	(185,862)	(182,765)	(163,861)	(159,841)
Net assets	**335,393**	**355,453**	**357,776**	**351,867**	**344,514**
Capital and reserves	**335,393**	**355,453**	**357,775**	**351,867**	**344,514**

The Group's financial position remains strong. During 2021/22, the Group invested £48.6m (2021: £30.3m) in developing new properties and invested £16.1m (2021: £9.9m) in existing stock, including £8.8m for fire safety related expenditure.

At 31 March 2022, the Group had total loan facilities of £553m (2021: £465m), with £442m drawn (2021: £397m). Approximately 73% (2021: 67%) of the drawn balance is subject to fixed rate interest arrangements. The undrawn debt facility of £111m coupled with cash held at year end of £12.5m provides strong liquidity for the coming 12 months in meeting the Group's requirements.

The Group carries out regular reviews of cash flow risk as part of its risk management procedures. Since the pandemic, the frequency of reviews of liquidity and cash planning have increased. The key elements of cash flow risk are the availability of loan finance, development cash flow forecast 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 reported monthly and at each Board meeting. 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 continued macro-economic uncertainty, 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.

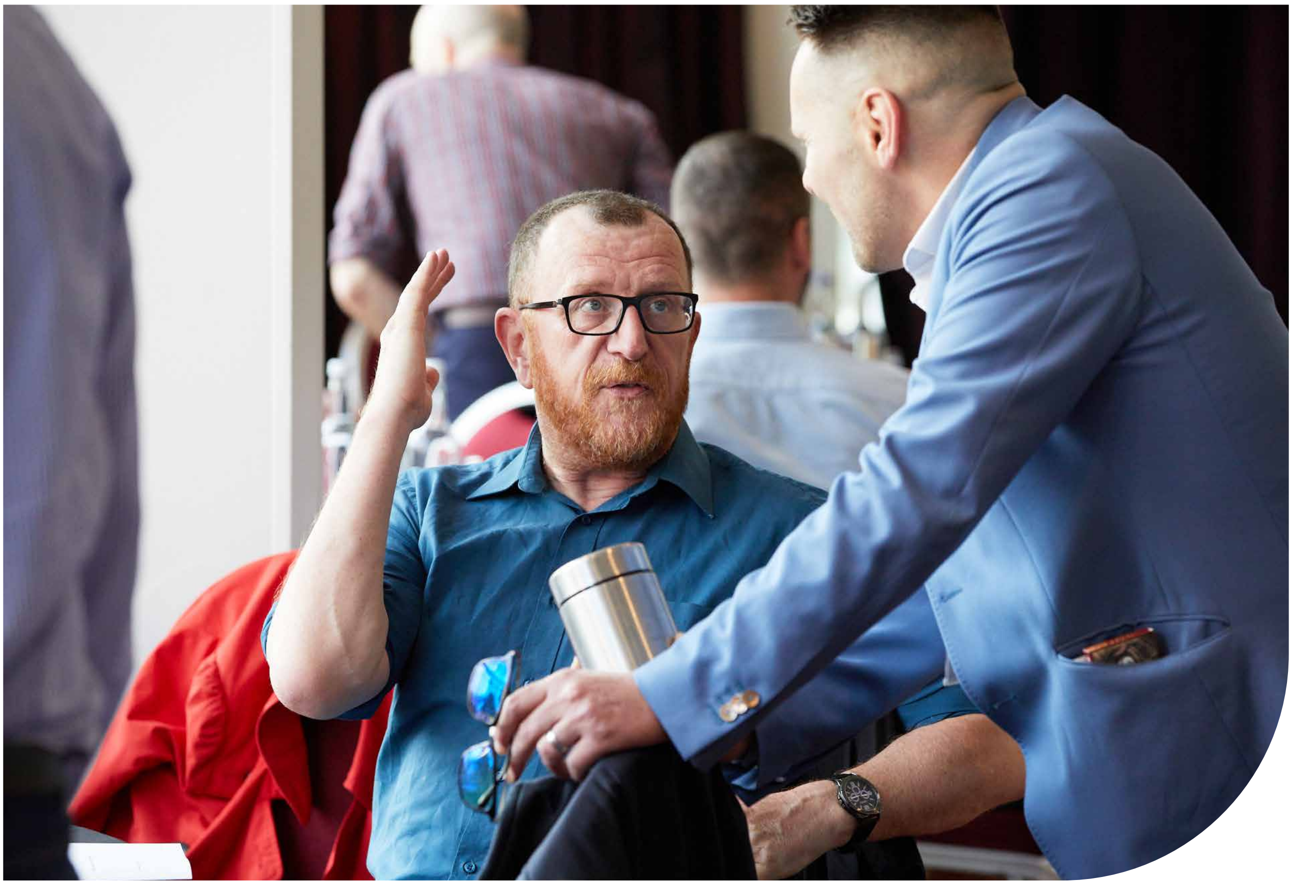
VFM benefits have been delivered by a cohesive portfolio of complementary strategies, notably:

- **Customer Experience Strategy**. The vision is to deliver a consistent, pro-active, reliable and friendly service to customers which meets their expectations, responds to their priorities and concerns and builds a relationship of trust, transparency and openness. We have reviewed the customer service standards and launched Origin Oath during the past year. Knowing and understanding customer needs, preferences and circumstances to inform the services we provide is the focus for the coming year.
- **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.
- **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.** 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 and making existing homes more energy efficient at the best price we can achieve.
- **Income Strategy**. The refreshed strategy strikes the balance between tenancy sustainment and collection, enhances our digital solutions to streamline processes and improve the service post COVID-19 disruptions through active intervention and support for residents.
- **People Strategy.** The new three-year strategy focuses on engagement, wellbeing, diversity, learning, leadership and skills, ensuring that we recruit and retain, invest in, reward, support and motivate the people we need to achieve our business goals.
- **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.
- **Procurement Strategy.** We use Contractor and Consultant OJEU Framework agreements to deliver value for money across our programme. We continue to review procurement strategy, policies and procedures to ensure we continue to achieve best value in the market and that 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 has been refreshed with three priorities. To explore options to support vulnerable and 'at risk' residents across the housing stock. To review and redesign our retirement housing offers and to review supported housing and shared housing long-term offer.
- **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. 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 and performance.
- The Investment Committee is responsible for decisions to invest in our existing and new homes. The executive Investment Appraisal Panel assesses investment options, takes decisions and makes recommendations to the Investment Committee.
- 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.
- 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.
- Executive led 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.

> “We have a robust focus on all our activities to ensure maximum value is derived for the residents and communities we serve.



Our Performance

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

Table 3. RSH Value for Money Metrics

	22/23 Budget	**21/22 Actual**	RSH 2020/21 London Median	20/21 Actual
Reinvestment	7.90%	6.64%	4.40%	4.40%
New social housing supply delivered	3.20%	1.72%	0.70%	2.60%
New non- social housing supply delivered	–	-	–	2%
Gearing	52.0%	49.0%	40.5%	45.8%
EBITDA-MRI	46%	86%	118%	88%
Cost per unit	£6,763	£7,598	£6,200	£7,152
Operating margin (social housing lettings)	23%	9%	24%	21%
Operating margin	19.6%	15.4%	19.4%	19.1%
ROCE	1.7%	1.5%	2.1%	1.8%

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. During 21/22, we accelerated the planned programme, including fire safety works for our existing stock with improved access to homes with the relaxation of COVID-19 safety measures. We expect a higher level of investment in 2022/23 and plan to accelerate stock condition survey data to 100%. Our new housing supply remains high and above the median. We have the skills, resources and pipeline to continue to deliver new housing supply.

Our gearing will remain high compared to the benchmark in order to attain our target of 1,190 new homes by 2028 in key London boroughs where land and development values are high. Gearing at 49% 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 2022/23, with 220 new homes to be completed, and a planned stock acquisition of 152 existing rented and shared ownership homes takes place.

EBITDA-MRI without fire and building safety remedial works carve out will remain low, as we continue to respond to the evolving legislation five 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 always ensure adequate headroom and capacity to deliver to the programme, alongside the development pipeline.

Although our cost per unit is higher than the London median, it is reducing year on year and we remain focused on our investment priorities: support services for residents, high standards of safety and quality of our residents' homes as well as investing in our people and technology. In 22/23, we will 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.

Operating margin was lower in 21/22 due to the intended acceleration of repairs and fire safety related works, taking advantage of the larger than planned shared surplus from joint ventures (£4.5m). If we were to exclude the spend on fire safety, this margin would've been 19%. As the accelerated expenditure is catch up and one-off in nature, the margins are to restore to business-as-usual level.

ROCE at 1.5% 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.

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, now exacerbated by the ongoing Ukraine invasion.

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

		22/23 Target	21/22 Actual	Housemark 2020/21 London Top Quartile	20/21 Actual
Services that make people's lives easier	**% satisfaction that your landlord is easy to deal with**	70%	67%	71%	66%
	% overall tenant satisfaction (General Needs and Housing For Older People)	77%	68%	75%	69%
Adding social value in all we do	**% satisfaction that landlord makes a positive contribution to your neighbourhood***	–	–	–	–
Homes that people are proud to live in	**% satisfied with last repair**	90%	90%	91%	92%
Communities that people are proud to be part of	**number of new homes completed**	220	122	-	313
Financial viability & efficiency	**Current arrears - social rent**	4.74%	5.16%	3%	5.10%
An engaged, productive, diverse workforce living the values everyday	**Average no. of sickness in days**	7	5.5	7	4.5

* One of the new range of measures we set up to monitor in 2022/23, in participation to implement the changes proposed in the Social Housing White Paper.

Our resident satisfaction results remains similar to the year before, despite the increased demand on services post COVID-19 release of restrictions. Customer expectations of the speed and quality of services have increased significantly. To manage the increasing demand on services, we have created a new Head of Customer Experience role, expanded the team, developed a new Customer Experience Strategy and launched Oring Oath (customer services principles and practice). We have made customer contact through social media and webforms easier by integration into CRM, alongside access through telephone, whatsapp, email, chatbot and customer portal. We also implemented digital notice boards in newer estates. We will continue to embed Origin Oath in the coming year and implement the year two action plan under the Customer Experience Strategy.

Arrears across all tenures remain high comparing to pre-COVID-19 level. With the current cost of living crisis, we do not envisage a rapid improvement in 2022/23. Financial Inclusion work remains our focus. We remain people centric and strike a balance by focusing on prevention, tenancy sustainment and proactive financial support and advice. There were 1,395 tenants on Universal Credit as at the end of March 2022, a 28% increase from the previous year end, with further increases expected throughout 2022/23.

We continue to develop our employment offer, from tailored training programmes to new ways of working. Our well-being, diversity networks are employee-led. We have maintained our Best Company Ones to Watch status with an improved score, and continue to work on our offering to ensure we are an employer of choice. Sickness levels, staff turnover and a set of comparable questions through the Best Company survey are the key performance indicators we pay close attention to, flexing our approach as necessary.

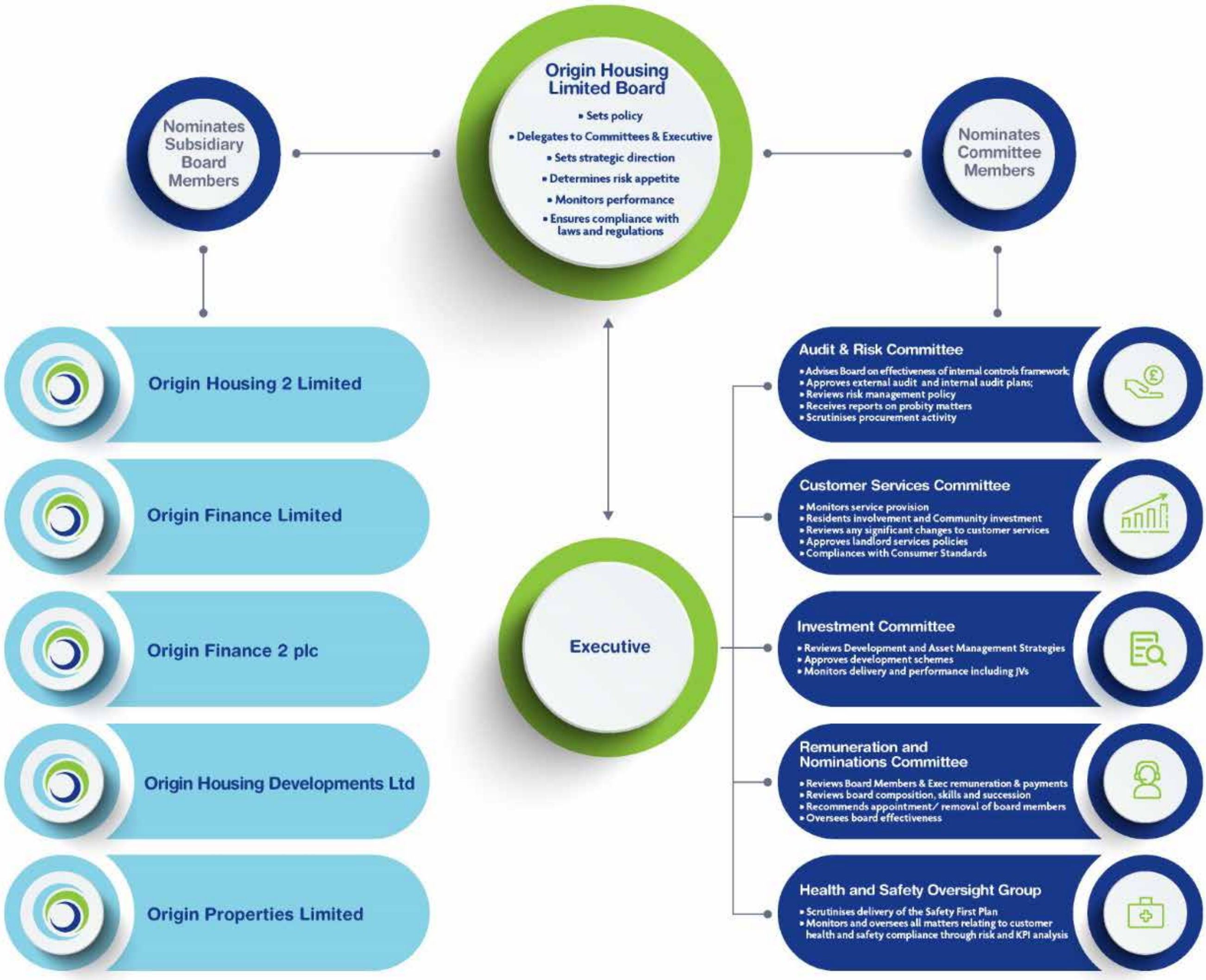
Governance

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 29 of the financial statements.

The charitable objectives of the association and the protection of social housing assets are delivered through this structure.

Governance 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 but at present that is the case.
Committees report back to OHL Board.
Temporary Working / Oversight Groups are set up by the OHL Board from time to time.

Temporary Working / Oversight Groups are set up by the OHL Board from time to time. At 31/03/2022, the only such body is the Health & Safety Oversight Group (HSOG). We also maintained a time-limited Refinancing Committee to oversee Origin's strategy for sourcing of new finance.

Board Membership

At 31 March 2022, 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. Each NED makes an annual fit and proper persons declaration and annual declaration of interest. Conflicts of interest are noted at the start of each board meeting and board members abstain from discussions or decision making where an actual or perceived conflict may exist. All colleagues are also required to make an annual declaration of interest.

There were no occasions during the financial year where the board considered that the chair or a NED's external commitments interfered with or impeded their ability to exercise their duties and responsibilities on behalf of Origin. 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.

As at 31 March 2022:

- Origin had seven female non-executive directors (70%)
- 30% of the non-executive board members were from a minority ethnic group
- Half of the committees of the Board were chaired by women

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.

Board and Committee Focus

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:

Leadership

- Strengthened the executive team by adding one Executive Director for Assets and Compliance
- Ensured the Board provided leadership to and could monitor the impact of COVID-19 on our customers, colleagues and finances

Strategy development and implementation

- Continued to deliver the 2021-2024 Corporate Strategy; On Your Side; Working Together
- Approved a new People Strategy
- Regularly monitored the progress of our suite of strategies underpinning delivery of the Corporate Plan

Finance

- Considered the 30-year business plan, with stress testing, mitigation, financial golden rules and VfM metrics
- Approved the annual Treasury Strategy and Treasury Management Policy
- Took advantage of market conditions and were able to issue a £120m private placement to support our ambition

Risk Management and Compliance

- Continued to monitor and manage risk including reviewing risk appetite
- Considered significant and emerging risks and sector risk profile
- Considered and approved the annual Health & Safety Policy

Governance

- Appointed three new NEDs during the period

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

Committee	2021/22 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	• Reviewed customer service KPIs and customer insight on a regular basis • Oversaw and assessed the impact of the delivery and implementation of the Customer Experience Strategy • Reviewed customer related service standards • Engaged with customer service development projects and procurement activity of the Group • Ensured compliance with the Consumer Standards by reviewing the Group's compliance statements and customer Annual Report • Commissioned scrutiny reports for parking and complaints handling, monitoring actions arising from scrutiny activity • Reviewed and approved new and existing operational policies
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 • Approval of schemes for development and recommending schemes to the Board for approval where they were in excess of the Committee's delegated authority • Reviewed liquidity levels to ensure the achievement of the Asset and Development programme
Remuneration and Nominations Committee	• Led the process of appointing three new non-executive members • Ensured that all new non-executive members undertook an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Group • Ensured there was a programme of learning and development to support members in regularly updating their skills and knowledge, and familiarity with the Group • On behalf of the Board, oversaw succession planning, taking into account both the skills needed for effective governance, and the need to improve diversity on the Board • Approved the outcomes of the staff pay, reward and benefits review • Considered reports on the valuation of defined benefit pension scheme liabilities
Health and Safety Oversight Group	Scrutinised,monitored and oversaw all matters relating to staff and customer health and safety compliance through risk and KPI analysis
Refinancing Committee (task and finish)	• Approved the Refinancing Strategy • Received regular reports on the progress and oversaw the delivery to the strategy

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 2022, we had one resident Board member who was appointed in the same way as all other members, is subject to the same tenure rules, receives the same remuneration, and is required to abide by the same codes of conduct including declaring any conflicts of interest.

Throughout 2021/22, we have been working closely with residents to enable them to have their say and influence the services we provide.

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. An internal performance evaluation was carried out this year. The overall findings of the evaluation were presented to the Remuneration and Nominations Committee. The Chair received feedback on individual Board Members, which was discussed with them in one-to-one meetings. Bryan Ingleby, as the Vice Chair, received a report on the evaluation of the Chair which he discussed with the Remuneration and Nominations Committee and, subsequently, with the Chair.

The NHF Code of Governance 2020 sets the expectation of an external periodic review of the Board's effectiveness and a formal appraisal process to be carried out at least every three years. The 2022/23 review will be externally assisted.

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.

Modern Slavery Approach

The Board is committed to upholding the provisions of the Modern Slavery Act 2015. Origin's full statement on modern slavery is available on Origin's website.

Code of Governance

In April 2021, Origin has adopted the new National Housing Federation's 'Code of Governance 2020. As part of the new code, Origin has adopted new policies and procedures around:

- Dealing with complaints against Board and Committee members
- Good Governance Principles

Following a detailed assessment against the provisions of the Code on 15 June 2022, the Board has confirmed its compliance.

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 biannually within the year. 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 2021/22 business planning process. Operational risks are 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.

Key risks and mitigation strategies

Key risks are determined by the board, and appetite and tolerances set. The risks and indicators are monitored on a monthly basis by the board. Business risks are monitored for emerging threats and operational trends, with escalation through the Executive Team, Audit and Risk Committee and then to Board.

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
Impact of economic and political change significantly affects operating environment and delivery of strategic objectives	• Financial plan, including stress testing and mitigation plan approved by the Board in June 2022, reflecting core assumptions update regarding inflation and interest rate • Budget and financial plan assumptions remain prudent • PESTLE analysis has informed the 2021/24 Corporate Plan • Monthly reforecast and mitigation plan update • Contract register in place and updated monthly • Supply chain resilience monitored • Understanding of tenants at risk, income recovery and financial inclusion team in place • Monthly horizon scanning by Exec and quarterly at Board
A breach of (non-H&S) legal and/or regulatory requirements adversely affects Origin	• Risk registers • Independent review of Regulatory Returns • Social Housing White Paper review • Safeguarding Panel and Annual Workplan • GDPR process, training and monitoring • Seek independent legal and professional advice where appropriate
Insufficient operational control of budget management limiting operational choices and capacity to grow and invest	• Business plan, Treasury Strategy and Treasury Management Policy, stress testing, golden rules and mitigations all in place, reviewed and approved annually by the Board • Sufficient unencumbered stock • Weekly cashflow monitoring and forecasting, monthly budgetary meeting with budget holder, quarterly forecast which are reported to the Board • Executive led one-off projects to determine and review deliverables during the year • Budgetary management is mandatory training for new managers • Implemented new power BI tools to aid live data analysis. Data insight function has been strengthened so to be able to pinpoint areas of exceptional operational demand. • Increased frequency of forecast and stress testing throughout the year
Fail to deliver landlord services that are shaped by customer priorities and make their lives easier	• Customer Experience Strategy and action plan • Origin Oath launched at Staff Conference Sept 2021 • Established KPIs in place and monitored • Customer insight & complaints reported to Exec and the Customer Services Committee (CSC) • Resident engagement strategy – progress reviewed by CSC • Corporate Plan 'On your Side – Working together' puts resident priorities at the heart of our ambitions • Roll out of Neighbourhood Management Estate Action Plans • Outbound well-being calls to older and vulnerable residents • Fire safety comms kept updated on Origin's website • Keeping regulatory interventions under review

Inadequate data governance, including its integrity and how it is managed adversely affects strategic decision making	• Assets and Liabilities register maintained and updated • Data Governance Framework agreed • Data Governance Strategy in place and annual update to the Audit and Risk Committee • New asset data hierarchy agreed and implementation underway. • New Data and Digital Strategy being drafted
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	• Health and safety policies and system in place, supported by strong assurance system (PETA, Regular data reconciliations and internal audits on business-critical controls) • Compliance checks in place. Focus on data quality. KPIs and Board (HSOG) oversight • Building a Safer Future project on track. Overall preparations for BSF requirements remain ahead of sector peers • Prioritisation of Fire Risk Assessments. Close monitoring of the delivery of the programme by Exec and reporting to HSOG • Monthly Exec led fire safety meetings • Executive oversight of the fire safety programme and spend • Close budgetary management to ensure maximum resource available for health and safety whilst maintaining financial golden rules. • Additional Assurance provided by third party technical contractors on top 6 compliance areas
IT security breach adversely impacts the organisation	• Cyber essentials accreditation • Security Posture implemented and monitored • Multi factor authentication and penetration testing • DaaS and BaaS in place, which enables automatic recovery services • Business applications hosted in data centres with full geographical redundancy and replication of data design • Dedicated Security Engineer in post • Laptop, phone, server upgrade programme refreshed frequently to facilitate secure access to application and data • Hardware retrieval procedure for leavers strengthened
Fail to achieve an engaged, motivated, skilled and productive workforce living the values every day	• New People Strategy approved by Board in April 2021 with regular reporting to Board • New performance management tool (weekly 10) rolled out • Pay and benefits review completed in 2021 • Reward and Recognition policy developed and implemented • People Risks Internal Audit - 'Substantial Assurance' • Internal moves and promotions being monitored • Wellbeing strategy and team • Regular Executive level meetings with staff council
Origin's assets are not managed effectively to support the organisations financial viability and meet our ambition of homes that people are proud to live in	• Asset Management Strategy • Assets and Liabilities register in place and reviewed annually • Asset matrix identifies poor performing assets • Implementation of the 5 tier asset data hierarchy completed • 2022/23 budget and financial plan seeks to balance asset management requirements vs fire safety • Prioritised available resources to the highest risk stock investment work. Plan to divert additional resources to stock investment if not required for fire safety

Emerging risks

As part of the process of evaluating the risks currently facing Origin, areas of emerging risk have been considered. These are risks that may, over time, cause some threat to Origin achieving its objectives.

- The impact of resource contentions related to fire safety, net carbon reduction versus business as usual repairs and maintenance
- Rising cost inflation and ongoing disruption to supply chains
- A tightening labour market
- The activity of the new Housing Ombudsman and pending changes to consumer regulations
- Cybersecurity risks rising from the Russia-Ukraine conflict

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 2021/22, there was a small amount of tenancy fraud reported but no non-tenancy fraud. This will be included on the 2021/22 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:

- elect 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 15 June 2022. On 24 November 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 from a fast rising, higher inflation and higher base rate interest rate 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. The cost of living struggle will impact on many of our residents, as well as our staff. The Board continue to review a range of options and scenarios developed by the Executive team to ensure the right level of support are maintained. 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 successful conclusion of the refinancing strategy during 2021 removed legacy covenants, reduced the average cost of funding significantly by cancellation of legacy embedded swaps, and increased the liquidity pipeline. The timely conclusion of the planned financing activities enable Origin to accelerate investment plans and put Origin in a strong position in facing the particular set of challenges during 2022/23.

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

Independent Auditor and Annual General Meeting

The Annual General Meeting will be held on 7 September 2022. 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

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 2022 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.

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.

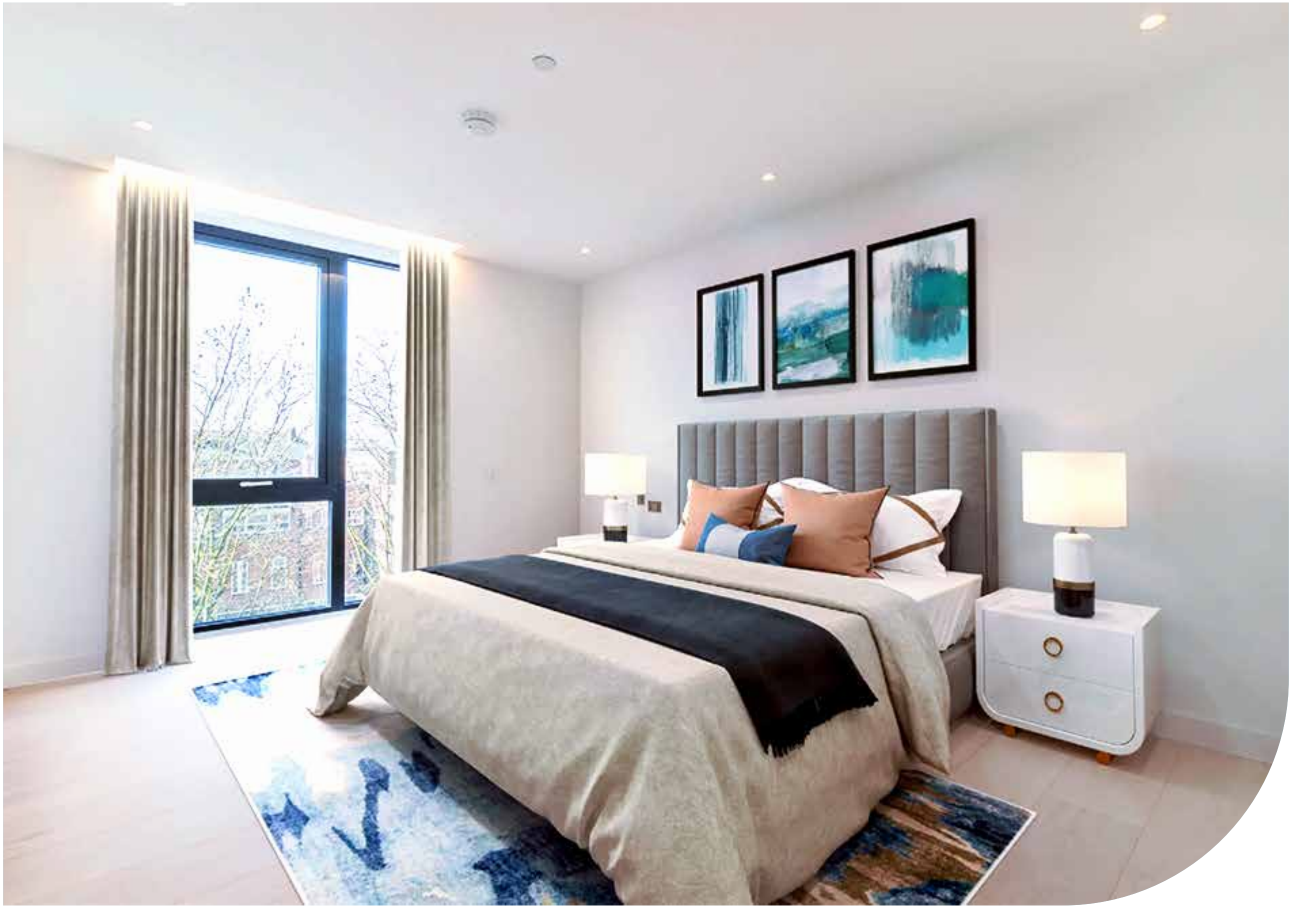
The purpose of our audit work and to whom we owe our responsibilities

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.

Joanne Lees

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

September 2022



Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	**2**	**76,332**	**72,848**
Cost of sales	2	(16,718)	(17,407)
Operating expenditure	2	(51,714)	(41,256)
Gain on disposal of property, plant and equipment	2 & 5	1,319	975
Movement in fair value of investment properties	2 & 12	(657)	118
Share of surplus from Joint Ventures	–	4,538	-
Operating surplus	**2**	**13,100**	**15,278**
Interest receivable	6	17	23
Interest and financing costs	7	(11,158)	(12,185)
Loan breakage costs	–	(23,587)	-
Surplus/(deficit) before taxation		**(21,627)**	**3,116**
Taxation	10	330	(782)
Surplus/(deficit) & comprehensive income for the year		**(21,297)**	**2,334**
Other comprehensive income			
Actuarial gains/(losses) on pension liability	22	1,237	(4,017)
Total comprehensive income for the year		**(20,060)**	**(1,683)**

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 7 September 2022 and signed on its behalf by:

Chair Board Member Secretary

Association Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	**2**	**65,022**	**59,346**
Cost of sales	2	(10,664)	(5,891)
Operating expenditure	2	(49,751)	(39,969)
Gain on disposal of property, plant and equipment	2 & 5	1,277	975
Movement in fair value of investment properties	2 & 12	(534)	(276)
Gift aid received	–	4,064	–
Operating surplus	**2**	**9,414**	**14,185**
Interest receivable	6	17	628
Interest and financing costs	7	(9,394)	(11,319)
Loan breakage costs	–	(23,202)	–
Surplus/(deficit) before taxation		**(23,165)**	**3,494**
Taxation	10	–	–
Surplus/(deficit) & total comprehensive income for the year	–	**(23,165)**	**3,494**
Actuarial gains/(losses) on pension liability	22	1,237	(4,017)
Total comprehensive of the year		**(21,928)**	**(523)**

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 7 September 2022 and signed on its behalf by:

Chair

Board Member

Secretary

Consolidated Statement of Financial Position

For the year ended 31 March 2022

	Note	31 March 2022 £'000	31 March 2021 restated £'000
Fixed Assets			
Property Plant and Equipment			
Housing properties	11	876,863	821,761
Other tangible fixed assets	13	8,418	8,666
		885,281	**830,427**
Investments			
Commercial properties	12	43,915	43,358
Market rent properties	12	23,875	30,113
Investment in sector lending vehicle	14	30	2,526
Homebuy loans		2,565	2,631
		70,385	**78,628**
Current assets			
Properties held for sale	15	11,045	23,745
Trade and other debtors	16	7,184	7,590
Cash and cash equivalents		12,546	18,395
		30,775	**49,730**
Creditors: amounts falling due within one year	17	(49,756)	(21,786)
Net current assets/(liabilities)		**(18,981)**	**27,944**
Total assets less current liabilities		**936,685**	**936,999**
Creditors: amounts falling due after more than one year			
Loans	18	(425,682)	(395,684)
Deferred grant & other capital grant	20	(171,044)	(179,307)
Provision for Pension Fund Liability	22	(4,564)	(6,555)
Net assets		**335,393**	**355,453**
Capital and reserves			
Non-equity share capital	23	–	–
Revaluation reserve		111,633	111,567
Revenue reserve		223,760	243,886
		335,393	**355,453**

The financial statements were approved and authorised for issue by the Board on 7 September 2022 and signed on its behalf by:

Chair Board Member Secretary

Association Statement of Financial Position

For the year ended 31 March 2022

	Note	31 March 2022 £'000	31 March 2021 restated £'000
Fixed Assets			
Property Plant and Equipment			
Housing properties	11	809,773	735,126
Other tangible fixed assets	13	8,418	8,666
		818,191	**743,792**
Investments			
Commercial properties	12	35,323	34,763
Market rent properties	12	22,816	27,949
Long term intercompany lending and investments	14	80	17,175
Homebuy loans		2,565	2,631
		60,784	**82,518**
Current assets			
Properties held for sale	15	9,946	14,824
Trade and other debtors	16	8,669	13,716
Cash and cash equivalents		10,953	14,482
		29,568	**43,022**
Creditors: amounts falling due within one year	17	(60,896)	(19,593)
Net current assets/(liabilities)		**(31,328)**	**23,429**
Total assets less current liabilities		**847,648**	**849,739**
Creditors: amounts falling due after more than one year			
Loans	18	(386,241)	(356,217)
Deferred grant & other capital grant	20	(167,073)	(175,269)
Provision for Pension Fund Liability	22	(4,564)	(6,555)
Net assets		**289,770**	**311,698**
Capital and reserves			
Non-equity share capital	23	–	–
Revaluation reserve		78,676	78,581
Revenue reserve		211,074	233,117
		289,770	**311,698**

The financial statements were approved and authorised for issue by the Board on 7 September 2022 and signed on its behalf by:

Chair

Board Member

Secretary

Consolidated Cash Flow Statement

For the year ended 31 March 2022

	2022	2021
	£'000	£'000
Cashflow from operating activities		
Operating surplus for the year	13,100	15,278
Tax on surplus on ordinary activities	–	–
Depreciation	8,546	7,451
Amortisation	(1,936)	(2,015)
Share of surplus from joint ventures	(4,538)	–
Gain on disposal of property, plant and equipment	(1,319)	(975)
Fair value adjustment for investment properties	657	(118)
Decrease/(increase) in current assets properties for sale	10,487	9,673
(Increase)/Decrease in trade and other debtors	(407)	552
(Decrease)/increase in trade and other creditors	3,498	(46,605)
(Decrease)/Increase in provisions	(889)	(857)
Net cash generated from operating activities	**27,200**	**(17,161)**
Cash flow from investing activities		
Proceeds from sale of housing properties	3,078	1,922
Payments to acquire and develop housing properties	(55,564)	(34,425)
Payments to acquire other fixed assets	(1,187)	(1,654)
Payments to acquire and develop investment properties	(641)	(302)
Capital grants received	4,648	1,286
Net cash from investing activities	**(49,664)**	**(33,173)**
Cash flow from financing activities		
Interest received	18	23
Interest paid	(12,878)	(15,460)
Other financing cashflows	(23,202)	–
Loans received	179,500	110,596
Loans repaid	(134,572)	(46,658)
Investment in joint ventures	7,750	6,238
Net cash from financing activities	**16,616**	**54,739**
Increase/(decrease) in cash	(5,849)	**3,950**
Cash and cash equivalents at the beginning of the year	18,395	14,445
Cash and cash equivalents at the end of the year	**12,546**	**18,395**

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2022

Group 2022	**Revaluation reserve**	**Revenue reserve**	**Total**
	£'000	**£'000**	**£'000**
Balance at 1 April 2021	111,567	243,886	355,453
Surplus for the financial year	–	(21,297)	(21,297)
Other comprehensive income	–	1,237	1,237
	111,567	**223,826**	**335,393**
Reserve Transfers:			
Transfer from revenue reserve to revaluation reserve	66	(66)	–
Balance at 31 March 2022	**111,633**	**223,760**	**335,393**

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:			
Prior year adjustment - OFA depreciation	–	(639)	(639)
Transfer from revenue reserve to revaluation reserve	295	(295)	–
Balance at 31 March 2021	**111,567**	**243,886**	**355,453**

Association Statement of Changes in Reserves

For the year ended 31 March 2022

Association 2022	Revaluation reserve	Revenue reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2021	78,581	233,117	311,698
Surplus for the financial year	–	(23,165)	(23,165)
Other comprehensive income	–	1,237	1,237
	78,581	**211,189**	**289,770**
Reserve Transfers:			
Transfer from revenue reserve to revaluation reserve	95	(95)	–
Balance at 31 March 2022	**78,676**	**211,094**	**289,770**

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)	–
Prior year adjustment - OFA depreciation	–	(639)	(639)
Balance at 31 March 2021	**78,581**	**233,117**	**311,698**

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 June 2022 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.

The Board, after reviewing the group and association budgets for 2022/23 and the Group's medium term financial position as detailed in the 30-year business plan, including the current fast rising inflation and interest rate environment, 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:

- Higher inflation – rent increases for social housing properties are regulated by the Rent Standard 2020, and are linked to relevant CPI & RPI. Without government intervention, the rent increase from April 2023 could be over 10%. A number of rent increase rate options and a capped rent increase scenario were prepared;
- 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 debt provisions 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 £124m 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.

Joint Ventures

Joint ventures are contractual arrangements where two or more parties enter into an economic activity that they jointly control. The Group's interest in joint ventures is accounted for using the equity method of accounting. The investments are initially recognised at cost, with share of surplus received credited to revenue in the period they are received.

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 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
Office buildings	40 years
Computer software	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 Homes England, formerly known as Homes and Communities Agency ('HCA'), and the Greater London Authority ('GLA').

Grants received in relation to assets that are presented at deemed 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, Homes England 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 Homes England 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.

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: Hertfordshire 6.75%. Greater London 6.5%
- Capitalisation rate commercial properties: 5% - 8%
- 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.

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

	Note	Group 2022			
		Turnover	Cost of sales	Operating costs	Operating surplus
		£'000	£'000	£'000	£'000
Social housing lettings		**50,414**	**–**	**(45,888)**	**4,526**
Other social housing activities					
Shared ownership first tranche sales		12,322	(10,664)	–	1,658
Community development		93	–	(281)	(188)
Charges for support services		1,208	–	(1,367)	(159)
Development activities		145	–	(667)	(522)
		13,768	**(10,664)**	**(2,315)**	**789**
Non-social housing activities					
Properties for outright sale		6,745	(6,054)	–	691
Investment property lettings		3,693	–	(1,899)	1,794
Leasehold		1,365	–	(1,320)	45
Home improvement agency		137	–	(186)	(49)
Other (non-housing)		210	–	(106)	104
		12,150	**(6,054)**	**(3,511)**	**2,585**
Gain on disposal of housing properties	5	–	–	–	1,319
Movement in fair value of investment properties	12	–	–	–	(657)
Share of surplus from joint venture		–	–	–	4,538
		76,332	**(16,718)**	**(51,714)**	**13,100**

	Note	Group 2021			
		Turnover	Cost of sales	Operating costs	Operating surplus
		£'000	£'000	£'000	£'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	–	(48)	(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	**(531)**	**(2,481)**	**3,278**
Gain on disposal of housing properties	5	–	–	–	975
Movement in fair value of investment properties	12	–	–	–	118
		72,848	**(17,407)**	**(41,256)**	**15,278**

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

	Note	Association 2022			
		Turnover	Cost of sales	Operating costs	Operating surplus
		£'000	£'000	£'000	£'000
Social housing lettings		**46,249**	**–**	**(44,342)**	**1,907**
Other social housing activities					
Shared ownership first tranche sales		12,322	(10,664)	–	1,658
Community development		93	–	(281)	(188)
Charges for support services		1,196	–	(1,363)	(167)
Development activities		90	–	(348)	(258)
		13,701	**(10,664)**	**(1,992)**	**1,045**
Non-social housing activities					
Investment property lettings		3,221	–	(1,770)	1,451
Leasehold		1,365	–	(1,325)	40
Home improvement agency		137	–	(187)	(50)
Other (non-housing)		349	–	(135)	214
		5,072	**–**	**(3,417)**	**1,655**
Gain on disposal of housing properties	5	–	–	–	1,277
Movement in fair value of investment properties	12	–	–	–	(534)
Share of surplus from joint venture		–	–	–	4,064
		65,002	**(10,664)**	**(49,751)**	**9,413**

	Note	Association 2021			
		Turnover	Cost of sales	Operating costs	Operating surplus
		£'000	£'000	£'000	£'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**

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

Particulars of income and expenditure from social housing lettings

Group	General needs housing	Supported housing & Group General needs housing for older people	Key worker/ Intermediate housing	Shared ownership	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Rent	27,329	3,111	6,538	2,823	39,802	37,987
Service charge income	3,403	1,955	110	653	6,121	5,587
Other income	132	889	1,534	-	2,555	2,377
Amortisation of housing grant	1,333	210	267	126	1,936	2,015
Net rental income	**32,197**	**6,165**	**8,449**	**3,602**	**50,414**	**47,966**
Management	(2,529)	(2,110)	(1,152)	(616)	(6,407)	(5,390)
Service charge costs	(3,540)	(1,408)	(1,076)	(867)	(6,891)	(6,954)
Other costs	(6,852)	(1,312)	(1,798)	(767)	(10,728)	(7,801)
Routine maintenance	(6,675)	(480)	(667)	(47)	(7,869)	(5,758)
Planned maintenance	(3,946)	(817)	(299)	(134)	(5,196)	(3,678)
Rent losses from bad debt	–	–	–	–	–	(195)
Depreciation	(5,988)	(580)	(2,229)	–	(8,797)	(6,665)
Operating expenditure	**(29,530)**	**(6,707)**	**(7,221)**	**(2,432)**	**(45,888)**	**(36,441)**
Operating surplus	**2,667**	**(542)**	**1,228**	**1,172**	**4,526**	**11,525**
Void losses	(548)	(311)	(574)	(74)	(1,507)	(1,489)

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

Particulars of income and expenditure from social housing lettings

Association	**General needs housing**	**Supported housing & Group General needs housing for older people**	**Key worker/ Intermediate housing**	**Shared ownership**	**2022 Total**	**2021 Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Rent	23,710	2,786	6,538	2,762	35,798	34,254
Service charge income	3,184	891	110	635	4,820	5,324
Other income	1.467	747	1,534	–	3,748	3,460
Amortisation of housing grant	1,289	205	267	122	1,883	1,964
Net rental income	**29,651**	**4,629**	**8,449**	**3,519**	**46,249**	**45,002**
Management	(2,244)	(2,103)	(1,152)	(485)	(5,984)	(5,097)
Service charge costs	(3,371)	(1,408)	(1,076)	(866)	(6,721)	(6,868)
Other costs	(7,349)	(1,140)	(2,080)	(866)	(11,436)	(8,023)
Routine maintenance	(5,572)	(446)	(667)	(47)	(6,732)	(5,550)
Planned maintenance	(3,779)	(811)	(297)	(135)	(5,021)	(3,485)
Rent losses from bad debt	–	–	–	–	–	(131)
Depreciation	(5,661)	(558)	(2,229)	–	(8,448)	(6,055)
Operating expenditure	**(27,976)**	**(6,466)**	**(7,501)**	**(2,399)**	**(44,342)**	**(35,209)**
Operating surplus	**1,675**	**(1,837)**	**948**	**1,120**	**1,907**	**9,793**
Void losses	(510)	(192)	(574)	(136)	(1,412)	(1,445)

3. Accommodation in management

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

		Group		Association
Social housing	**2022**	**2021**	**2022**	**2021**
General needs housing				
Social	3,513	3,490	3,048	3,027
Affordable	616	559	542	485
Supported housing and housing for older people	649	661	634	646
Keyworker housing	1,085	1,067	1,085	1,067
Shared ownership	563	544	552	532
Rent to homebuy	9	9	9	9
Residential care homes	35	35	35	35
Total managed	**6,470**	**6,365**	**5,905**	**5,801**
Non-social housing				
Commercial/Right to buy/Leasehold/Market rented	996	995	976	971
Total owned and managed	**7,466**	**7,360**	**6,881**	**6,772**

The Group owns 47 supported housing units (2021: 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
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Depreciation of housing properties	7,387	6,665	6,608	6,055
Depreciation of other tangible fixed assets	1,307	786	1,307	786
Impairment (release)/provision on housing properties	–	–	–	–
Operating lease rentals for office equipment and computers	19	36	19	14
Auditors' remuneration exclusive of VAT - for audit services	89	65	64	46
- for non-audit services	19	20	15	7

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

		Group		Association
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Disposal proceeds	3,078	1,896	2,921	1,896
Carrying value of fixed assets	(1,759)	(921)	(1,644)	(921)
	1,319	**975**	**1,277**	**975**

6. Interest receivable

		Group		Association
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Bank interest receivable	1	16	1	16
Other interest receivable	17	7	16	612
	18	**23**	**17**	**628**

7. Interest and financing costs

		Group		Association
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Loans and bank overdrafts	12,731	15,041	6,339	6,998
Interests payable to group borrowings	–	–	4,118	6,134
Amortisation of financing costs	135	241	99	204
Pension interest costs	130	70	130	70
	12,996	**15,352**	**11,071**	**13,406**
Interest capitalised on housing properties under construction	(1,838)	(3,167)	(1,677)	(2,087)
	11,157	**12,185**	**9,394**	**11,319**
Capitalisation rate used to determine the finance costs capitalised during the period.	**4.02%**	**4.02%**	**4.09%**	**4.09%**

Loan breakage costs of £23.2m (2021: £nil) incurred during the year to cancel the fixed rate instruments.

8. Employees

Average monthly number of employees expressed in full time equivalents:

	Group and Association	
	2022 No.	**2021 No.**
Administration	68	63
Development	20	24
Housing, support and care	187	161
	275	**248**

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

Employee costs	Group and Association	
	2022	**2021**
	£'000	**£'000**
Wages and salaries	10,511	10,334
Social security costs	1,072	1,024
Other pension costs	729	1,020
Employee benefits accrued	(88)	194
	12,224	**12,572**

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 2020 by a professionally qualified Actuary using the Projected Unit Method. This valuation revealed a deficit of £1.560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. The Association paid £854,683 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 2020. This valuation showed assets of £832m, liabilities of £799m and a deficit of £33m, a reduction from the £131.5m 2017 valuation result. 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 £34,417 in deficit contributions during the year. From April 2022, the annual deficit contribution will be reduced to £10,530.

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.

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

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

Group and Association	Basic salary	Benefits in kind	Pension contr'ns	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000
Aggregate emoluments	**521**	**–**	**114**	**635**	**617**

Non-executive Board Members received emoluments of £67,574 cumulatively, including £12,975 (2021: £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 £958 (2021: £144).

Group and Association	Basic salary	Benefits in kind	Pension contr'ns	2022 Total	2021 Total
	£	£	£	£	£
Jane Amobi	4129	–	–	4129	560
Anthony Bacon*	3,000	–	–	3,000	1,682
Christopher Bond	2,856	–	–	2,856	5,000
Victoria Bonner	5,000	–	–	5,000	5,000
Robert Green	5,847	–	–	5,847	5,000
Bryan Ingleby	6,500	–	–	6,500	5,000
Mash Halai	–	–	–	–	2,216
Meena Anand	5,847	–	–	5,847	2,803
Neil McCall	11,859	–	1,116	12,975	12,847
Stephen Mutton	2,197	–	–	2,197	5,000
Argiri Papathos	5,000	–	–	5,000	5,000
Julia Porter	6,500	–	–	6,500	5,000
Gordon Wright	2,856	–	–	2,856	5,000
Caron Louise Bradshaw	2,822	–	–	2,822	–
Abi Jacobs	2,045	–	–	2,045	–
Aggregate emoluments of Board Members (excluding Chief Executive)	**66,458**	**–**	**1,116**	**67,574**	**60,108**

* 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 £144,776 (2021: £143,297). 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	Benefits in kind	Pension contr'ns	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000
Aggregate emoluments of highest paid director	**147**	**–**	**26**	**174**	**172**

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	2022	2021
£60,000 to £69,999	**15**	**17**
£70,000 to £79,999	**18**	**16**
£80,000 to £89,999	**3**	**1**
£90,000 to £99,999	**-**	**1**
£100,000 to £119,999	**1**	**-**
£110,000 to £110,999	**-**	**1**
£130,000 to £139,999	**1**	**2**
£140,000 to £149,999	**1**	**-**
£170,000 to £179,999	**1**	**1**
£180,000 to £189,999	**-**	**1**
	40	**40**

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 £19k (2021: £52k). The total compensation paid to off-payroll key management personnel for services provided to the group was £nil (2021: £170k).

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
	2022	2021	2022	2021
United Kingdom Corporation Tax	**£'000**	**£'000**	**£'000**	**£'000**
Current tax on income for the year	–	782	–	–
Adjustments in respect of prior periods	(782)	–	–	–
Current tax (credit)/charge for the period	**(782)**	**782**	–	–
Deferred tax	–	–	–	–
Origination and reversal of timing differences	452	–	–	–
	(330)	**782**		

Factors affecting the tax charge for the period

		Group		Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Surplus/(loss) for the year before taxation	**(17,312)**	**3,116**	**(22,835)**	**3,494**
Corporation tax at 19% (2021: 19%) Effects of:	(3,289)	592	(4,339)	664
Income from exempt activities	(1,376)	(3,386)	(3)	(2,804)
Expenses not deductible for tax purposes	4,342	2,884	4,341	2,140
Chargeable gains	–	–	–	70
Group relief claimed	1	–	–	(70)
Adjust closing deferred ta to average rate	(946)	–	–	–
Deferred tax asset not recognised	344	(172)	–	–
Share of joint venture profits	226	864	–	–
	(330)	**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 2021	757,408	42,384	74,085	25,762	899,639
Transfer from investment properties	5,665	–	–	–	5,665
Additions – new properties/ construction	–	33,823	–	14,668	48,491
Additions – works to existing properties	9,754	–	–	–	9,754
Schemes completed	36,743	(36,743)	22,227	(22,227)	–
Disposals	(65)	–	(1,712)	–	1,777
At 31 March 2022	**809,504**	**39,464**	**94,600**	**18,203**	**961,772**
Accumulated depreciation and impairment					
At 1 April 2021	76,707	–	1,171	–	77,878
Depreciation charge	7,111	–	–	–	7,111
Disposals	(26)	–	(55)	–	(81)
At 31 March 2022	**83,792**		**1,116**		**84,908**
Net book value					
At 1 April 2021	680,701	42,384	72,914	25,762	821,761
At 31 March 2022	**725,712**	**39,464**	**93,484**	**18,203**	**876,863**

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 2021	688,502	28,311	71,700	19,427	807,940
Transfer from investment properties	4,680	–	–	–	4,680
Transfer to shared ownership	–	–	–	–	–
Additions – new properties/ construction	–	47,684	–	20,967	68,650
Additions – works to existing properties	9,377	–	–	–	9,377
Schemes completed	36,743	(36,743)	22,227	(22,227)	–
Disposals	(61)	–	(1,532)	–	(1,593)
At 31 March 2022	**739,241**	**39,252**	**92,395**	**18,167**	**889,054**
4Accumulated depreciation and impairment					
At 1 April 2021	71,590	–	1,224	–	72,814
Depreciation charge	6,544	–	-	–	6,544
Disposals	(25)	–	(54)	–	(79)
At 31 March 2022	**78,109**		**1,170**		**79,279**
Net book value					
At 1 April 2021	616,912	28,311	70,476	19,427	735,126
At 31 March 2022	**661,132**	**39,252**	**91,225**	**18,167**	**809,775**

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

	2022	2021
	£'000	£'000
Freehold	487,260	487,260
Long leasehold	389,448	334,501
At 31 March	**876,708**	**821,761**

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

	2022	2021
	£'000	£'000
Historic cost	827,830	765,577
Accumulated depreciation	(45,522)	(37,922)
At 31 March	**782,308**	**727,655**

Interest capitalisation by the Group on properties under construction

	2022	2021
	£'000	£'000
Interest capitalised in the year	1,838	3,167
Cumulative interest capitalised	10,493	7,326
At 31 March	**12,331**	**10,493**

Expenditure on works to existing properties by the Group:

	2022	2021
	£'000	£'000
Amounts capitalised	9,754	6,279
Amounts charged to income statement	6,354	3,678
At 31 March	**16,108**	**9,957**

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 2022 of letting properties under the cost model would be £782,308k compared with £876,708k 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 2022.

12. Tangible fixed assets – investment properties

Group	Commercial	Market Rent	Total
	2022	2022	2022
	£'000	£'000	£'000
Valuation			
At 1 April 2021	43,358	30,113	73,471
Additions	575	66	641
Transfer to housing properties	–	(5,665)	(5,665)
Revaluation	(18)	(640)	(657)
At 31 March 2022	**43,915**	**23,875**	**67,790**

Association	Commercial	Market Rent	Total
	2022	2022	2022
	£'000	£'000	£'000
At 1 April 2021	34,763	27,949	62,712
Additions	575	66	641
Transfer to housing properties	–	(4,680)	(4,680)
Revaluation	(15)	(520)	(534)
At 31 March 2022	**35,323**	**22,816**	**58,139**

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: 6.50% for Greater London and 6.75% of Hertfordshire
- Capitalisation rate commercial properties: 5% - 8%

The decrease in value as a result of revaluation of investment property arising of £657k (Association £534k) has been debited to the Statement of Comprehensive Income for the year. The historic cost of market rent properties is £21,582k for the Group and £20,952k for the Association (2021: £21,516k Group and £20,886k Association).

13. Tangible fixed assets - other

Group and Association	Office buildings	Computers & office equipment & software	Total
	£'000	£'000	£'000
Cost			
At 1 April 2021 (restated)	5,110	5,828	10,938
Additions	–	1,187	1,187
Disposals	–	(684)	(684)
At 31 March 2022	**5,110**	**6,331**	**11,441**
Accumulated depreciation At 1 April 2021	639	1,633	2,272
Charged in year	128	1,307	1,435
Disposals	–	(684)	(684)
At 31 March 2022	**767**	**2,256**	**3,023**
Net book value			
At 1 April 2021	4,471	4,195	8,666
At 31 March 2022	**4,343**	**4,075**	**8,418**

14. Investment in joint ventures & long term intercompany debt

Group	2022	2021
	£'000	£'000
Investment in South Harrow LLP	–	697
Investment in Central Harrow LLP	–	1,799
Sector lending vehicle	30	30
	30	**2,526**

Association	2022	2021
	£'000	£'000
Long term lending to Origin Properties Limited	–	14,387
Long term lending to other subsidiaries	50	2,758
Sector lending vehicle	30	30
	80	**17,175**

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 £nil (2021: £14,388k).

15. Properties held for sale

		Group		Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Properties under construction	8,888	17,413	5,920	9,469
Capitalised interest (properties under construction)	230	875	136	451
Completed properties	1,928	5,457	3,891	4,904
	11,045	**23,745**	**9,946**	**14,824**

16. Debtors

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Rent and service charges receivable	1,983	2,812	1,760	2,610
Provision for bad and doubtful debts	(164)	(399)	(161)	(360)
	1,819	**2,413**	**1,599**	**2,250**
Commercial rent and service charge arrears	668	401	617	370
Amounts due from Group companies	–	–	1,049	6,670
Amounts due from joint ventures	(412)	49	303	49
Prepayments and accrued income	1,411	1,070	1,411	1,070
Other debtors	3,698	3,657	3,690	3,307
	7,184	**7,590**	**8,669**	**13,716**

17. Creditors: amounts falling due within one year

	Group		Association	
	2022	2021 Restated	2022	2021
	£'000	£'000	£'000	£'000
Loans (note 19)	18,541	5,390	18,541	5,390
Deferred financing costs (note 19)	(212)	(151)	(143)	(76)
Trade creditors	2,538	985	1,666	979
Amounts owed to Group companies	–	–	13,428	–
Recycled capital grant fund (note 21)	1,631	1,416	1,603	1,416
Grants received in advance	11,105	–	11,105	–
Corporation tax	452	782	–	–
Other taxation and social security	269	331	317	331
Leaseholder sinking funds	1,383	1,375	1,383	1,375
Accrued interest	3,302	2,968	2,715	2,379
Capital accrual	2,181	2,631	1,955	2,031
Deferred income	417	–	322	348
Other creditors and accruals	8,150	3,657	8,004	5,420
	49,756	**21,786**	**60,896**	**19,593**

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

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans (note 19)	423,406	391,629	383,406	351,629
Deferred financing costs (note 19)	673	1,564	1,264	2,142
Recycled capital grant fund (note 21)	1,603	2,491	1,570	2,446
Corporation tax	–	–	–	–
Total Loans	**425,682**	**395,684**	**386,241**	**356,217**

19. Debt

	Group		Association	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Due within one year				
Bank loans	18,541	5,390	18,541	5,390
	18,541	**5,390**	**18,541**	**5,390**
Deferred financing costs	(211)	(151)	(143)	(76)
	18,330	**5,239**	**18,398**	**5,314**
Due after more than one year				
Bank loans	223,38	311,610	223,388	206,370
Other loans	19	19	19	19
Bond Issue	200,000	80,000	–	–
Loans from subsidiaries	–	–	160,000	145,240
	423,406	**391,629**	**383,406**	**351,629**
Deferred financing costs	673	1,564	1,264	2,142
	424,079	**393,193**	**384,670**	**353,771**
Between one and two years	41,495	110,153	35,095	103,753
Between two and five years	40,791	49,379	40,791	49,379
In five or more years	341,102	232,097	307,502	198,497
	423,388	**391,629**	**383,388**	**351,629**
Deferred financing costs	673	1,564	1,264	2,142
	424,061	**393,193**	**384,652**	**353,771**
Total debt				
Loans	441,947	397,019	401,947	357,019
Deferred financing costs	462	1,413	1,121	2,066
	442,409	**398,432**	**403,068**	**359,085**

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 1.71% to 12.46% (2021: 1.3% to 12.46%). The interest of 12.46% relates to £1.6m loan which is repayable in March 2039.

20. Deferred government grant

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 1 April	179,307	179,440	175,269	175,352
Grant received in the year	4,993	2,283	4,993	2,283
Transfer from RCGF	–	17	–	17
Transfer to short-term creditors	(11,090)	–	(11,090)	–
Homebuy redemption	(66)	(20)	(66)	(20)
Disposals	(164)	(398)	(149)	(398)
Amortisation	(1,935)	(2,015)	(1,884)	(1,965)
At 31 March	**171,044**	**179,307**	**167,073**	**175,269**

21. Recycled capital grant fund & disposal fund

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 1 April	3,907	4,630	3,862	4,585
Grants recycled / net sale proceeds recycled	263	435	249	435
Grants repaid	(942)	(1,145)	(942)	(1,145)
Interest accrued	4	4	4	4
Purchase/ development of properties	–	(17)	–	(17)
At 31 March	**3,234**	**3,907**	**3,173**	**3,862**
Disclosed as:				
Amounts falling due within one year (note 17)	1,631	1,416	1,603	1,416
Amounts falling due after more than one year (note 18)	1,603	2,491	1,570	2,446
	3,234	**3,907**	**3,173**	**3,862**
Amount due for repayment to Homes England and Greater London Authority	–	–	–	–

22. Pension fund liability

Group and Association

	2022	2021
	£'000	£'000
Social Housing Pension Scheme defined benefit obligation / funding liability for 2021-2022	4,535	6,419
Growth Plan funding liability	29	136
	4,564	**6,555**

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

Group and Association	**Social Housing Pension Scheme**	
	2022	2021
	£'000	£'000
Fair value of plan assets	28,911	27,938
Present value of defined benefit obligation	(33,446)	(34,357)
Net defined benefit liability recognized	**(4,535)**	**(6,419)**

The Association participates in the Social Housing Pension Scheme (SHPS), a defined benefit scheme in the UK. For the year ending 31 March 2022 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 2021	27,938
Interest income	602
Experience on plan assets (excluding amounts included in interest income – gain	239
Employer contributions	946
Benefits paid and expenses	(814)
At 31 March 2022	**28,911**

Defined benefit obligation	**£'000**
At 1 April 2021	(34,357)
Current service cost	(106)
Expenses	(19)
Interest expense	(731)
Actuarial gains	2,103
Benefits paid and expenses	814
Acturial losses due to changes in demographic assumptions	(521)
Acturial losses due to changes in financial accumptions	(2,535)
At 31 March 2022	**(33,446)**

The actual return on plan assets including any changes in share of assets over the period ended 31 March 2022 was £973k (2021: £2,958k).

SHPS defined benefit costs recognised in Income Statement

Statement of Comprehensive Income	2022
	£'000
Current service cost	106
Expenses	19
Net interest expense	129
Defined benefit costs recognised in statement of comprehensive income	**254**

SHPS defined benefit costs recognised in Income Statement

Other Comprehensive Income	2022
	£'000
Experience on plan assets (excluding amounts included in net interest costs) - gain	239
Experience gains arising on the plan liabilities – (loss)	(2,103)
Effects of changes in the demographic assumptions underlying in the present value of the defined benefit obligation - gain	521
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	2,535
Total acturial gains and losses (before restriction due to some of the surplus not being recognisable) - gain	**1,237**
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	**1,237**

22. Pension fund liability (Continued)

SHPS Plan Assets	**2022**	**2021**
	£'000	**£'000**
Global Equity	5,548	4,453
Absolute Return	1,160	1,542
Distressed Opportunities	1,035	807
Credit Relative Value	961	879
Alternative Risk Premia	953	1,052
Fund of Hedge Funds	–	3
Emerging Markets Debt	841	1,128
Risk Sharing	952	1,017
Insurance-Linked Securities	674	671
Property	781	580
Infrastructure	2,060	1,863
Private Debt	741	666
Opportunistic Illiquid Credit	971	710
High Yield	249	837
Opportunistic Credit	103	766
Cash	98	–
Corporate Bond Fund	1,929	1,651
Liquid Credit	–	333
Long Lease Property	744	548
Secured Income	1,077	1,162
Liability Driven Investment	8,067	7,100
Currency Hedging	(113)	–
Net Current Assets	80	170
Total assets	**28,911**	**27,938**

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	**2022**	**2021**
Discount Rate	2.79%	2.15%
Inflation (RPI)	3.59%	3.29%
Inflation (CPI)	3.20%	2.86%
Salary Growth	4.20%	3.86%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

22. Pension fund liability (Continued)

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

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

Group and Association		Growth Plan
	2022	2021
	£'000	£'000
Provision 1 April 2021	136	161
Interest expense (unwinding of discount factor)	1	4
Deficit contribution paid	(34)	(33)
Remeasurements recognised in other comprehensive income	(1)	4
Remeasurements - amendments to the contribution schedule	(73)	–
Provision 31 March 2022	**29**	**136**

Interest expense and remeasurements 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 2022: 2.35% per annum
31 March 2021: 0.66% 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		
	2022	2021
	£	£
Shares of £1 each issued and fully paid At 1 April	27	27
Shares issued during the year	–	1
Shares surrendered during the year	–	(1)
At 31 March	**27**	**27**

24. Financial commitments

Capital expenditure commitments were as follows:

		Group		Association
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Expenditure contracted for but not provided in the accounts	58,296	44,700	42,419	10,207
Expenditure authorised by the Board, but not contracted	62,340	25,175	62,340	25,175
Total	**120,636**	**69,875**	**104,759**	**35,382**

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
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Operating lease payments receivable:				
- Within one year	380	273	334	273
- One to five years	808	249	699	249
- More than five years	1,399	–	1,399	–
Total	**2,587**	**522**	**2,432**	**522**
Operating lease payments due:	–	–	–	–
- Within one year	29	32	29	32
-One to five years	16	37	16	33
-More than five years	–	–	–	–
Total	**45**	**69**	**45**	**69**

25. Financial Instruments

Financial assets	**2022**	**2021**
	£'000	£'000
Financial assets measured at historical cost	–	–
- Trade receivables (note 16)	6,765	7,590
- Cash and cash equivalents	12,546	18,395
Total	**19,311**	**25,985**

Financial liabilities

Financial liabilities measured at historical cost		
- Trade creditors (note 17)	30,522	16,547
Financial liabilities measured at amortised cost	–	–
- Loans payable (note 19)	442,409	398,432
Total	**472,931**	**414,979**

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
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Floating rate	127,950	130,379	127,950	100,379
Fixed rate	313,997	266,640	273,997	256,640
Total	**441,947**	**397,019**	**401,947**	**357,019**

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 3.58% (2021: 4.53%) and the average period for which it is fixed is 19 years (2021: 15 years).

The floating rate financial liabilities comprise bank loans and overdrafts that bear interest at rates based on the three-month LIBOR until December 2021, then SONIA.

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:

	2022	2021
	£'000	£'000
Expiring between two to five years	66,000	61,000

28. Analysis of net debt

				Group				Association
	2021	Cashflow	Non-Cashflow Items	2022	2021	Cashflow	Non-Cashflow Items	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Loans	(397,019)	(44,928)	–	(441,947)	(357,019)	(44,928)	–	(401,947)
Deferred	–	–	–	–	–	–	–	–
financing costs	(1,413)	–	951	(462)	(2,066)	–	946	(1,121)
Debt	(398,432)	(44,928)	951	(442,409)	(359,085)	(44,928)	946	(403,068)
Cash and cash equivalents	18,395	(5,849)	–	12,546	14,482	(3,529)	–	10,953
Net debt	**(380,037)**	**(50,777)**	**951**	**(429,863)**	**(344,603)**	**(48,457)**	**946**	**(392,115)**

29. Related parties

The Board included one leasehold member who holds a lease on normal commercial terms and cannot use their position to their advantage, who resigned from the Board in early September 2021. During this period, service charge costs charged to the leasehold Board member were £425 (2021 full year: £1,049) and the balance outstanding at year end amounted to £nil (2021: £nil). The Board has a new tenant member who holds a tenancy on standard terms and cannot use their position to their advantage, who joined from September 2021.

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:

		2021	Movement	2022
Debtor	**Creditor**	**£'000**	**£'000**	**£'000**
Origin Housing Ltd	Origin Properties Ltd	14,388	(14,388)	–
Origin Housing 2 Ltd	Origin Properties Ltd	7,356	–	7,356
Origin Housing 2 Ltd	Origin Housing Development Ltd	7,280	(1,000)	6,280
Origin Housing Ltd	Origin Housing Development Ltd	2,708	(2,708)	–
Origin Properties Ltd	Origin Housing Development Ltd	11,341	(6.514)	4,827
Origin Finance Ltd	Origin Housing Ltd	107,620	(107,620)	–
Origin Finance 2 Plc	Origin Housing Ltd	40,000	120,000	160,000
Origin Finance 2 Plc	Origin Housing 2 Ltd	40,000	–	40,000
Origin Housing Development Ltd	South Harrow LLP	697	(697)	–
Origin Housing Development Ltd	Central Harrow LLP	1,799	(1,799)	–
South Harrow LLP	Origin Housing Ltd	(8)	(319)	(327)
Central Harrow LLP	Origin Housing Ltd	57	(142)	(85)
		233,237	**(15,186)**	**218,051**

Payable to Origin Housing Ltd by subsidiaries:

	Management & lease charges		Interest charges	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Origin Properties Ltd	325	356	368	606
Origin Housing Development	15	15	–	–
Origin Finance Ltd	2	2	–	–
Origin Finance 2	2	2	–	–
Origin Housing 2	846	1,154	–	–
	1,191	**1,529**	**402**	**606**

Payable by Origin Housing Ltd to subsidiaries:

	Management charges		Interest charges	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Origin Finance Ltd	2	15	913	4,351
Origin Finance 2	2	2	3,590	1,402
	4	**17**	**4,503**	**5,753**

30. Post balance sheet events

There are no post balance sheet events to report.

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 50% Central Harrow LLP, which develop properties for market sales in Harrow, London.

The value of this investment at March 2022 was £nil (2021: £2.5m). The aggregate amount of capital commitments relating to these joint ventures is £nil.

origin HOUSING