Riverside

Financial Statements

Year ended 31 March 2020

The Riverside Group Limited

Contents

These statements demonstrate we are in a strong position to deliver our vision of **transforming lives and revitalising neighbourhoods**.

At a glance

In 2019/20 we achieved the following:

We are Building
894
New homes and extra care units built
Last year: 590

We are Renewing
5.6%
Reinvestment
Last year: 3.7%

We are Connecting
19.0%
Appointable repairs fully logged online
Last year: 15.5%*
*Baseline figure at August 2019

Effective business
36.7%
Gearing
Last year: 34.7%

01.

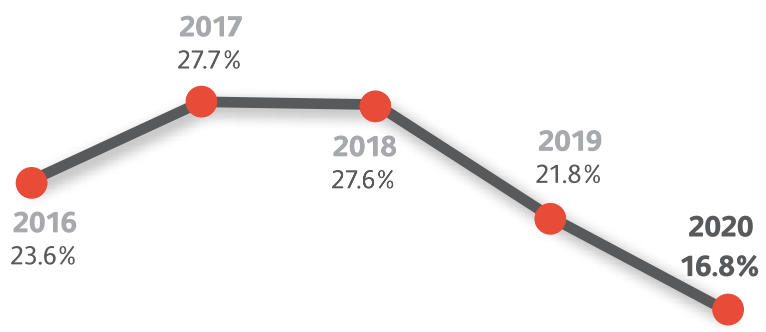
Five year summary of financial highlights

For the year ended 31 March Group		2016	2017	2018	2019	2020
Statement of comprehensive income						
Turnover	£'000	365,598	370,051	346,160	364,255	**355,654**
Operating surplus	£'000	86,310	102,384	95,431	79,478	**59,593**
Operating surplus as a percentage of turnover	%	23.6%	27.7%	27.6%	21.8%	**16.8%**
Surplus on ordinary activities before tax	£'000	50,087	69,850	60,071	26,956	**28,850**
Surplus as a percentage of turnover	%	13.7%	18.9%	17.4%	7.4%	**8.1%**
Statement of financial position						
Tangible and intangible assets	£'000	1,778,548	1,793,785	1,835,975	2,006,915	**2,185,540**
Loans repayable after more than one year	£'000	774,867	740,629	749,595	842,616	**976,960**
Reserves	£'000	389,843	450,931	518,121	522,856	**575,487**
Accommodation figures						
Total housing stock owned and managed	Units	52,945	52,610	52,942	56,089	**58,360**
New homes built	Units	750	841	845	590	**894**
Key ratios						
Voids and bad debts – Group (as % of net rental income)	%	2.0	2.0	2.7	3.2	**2.5**
Rent and service charge arrears – Group (as a % of net rent and service charge receivable)	%	2.9	3.1	4.1	4.6	**4.4**
Gearing	%	42.6	40.3	38.9	38.3	**43.6**
Interest cover – Association (operating surplus plus surplus on sale of property, property depreciation, amortisation and grant divided by net interest payable)	%	2.8	3.5	3.2	2.5	**2.4**
Gearing – Association (loans as % of historic cost of properties)	%	36.0	34.5	32.6	34.7	**36.7**

All figures have been extracted from current and prior years' audited financial statements.

Operating surplus as a percentage of turnover

Operating surplus has reduced in 2020 as the Group has invested money in repairs, has experienced a reduced profit from sale of fixed assets and invested in the long term security of the organisation by exiting SHPS.



02.

The Board, Executives and Advisors

The Board is responsible for Riverside's overall policy and strategy and is committed to integrity and accountability in the stewardship of the Group's affairs.

Group Board
*Co-opted Board Member

Terrie Alafat CBE
Group Chair
(Appointed 1 April 2020)

Pauline Davis
Group Vice Chair

Tim Croston

Ingrid Fife

Carol Matthews CBE*

Sandy Murray*
(Appointed 16 January 2020)

Sally Trueman

Peter White

Richard Nichols
Tenant observer
(Appointed 15 October 2019)

Detailed information can be found about each Group Board member on our website.
www.riverside.org.uk/about-us/our-team

2019/20 Review: Movements during year
David Otty, Tenant Observer (resigned 14 October 2019)
Michelle Dovey (resigned 1 December 2019)
Johnathan Dale (resigned 4 December 2019)
Max Steinberg CBE, Group Chair (retired 31 March 2020)

Following the 2019/20 accounting period the additional Board members have been appointed:
Carlos Gregorio Ashmore (appointed 19 June 2020)
Erfana Mahmood, Co-Optee (appointed 19 June 2020)
Lisa Tennant (appointed 19 June 2020)
Clarine Stenfert, Co-Optee (appointed 19 June 2020)

Executive Directors

Carol Matthews CBE
Group Chief Executive

John Glenton
Executive Director, Care and Support

Ian Gregg
Executive Director, Asset Services

Jo Lucy
Executive Director, Business Support
(Appointed 1 January 2020)

Cris McGuinness
Chief Financial Officer

Patrick New
Executive Director, Customer Service

Registered auditors

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Principal bankers

National Westminster Bank Plc
Liverpool City Office
2-8 Church Street
Liverpool
L1 3BG

Secretary and Registered Office

Sara Shanab (Appointed 11 July 2019)

2 Estuary Boulevard
Estuary Commerce Park
Liverpool
L24 8RF

Registered Numbers

Co-operative and Community Benefit Society
Registered Number: 30938R

Regulator of Social Housing
Registered Number: L4552

03.

Group Chair's introduction

Thank you for taking the time to read Riverside's Financial Statements for 2020. As the new Chair, this is my first opportunity to reflect on the Group's performance within the context of the world in which we operate.

Riverside stands ready to help and I am optimistic about the role we can play.

A number of people have already asked me what attracted me to taking on this role at Riverside. Of course, the association's track record and strengths as one of the country's leading housing associations has been a significant factor. The evidence is set out in these statements. However the fundamental draw has been the organisation's values, which so closely align to my own. Yes Riverside has scale and reach, but more importantly it retains a clear view of its social purpose and its wider role within the communities it serves. Like many larger associations it has diversified to generate additional income to support its charitable purposes and offer a wider array of products, however at the same time it continues to focus on empowering those most in need, and I am particularly impressed by the growth in its services for people who are homeless and the wider supported housing offer.

I am also attracted by the ambition of the organisation, and the publication of this report coincides with the adoption of a new three year plan 'Our Riverside Plan' setting out clear objectives to improve the customer experience, tackle homelessness, build and improve homes and sustain neighbourhoods. I want to be part of that.

Riverside Street Buddies is a peer-led outreach service, helping to get entrenched rough sleepers off the streets.

But I recognise that I am joining at a challenging time because of COVID-19 and the unprecedented global crisis that has unfolded over the past months. The Board has a duty to navigate these choppy waters, and find a way of reconciling both the short-term pressures on the business, and the underlying longer-term challenges of an unresolved housing crisis and the need to level-up the country's regions, precisely the priorities set out in our new plan. It is abundantly clear to me that our customers and communities will need us more than ever over the coming months, but that the successful management of the nation's recovery also provides a unique opportunity to reshape how we think about our future in terms of who we serve and our key priorities.

Riverside stands ready to help, and I am optimistic about the role we can play. These financial statements show why, both because of the underlying financial strength of our balance sheet, and our potential to unlock this capacity through driving further improvements to our margin and cost base.

I am also positive because of the quality of Governance and leadership at Riverside, recently evidenced by us retaining the highest grading for governance and financial viability following the Regulator's 'In-Depth Assessment' in 2019. I would like to pay tribute to my new colleagues on the Board and our Committees for providing the clear direction, appropriate challenge and wise counsel which have maintained the organisation at this level, including those who have retired during the year. I'd also like to thank our customers, many of whom give significant time to provide important feedback and help shape our services. I look forward to working with you.

But I should conclude by singling out my predecessor, Max Steinberg, who retired in March after giving so many years of excellent service to Riverside. He has left the organisation in fine shape, and I look forward to building on his achievements.

Terrie Alafat CBE
Group Chair

Max Steinberg, who retired in March, has left the organisation in fine shape and I look forward to building on his many achievements.

04.

Group Chief Executive's statement

These financial statements are published as the country is in the grip of COVID-19 and at the end of our three year planning cycle, during which our focus has been delivering three strategic objectives: Stepping Up Supply, Customers First, and Neighbourhoods Matter.

These past few months have brought out the very best in Riverside's people.

Despite a particularly challenging operating context, in which we have had to deal with rental income reductions alongside, unexpected and significant additional costs, we have nevertheless achieved a great deal. Addressing a national housing and homelessness crisis, we have steadily increased our housebuilding capacity, completing more than 2,300 affordable homes across a range of tenures; this is more than we have built over any three year period in our entire 90 year history. At the same time, and without the support of a Government framework, we have rekindled our appetite for regeneration, planning for three long-term programmes focused on neighbourhoods in London, Runcorn and Carlisle. This is also whilst delivering smaller-scale local improvements through our neighbourhood planning framework and Place Fund. Finally, we have transformed our whole model of service delivery, putting more colleagues on the front line, backed by efficiently organised shared services, designed to provide a consistent customer experience across our business streams and geography. Through this we have offered our first fully online repairs services, with more than 11,000 customers now signed up.

I am also pleased to report that we finish this three year period in a strong place financially, with net assets of over £2.4bn and £0.6bn of reserves. Despite falling average rental income, significant ongoing investment and rising costs, our Group surplus for the year (after tax) has increased; this is partly because of the proactive management of our loan portfolio to reduce interest payments. Importantly, we continue to be able to access funding at competitive rates due to the benefit of holding the highest level of credit rating currently available to housing associations (Moody's, A1 stable). However, we are not complacent about growing costs per unit, and acknowledge that for now, it is taking our operating margin in the wrong direction. This is largely being driven by an escalating maintenance bill as, rightly, building safety standards and customer expectations increase. We remain determined to reverse this trend, especially as many of the one-off costs associated with our transformation programme begin to fall away.

We are now looking forward to the next three years with a new plan in place – 'Our Riverside Plan'. It is based on three key themes: People, Homes and Places. Following wide ranging conversations across the Group, we have adopted a plan which has a strong thread of continuity, particularly when it comes to improving outcomes for residents. Through talking to customers, I hope we have been honest in recognising that the level of disruption we have experienced as we have transformed the business has come at a price; our customers are not yet fully feeling the benefits of the changes that we have made. We are determined to fix this. We are also committed to push on to build even more homes, progress the exciting regeneration initiatives we have started and to develop a more holistic approach to tackling homelessness, both through our specialist Care and Support services and through offering pathways into sustainable tenancies across all homes. As we resource our priorities under the new plan, we also recognise that we are returning to an era of rent increases. We understand our responsibility to apply these fairly, especially to retain a close eye on affordability. We need to demonstrate how we put the additional income to work, namely; how we are reinvesting it to build new homes and improve our existing stock. We will use the value for money section of our financial statements to chart this journey over the life of the plan.

Whilst it is a reassuring to be at the helm of an organisation with real underlying financial strength, we now face an unprecedented period of uncertainty and recession, as the nation recovers from the COVID-19 pandemic, which will test all businesses. How we have managed this crisis so far bodes well for this next period, where we need to play our part in that recovery. This means we need to shepherd our resources wisely, but also acknowledge that our true strength lies not only in our financial and physical assets, but also our people – our colleagues, customers and governance community. They are at the heart of our plan going forward.

These past few months have been very challenging and there is undoubtedly more to come. However, these past few months have also brought out the very best in Riverside's people, who have adapted to new ways of working, worked well beyond their comfort zones, and in many cases, put themselves at significant personal risk to continue to provide essential services to customers, including supporting the homeless in hotels. I am proud to work with each and every one of them.

Carol Matthews CBE
Group Chief Executive

We have steadily increased our housebuilding capacity, completing more than 2,300 affordable homes across a range of tenures.

05.

Strategic report

We seek to transform the lives of individuals by providing quality services and better opportunities, whilst revitalising the places where they live through investing in building more new homes and leading regeneration.

100K+
Over 100,000 customers

60K
Almost 60,000 homes under management

160
Operating in 160 local authorities

Overview of the business

The Riverside Group Limited (TRGL) is an exempt charity registered with the Financial Conduct Authority as a Registered Society and with the Regulator of Social Housing as a Registered Provider. It is the parent organisation of a group of complementary businesses driven by a clear social purpose, with a charitable housing association at its core.

We provide in England and Scotland:

- affordable homes to rent for singles, couples and families
- care and support for older people, those who are homeless or at risk of homelessness, veterans and other people who are vulnerable and / or facing significant challenges in life
- affordable homes for sale to shared owners and leaseholders
- market homes for sale to generate profits to reinvest in our core social business (through commercial subsidiaries and joint ventures)
- extra services to help sustain tenancies including money advice, employment support and affordable warmth advice.

Each entity within the TRGL plays a role in meeting its social and charitable objectives.

Rated **G1:V1** by the Regulator for Social Housing and **A1** by Moodys

We are now embarking on the delivery of 'Our Riverside Plan' for 2020–23.

Evolve Facility Services Limited*	Delivers repairs and maintenance services to Riverside properties.
Prospect (GB) Limited*	Builds new homes for sale.
Irvine Housing Association Limited	Is a Registered Provider in Scotland, providing social housing and homes for affordable rent in Irvine and overseeing Riverside's growth strategy in Scotland.
Riverside Estuary Limited	Operates three Extra Care Schemes in Hull.
The Compendium Group Limited*	A Joint Venture with Lovell Partnership Limited to carry out predominantly residential development and regeneration works.
Riverside Regeneration Limited*	Invests on Riverside's behalf in a joint venture partnership with Vistry.
Riverside Regeneration (Lambeth) Limited*	Invests on Riverside's behalf in a joint venture with Bellway Homes to deliver regeneration in Lambeth, London.
Riverside Regeneration (London) Limited*	A vehicle to deliver the building of new homes on land owned by Riverside in London, where a joint venture partner is not required.
Riverside Regeneration (Bromley) Limited*	Will invest in the future on Riverside's behalf in a joint venture to deliver regeneration in Bromley, London.
St Michael's Housing Trust	A Registered Provider which administers property in Leicester to accommodate homeless families.
Riverside Finance Plc	Enables funding to be secured from capital markets through the issuing of bonds listed on the London Stock Exchange, the proceeds from which TRGL uses to meet its core social purpose.

*Companies carrying out commercial activity, the profit from which is reinvested back into TRGL to be used to deliver its charitable objectives.

In addition to these Group companies, Riverside Foundation is a charity closely associated with Riverside which promotes charitable purposes in and around England and Scotland with an emphasis on areas where Riverside operates. Riverside is the primary donor to the charity and supports the work of its trustee board.

More detail of the Group's structure and its activities is set out in Note 12 of the financial statements.

This strategic report will provide information across four themes:

- **Our strategy**
- **Our business environment**
- **Being a responsible business**
- **Our business performance**

Each of these will be expanded upon in the paragraphs which follow.

Details of Riverside's governance can be found in the Board Report on page 34.

Our strategy

Objectives

Our vision is **‘transforming lives, revitalising neighbourhoods’**.

We seek to transform the lives of individuals by providing quality services and better opportunities, whilst revitalising the places where they live through investing in building more new homes and leading regeneration.

Riverside’s strategic planning is managed on a three year cycle. We have just completed the final year of our 2017-20 ‘We are Riverside’ Corporate Plan, and are now embarking on the delivery of ‘Our Riverside Plan’ for 2020-23.

Context

‘Our Riverside Plan’ is evidence-based, developed with a range of stakeholders including our colleagues, board members and customers. Together we have considered our characteristics and performance and have analysed the political, social and economic contexts in which we operate. It follows a period when Riverside has been through major change, adopting a new operating model and ways of working to drive improvement across a range of services.

People
at our heart

Homes
for the future

Places
to thrive in

Our objectives 2020 – 2023

Our activities over the next three years will support the delivery of three clear objectives.

People at our heart

- Improving the quality of service provided to our customers, delivered by engaged and fulfilled colleagues.
- Doing more to end homelessness.

Homes for the future

- Raising the standard of our homes and dealing with those not fit for the future.
- Building and acquiring to grow Riverside and help address the housing crisis.

Places to thrive in

- Aligning our investment in homes and services to have a positive impact on the places in which we work, with a particular focus on those that have become 'left-behind'.

The plan is outward facing, identifying at a high level what we will deliver under each objective and the outcomes we want to achieve. It does not represent a major departure in overall strategic direction from the 2017-20 plan, with a strong thread of continuity running throughout.

The way in which we work is also important and we have three themes that underpin all activity:

- **Climate responsibility** – making sure all of us help reduce Riverside's carbon footprint and tackle climate change.
- **Safety** – improving building safety, the wellbeing of our people, and the safety and security of the places in which they live and work.
- **Value** – managing our resources efficiently, so that we can build more homes and deliver better services.

Value for money is fully integrated into the way we run the organisation, with clear targets set. This means driving down costs through better working practices and effective procurement, but only where we can do so without undermining service standards and quality. It also means maximising income by improving income collection rates and optimising our commercial activities to generate revenue to gift aid back to the charity.

Our Riverside Plan is the starting point for future activities across the Group and we will continue to refine and consolidate our services within this framework. Whilst it is inevitable that COVID-19 will impact our timeframes, it will not change our intentions. It is accompanied by a detailed delivery plan that provides a timeline and tasks to ensure that we are able to meet our objectives and achieve the outcomes we want.

We are building… Stepping up supply

The Corporate Plan set an ambitious target to double our development with Riverside aiming to be building 1,500 new homes per year by the end of the third year.

- We finished the Corporate Plan period building nearly 900 homes in 2019/20. Although this represents strong performance in historical terms, it falls short of our target of 1,500. This shortfall has been driven partly by a deliberate scaling back of our outright sales assumptions, but also by enforced delays to our London regeneration programme, following the requirement to ballot tenants introduced by the Mayor of London.
- Ongoing grant and Section 106 opportunities have meant that affordable housing has dominated our development programme, with homes for rent representing 54% of all homes completed and shared ownership being a further 20%.
- The vast majority of our customers remain satisfied with the quality of their new homes, with particularly strong performance at Prospect Homes, where over 96% of customers would recommend the company to a friend.

We are connecting… Customers first

The Corporate Plan objective was to deliver 'first class' services to our customers through re-shaping our operating model and enhancing our digital offer. We also set out to grow as a leading provider in preventing and tackling homelessness.

- Over the past year we have continued to embed the new frontline and shared services operating models that were implemented during the first two years of the plan. This has enabled us to work in leaner and smarter ways to deliver better outcomes in 2019/20 with £3.5m cash gains and £300k cash savings secured for customers through respective money advice and affordable warmth services.
- We have developed a digital roadmap to promote and expand existing online options and introduce new services. More than 20,000 repairs have been reported by registered self-service users, of which we now have over 11,000 (up from 2,400 in the year). We also completed the successful installation of Wi-Fi at 193 supported housing schemes.
- Our Care and Support business stream has continued to grow and we have expanded into new geographic areas of operation, including our award-winning 'Street Buddies' model in London. We supported a further 11,000 people through our homelessness services in 2019/20, totaling more than 30,000 over the course of the plan. This work remains important to us.

More happy customers for Prospect Homes, with their first property handover during 'lockdown'.

Over 96% of customers would reccommend **Prospect Homes** to a friend.

We are renewing… Neighbourhoods matter

Our plan objective was to continue to progress on a long-term journey to 'close the gap' between our best and worst performing places through a combination of large-scale renewal and smaller-scale investment in areas of need.

- Though we have been unable to deliver our first homes as part of the London estate regeneration programme, we have entered in to a joint venture to deliver our Lambeth scheme, with talks underway to secure another to progress plans in Bromley.
- Work has been ongoing in the year to finalise the 'Area Renewal Plan' for Runcorn and 'Strategic Investment Framework' for Carlisle. Though very different schemes, both have long-term outlooks and plans are being developed with specialist consultancy support in consultation with key local stakeholders.
- We have invested more than £175m over the course of the plan to ensure our stock is well maintained and fit for purpose. A further £19m has been invested in Retirement Living stock as the programme nears completion, with eight schemes to be carried forward.

£19m
has been invested in Retirement Living stock.

Our business environment

The following paragraphs will explain the internal and external environment in which Riverside operates.

Risk management
Risk management is well established and 'live' within our business. Riverside conducts its business in a prudent manner which safeguards its assets through the effective management of risk. It takes all necessary steps to ensure its social housing assets are protected and not subjected to undue risk. We mitigate risks to ensure safety and wellbeing of tenants, staff and third parties.

Risk appetite
Riverside calibrates its appetite for risks which might threaten its financial viability, by setting a series of business 'Golden Rules' covering gearing, interest cover, liquidity, operating margin and EBITDA – MRI. In addition, the Investment Policy sets out the maximum proportion of reserves which can be invested in commercial activities.

The risk register has been overhauled in 2019/20 but continues to be owned by Group Board and is a standing item at every Board meeting. It is routinely scrutinised by Executive Directors and by Board sub-committees. The format of the risk register model has been refreshed to give a clear line of sight between risk, mitigation and assurance.

A summary of the high level strategic risks is set out on the next page.

Strategic Risk and explanation	How Group Board gets assurance
Adverse customer experience Customer satisfaction is acknowledged as an area where improvements can be made. A culture change programme with customer services at its heart is being embedded.	The Board scrutinises a comprehensive suite of customer experience metrics which includes the outcomes from the ongoing customer feedback survey. The Customer Plan sets out how the Group will shift to a more customer centric approach. It is built around four themes - customer engagement, digital services, homelessness and customer experience. Progress has been reviewed by Group Board. The Neighbourhood Services Committee has overseen actions to deliver improvements in the management of defects and also complaints handling.
Brexit There is still a degree of uncertainty about the nature of the UK's future relationship with the European Union.	The business plan was stress tested for a range of Brexit scenarios. The Group Treasury Committee oversaw a range of sensible preparations. One action was to build additional costs into the daily liquidity forecasts. Another was to balance the risk of cash concentration with single counterparties with the need to hold monies in UK domiciled funds in case financial services passporting is disrupted. The business has made operational preparations, for example to mitigate the impact of a hard Brexit on the supply chain.
Contract management Inadequate contract management could lead to poor customer experience, harm to customers, reputational damage, litigation and / or loss of revenue.	The capability of the central procurement team has been enhanced. The legal team routinely review the terms of any non-standard contracts. Contract management training is being rolled out across the business. The supply chain is subject to enhanced scrutiny during the COVID-19 emergency especially in relation to contractor viability. Contingency plans to complete works have been developed where there is significant risk.
Market sales exposure As the Group increases the number of new housing starts, it becomes more sensitive to changing market conditions, especially given the uncertainty caused by the COVID-19 emergency.	All development schemes, whether social or for profit, are scrutinised by the Investment Appraisal Committee in line with parameters set by Group Board. The Group's development ambitions are stress tested against a range of adverse scenarios. The CFO has oversight of all development activity. Group Board has visibility of the financial performance of the affordable and commercial development programmes. Market conditions are reviewed by the Investment Appraisal Committee triangulated with evidence from the joint venture boards using our relationship with four major housebuilders. The COVID-19 emergency resulted in site closures. The exposure to unsold units is closely scrutinised. Data on sales, reservations, margin, work in progress and the ageing of unsold units is reviewed by the Investment Appraisal Committee with visibility to Group Board.
COVID-19 The pandemic presents a range of business risks including: — employee and customer wellbeing — income collection — housing market — information security	The COVID-19 incident team meets twice weekly and the Executive Directors also meet weekly to discuss COVID-19 mitigations. Regular updates have been circulated to the governance community and a full log of any service charges has been maintained. The Group Board has met monthly during this time.

Strategic Risk and explanation	How Group Board gets assurance
Margin Not meeting the targeted operating margin could impact on the Group's credit rating as well as its ability to manage unexpected events.	Group Board and Committees review a detailed financial performance report at each meeting following scrutiny by Executive Directors. The Finance Business Partnering team has been strengthened. There is now a tighter focus on driving out savings through the new procurement policy and sourcing strategy. An active premises programme has seen the closure of a number of office sites. A robust change governance structure is in place to ensure the planned savings from IT enabled change are delivered. The COVID-19 emergency could lead to cost increases in some areas e.g. higher agency spend, maintenance spend and additional IT costs to facilitate agile working.
Income collection Arrears could rise as Universal Credit rollout continues together with the decoupling of rent levels and benefits. COVID-19 is likely to have a significant impact on customer employment and income.	A suite of income collection metrics is routinely reviewed by the governance community. This is backed up by comprehensive management information which enables housing and income collection teams to prioritise the caseload. Group Board and Committees have oversight of the Group's actions to mitigate the impact of COVID-19 on customers, including proactive contact of new Universal Credit customers and customers identified as 'income vulnerable'.
Harm to customers Riverside provides diverse services to its customers, some of whom are vulnerable people, and attaches the highest responsibility to its compliance responsibilities. The COVID-19 emergency poses additional challenges especially in relation to property access, supply chain resilience and the protection of customers, staff and contractors.	A new Group Health, Safety and Environment Policy Standard was approved by Group Board in March 2020. This includes a safety governance structure setting out the responsibilities of Boards, Committees and Executive risk owners with assurance by the Group Health, Safety and Environment function. Safety KPIs, for example asset compliance, are generally set at 100% reflecting the Group's commitment to the protection of customers and others. A compliance dashboard is scrutinised by the governance community. The Board has received periodic updates on the implications of the Fire Safety Bill 2020. The Care and Support Committee provides assurance on the quality of care across the full range of supported housing and retirement living schemes. A project to map the Group's legal responsibilities against the policy, controls and assurance against each one has been developed and to identify areas where improvements can be made. Group Board has had full visibility of the Group's response to the COVID-19 emergency including the register of policy derogations to mitigate its immediate impact and plans to transition to the new normal. Customers aged over 70 are contacted to ensure they are being given appropriate support during the pandemic.

COVID-19 Impacts on Riverside

The COVID-19 pandemic has had a profound effect on the nation, which includes the housing sector and Riverside. This has affected all aspects of the business and the Board has responded by adopting a set of guiding principles in order to address the impacts of the pandemic.

— **Safety first:** The health, wellbeing and safety of our customers and colleagues comes first. Government guidance on social isolation, distancing and safe working practices has been followed. We will pay particular attention to customers and colleagues in vulnerable groups because of their age or underlying health conditions, providing extra support wherever we can.

— **Protecting our income:** We will continue to collect any income that is due to us. However we will take a measured and proportionate approach when it comes to enforcement, complying with the law at all times and trying to reach agreement with customers who are struggling. No customer will lose their home as a result of arrears specifically arising as a result of COVID-19.

— **Planning:** We will plan and oversee Riverside's short-term response to the crisis through our established incident management and business continuity processes. We will then plan for medium-term business recovery, as well as adjusting 'Our Riverside Plan' to reflect any longer-term changes to our objectives and targets.

— **Maintaining excellent Governance:** The Executive Team has carefully monitored the impact of the crisis on the business, monitoring key performance indicators and risks and undertaking regular stress testing. The Executive Team has ensured that Group Board is sighted on key business risks and impacts, with appropriate arrangements put in place to take decisions (including in an emergency).

— **Timely communication:** We will keep our colleagues, customers, board and committee members abreast of the latest advice from the Government, regulator and sector bodies (including specialist advice) and any changes to our services or ways of working.

The health, wellbeing and safety of our customers and colleagues comes first – we have adapted the way we work and deliver services according to Government guidelines and specialist advice.

— **Agile working:** We will follow all Government advice on social distancing with the default position being that staff will work from home until Government advice changes. Only specifically identified colleagues covering essential duties that can't be delivered in this way will be permitted to work from our offices, or visit customers in their homes.

— **Role flexibility:** We will seek to ensure that every member of staff can undertake their role throughout the crisis, although we will expect colleagues to be flexible within their skills sets and capabilities.

— **The right tools:** We will always endeavour to provide our colleagues with the right tools for the job: whether that is PPE for those having to have face-to-face contact with customers, or the technology to work from home.

— **Sector player:** We will keep in touch with how the rest of the sector is responding to the crisis (including the NHF, our regulators and other providers) and participate in shaping policy. We will identify and share good practice.

— **Supply chains:** Within our resources, we will endeavour to protect our supply chains and treat our contractors and consultants fairly to ensure they are around to work with us as our services recover.

Financial Impact – Throughout the early stages of the pandemic, Finance has maintained business as usual. Stress testing has been regularly undertaken and reported to the Board. The Group has good liquidity and daily liquidity modelling has continued. Treasury has been in open communication with lenders and there have been no impacts on loan covenant requirements. A revised business plan is being prepared and will be reported to the Board along with the Financial Forecast Return in September.

Overall Impact of COVID-19 – The impact to the Group has been significant in terms of service and policy changes. This has not adversely affected the Group in terms of its viability or long term business planning however, which will continue to be monitored as the Group moves into its recovery plan.

Being a responsible business

The Group's vision to transform lives and revitalise communities ensures that being a responsible business is at the heart of what we do. Our Riverside Way summarises our values and our strong sense of social responsibility and accountability to customers; we care, we are courageous, and we are trusted. We pride ourselves in doing business in an ethical way whilst benefitting the environment. We are reviewing our overall approach to responsible business reporting within the Environmental, Social and Governance (ESG) framework.

We are committed to investing in added-value activities for individuals and broader communities, whilst delivering measurable positive outcomes. As a Charitable Registered Society, we are inherently committed to being an ethical and social business. We also provide funding and support to enable the Riverside Foundation to deliver a range of initiatives and outcomes, helping over 3,300 people or households through our projects.

This has resulted in the following outcomes:

- We have registered 562 people for employment and training advice and 238 customers have moved into employment. We have also helped 147 people into formal training or volunteering and 11 into apprenticeships.
- Through our Ladders of Aspiration funding we've helped 138 customers to gain qualifications.
- Through our Money Advice service we have helped to increase income for customers by £3,487,000.
- Our Helping hand hardship fund has assisted customers to buy new clothes or pay for travel costs for job interviews. While a further 357 customers benefited by getting essential furniture like a bed, fridge or sofa. We have also helped 106 customers to get emergency energy top ups.
- Affordable warmth advisors have helped over 500 customers to save £296,000 on energy bills.
- We have helped support 128 vulnerable customers to live independently and receive support for their needs through our Intensive Intervention scheme.

We work with our supply chain to support social value and responsible business. Our Group Procurement policy commits to the creation of economic, social and environmental benefits for local communities through our procurement activities in line with the requirements of the Public Services (Social Value) Act 2012. This includes encouraging our supply chain to provide employment opportunities, work experience, training, volunteering and apprenticeship programmes and we encourage contributions to the Riverside Foundation.

We've helped **147** people into formal training or volunteering and **11** into apprenticeships.

Our business performance

The results for the year include a full year contribution of Impact Housing Association Limited who we welcomed into the Group as a wholly owned subsidiary in August 2018. Impact subsequently became part of The Riverside Group Limited on 31 March 2020 following a Transfer of Engagements. During the financial year, TRGL acquired housing stock from two registered providers. However, as this occurred towards the end of the financial year, the results to 31 March 2020 were largely unaffected by the additional rental income. Although the major transformation programme has drawn to a close, Riverside continues to invest in improvements. The Group balance sheet remains strong and healthy; an increase in gearing at the year end (aligning with the purchase of stock from other registered providers) was planned. The Group's cash holding reduced as we invested in growth and our existing housing stock, albeit cash holding at the year end is in line with historic positions.

Statement of comprehensive income

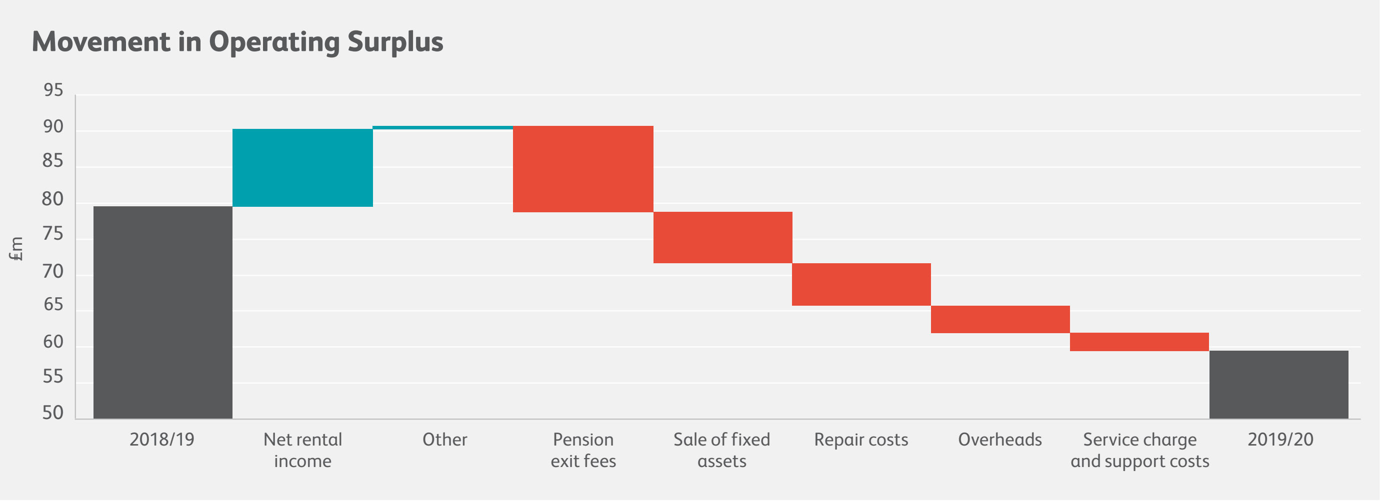
The detailed results for the year are set out in the consolidated statement of comprehensive income on page 46 and the notes to the financial statements on pages 53 to 117. The following table provides a summary of the Group's results:

For the year ended 31 March	**2020**	2019
	£m	£m
Group turnover	**356**	364
Operating costs	**(301)**	(297)
Surplus on sale of property	**5**	12
Operating surplus	**60**	79
Net interest payable	**(34)**	(41)
Loss on acquisition of subsidiary	**–**	(14)
Other movements	**3**	2
Surplus for the year before tax	**29**	26
Other comprehensive income	**24**	(22)
Total comprehensive income	**53**	4
Operating margin %	**16.8%**	21.8%

Turnover from social housing lettings continues to comprise the majority of the Group's turnover and increased by £11.8m. There has been an overall reduction in turnover, resulting from reductions in turnover generated from developments for outright sale (£15.9m) and development for shared ownership (£4.0m). There was a favorable affect from Impact being included in the Group turnover figure for the full year. Turnover from social house lettings accounted for 85% of turnover, development for outright sales and lettings 7%, with income from the sale of shared ownership properties 3% of turnover, and income from other social housing activities 5%.

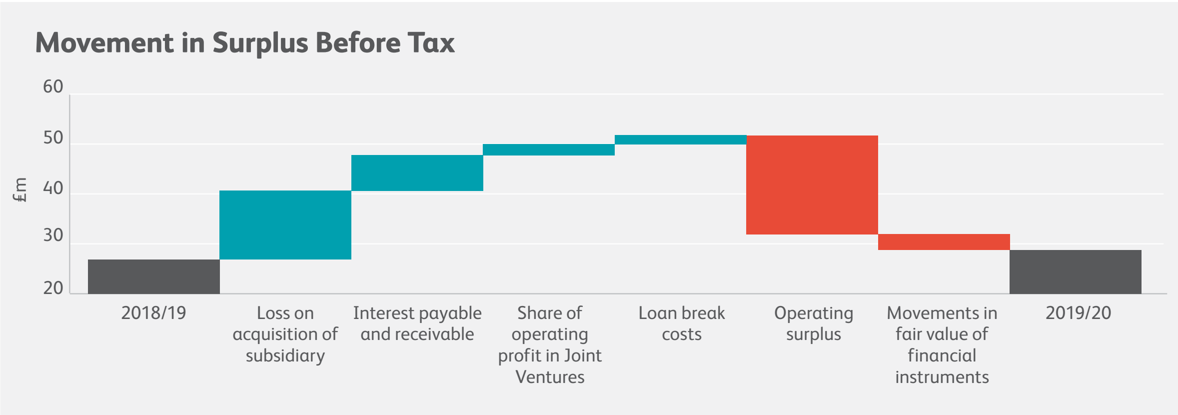
The contribution from property disposals reduced to £4.8m. The Group remains committed to a proactive asset management strategy divesting of underperforming assets and disposing of housing in local authorities where the Group holds limited stock.

The operating surplus reduced by £19.9m from £79.5m to £59.6m. The key components in the reduction of operating surplus are detailed below.



Despite the increase in turnover from net rental income explained in the previous section, operating surplus declined because of increases in operating costs and a reduced contribution from sale of fixed assets. During the year the Group recognised the cost, by making provisions for pension exit fees as a result of leaving three defined benefit Local Government Pensions Schemes, and transferring its assets from the Social Housing Pension Scheme to a standalone defined benefit scheme. The changes to the structure of the Group's pension provision have been made to reduce inherent risk from participating in defined benefit pension schemes, providing the Group with greater self-determination with regard to funding strategy and reduced future employer contributions. Repair costs increased as a result of increased spend on vacant properties and investment in a cyclical property improvement programme. The Group continued to invest in transformation as the programme came to a close and central overheads have increased as a result of an increase in salary costs. Investment in our Care and Support provision has meant that service charges have increased as the focus has been on ensuring health and safety and compliance stipulations are rigorously applied.

Surplus before tax is marginally higher than last year despite the lower operating surplus. Interest payments returned to a more typical level this year having been inflated the previous year due to additional costs incurred on loan restructuring including the refinancing of Impact's loan book following acquisition. The accounting loss arising from the fair value accounting of acquiring Impact was also accounted for in the previous financial year and there was an increase in the share of operating profit earned from Joint Ventues.



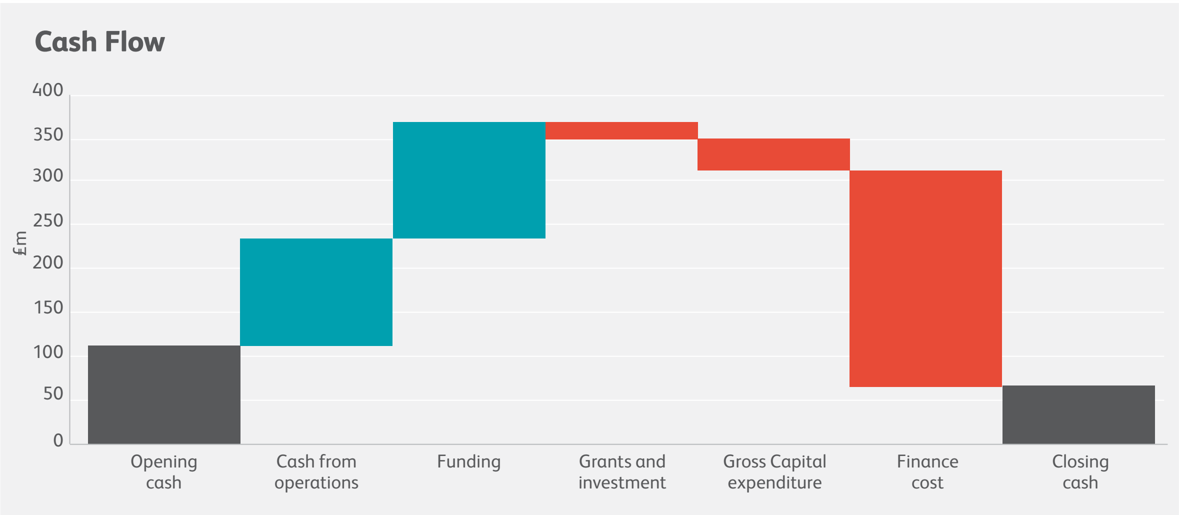
Accounting adjustments recognised in Other Comprehensive Income increase the surplus in the year by £24m. The actuarial valuations performed on the Group's Defined Benefit pension schemes resulted in a £25m reduction in pension deficit liability. Further detail on the movements in pension deficits is available in Note 26 and a summary of the pension liability for each defined benefit scheme is available in Note 26a. There was a loss of £1m recognised on cashflow hedges.

Statement of cash flows

The consolidated statement of cash flows is provided on page 49 and supporting details can be found in the notes to the financial statements on pages 53 to 117. The following table provides a summary of the key elements.

For the year ended 31 March	**2020**	2019
	£m	£m
Operating activities	**120**	102
Returns on investment and servicing of finance	**(34)**	(49)
Capital expenditure	**(271)**	(72)
Proceeds from property sales	**11**	21
Change in short term deposits	**(5)**	1
Cash inflow/(outflow)	**(179)**	3
Financing	**135**	39
Increase / (Decrease) in cash	**(44)**	42

The cash generated from operating activities, property sales, grants and cash received through disinvestment has been invested in the supply of new housing, the improvement of existing properties, investment in a joint venture, the purchase of fixed assets (including acquisition of stock from two other Registered Providers) and the servicing of the Group's debt. The high level of investment was partly offset by raising of £158m of new finance, including a sector first £100m revolving credit facility using SONIA as the reference rate rather than LIBOR. Following a period of significant investment in supply of new housing and growth activities the Group's cash holding reduced by £44m, but remains healthy at £62m.



Statement of financial position

The consolidated statement of financial position is provided on page 47 and supporting details can be found in the notes to the financial statements on pages 53 to 117. The following table provides a summary of the key elements.

For the year ended 31 March	2020	2019
	£m	£m
Fixed assets and investments	**2,234**	2,028
Debtors receivable after more than one year	**8**	11
Net current assets	**117**	179
Total assets less current liabilities	**2,359**	2,218
Creditors falling due after more than one year	**1,784**	1,695
Reserves	**575**	523
	2,359	2,218
Debt per unit (£'000)	**17.1**	15.3

The balance sheet remains strong despite the reduction in the surplus generated from operating activity and sale of assets. Whilst reserves have increased, because debt has grown, accompanied by a reduction in cash, there has been an increase in the level of gearing. This was a planned increase to support growth through supply of new housing, stock acquisition and investment in joint ventures.

The net book value of housing properties has increased by £170m.

The value of intangible assets has increased by £5m, principally a result of capitalised IT development costs as the Group continues to invest in future growth.

There have been a number of significant movements within current assets. The biggest movement was the reduction in cash of £44m which is discussed in more detail in the statement of cash flows. Trade and other debtors have increased by £9.4m and there has been a decrease in properties for sale of £4.9m due to a reduction in the value of properties under construction for outright sale. Investments increased by £4.7m as a result of an increase in charged bank accounts.

There has been an increase of £88m in creditors falling due after more than one year, entirely due to Long term loans increasing by £134m, the most significant element of the increase being the £100m loan referred to in the cash flow section of this report.

The net book value of housing properties has **increased** by **£170m**.

Our borrowing structure and interest costs

As at 31 March 2020, the Group has committed funding of £1,202m of which £997m is drawn. Available facilities are comprised of £205m which are fully secured and ready to draw; there are no facilities awaiting security at the year-end (2019: £30m). In addition to loan facilities, as at 31 March 2020 the Group also had available £62m of cash and cash equivalents.

During the course of the year, the remaining revolving credit facility with HSBC was secured, ensuring that the full facility is now available to draw. On 31 March 2020, Riverside also entered into a restructured loan facility with Lloyds Banking Group to make better use of the security pledged with the lender. This allowed an additional £75m revolving credit facility to be made available and ready to draw. It also moved the facility over to using SONIA as the reference rate, futureproofing the facility with the expectation that LIBOR will cease to be available over the next few years. We believe that this was the first loan facility in the sector to use SONIA rather than LIBOR.

Also at the year-end Impact Housing Association completed a Transfer of Engagements, such that the remaining Impact Housing debt became a liability of The Riverside Group Limited. The only external lenders to Impact Housing were Barclays and Orchardbrook, which were also lenders to The Riverside Group Limited. This has allowed us to ensure that the facilities have transitioned into The Riverside Group Limited on appropriate terms.

The Group's treasury policy aims to minimise refinancing risk and the Group has to repay £277m of loans over the next five years which represents 27.8% of drawn debt.

Net interest costs are £34m. There were no break costs incurred during the year. The weighted average cost of drawn debt, inclusive of margins and hedging activities was 3.9% (2019: 3.9%).

The Group manages its exposure to fluctuations in interest rate risk by ensuring the proportion of its debt on fixed interest rates provides a high level of certainty over its net interest costs. Fixed rates are provided via a combination of fixed rate debt, embedded and standalone interest rate swaps. At 31 March 2020, 73% of the Group's drawn debt (inclusive of hedging activities) was fixed (2019: 87%). This would have fallen to 61% if all loan facilities were fully drawn (2019: 62%).

The Group applies Financial Reporting Standard FRS102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). Under FRS102 the fair value of derivatives are shown on the balance sheet with the corresponding fair value movement disclosed in the cash flow hedge reserve or via the statement of comprehensive income dependent on whether the requirements of hedge accounting have been achieved.

At 31 March 2020 the Group had a standalone interest rate swap exposure of £18m (2019: £17m) based on fixed rate interest swaps with a notional value of £138m (2019: £142m). The weighted duration of the swaps is 4.8 years (2019: 5.7 years). For the year ended 31 March 2020 the application of hedge accounting has resulted in limiting the impact of the movement in fair value of derivatives to £0.04m credit to the statement of comprehensive income (2019: £3.2m credit).

Loan covenants are monitored and reported to the Executive Team monthly and to the Board on a quarterly basis. The key covenants are interest cover, gearing ratios and asset cover. All covenants were met at the year-end and throughout the year.

As at 31 March 2020, the Group has a Moody's credit rating of A1 and the outlook for the Group is deemed stable, in accordance with Moody's current view of the social housing sector in general.

There is an increase in investment spend planned to ensure we complete our Retirement Living Investment programme.

Supply Volume Summary	1 April 2019 Opening Unsold Units	Affordable Homes	Shared Ownership Homes	Market Sale Homes	31 March 2020 Closing Unsold Units	Total Delivered
Riverside	–	438	181	–	–	**619**
Prospect	(11)	15	–	95	5	**104**
Compendium	–	4	–	82	15	**101**
Vistry	–	–	–	66	4	**70**
Total	**(11)**	**457**	**181**	**243**	**24**	**894**

New supply delivered – social housing units (VFM mandatory metric 2a)	**619**
New supply delivered – non-social housing units (VFM mandatory metric 2b)	**256**
Built for other registered providers	**19**
Total	**894**

Our development

'Stepping up supply' was a key theme within the Riverside Corporate Plan for 2017-20. This was achieved through building different tenures to help balance the risks and ensure the development programme remained financially sustainable. Across the Corporate Plan period 67% of the homes we have built have been for affordable rents and shared ownership, with the remainder being sold outright.

At the end of the Corporate Plan financial performance and progress in identifying opportunities has been good. Almost 1,900 of the 2,111 new homes target set out in the Corporate Plan have been identified or secured; of these, 33% will be new shared ownership homes.

During 2019/20 we completed 619 new affordable and shared ownership homes and started on site on a further 570 homes.

We continued to focus our investment on core areas, where we have a strong presence, working closely with local authorities to deliver significant programmes in Ayrshire, Cumbria, Tyneside, Merseyside, Derby, Leicestershire and Hull.

During 2019/20 Compendium (one of our joint venture companies) focused sales activity on two key sites at Ings in Hull and Joseph Williams Place in Liverpool. In Liverpool, 52 sales were completed. In Hull, 30 sales were achieved in the year and a further 15 units were completed but remained unsold across the Ings and Joseph Williams Place sites. In 2020/21, Compendium is forecasting 65 sales from these two sites and the second phase of development at Castleward in Derby is forecast to contribute an additional 43 units.

Prospect, Riverside's subsidiary sold 104 homes.

Riverside entered into a joint venture agreement with Vistry (previously Bovis) in April 2019 for a large mixed tenure development at Stanton Cross, Wellingborough. Sales on the first residential site have progressed well with 66 sales achieved in 2019/20.

Riverside has identified six sites in London, which currently house over 500 tenants, that may benefit from regeneration; feasibility studies indicate that up to 600 additional homes could be provided.

We have balloted two of the estates and tenants have voted in favour of redevelopment. We are progressing our planning applications on these estates with our development partners.

We entered into a joint venture agreement with Bellway Homes in October 2019 for the redevelopment of Geoffrey Close, Lambeth which will see the re-provision of all existing units and an element of additional homes for shared ownership and private sales. We hope to submit our planning application in June/July 2020.

We have received planning permission on one of the smaller estates early in 2020 and we hope to start construction in August 2020. The feasibility of redeveloping three other estates continues to be explored in consultation with tenants.

In Scotland, we have handed over 105 new affordable homes and we are in contract or have approval to get into contract on a further 161 affordable homes, securing £20.7m grant from the Scottish government.

Riverside secured a significant allocation from Homes England under the Shared Ownership Affordable Homes Programme. The £22.6m allocation is supporting the delivery of a new extra care scheme, affordable rented and shared ownership homes.

Business Effectiveness: Value for Money (VfM)

Our approach

At Riverside we take an approach to improving value for money that is fully integrated into the way we run the organisation. Our corporate planning and performance management clearly set out and measure what we want to achieve for our customers, prospective customers and communities. We then manage and optimise our people, financial resources and processes required to achieve these goals. This is the Riverside definition of achieving true value for money.

As part of our strategy to drive better value for money, Riverside has been active in exploring the role that mergers, acquisitions and partnerships can play in improving services for customers and increasing our capacity to invest more in building and improving homes. We have deliberately taken a strategic approach, identifying the circumstances in which bringing other partners into the Group could have tangible benefits and defining more clearly what Riverside has to offer. This enables us to take both a proactive approach, as well as making better-informed decisions when opportunities arise.

As part of this approach Riverside has completed two stock acquisitions during the year. We purchased 1,175 homes in Newcastle and South Shields from Clarion Housing Group. The homes are a mixture of general needs housing as well as some retirement and supported living housing units. Additionally Riverside purchased 401 homes in the South East of England from Hyde Group. The homes are spread across the Ashford, Canterbury, Dartford, Maidstone, Medway Towns, Swale and Tunbridge Wells areas of Kent. Both acquisitions followed a successful bidding process and consultation period with residents.

Additionally, we have invested heavily in the supply of new housing and improvements to our existing stock.

We have invested heavily in the supply of new housing and improvements to our existing stock.

The metrics

To demonstrate the progress we are making, here we report performance against the seven VfM metrics defined by The Regulator of Social Housing. This transparent approach enables:

- Measurement against the targets we have set ourselves, and our previous year's (2018/19) performance to show direction of travel.
- Comparison against sector norms.

We use this type of measurement to drive activity we set out through our action plans.

The Regulator's mandatory metrics are finance and supply based and do not cover the breadth of our objectives, in particular those focusing on outcomes for customers and communities.

To address this we have supplemented them with five other measures, drawn from our Integrated Strategic Performance Report, the bi-monthly scorecard we use to review progress against the objectives set out in our recently completed 2017-20 corporate plan. We will continue to monitor progress against our new 2020-23 corporate plan.

A full review of the Riverside Business Plan is being undertaken in light of the COVID-19 pandemic. The targets for 2020/21 set out in this report have been calculated prior to this review having been completed.

For further detail of our objectives see:
https://www.riverside.org.uk/about-us/our-vision

Commentary on metrics

The following table summarises the results for both the mandatory and additional metrics discussed below.

Value for money mandatory metrics	Group			
	2019/20 Result	**2019/20 Target**	**2018/19 Result**	2018/19 Benchmark
Efficiency				
Reinvestment %	**5.6%**	7.0%	3.7%	7.1%
New supply delivered (social housing units) %	**1.2%**	1.1%	0.7%	1%
New supply delivered (non-social housing units) %	**0.5%**	0.4%	0.4%	0%
Gearing %	**43.6%**	42.3%	38.3%	46.3%
Headline social housing cost per unit (CPU)	**£4,959**	£4,818	£4,528	£3,271
EBITDA MRI Interest cover %	**140%**	105%	159%	193%
Operating margin (social housing lettings) %	**12.6%**	13.8%	18.8%	28.7%
Operating margin (overall) %	**15.4%**	17.4%	18.5%	26.0%
Return on capital employed %	**2.6%**	3.0%	3.6%	4.0%

Value for money additional metrics	2019/20 Result	2019/20 Target	2018/19 Result
Stepping up supply			
Customer satisfaction with new home (affordable rent and shared ownership)	**94.8%**	96.0%	95.5%
NPV/unit – affordable programme	**(£3,265)**	(£4,410)	(£499)
Customers first			
Net promoter score	**10.5**	23.0	13.9
Appointable repairs fully logged online	**19.0%**	35.0%	15.5%
Neighbourhoods matter			
Customer satisfaction with area as place to live	**81.0%**	86.0%	82.7%

Figures reported in this section are based on the Regulator's VfM metric definitions.

1) Gearing % – In addition to Group Gearing reported on page 1, there is also a figure for the Association based on the covenant definition (loans as a % of historic cost of properties).
2) EBITDA MRI Interest Cover % – Excluding £36m capitalised major repairs from the calculation of the 2019/20 outcome would increase interest cover to 226%.
3) Operating margin % – The operating margin reported in this section excludes profit from sale of fixed assets. Group operating margin reported in other areas of the financial statements includes profit from sale of fixed assets.

The Mandatory Metrics

We have benchmarked our performance against the provisional sector score card results for associations owning more than 10,000 homes. The benchmark applied is the median for this group.

Reinvestment %

Riverside is generating substantial surpluses which strengthen our balance sheet and enable us to re-invest in new and improve existing homes. In 2019/20 Riverside reinvested 5.6 % of the total value of our housing assets in this way. This compares favourably with a figure of 3.7 % in the previous year. The significant increase was achieved despite an increase in the value of our housing properties following the acquisition of two stock portfolios late in the year. During 2019/20 we spent £87m on development of new properties which represented an increase of £46m on the previous year, whilst also increasing the level of reinvestment in our existing housing stock to £36m compared to £33m in 2018/19.

Performance Improvement:
There is an increase in investment spend planned for 2020/21, through a programme to maintain our stock, to ensure we meet all regulatory compliance requirements and complete our Retirement Living Investment programme. Increased spend is also planned for responsive repairs, void works (which will be completed to a higher standard) and cyclical repairs. We will also commence a five year £25m programme of major improvements to our larger Supported housing schemes.

In the long-term we remain committed to stepping up our development programme as set out in our 2020-23 Corporate Plan, with work underway to ensure that our full capacity to increase supply is harnessed.

Target for 2020/21: 9.9 %

£25m
major improvement programme planned for supported housing schemes

New supply delivered

Overall supply of new homes increased by 59 % in 2019/20. This is a significant increase which exceeded our target and demonstrates our commitment to assisting the sector in growing the supply of housing across a range of tenures.

During the course of the year we delivered 619 social housing units under the Affordable Housing programme including 181 properties developed for shared ownership. We continued to focus our investment in core areas, where we already have a significant presence.

Over the duration of 2017-20 of the Corporate Plan a total of 1,390 social, affordable rent and shared ownership units were developed across a range of property types, with 45 % of the properties being developed in the final year of the plan.

During the course of the Corporate Plan we have developed homes for outright sale in order to enable cross subsidy which balances the risks and ensure the development programme remained financially sustainable. During the year there were 256 'Non-Social' unit completions, which was an increase from the previous year and also better than target. Of the total 89 units were developed for market sale by our commercial house building subsidiary.

Performance Improvement:
Work will continue to secure sites and starts for affordable housing and sale programmes and we are already expecting to see a significant increase in the level of supply delivered through:

- The joint venture with Vistry that will deliver c3,500 homes over a ten-year period as part of a mixed tenure development.
- Our London estate regeneration programme which has identified six sites that feasibility studies indicate could deliver c1,200 new homes, of which up to 600 would be additional homes. We are in contract to deliver a scheme in Lambeth and have received planning permission for a scheme in Lewisham. These schemes cover 450 homes of which 255 are likely to be additional homes.
- In Scotland we have approval to develop affordable homes and we have secured funding from Homes England to develop a mix of tenures including delivery of a new extra care scheme.

Target for 2020/21:
Social housing 1.2 % / 641 homes
Non-social housing 0.5 % / 278 homes

Gearing %

Riverside's gearing has increased over the past year. This was a planned increase that supports and is a direct consequence of Riverside's ambitious development and investment aspirations. It is fair to say that even though gearing has increased it is still comparatively low within peer group. An increase in long term loans of £134m, including a sector first £100m SONIA revolving loan facility taken out with Lloyds Banking Group and a reduction in cash of £44m have resulted in an increase in gearing. The reduction in cash is the result of payments made for the acquisition of stock from Clarion Housing Group and Hyde Group in addition to investment in the Vistry Joint Venture. It is anticipated that gearing will increase further as the momentum behind the development programme embedded in the 2020-23 Corporate Plan serves to generate additional funding requirements.

The strength of our balance sheet puts Riverside in a very strong position to fund the significant long-term growth ambitions as we play our part in helping tackle the housing crisis. We remain a very attractive prospect to lenders and investors, having maintained a Moody's A1 credit rating. Around a third of our rented homes are available to secure further funding.

Performance Improvement: None required.

Target for 2020/21: 49.3 %

Headline Social Housing CPU

Riverside's headline social housing cost per unit has increased from £4,528 last year to £4,959 in 2019/20. The movements on cost types that are included in the CPU are explained in the statement of comprehensive income within the strategic plan section of these financial statements. The main reasons for the increase in CPU are increased vacant property and cyclical repair costs, increases in compliance and health and safety service charge spend and an increase in overheads.

The increase in CPU is largely the result of us investing money in our housing stock for the benefit of current and future customers and our relatively high baseline is largely driven by high service costs associated with our supported housing and housing for older people. When these costs are removed, Riverside's adjusted CPU for management, repair, maintenance and other costs is closer to the adjusted median for our comparator group.

The increase in the 2020/21 target relates to further investment in repair and compliance.

Performance Improvement:

- Performance improvement measures the same as those set out for interest cover

Target for 2020/21: £5,509

Interest cover (EBITDA MRI) %

Our interest cover has reduced from 159 % to 140 % however this was anticipated and the outturn is ahead of target. A number of factors combined to cause the reduction. The Group operating surplus has reduced by £12.8m partly because of the Group incurring pension scheme exit fees described in the our business performance section and also higher CPU explained above. Additionally capitalised major repairs expenditure for the period increased by £3.2m as we continued to ramp up investment in our stock. The reduction in margin and increase in investment was partially offset by a £6.2m reduction in the value of interest payable. It is anticipated that interest payable will increase as long term loans increase for the reasons explained in the Gearing commentary.

Our interest cover is influenced by higher costs and the lower operating margins associated with our labour intensive care and support business. Our level of interest cover is also the product of a relatively low rent base, especially in the north west of England. The anticipated acceleration of the development programme is likely to place further strain on interest cover.

The explanation of the reduction in the 2020/21 target is the same as for the increase in CPU.

Performance Improvement:

- Reduced management and overhead costs delivered through the transformation programme.
- Reduced cost of investment in transformation as the programme is now substantially complete
- Delivery of asset management programme which will see a gradual shift in asset values through our development and acquisitions programme, and the disposal of lower value assets.
- Revenue from social house lettings will benefit from the Group being able to increase rents by the consumer price index (CPI) measure of inflation plus 1 % for five years from 2020.
- During 2019/20 Riverside launched project Phoenix, a project that is looking for ideas and suggestions from colleagues across the business to help us identify sustainable cost savings.

Target for 2020/21: 89 %

Operating Margin

Riverside reported a healthy overall group-level surplus (excluding contribution from disposal of fixed assets) of £54.8m. This represented a reduction in the margin of 3.1 % to 15.4 %. Revenue from social housing lettings increased by £11.8m of which £5.2m resulted from Impact being part of the Group for the full year having only joined the Group in August 2018. However the increase in social housing letting expenditure referred to under Headline Social Housing CPU resulted in the surplus from social housing letting reducing to £38.3m. We incurred a further £12.4m, of which £8.2m went to operating expenditure, funding the transformation programme and £9.9m providing for pension scheme exit costs. The exit costs incurred from exiting three defined benefit schemes will give Riverside a sustainable future cost saving. If Riverside had not voluntarily chosen to incur the one off exit fees the overall operating margin would have risen from 15.4 % to 18.2 %, making it broadly comparable with the prior year.

The year on year comparison was adversely impacted by the final year of the 1 % annual rent reduction. The impact on the overall operating margin is in the region of 0.5 %.

Surplus from outright sales and shared ownership was £2.9m less than the previous year.

The surplus delivered from non-social housing lettings was £0.8m less than prior year, however the surplus generated from management services and other social housing activities increased by £6.8m in comparison to the previous year.

As referred to previously within our social housing business, neighbourhood services (general needs rent and shared ownership) has an operating margin which is much higher than the level generated by our care and support business stream. Care and support has a very different business model being resource intensive and where contracted income and service charge income account for a large proportion of turnover.

Performance improvement:

- Improved commercial sales performance and profit margins, incorporated in Prospect's business plan going forward.
- Other cost reduction measures as per commentary on interest cover.

We plan to retain and grow our care and support arm as a lower margin business, as this is central to our mission as a charitable housing association. However we will continue to drive improvements to its margin.

Overall target 2020/21: 19.1 %
Social Housing target for 2020/21: 14.9 %

Return on Capital Employed %

Our Return on Capital Employed reduced from 3.6 % to 2.6 %. A number of factors contributed to the reduction. Both operating margin and the gain on disposal of fixed assets reduced and the total assets net of current liabilities increased as a result of the increase in the value of housing stock resulting from the two stock acquisitions. Whilst the value of newly acquired housing stock is included in the asset value because the stock was acquired late in the year the newly acquired assets did not generate a return and this has had a one off adverse effect on the return on capital in 2019/20. Without this acquisition the ROCE increases to 2.8 %.

Performance Improvement:

- Performance improvement measures the same as those set for overall operating margin.

Target for 2020/21: 3.1 %

£5.2m
of our revenue increase resulted from Impact being part of the Group

Our Additional Value for Money Metrics

Stepping Up Supply

Customer satisfaction with new home
(affordable rent and shared ownership)

Customer satisfaction with newly built rented and shared ownership homes was 94.8% which represents a very positive outturn. We have built on improvements in processes introduced in the previous year, particularly around handover, snagging and communication with customers. A joint Task Group was established and completed a number of additional changes to processes, including revised customer documentation and the introduction of a RHO 'Home Demonstration Visit' before Completion.

We continue to make improvements in the response to defect calls and are currently reporting performance monthly at Executive Director level. We have also streamlined the use of internal contractors to address poor response to defects from external contractors and there has been a noticeable improvement in achieving resolution within target.

Performance Improvement:

— Embed process changes across all Regions and teams.

— Review software used to manage defects to secure further improvement in communication with customers.

Target for 2020/21: 96%

NPV/Unit – Affordable Programme

The financial performance of our affordable housing programme has remained strong and finished the year comfortably within target, with further improvement reported from 2018/19. This continues to reflect success in securing and purchasing new affordable homes through S106 agreements and our ability to secure grant from Homes England at favourable rates. We continue to contain costs by procuring the construction of new homes at competitive prices through the Riverside Framework, a partnership between eight associations.

Though it remains a significant challenge to improve upon this we will continue to drive value through the next stage of the affordable programme.

Performance Improvement: none required.

Target for 2020/21: (£38,034)

Customers First

Net Promoter Score

Riverside's Net Promoter Score (NPS), a measure of overall satisfaction with our service reduced in the year. The reduction has coincided with a period of major change as the Group established a new operating model.

A general decline in satisfaction levels was anticipated as new services and ways of working were becoming more embedded. We also improved our approach to gathering customer feedback to reach a more representative sample.

Acknowledged as an improvement area, regular monitoring of our dedicated 'Customer Plan' has been ongoing, with a range of service improvement activity underway to deliver better customer outcomes.

Performance Improvement:

— Service improvement to be driven by 'Our Riverside Plan'.

— Overhauling customer service standards.

— More proactive approach to customer service, anticipating and resolving customer issues before they escalate.

— Delivering repairs service improvement plans to reduce the time taken to complete repairs and get more right first time.

Target for 2020/21: 23

94.8%
customer satisfaction with newly built rented and shared ownership homes

Customers First continued

Appointable repairs fully logged online (%)

This measure was revised in the year to provide a greater degree of insight into the extent to which customers are fully accessing our online repairs service, which at this stage is a key function of our online self-service platform. The 2018/19 outturn has been amended to reflect the point at which the current metric was adopted (August 2019) and clear progress has been made since then. Indeed, the number of registered users increased significantly in the year from 2,400 to more than 11,000. Reporting on our online services will continue to evolve over time as our digital platform is extended to other areas as part of a wider objective to enhance our offer.

In response to one of the improvement areas identified in 2018/19, we have provided a greater number of customers with access to digital services through the installation of Wi-Fi at our largest Retirement Living schemes and supported housing services.

Performance Improvement:

— Optimise online repairs function.

— Expand online self-service offer to additional business areas including gas servicing, complaints processing and income collection business improvement over the next year.

Target for 2020/21: 35%

Neighbourhoods Matter

Satisfaction with area as place to live (%)

The level of satisfaction with area as a place to live was 81%. We have seen a reduction amongst customers living in our Liverpool City Region, which contains some of the most deprived areas in the country. Efforts to improve our neighbourhoods have continued in the year with targeted investment through a dedicated 'place' fund and larger-scale regeneration initiatives, the benefits of which are only likely be seen over the longer-term.

We have launched a number of 'Neighbourhood Plans' that now cover a third of our stock across our geography, setting out key priorities in areas in need of improvement.

Performance Improvement:

— Continued delivery of activity identified in Neighbourhood Plans supported by the 'place' fund to deliver improvement initiatives in line with wider strategic objectives.

— Group-wide approach to improving satisfaction under 'Our Riverside Plan'.

Target for 2020/21: 86%

The Non-mandatory metrics will be reviewed in light of 2020/23 Riverside Plan objectives and a revised set will be included in the 2020/21 financial Statements.

11,000 customers have signed up to our repairs service online

81% of our customers are satisfied with area as a place to live

How are we doing?

In summary, these metrics tell an authentic story of an organisation which has just completed a journey of transition and is moving into the next stage of its strategic plan. Riverside is an organisation that:

- Is focused on improving outcomes for customers through new front-line services supported by online options and ensuring that customers receive high quality products and services.
- Has significantly increased its supply of new housing in 2019/20. Riverside is committed to continuing to supply a significant number of new homes to the sector and has the funds in place to enable us to deliver on this commitment.
- Remains totally committed to its values and charitable purpose, supporting some of those in the greatest need living in many of the country's most deprived neighbourhoods, and fully understands the financial consequences of doing so.
- Has retained and grown a large supported housing business which has an adverse impact on costs and margin, albeit one we fully understand.
- Has significant financial capacity, and is working hard to optimise it by improving its margin through significant investment in a recently completed major transformation programme that will deliver substantial and sustainable annual savings.
- Looks to deliver further efficiency by driving down costs through better working practices and effective procurement without compromising on service standards or quality and by maximising income
- Manages its financial capacity to ensure long term viability, but seeks to leverage its capacity as it pursues ambitious and substantial investment in new and improved homes across a range of tenures.

We hope this is an organisation you recognise and value.

Driving the margin

At 16.8% in 2019/20 the Group's operating margin including gain on sale of fixed assets was lower than the comparator group median of 32.4% (2018/19 figure). This included one off pension exit fee costs which if excluded would increase operating margin by 3.3%.

Excluding gain on sale of fixed assets Riverside's overall operating margin was 15.4% in 2019/20, compared to comparator group median of 26.5% (2018/19 figure).

Whilst we recognise there are definitely further business savings to be achieved, it also important to note the combination of specific factors which have an impact on Operating Margin including lower average rents than our peers and the proportion of Care and Support property in our portfolio. All of these factors have an impact on Riverside's achievable margin.

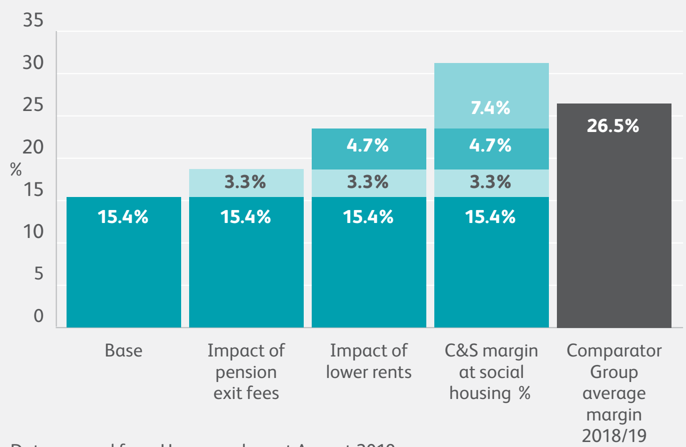
On average Riverside has lower rents than its peers on general needs stock, due to a combination of geography and historical rent policy. Our average rent is £10 per week lower than peers of general needs homes. This equates to an approximate additional £21m in operating surplus being achieved by our peers, and if we were to follow suit, would increase our margin by over 4.7%.

Alongside the rents, some 17.3% of our properties are Care and Support. In broad terms, if the Care and Support turnover delivered the same margin as the social housing stock this would increase the margin by a further 7.4%.

The intention of this analysis is to highlight the challenges Riverside faces when comparing our operating margin to sector quartiles.

Taking these elements into account, the budgeted operating margin for 2020/21 would be the equivalent of 31.0%, as shown in the graph below, broadly in line with the peer group of 26.5%.

Analysing Our Margin



Data sourced from Housemark as at August 2019

Our future

With the launch of the 2020-23 Riverside Plan, Riverside continues to set out ambitious plans for growth and our strong balance sheet and, moving forward, our improving margin remain a good basis for this investment.

This last year has seen us make an investment (via Joint Venture) into the Stanton Cross development, alongside the first of a number of Joint Ventures to deliver our London Regeneration programme. Over the course of the next three years we will deliver 3,000 to 4,000 homes across Riverside with over two thirds of these being affordable.

The final year of our transformation process will ensure that we reduce our costs in proportion to our income, as we move into a model of continuous improvement.

We plan to raise new finance during the coming year to enable development and to invest further in our existing properties

On the basis that the Board has a reasonable expectation that, based on forecasts and current expectations of future sector conditions, the Group and Association have adequate resources to continue in operational existence for the foreseeable future.

Acknowledging the challenges COVID-19 has delivered and will deliver to Riverside and every other organisation, Riverside continues to maintain the top Moody's rating in the sector and has a strong balance sheet – we are well placed to weather the challenges the future will bring.

As a result Riverside continues to adopt a going concern basis in preparing these financial statements.

17.3%
of our properties are Care and Support

Statement of compliance

The form and content of the strategic report review has been prepared in line with the Statement of Recommended Practice for registered Social Housing Providers 2018. The statement has also been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing 2015.

Cris McGuinness
Chief Financial Officer

06.

Report of the Board

The Board is pleased to present its report and the audited consolidated financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the Riverside Group is the provision of affordable homes for rent and shared ownership, together with housing support and associated services for vulnerable and elderly residents.

The Riverside Group comprises several companies with a common, shared purpose. The Riverside Group Limited is the ultimate parent within this Group and is led by a Board of Directors. The Riverside Group Limited has a number of Shareholders drawn primarily from members of its Board and Committees and details of whom are given on page 37 of these financial statements.

The Group's objectives are carried out for the public benefit as set out in the financial statements. The Board considers legal advice and regulatory guidance when determining the activities that the Group undertakes to deliver these objectives.

Events after the end of the reporting period

During year ended 31 March 2020 a global pandemic was declared and on the evening of 23 March 2020 the UK Governement declared a national lockdown. The Riverside Group Limited complied with the requirements and has considered the impact of the event at year end and into 2020/21 as discussed further in the strategic report on pages 16 and 17.

The Board of The Riverside Group Limited

The Board members of TRGL holding office during the period 1 April 2019 to 1 April 2020 are detailed below:

- Terrie Alafat (appointed 1 April 2020)
- Tim Croston
- Jonathan Dale (Resigned 4 December 2019)
- Pauline Davis
- Michelle Dovey (Resigned 1 December 2019)
- Ingrid Fife
- Carol Matthews*
- Sandy Murray*
- Max Steinberg CBE (Retired 31 March 2020)
- Sally Trueman
- Peter White

(*co-optee)

The Board is comprised of six non-executives (one of whom is a co-optee), a tenant member, and the Group Chief Executive, who is also a co-optee. A customer is also invited to attend Board meetings as an observer. This role was filled by David Otty until October 2019 when he was succeeded by Richard Nichols, who will undertake this role for a twelve month term. Also in attendance at Board meetings are the Executive Directors and the Company Secretary.

Membership of the Board comprises 75% women, (2019: 56%), which compares to a 51% female population in the areas where Riverside works. (Board membership of both those declaring themselves to be disabled and BAME is lower than the percentage of the relevant population).

During the year payments made to Board members were £340k (2019: £345k), which represented 0.10% (2019: 0.09%) of annual turnover. Payment of the Group Chair and Group Board members is calculated by taking into account the size of the Group and industry norms. A review of Board member remuneration was carried out in the year by an external, independent remuneration specialist.

The Board has met monthly during the COVID-19 pandemic.

The Board (and its Committees) carries out an annual appraisal of its effectiveness each year. Every three years an independent, external provider is engaged to support the appraisal and bring an objective perspective. The externally facilitated appraisal of the Board has been postponed until 2021 to allow a Board recruitment exercise to complete and the new Board Chair to settle into their role. Individuals, including the Board Chair, undergo an appraisal every two years and at the end of their term of office before any decision is taken to offer a further term of office. Additionally, a programme of 360 degree appraisals, facilitated by an external specialist is in place and this year the Group Audit Committee and the Boards of three subsidiary companies completed this exercise. In the coming year the London Development Committee will carry out a 360 degree appraisal.

Each Board member (excluding the co-optees) is appointed for a fixed term of office, of up to three years. Reappointment is possible for up to a maximum of two additional terms.

Role of the Board and Committees

The Board leads the organisation and guards its mission through establishing a culture, values, policy and strategy to deliver TRGL's objectives. It monitors performance against agreed targets within a clearly defined framework of delegation and system of control. It has ultimate responsibility for ensuring that the Group operates in compliance with all relevant law and regulation.

The Board determines what matters should be delegated to the Executive Team or a Committee of the Board and what matters it will reserve for its own consideration and decision. Board members act in the interest of the Riverside Group and not on behalf of any other interest group.

The Board is drawn from a wide background and its members are selected to ensure that they bring relevant experience, skills and understanding to the discussions and decision making process of the Board. The Group aims to have Boards and Committees which are representative of the wider population in the areas where it works and it is committed to fairness and equality of opportunity.

The majority of Group subsidiaries have their own Board of Directors appointed for their skills, knowledge and experience. These can be both Executive and Non-Executive Directors. The Board has a schedule of six meetings each year for regular business and meets annually to discuss strategy. It also convenes if decisions are required for urgent matters between meetings. It is important to note the Board has met monthly during the COVID-19 pandemic.

TRGL rules allow attendance by telephone and video conference which facilitates effective governance. The Chair also has authority to take decisions on behalf of the Board where a meeting cannot be organised and a timely decision is required.

The Board has established Committees to oversee specific areas of the Group's work. The Board sets the responsibilities and scope of authority of each Committee. Board delegation may allow decision making for certain matters, or require that the Committee consider issues and provide advice and assurance to support Board decision-making.

The Committees of the Board are the Governance and Remuneration Committee, the Group Audit Committee, the Group Treasury Committee, the Neighbourhood Services Committee, the Care and Support Committee, London Development Committee and the Impact Sub Committee, all of which, are primarily composed of non-executive members. There are over 20 customers actively involved in the formal governance structure through their roles as Board, Committee and Riverside Customer Voice members. Further information on the Committees is given below and the membership is shown below.

Group Governance and Remuneration Committee

The Committee monitors Group Governance to ensure that it remains effective and efficient. This includes monitoring compliance against Riverside's adopted Code of Governance (NHF Code of Governance 2015) and its principal constitutional and governance policy documents. It also oversees succession planning and recruitment activity for key individuals in the Group and advising TRGL Board on their appointment including TRGL Board members, the Chief Executive Officer and Chairs of Committees. It agrees the appointment of all other non-executives and the appointment of Executive Directors. It ensures that Board and Committees are regularly appraised to ensure that they remain effective. Independent consultants are engaged to review the Group Chief Executive's remuneration annually and their contract every three years. The salary level of other Executive Directors is reviewed, again by an independent party, triennially. The Executive Directors are not present at any meeting when their remuneration packages are discussed

The Committee also agrees the brief within which the Group Chief Executive can negotiate staff salaries with the union, Unite. The Committee is comprised entirely of non-executives and takes specialist human resources advice from external consultants as appropriate. It meets at least four times per year.

Group Audit Committee

The Committee addresses internal and external audit issues and advises the Board on risk management policies and processes. It also considers the financial statements and the appointment of the external auditor and recommends their approval by the Board. The Committee is comprised entirely of non-executives, with a representative from each of the Neighbourhood Services and Care and Support Committees and the Impact Sub Committee. It meets at least four times per year.

Group Treasury Committee

The Committee considers technical and complex treasury matters and provides advice and makes recommendations to Board. It is composed entirely of non-executives who are appointed on the basis of their skills and knowledge of treasury issues. It meets when required but at least once per year.

Neighbourhood Services Committee

The Committee is responsible for monitoring services provided by the social housing business and Riverside Home Ownership. It has responsibility for considering the customers' experience of services and ensuring that these are well managed, deliver value for money, and that risk to services are appropriately managed. The Committee is composed of non-executives, including a TRGL Board member who chairs the Committee, customer representatives and the Executive Director for Asset Services. The Executive Director for Customer Service is an attendee to the Committee meetings. It meets at least six times per year.

Care and Support Committee

The Committee is responsible for monitoring services provided by the Care and Support business. As with the Neighbourhood Services Committee, it focuses on the customer experience in the context of services for provided, value for money and risk management. The Committee is composed of non-executives, including a TRGL Board member who chairs the Committee, tenant representatives and the Executive Director, Care and Support. The Executive Director for Asset Services is an attendee to the Committee. It meets at least four times per year.

London Development Committee
The London Development Committee is responsible for overseeing the shaping, design, costing and delivery of estate renewal in London on Group Board's behalf, giving advice and making appropriate recommendations in line with financial parameters and corporate ambitions. The Committee has also recently taken on responsibility for overseeing the delivery of a major new homes development project in Stanton Cross, Northamptonshire, in which Riverside is working in partnership with Vistry.

Impact Sub Committee
On 31 March 2020, Impact Housing Association Limited transferred its assets and liabilities to The Riverside Group Limited, and effectively ceased to exist as a separate organisation. The Board of Impact Housing became the Impact Sub Committee from 1 April 2020 and is responsible for overseeing the delivery of services in the area in which Impact Housing Association Limited operated.

Following a review of the structure of Riverside's Committees, to ensure that they were operating effectively and efficiently and delivering value to the business, Riverside's Scotland Committee was dissolved with effect from 1 April 2020. Its responsibility for overseeing the delivery of Riverside's growth strategy in Scotland and for identifying new opportunities in the region transferred to the Board of Irvine Housing Association, a subsidiary Housing Association of Riverside based in Scotland.

Table 1: Board and Committee Members of TRGL as at 1 April 2020

Board of The Riverside Group Ltd
Terrie Alafat (Chair)
Pauline Davis (Vice-Chair)
Ingrid Fife
Tim Croston
Sally Trueman
Peter White

Co-optees
Carol Matthews
Sandy Murray
Richard Nichols (Observer)

Group Governance and Remuneration Committee
Pauline Davis (Chair)
Terrie Alafat

Group Audit Committee
Tim Croston (Chair)
Adrian Crookes
Maria Hallows
Sandy Murray
Sara Naylor
Neill Skinner

Group Treasury Committee
Devan Bala
Nigel Perryman

Neighbourhood Services Committee
Peter White (Chair)
Jackie Grannell
David Green
Ian Gregg
Margi Kelly
Mary McAndrew
Duncan McEachran
Maria Milford
Sara Naylor
Sue Powell
Sam Scott
Gillian Singh

Care and Support Committee
Ingrid Fife (Chair)
Sara Beamand
Chris Billinge
Ian Campbell
Judith Crowther
Andy Deutsch
John Glenton
Archdearon Karen Lund
Hetal Parmar
Michele Scattergood
Neill Skinner
Harry Soar

London Development Committee
Pauline Davis (Chair)
Victor Andrews
Jenny Coombs
Cris McGuinness
Dale Meredith
Paul Newbold

Impact Sub-Committee
Mark Cullinan (Chair)
Wayne Booth
Chris Billinge
Olwen Lintott
Carol Matthews
Sandy Murray
Sue Powell
Sam Scott
John Williams

Members who have left Riverside in the year
Max Steinberg (Board, Governance and Remuneration Committee)
Jonathan Dale (Board)
Michelle Dovey (Board, Governance and Remuneration Committee, Group Treasury Committee)
Archdeacon Cherry Vann (Care and Support Committee)
Rowan Carstairs (Neighbourhood Services Committee)
David Otty (Tenant Observer)

Executive Directors

Whilst the Board is responsible for the Group's overall policy and strategy, overall management of the business is delegated to the Group Chief Executive.

A team of Executive Directors assist the Chief Executive in delivering the Board's vision and aims.

The Chief Executive is responsible to the Board and only acts within the authority delegated by it. The Executive Team meets on a monthly basis to consider all major management issues including performance across the Group.

The Executive Directors also form the membership of the Investment Appraisal Committee which meets monthly. Its purpose is to assess the viability of investment proposals such as new projects and initiatives to ensure that they generate value for the Group and its stakeholders and contribute to delivering Riverside's goals. The Committee oversees projects at key stages of development to ensure that they are effectively delivered and remain financially viable.

The Executive Directors hold no beneficial interest in the share capital of any member of the Group. However, a £1 share in two subsidiary companies is held in trust for TRGL by an Executive Director.

Corporate governance

The Board is committed to integrity and accountability in the stewardship of the Group's affairs. The annual assessment of compliance against Riverside's adopted Code of Governance (NHF Code of Governance 2015) has been completed. The Group complies with its Code of Governance, with the following exceptions:

The previous Board Chair's term of office exceeded the nine year maximum tenure. The decision to extend the Chair's term of office was taken by the Board based on a robust business case and in the best interests of TRGL and was supported by the TRGL Shareholders. The Chair stepped down in March 2020.

The Tenant Board Member has also been appointed for a third and final term on the Board (subject to appointment by Shareholders at the Annual General Meeting in September 2020) notwithstanding previous years served on other Divisional Boards within the Group. This brings their total time served with Riverside to in excess of nine years but remains within the maximum term for their tenure on the Board. This is considered to be in the best interests of Riverside, providing important continuity at a time of significant change in Board Membership.

The Group Chief Executive's contract of employment is reviewed every three years. This was postponed for one year to allow the business to carry out a tender to engage a new remuneration specialist adviser.

In the year, overseen by Riverside's Governance and Remuneration Committee the following work has been carried out to enhance Corporate Governance:

- A review of non-executive remuneration was completed in the year and was carried out by Campbell Tickell, an external, independent remuneration specialist.
- A review of the Group Chief Executive's pay and contract and the pay of Executive Directors and Directors was completed in May 2020 by PWC, an external, independent remuneration specialist.
- A review of Riverside's key governance policies and its committee structure was completed in the year and proposals for improvement approved by the Board.
- An exercise to strengthen governance around Riverside's Joint Venture projects was completed and more robust arrangements are in place.
- A Board recruitment exercise has recently completed. The process was open and transparent and based on the Board's considered view of the skills and attributes required to discharge its functions. An emphasis was placed on attracting candidates who would contribute to a diversification of Board Membership.

Riverside has adopted the National Housing Federation's "Mergers, Group Structures and Partnerships: a voluntary code for housing associations". It has a clear strategy in place for merger and acquisition activity.

The external auditors have undertaken minimal non-audit work (£8k) for the Group during the year ended 31 March 2020.

Details of this work is set out in note 9 to the financial statements. The Group Audit Committee has a protocol with the external auditors, which sets out policies for determining what non-audit work can be undertaken by the external auditors and procedures for the annual review of external auditor performance.

Internal controls assurance

The Board is the ultimate governing body and is responsible for the Group's system of internal control. The Board, advised by the Group Audit Committee, has reviewed the effectiveness of the system of internal control for the year ended 31 March 2020 and to the date of approval of these financial statements. For the year ended 31 March 2020, the Board makes the following statements:

- The system of internal control is designed to provide the Board with reasonable but not absolute assurance that risks are identified on a timely basis and dealt with appropriately; that assets are safeguarded; that proper accounting records are maintained; and that the financial information used within the business or for publication is reliable.
- Control is exercised through an organisational structure with clearly defined levels of authority, responsibility and accountability. Any business development involving significant risk is subject to Board approval.
- The Group maintains a culture of risk awareness, based on a sound control environment with high regard for integrity and ethical values. Regular reviews of the risk universe and risk mitigation actions are carried out.
- The framework of internal control is subject to a regular programme of review. In particular, the Group maintains a fully resourced Internal Audit team led by an appropriately qualified Director reporting directly to the Group Audit Committee.
- Service delivery risk is monitored through the service improvement framework, quality self-assessment and tenant scrutiny processes.
- The Board and its sub-Committees scrutinise a comprehensive suite of performance metrics.
- The Group is committed to sound financial management in all aspects of its business. It has a robust business planning process and all parts of the Group have detailed annual budgets and longer term business plans.
- The Group maintains a suite of policies covering the main elements of its business. The policies are subject to a rolling programme of review to confirm their continued appropriateness with all Group policies approved by the Board.
- The anti-fraud policy sets out the commitment to preventing fraud. Confidential reporting arrangements are in place to allow staff to voice their concerns and know that they will be properly investigated. The anti-bribery and corruption policy sets out guidelines for all staff to ensure the highest standards of conduct in business dealings and this has been adopted throughout the Group, in addition to the NHF's publication "Code of conduct with good practice for members" (2012).
- In reviewing the effectiveness of the Group's system of internal control, the Board has considered a range of sources of assurance including:
  - management reports;
  - key performance indicators;
  - audit reports;
  - quality management systems and;
  - external regulator reports.
- During the year there were no weaknesses in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in these financial statements.

Equality and Diversity: Board, Committee and workforce composition

Riverside has adopted an equality, diversity and inclusion (EDI) policy which aims to:

- Prevent discrimination, eliminate prejudice, promote inclusion and celebrate diversity within the organisation.
- Be fair in its dealings with all people – Board members, staff, customers, volunteers and partners with whom Riverside has relationships taking into account the diverse nature of their culture and backgrounds.
- Ensure that EDI is embedded in everything it does.

To achieve these policy aims, it is important that Riverside understands the composition of its Board, Committees, Leadership Team and wider workforce by the key protected characteristics, and compares this with the profile of the population living in the communities it serves. Over time, the Board wants to continue to use progressive policies and practices, to develop a more diverse workforce, led by a diverse Leadership Team and governance community.

Each year, the Board agrees an EDI Action Plan to provide a framework to drive improvement, and as part of the plan, it committed to working towards the 10 challenges set out in the Chartered Institute of Housing's 'Leading Diversity by 2020' campaign.

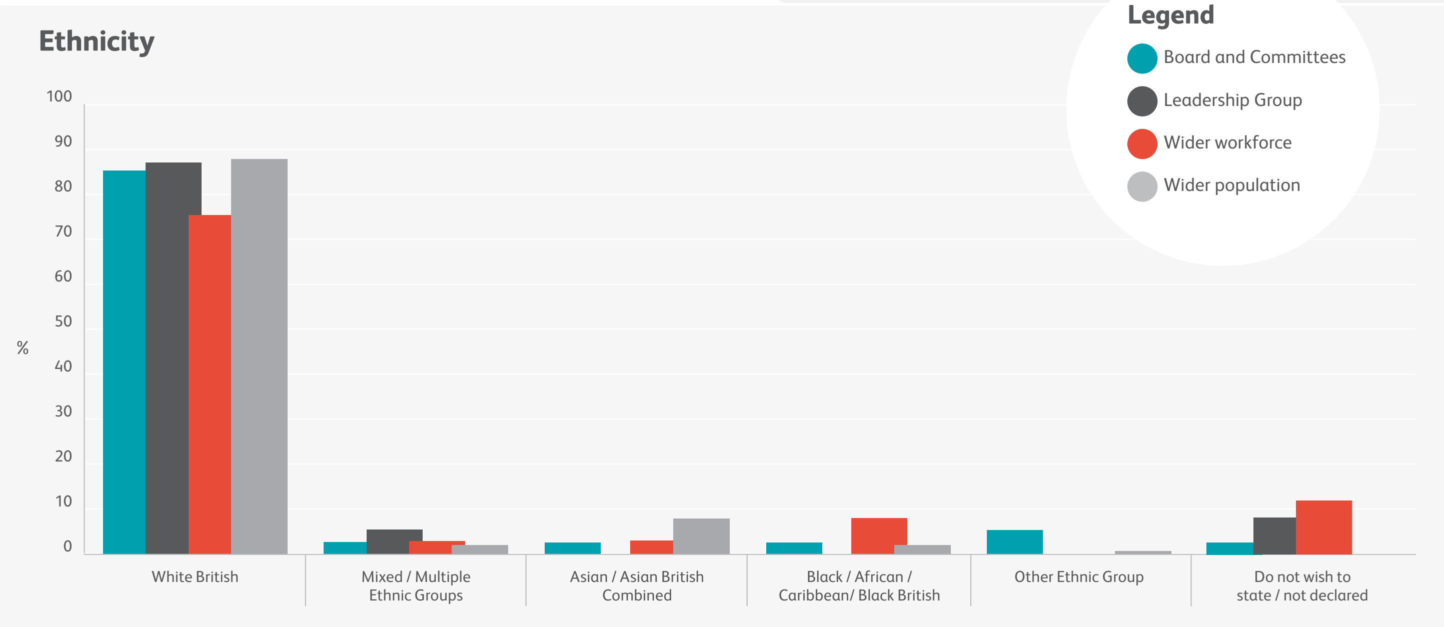
One of these challenges is to publish data demonstrating the composition of Boards and Committees, the Leadership Team and the wider workforce, comparing this with the characteristics of the population living in the places where Riverside operates. The charts show this comparison by ethnicity, disability, gender and sexual identity.

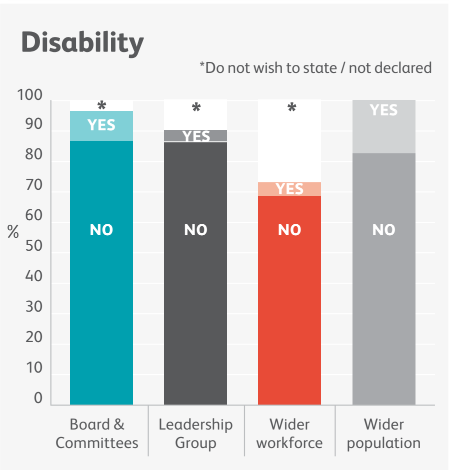
This data demonstrates that whilst the wider staff base is diverse, the composition of the Leadership Team and Board and Committees is less so, particularly in relation to ethnicity and disability.

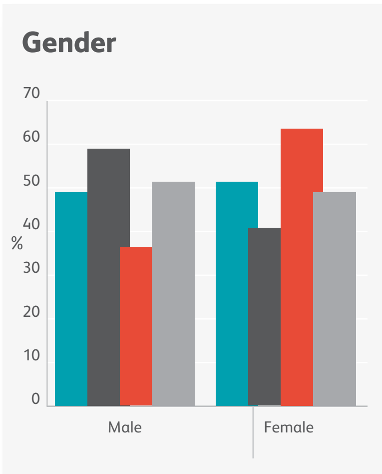
The Board has adopted its own Board Diversity Protocol, which sets out practical measures to encourage a wider pool of applicants for Board and Committee positions and ensure that appropriate support and training is available for members. The recent Board recruitment exercise focused on actively encouraging diverse applicants.

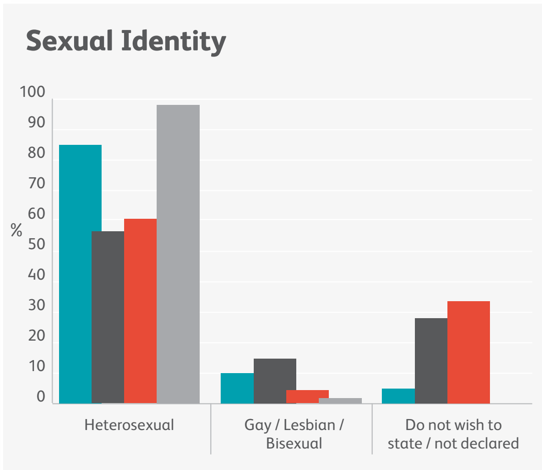
Whilst the wider staff base is diverse, the composition of the Leadership Team and Board and Committees is less so, particularly in relation to ethnicity and disability.

Key Equality and Diversity Metrics









The wider population grouping does not include 'do not wish to state / not declared' responses for ethnicity, disability and sexual identity.

Statement of Board's responsibilities in respect of the Board's report and the Financial Statements

The Group has considered the impact of COVID-19 and does not believe this has a detrimental impact on financial performance.

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 have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

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

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

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

Equality and diversity

The Group's policies reflect its strong commitment to equality and the value it places on diversity in all aspects of its work.

Political donations

No donations for political purposes were made during the year.

Policy on payment of creditors

In the absence of any dispute, the Group's policy is to pay non-development invoices within 30 days of the date of the invoice. Development creditors, paid under certificate, are settled within 21 days of the valuation date.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 11 to the financial statements.

Investment power

The Group's Rules permit investment of monies not immediately required to carry out its objectives as it determines and is permitted by law.

Annual General Meeting

The Annual General Meeting will be held on 10 September 2020.

Auditors

In line with best practice requirements to periodiclly change auditors, the Group will be undertaking a tender exercise to appoint a new audit firm for 2021-22 finacial year.

Statement of compliance

The Board confirms that the strategic report and Board report have been prepared in accordance with principles set out in the 2018 SORP for Registered Social Housing Providers.

The Board certifies that as a registered provider, TRGL complies with the Regulator of Social Housing's Governance and Financial Viability Standard 2015 albeit Riverside has not yet completed and submitted its December 2019 statutory return required under the Heat Networks (metering & billing) Regulations to the regulator, who is the Office of Product Safety and Standards (OPSS). This is currently being completed with a target date of August 2020.

Sara Shanab
Secretary

Riverside has completed two stock acquisitions in the year

07.

Independent auditor's report

to The Riverside Group Limited

Opinion

We have audited the financial statements of The Riverside Group Limited ("the association") for the year ended 31 March 2020 which comprise the Group and Association statement of comprehensive income, Group and Association statement of financial position, Group and Association statement of changes in reserves and Group statement of cash flows 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 2020 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 properly 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 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Board's conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and association's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the association will continue in operation.

Other information

The Association's Board is responsible for the other information, which comprises the Strategic Report, the Report of the Board and the Statement on Internal Controls Assurance. 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 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 more fully explained in their statement set out on page 42, 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 and section 128 of the Housing and Regeneration Act 2008. 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Clare Partridge
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

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Group and Association statements

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Consolidated statement of comprehensive income

for the year ended 31 March 2020	Notes	2020 £'000	2019 £'000
Group turnover	2	355,654	364,255
Operating costs	2	(300,878)	(296,711)
Gain on the sale of fixed assets	6	4,817	11,934
Group operating surplus	2	**59,593**	**79,478**
Share of operating profit in joint ventures		2,803	568
Interest receivable and other income	7	7,764	7,062
Interest payable and similar charges	8	(41,347)	(47,580)
Movement in fair value of financial instruments		37	3,177
Gift aid		—	—
Loss on repayment of Impact loans		—	(1,851)
Loss on acquisition of a subsidiary	32	—	(13,898)
Surplus on ordinary activities before tax	9	**28,850**	**26,956**
Taxation	10	4	(278)
Share of joint venture taxation		—	(229)
Surplus for the year after tax		**28,854**	**26,449**
Other comprehensive income			
(Loss) recognised on cashflow hedges		(1,110)	(2,070)
Actuarial gain/(loss) on pension schemes	26	25,623	(11,248)
Initial recognition of multi-employer defined benefit scheme	26a	—	(8,507)
Total comprehensive income for the year		**53,367**	**4,624**

All of the above results derive from continuing operations.

There is no material difference between the surplus on ordinary activities before tax and the surplus for the year as reported and their historical cost equivalent.

The notes on pages 53 to 117 form an integral part of the financial statements.

There are no historical cost surpluses or deficits other than those recognised within the statement of comprehensive income.

Consolidated statement of financial position

as at 31 March 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets:			
Housing properties	11	2,145,824	1,975,510
Other tangible fixed assets	11	25,091	21,535
Intangible assets	11	14,625	9,870
		2,185,540	**2,006,915**
Investments			
Investment in joint ventures	12	43,819	1,674
Investment properties	12	1,186	1,190
Other investments	12	2,314	17,138
Homebuy equity loans	12	1,061	1,830
		2,233,920	**2,028,747**
Debtors: amounts receivable after more than one year	13	7,920	10,587
Current assets			
Investments	12	41,515	36,848
Trade and other debtors	13	149,948	140,535
Properties for sale	14	42,495	47,420
Cash and cash equivalents		62,096	105,994
		296,054	330,797
Creditors: amounts falling due within one year	15	(178,754)	(151,715)
Net current assets		**117,300**	**179,082**
Total assets less current liabilities		**2,359,140**	**2,218,416**
Creditors: amounts falling due after more than one year	16	1,749,521	1,627,741
Deferred income	19	7,592	7,992
Provisions for liabilities			
Pension provision – deficit funding liability	28	21,644	16,971
Pension provision – defined benefit liability	28		32,409
Other provisions	28	4,896	10,447
		1,783,653	**1,695,560**
Capital and reserves			
Non-equity share capital	20	—	—
Cashflow hedge reserve		(17,107)	(15,997)
Income and expenditure reserve		592,594	538,853
		2,359,140	**2,218,416**

The financial statements on pages 46 to 117 were approved by the Board on 9 July 2020 and were signed on its behalf on 3 August 2020 by:

Terrie Alafat, Group Chair   Ingrid Fife, Board Member   Sara Shanab, Secretary

The notes on pages 53 to 117 form an integral part of the financial statements.

Consolidated statement of changes in reserves

	Cash flow hedge reserve	Income expenditure reserve	2020 Total reserves
	£'000	£'000	£'000
Balance as at 1 April 2019	**(15,997)**	**538,853**	**522,856**
Surplus for the year	—	28,854	28,854
Initial recognition of multi employer scheme	—	—	—
Desinated reserves	—	(736)	(736)
Effective position of changes in fair value of cash flow hedges	(1,110)	—	(1,110)
Actuarial gain on pension schemes	—	25,623	25,623
At 31 March 2020	**(17,107)**	**592,594**	**575,487**

Designated reserves for the year ending 31 March 2020 are reported under Income and Expenditure Reserve as per the 'Housing SORP 2019'.

	Designated reserves	Cash flow hedge reserve	Income expenditure reserve	2019 Total reserves
	£'000	£'000	£'000	£'000
Balance as at 1 April 2018	**3,138**	**(13,927)**	**528,910**	**518,121**
Surplus for the year	—	—	26,449	26,449
Transfer to designated reserves	111	—	—	111
Initial recognition of multi employer scheme	—	—	(8,507)	(8,507)
Effective position of changes in fair value of cash flow hedges	—	(2,070)	—	(2,070)
Actuarial loss on pension schemes	—	—	(11,248)	(11,248)
At 31 March 2019	**3,249**	**(15,997)**	**535,604**	**522,856**

Consolidated statement of cash flows

for the year ended 31 March 2020

	2020 £'000	2019 £'000
Net cash infow from operating activities (note 21)	**131,034**	**123,182**
Returns on investments and servicing of finance		
Interest received	6,161	6,363
Interest paid	(40,270)	(55,211)
Net cash outflow from returns on investments and servicing of finance	**(34,109)**	**(48,848)**
Taxation		
Tax paid	—	—
Capital expenditure and financial investment		
Cash paid for housing construction	(209,787)	(71,182)
Cash paid for other fixed assets	(7,016)	(7,013)
Cash flow for fixed asset investments	14,829	—
Expenditure on capitalised improvements	(36,067)	(33,109)
Social Housing Grant received	6,254	18,555
Receipts from property sales	—	20,892
Investment in joint ventures	(39,363)	—
Net cash outflow from capital expenditure and financial investment	**(271,150)**	**(71,857)**
Management of liquid resources		
Decrease/(Increase) in short term deposits	(4,667)	668
Net cash inflow from management of liquid resources	**(4,667)**	**668**
Net cash outflow before financing	**(178,892)**	**3,145**
Financing		
Loans raised	158,000	127,567
Loan principal repayments	(23,006)	(88,405)
Net cash inflow from financing	**134,994**	**39,162**
(Decrease)/Increase in cash (note 22)	**(43,898)**	**42,307**

The notes on pages 53 to 117 form an integral part of the financial statements.

Association statement of comprehensive income

for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Turnover	2	303,190	302,382
Operating costs	2	(259,128)	(245,522)
Gain on the sale of fixed assets	6	4,464	11,762
Operating surplus	2	**48,526**	**68,622**
Share of operating profit in joint ventures		—	—
Interest receivable and other income	7	6,004	5,080
Interest payable and similar charges	8	(35,794)	(42,484)
Movement in fair value of financial instruments		37	3,177
Gift Aid		226	1,408
Surplus on ordinary activities before tax	9	**18,999**	**35,803**
Taxation	10	—	—
Surplus for the year after tax		**18,999**	**35,803**
Other comprehensive income			
Loss recognised on cash flow hedges		(1,110)	(2,070)
Actuarial gain/(loss) on pension schemes	26	23,189	(10,077)
Initial recognition of multi-employer defined benefit scheme		—	(8,507)
Total comprehensive income for the year		**41,078**	**15,149**

All of the above results derive from continuing operations.

There is no material difference between the surplus on ordinary activities before tax and the surplus for the year as reported and their historical cost equivalent.

The notes on pages 53 to 117 form an integral part of the financial statements.

There are no historical cost surpluses or deficits other than those recognised within the statement of comprehensive income.

Association statement of financial position

for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets:			
Housing properties	11	2,046,808	1,749,016
Other tangible fixed assets	11	24,339	19,787
Intangible assets	11	14,625	9,870
		2,085,772	**1,778,673**
Investments			
Investment in joint ventures		—	—
Investment properties	12	1,186	1,190
Other investments	12	78,312	90,554
Homebuy equity loans	12	220	329
		2,165,490	**1,870,746**
Debtors: amounts receivable after more than one year	13	31,810	79,246
Current assets			
Investments	12	38,344	33,912
Trade and other debtors	13	72,840	59,467
Properties for sale	14	17,468	16,116
Cash and cash equivalents		61,558	69,489
		190,210	**178,984**
Creditors: amounts falling due within one year	15	(172,524)	(141,267)
Net current assets		17,686	37,717
Total assets less current liabilities		**2,214,986**	**1,987,709**
Creditors: amounts falling due after more than one year	16	1,628,184	1,401,158
Deferred income	19	7,592	7,992
Provisions for liabilities:			
Pension provision – defined benefit scheme	28	21,644	16,971
Pension provision – multi employer scheme	28	—	26,081
Other provisions	28	4,896	10,247
		1,662,316	**1,462,449**
Capital and reserves			
Non-equity share capital	20	—	—
Cashflow hedge reserve		(17,107)	(15,997)
Income and expenditure reserve		569,777	541,257
		2,214,986	**1,987,709**

The financial statements on pages 46 to 117 were approved by the Board on 9 July 2020 and were signed on its behalf on 3 August 2020 by:

Terrie Alafat, Group Chair

Ingrid Fife, Board Member

Sara Shanab, Secretary

The notes on pages 53 to 117 form an integral part of the financial statements.

Association statement of changes in reserves

	Cash flow hedge reserve	Income expenditure reserve	Total reserves
	£'000	£'000	£'000
Balance as at 1 April 2019	**(15,997)**	**541,257**	**525,260**
Surplus for the year	—	18,999	18,999
Initial recognition of multi employer scheme	—	—	—
Designated reserves	—	(736)	(736)
Effective position of changes in fair value of cash flow hedges	(1,110)	—	(1,110)
Actuarial gain on pension schemes	—	23,189	23,189
Group reconstruction	—	(12,932)	(12,932)
At 31 March 2020	**(17,107)**	**569,777**	**552,670**

Designated reserves for the year ending 31 March 2020 are reported under Income and Expenditure Reserve as per the 'Housing SORP 2019'.

	Designated reserves	Cash flow hedge reserve	Income expenditure reserve	Total reserves
	£'000	£'000	£'000	£'000
Balance as at 1 April 2018	**3,085**	**(13,927)**	**520,842**	**510,000**
Surplus for the year	111	—	35,803	35,914
Initial recognition of multi employer defined benefit scheme	—	—	(8,507)	(8,507)
Effective position of changes in fair value of cash flow hedges	—	(2,070)	—	(2,070)
Actuarial loss on pension schemes	—	—	(10,077)	(10,077)
At 31 March 2019	**3,196**	**(15,997)**	**538,061**	**525,260**

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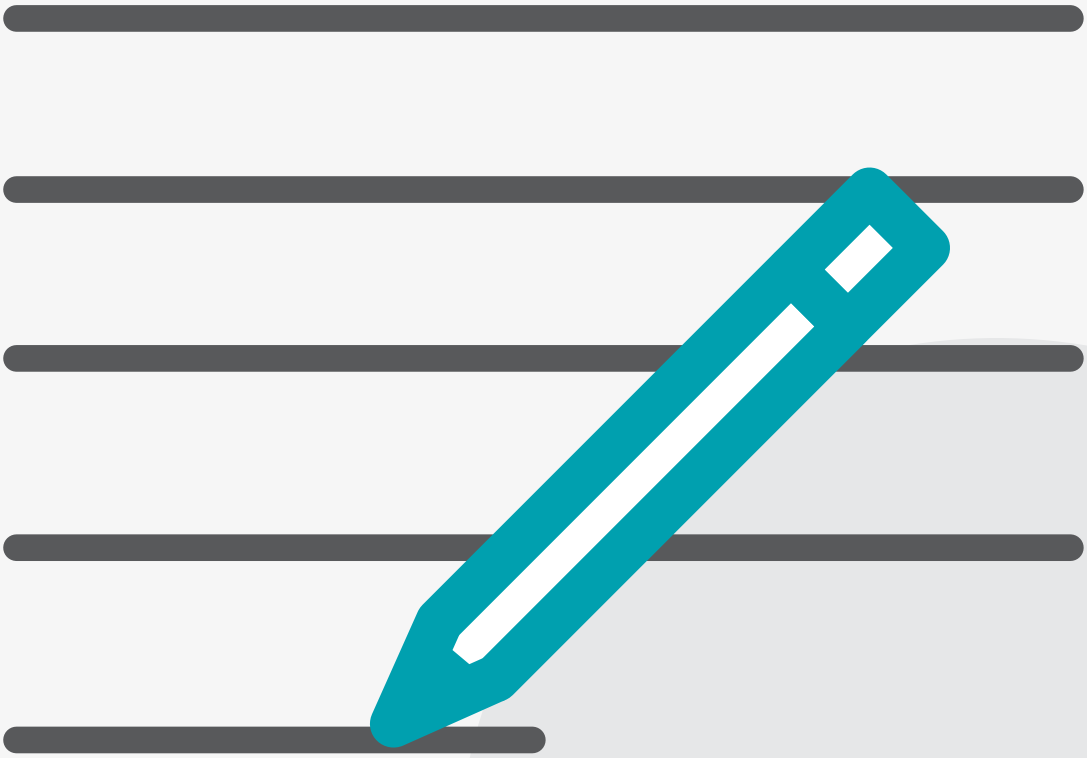
Notes to the financial statements

Year ended 31 March 2020
The Riverside Group Limited



1 Principal accounting policies

The financial statements are Group statements which consolidate the financial statements of The Riverside Group Limited and its subsidiary undertakings.

Legal status

The parent association, The Riverside Group Limited, is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator for Social Housing as a Private Registered Provider of Social Housing.

Basis of accounting

These financial statements are prepared in accordance with Financial Reporting Standard 102 – the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting 2019 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed on page 55

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and investment property.

Parent association disclosure exemptions

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

- No cash flow statement has been presented for the parent association;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures and have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is the same as the totals for the Group as a whole.

Basis of consolidation

The financial statements are Group statements and consolidate the financial statements of The Riverside Group Limited and its subsidiary undertakings.

The Riverside Group Limited's interest in joint ventures is accounted for using the equity method.

Details of subsidiaries and joint ventures are shown in note 12 to the financial statements.

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 March 2020 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of Covid-19 the Group has undertaken a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The board, after reviewing the group and company budgets for 2020/21 and the group's medium term financial position as detailed in the 30-year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the group and company have adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- the property market – budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales, reductions in sales values and potential conversion of market sale to social homes;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities of £269.7m which gives significant headroom for committed spend and other forecast cash flows that arise;
- The group's ability to withstand other adverse scenarios such as higher interest rates and number of void properties.

The board believe the group and company has 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 its 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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

- **The categorisation of housing properties**
  In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.

- **Tangible fixed assets**
  Other than investment properties, tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The estimates of useful life for the different component types and assets are detailed on page 57.

- **Impairment of non-financial assets**
  An impairment review of the Group's land and properties is undertaken when an impairment indicator is believed to have been triggered. The 2019/20 review did not result in the requirement for any material impairments.

- **Pension and other post-employment benefits**
  The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries. Further details of the assumptions made are provided in Note 26.

Supported housing

In addition to its own directly managed supported housing schemes, The Riverside Group owns a number of schemes that are run by outside agencies. Where The Riverside Group carries the financial risk all the scheme's income and expenditure is included in the statement of comprehensive income. Where the agency carries the financial risk only the income and expenditure which relates solely to The Riverside Group is included. Other income and expenditure of schemes in this category is excluded from the statement of comprehensive income.

Supporting people contract income

Supporting People (SP) contract income received from Administering Authorities is accounted for as income for support services in turnover in note 3 to the financial statements. The related support costs are matched against this income.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the statement of financial position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the statement of financial position within creditors.

Turnover

Turnover comprises rental and service charge income receivable (net of void losses), certain revenue grants from local authorities and the Homes and Communities Agency, together with other income and income from the sale of shared ownership and other properties developed for outright sale. Income from property sales is recognised as receivable on the delivery of services provided.

Joint ventures

An entity is treated as a joint venture where the group holds an interest and shares control under a contractual arrangement with one or more parties external to the Group.

In the Group accounts, joint ventures are accounted for using the equity method. The consolidated statement of comprehensive income includes the Group's share of the operating results, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated statement of financial position, the Group's share of the identifiable net assets attributable to its joint ventures are shown separately.

Principal pension accounting policies

The Group participates in five defined benefit schemes. The assets of the schemes are held separately from those of the Group.

The assets of the defined benefit pension schemes are measured using market values. The liabilities are measured using the projected unit method discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The surpluses of the defined benefit pension schemes (to the extent that they are recoverable) or deficits are recognised in full. The movements in the schemes' surpluses/deficits are included in the statement of comprehensive income and shown in the statement of movement in reserves, under the heading actuarial gains and losses.

The Group also contributes to defined contribution pension schemes. Under a defined contribution plan the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the statement of comprehensive income periods during which services are rendered by employees.

Holiday pay accrual

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

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Housing properties are principally properties available for rent. Cost includes the cost of acquiring the land and buildings, development costs and expenditure incurred in respect of improvements.

Properties acquired in stock transfers are recognised at fair value.

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to the statement of comprehensive income over the term of the lease.

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Depreciation and impairment

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated on a straight line basis over its individual useful economic life. The estimated individual useful economic life of the components are as follows:

Component	Useful Economic Life (years)
Structure – new build	100
Structure – rehabilitated	up to 50
Kitchens	20
Bathrooms	30
Roofs	60
Boilers	15
Full heating system	30
Windows and doors	25

Depreciation on non-housing property stock is charged on a straight-line basis over the expected useful economic lives of the assets at the following rates:

Asset	Useful Economic Life (years)
Freehold and long leasehold offices	15 to residual value
Office fixtures and fittings	10
Care and support scheme fixtures and fittings	3 – 25
IT equipment	3 – 5
Leasehold improvements	over the term of the lease

Assets in the course of construction are held at cost and are not depreciated until reclassified as housing properties completed.

Improvement to property

Expenditure incurred on general repairs to housing properties is charged to the statement of comprehensive income in the year in which it is incurred.

Expenditure on refurbishment or replacement of identified housing property components is capitalised.Non-component works to existing housing properties are capitalised where they relate to an improvement, which is defined as an increase in the net rental stream or the life of a property.

Impairment of non-financial assets

We do not perform an annual impairment review, we perform an impairment review as and when it is deemed required based on underlying triggers.

The carrying amount of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of consolidated income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

First tranche shared ownership sales

Shared ownership properties are split proportionally between current and fixed assets based on the first tranche proportion. First tranche proportions are accounted for as current assets and the related sales proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset so that any subsequent sale is treated as a part disposal of a fixed asset.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of the identifiable net assets acquired over the fair value of the consideration paid.

Goodwill is carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated on the straight line basis over estimated useful life, which is estimated at five years. The amortisation period and method is reviewed when events and circumstances indicate that the useful life may have changed since the last reporting date.

HomeBuy

The Group operates this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentage of the proceeds is repaid. The loans are financed by an equal amount of Social Housing Grant (SHG). On redemption:

- the SHG is recycled
- the SHG is written off if a loss occurs or
- the Group keeps any surplus.

Homebuy loans are treated as concessionary loans and are initially recognised as fixed asset investments in the statement of financial position at the amount paid to the purchaser and reviewed annually for impairment. The associated Homebuy grant from the HCA is recognised as deferred income within creditors until the loan is redeemed.

Properties for sale

Completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads.

Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Arrears

Debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and is recognised in Turnover over the estimated useful life of the associated asset, under the accruals model. Social Housing Grant (SHG) received for items of cost written off in the statement of comprehensive income is included as part of Turnover.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grant

On disposal of assets for which non-monetary government grants are held as deferred income in the statement of financial position, the unamortised amount in creditors is derecognised and recognised as income in the statement of comprehensive income.

Recycling of Capital Grant

Where SHG is recycled, as described above, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

Disposal Proceeds Fund (DPF)

Net disposal proceeds including grant released on sale of a property under the right to acquire scheme and Voluntary Purchase Grant net disposal proceeds are credited to the DPF until reinvested in appropriate new social housing. Under transitional arrangements in the Housing and Planning Act 2016 the DPF will continue to operate until the fund is exhausted; or until Riverside notifies the regulator it is unable to use or allocate funds in the DPF; or until 6 April 2020 whichever is earlier.

Non government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is shown as deferred income until the conditions are met and then it is recognised as Turnover.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Capitalisation of costs

Costs relating to development of properties and IT systems are capitalised only to the extent that they are directly attributable to the development process and in bringing the properties or system to their intended use. Capitalised costs are written off over the useful economic life of the asset.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the normal value of the shares issued together with the fair value of any additional consideration.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to fair value at each statement of financial position date. Gains and losses on re-measurement are recognised in the statement of consolidated income for the period.

Investments in listed company shares, which have been classified as current asset investments, are re-measured to fair value at each statement of financial position date. Gain and losses on re-measurement are recognised in the statement of consolidated income for the period.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

Value Added Tax

The Riverside Group is partially exempt in relation to Value Added Tax (VAT), and accordingly is able to recover from HM Revenue & Customs part of the VAT incurred on expenditure. At the year end VAT recoverable or payable is included in the statement of financial position. Irrecoverable VAT is accounted for in the statement of comprehensive income.

Taxation

The charge for taxation is based on the surplus or deficit for the year. It takes into account deferred taxation arising from timing differences between the treatment of certain items for taxation and accounting purposes to the extent that a liability or asset is expected to be payable or receivable in the foreseeable future.

Loan issue costs and interest payable

The cost of raising loans is amortised over the period of the loan.

Loans are stated in the statement of financial position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year any redemption penalty and any connected loan finance issue costs are recognised in the statement of comprehensive income in the year in which the redemption took place.

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured without any deduction
for transaction costs the entity may incur on sale or other disposal as follows:

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method unless a quoted price is available, in which case they are held at fair value.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- The best evidence of fair value is a quoted price in an active market.
- When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arms length exchange motivated by normal business considerations.

Hedging

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

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

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

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

Service concession arrangements

The Group's Private Finance Initiatives (PFI) contracts with Sandwell Metropolitan Borough Council and Hull City Council meet the conditions of a service concession arrangement.

For service concession arrangements entered into after the date of transition to FRS 102 the service concession arrangements will be accounted for using the financial asset model whereby costs incurred in constructing the PFI assets are initially recognised as a financial asset at the fair value of the construction costs. Thereafter accounting is in accordance with FRS 102 section 11 "Basic Financial Instruments".

Service concession arrangements entered into before the date of transition to FRS 102 continue to be accounted for using the same accounting policies being applied at the date of transition to FRS 102.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the consolidated statement of comprehensive income immediately.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

2 Turnover, operating costs and operating surplus

	Group 2020			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/(deficit) £'000
Social housing activities				
Lettings (note 3)	303,531	—	(265,194)	38,337
Other social housing activities				
Development for sale shared ownership	9,322	(8,914)	—	408
Management services	668	—	(177)	491
Community regeneration	—	—	(296)	(296)
Other	16,551	—	(2,329)	14,222
	330,072	**(8,914)**	**(267,996)**	**53,162**
Non-social housing activities				
Lettings (note 3)	2,759	—	(1,440)	1,319
Developments for outright sale	22,823	(22,528)	—	295
Other	—	—	—	—
	25,582	(22,528)	(1,440)	1,614
Total	**355,654**	**(31,442)**	**(269,436)**	**54,776**

	2019			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/(deficit) £'000
Social housing activities				
Lettings (note 3)	291,685	—	(236,851)	54,834
Other social housing activities				
Development for sale shared ownership	13,307	(12,028)	—	1,279
Management services	1,034	—	(1,895)	(861)
Community regeneration	—	—	(962)	(962)
Other	16,400	—	(7,628)	8,772
	322,426	**(12,028)**	**(247,336)**	**63,062**
Non-social housing activities				
Lettings (note 3)	3,070	—	(948)	2,122
Developments for outright sale	38,759	(36,387)	—	2,372
Other	—	—	(12)	(12)
	41,829	(36,387)	(960)	4,482
Total	**364,255**	**(48,415)**	**(248,296)**	**67,544**

2 Turnover, operating costs and operating surplus – continued

	Association 2020			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/(deficit) £'000
Social housing activities				
Lettings (note 3)	276,228	—	(249,303)	26,925
Other social housing activities				
Development for sale shared ownership	9,322	(8,611)	—	711
Management services	668	—	(174)	494
Community regeneration	—	—	(283)	(283)
Other	14,219	—	518	14,737
	300,437	**(8,611)**	**(249,242)**	**42,584**
Non-social housing activities				
Lettings (note 3)	2,753	—	(1,275)	1,478
Development for outright sale	—	—	—	—
Other	—	—	—	—
	2,753	—	(1,275)	1,478
Total	**303,190**	**(8,611)**	**(250,517)**	**44,062**

	2019			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus/(deficit) £'000
Social housing activities				
Lettings (note 3)	271,301	—	(224,376)	46,925
Other social housing activities				
Development for sale shared ownership	13,307	(12,028)	—	1,279
Management services	1,034	—	(1,895)	(861)
Community regeneration	—	—	(954)	(954)
Other	13,940	—	(5,295)	8,645
	299,582	**(12,028)**	**(232,520)**	**55,034**
Non-social housing activities				
Lettings (note 3)	2,800	—	(800)	2,000
Development for outright sale	—	—	—	—
Other	—	—	(174)	(174)
	2,800	—	(974)	(1,826)
Total	**302,382**	**(12,028)**	**(233,494)**	**56,860**

3 Income and expenditure from social housing lettings

	Group					
	General housing £'000	**Supported housing £'000**	**Shared ownership £'000**	**Key worker housing £'000**	**2020 Total £'000**	**2019 Total £'000**
Income from lettings						
Rent receivable net of service charge income	177,040	42,225	6,171	149	225,585	217,302
Income for support services	1,135	25,522	—	—	26,657	24,390
Service charge receivable	5,536	33,351	—	191	39,078	38,745
Net rental income	**183,711**	**101,098**	**6,171**	**340**	**291,320**	**280,437**
Other revenue grants	116	14	—	—	130	177
Amortisation of government grants	7,459	4,264	358	—	12,081	11,071
Government grants taken to income	—	—	—	—	—	—
Turnover from lettings	**191,286**	**105,376**	**6,529**	**340**	**303,531**	**291,685**
Expenditure on lettings						
Management	(23,424)	(9,136)	—	191	(32,369)	(59,393)
Service charge costs and support services	(30,036)	(81,172)	(307)	(145)	(111,660)	(77,713)
Routine maintenance	(18,382)	(10,670)	444	(4)	(28,612)	(36,642)
Planned maintenance	(27,990)	(4,993)	(15)	(57)	(33,055)	(14,962)
Major repairs expenditure	(15,202)	(1,024)	(12)	(89)	(16,327)	(7,521)
Bad debts	(1,303)	(746)	(31)	—	(2,080)	(2,710)
Depreciation of housing properties	(31,188)	(7,759)	(1,044)	4	(39,987)	(37,888)
Impairment of housing properties	(1,010)	(94)	—	—	(1,104)	(22)
Operating costs on lettings	**(148,535)**	**(115,594)**	**(965)**	**(100)**	**(265,194)**	**(236,851)**
Operating surplus on social housing lettings	**42,751**	**(10,218)**	**5,564**	**240**	**38,337**	**54,834**
Void loss	(1,583)	(3,708)	(9)	(1)	(5,301)	**(6,313)**

	2020 £'000	**2019 £'000**
Particulars of turnover from non-social housing lettings		
Market rent	2,759	3,070
	2,759	**3,070**

The overhead apportionment basis applied to Expenditure on Lettings at 31 March 2020 takes into consideration the Group's operating segments and is therefore not consistent with comparative data. The operating segment apportionment basis will be applied consistently from this period.

Income and expenditure from social housing lettings – continued

	Association					
	General housing £'000	Supported housing £'000	Shared ownership £'000	Key worker housing £'000	2020 Total £'000	2019 Total £'000
Turnover from lettings						
Rent receivable net of						
Service charge income	155,918	40,444	6,171	149	202,682	199,257
Income for support services	733	25,489	—	—	26,222	24,389
Service charges receivable	4,637	32,196	—	191	37,024	37,357
Net rental income	**161,288**	**98,129**	**6,171**	**340**	**265,928**	**261,003**
Other revenue grants	—	—	—	—	—	9
Amortisation of government grants	6,368	3,574	358	—	10,300	10,289
Government grants taken to income	—	—	—	—	—	—
Turnover from lettings	**167,656**	**101,703**	**6,529**	**340**	**276,228**	**271,301**
Expenditure on lettings						
Management	(19,279)	(8,274)	—	184	(27,369)	(54,408)
Service charge cost and						
support services	(28,124)	(77,999)	(302)	(140)	(106,565)	(76,255)
Routine maintenance	(38,505)	(10,072)	322	(4)	(48,259)	(35,919)
Planned maintenance	(14,784)	(4,553)	(15)	(55)	(19,407)	(13,748)
Major repairs expenditure	(8,453)	(1,019)	(11)	(86)	(9,569)	(6,907)
Bad debts	(1,226)	(727)	(31)	—	(1,984)	(2,630)
Depreciation of housing properties	(26,639)	(7,517)	(1,044)	4	(35,196)	(34,566)
Impairment of housing properties	(919)	(35)	—	—	(954)	57
Operating costs on lettings	**(137,929)**	**(110,196)**	**(1,081)**	**(97)**	**(249,303)**	**(224,376)**
Operating surplus on social housing lettings	**29,727**	**(8,493)**	**5,448**	**243**	**26,925**	**46,925**
Void loss	(1,564)	(3,708)	(9)	(1)	(5,282)	(6,134)

	2020 £'000	2019 £'000
Particulars of turnover from non-social housing lettings		
Market rent	2,753	2,800
	2,753	**2,800**

The overhead apportionment basis applied to Expenditure on Lettings at 31 March 2020 takes into consideration the Group's operating segments and is therefore not consistent with comparative data. The operating segment apportionment basis will be applied consistently from this period.

4 Directors' and senior staff emoluments

The Directors are defined for the purpose of this note as the members of the Board and Executive Directors of The Riverside Group Limited. Directors appointed after the end of the financial year are not included in the disclosure. This satisfies the definition included in the Accounting Direction for Private Registered Providers of Social Housing 2015.

The Executive Directors do not receive any chargeable benefits in kind other than company cars. The emoluments of the Directors are set out below. There are six Executive Directors included within the total below.

	Group	
	2020 £'000	**2019 £'000**
Emoluments (including pension contributions and benefits in kind)	1,219	1,423
Highest paid Director – Group Chief Executive Emoluments (excluding pension contributions)	228	229
Expenses reimbursed to Directors not chargeable to income tax	11	9

Total Director emoluments include members of the Board and Executive Directors of the Riverside Group Limited and Executive Directors of subsidiary Boards.

Two of the Directors received cash in lieu of pension payments of £44k. The Group Board approved a policy for such settlement at a rate which does not involve the Group incurring any greater cost than that of the individual's pension membership.

The emoluments (excluding pension contributions) paid to Executive and Non-Executive Directors were as follows:

Executive Directors	**2020 £'000**	**2019 £'000**
Carol Matthews	228	229
Cris McGuinness	198	196
Patrick New[2]	170	23
Ian Gregg	145	144
Joanne Lucy[1,3]	143	—
John Glenton	126	125
Darren Levy[1,2]	—	192
Tom Rennie[1,2]	—	118
John Wood[2]	—	99
Léann Hearne[2]	—	8

The emolument above exclude the following pension payments:
Five of the Directors received pensions payments of £53k (2019: £59k) and two received cash in lieu of pension payments of £44k (2019: £44k). The Group Board approved a policy for payment in lieu of pension payments at a rate which does not involve the Group incurring any greater cost than that of the individual's pension membership.

Due to a change in 'The Accounting Direction for private registered providers of social housing 2019', emoluments reported in 2019/20 include total gross pay in comparison to only salary reported in 2018/19.

Key to numbering
1 Interim appointment. Emoluments are inclusive of agency fees and VAT.
2 The emoluments relate to part of the year.
3 Interim appointment to December 2019, permanent from 1 January 2020.

Non-Executive Directors	2020 £'000	2019 £'000
Max Steinberg CBE	29	27
Pauline Davis	19	19
Tim Croston	14	14
Ingrid Fife	14	14
Peter White	15	13
Jonathan Dale	10	10
Michelle Dovey[1]	9	2
Sandy Murray	2	—
Susan Jee[1]	—	17

Key to numbering
1 The emoluments relate to part of the year.

The number of staff whose remuneration is £60,000 or more (including pension contributions) is disclosed below:

		2020	2019
	£60,001 — £70,000	48	28
	£70,001 — £80,000	32	11
	£80,001 — £90,000	10	8
	£90,001 — £100,000	11	6
	£100,001 — £110,000	10	3
	£110,001 — £120,000	5	3
	£120,001 — £130,000	2	2
++	£130,001 — £140,000	2	—
	£140,001 — £150,000	—	1
	£150,001 — £160,000	1	—
		121	**62**

The salary bandings do not include Directors who are disclosed above.

5 Employee information

Staff numbers

The average number of persons (including the Executive Directors) employed during the year (based on 35-37.5 hours) was:

	Group	
	2020 Number	**2019 Number**
Full time equivalent	2,868	2,765

	2020 £'000	**2019 £'000**
Staff costs (for the above persons)		
Wages and salaries	90,153	82,258
Social security costs	8,213	7,628
Other pension costs	5,489	4,620
	103,855	**94,506**

Staff costs and numbers referred to above all relate to staff employed by The Riverside Group, but exclude staff costs and numbers employed by the managing agents at supported housing schemes.

The total amount of severance and redundancy payments made during the year was £1.75m (2019: £3.9m).

	Association	
	2020 Number	2019 Number
Full time equivalent	2,123	2,122

	2020 £'000	**2019 £'000**
Staff costs (for the above persons)		
Wages and salaries	67,443	61,244
Social security costs	6,074	5,698
Other pension costs	4,409	3,828
	77,926	**70,770**

The total amount of severance and redundancy payments made during the year was £1.75m (2019:£3.9m)

6 Gain on the sale of fixed assets

	Group 2020 £'000	Group 2019 £'000
Proceeds of sales	10,610	20,562
Cost of sales	(5,793)	(8,628)
Surplus on sale of property	**4,817**	**11,934**

	Association 2020 £'000	Association 2019 £'000
Proceeds of sales	9,879	20,191
Cost of sales	(5,415)	(8,429)
Surplus on sale of property	**4,464**	**11,762**

Surplus on sale of property includes shared ownership staircasing sales surplus of £817k (2019: £948k).

7 Interest receivable and other income

	Group 2020 £'000	Group 2019 £'000
Bank and other interest receivable	5,878	6,370
Income from listed investments	1,886	692
	7,764	**7,062**

	Association 2020 £'000	Association 2019 £'000
Bank and other interest receivable	2,673	2,935
Income from listed investments	1,886	692
Intercompany interest from subsidiaries	1,445	1,453
	6,004	**5,080**

8 Interest payable and similar charges

	Group	
	2020 £'000	2019 £'000
Bank loans and overdrafts	16,694	25,409
Other loans	21,145	18,501
Other interest payable	1,119	1,054
Pension costs	1,017	892
Finance costs	1,372	1,724
	41,347	**47,580**

	Association	
	2020 £'000	2019 £'000
Bank loans and overdrafts	14,584	23,341
Other loans	18,150	15,817
Other interest payable	838	746
Pension costs	877	892
Finance costs	1,345	1,688
	35,794	**42,484**

9 Surplus on ordinary activities

	Group 2020 £'000	Group 2019 £'000
Surplus on ordinary activities is stated after charging:		
Depreciation for the year		
Housing properties	38,406	37,254
Other tangible fixed assets	4,735	7,496
Amortisation of government grant	(10,466)	(11,071)
Impairment charge/(credit) for the year		
Housing properties	1,174	51
Investment properties and properties awaiting sale		—
Released on disposal	(370)	(29)
Auditors' remuneration		
For audit services	178	190
For non-audit services		
— tax advisory	—	—
— pension advisory	—	—
— other	8	26
Operating lease rentals		
Land and buildings	2,515	1,236
Other	761	587

	Association 2020 £'000	Association 2019 £'000
Surplus on ordinary activities is stated after charging:		
Depreciation for the year		
Housing properties	33,969	34,017
Other tangible fixed assets	4,346	7,252
Amortisation of government grant	(10,256)	(10,289)
Impairment charge/(credit) for the year		
Housing properties	1,024	(28)
Released on disposal	(370)	(29)
Auditors' remuneration		
For audit services	116	114
For non-audit services		
— tax advisory	—	—
— pension advisory	—	—
— other	8	26
Operating lease rentals		
Land and buildings	2,205	1,040
Other	730	552

10 Tax on surplus on ordinary activities

	Group 2020 £'000	2019 £'000
Analysis of charge in period		
Current tax charge	—	—
Deferred tax charge/(credit)	(4)	278
Total tax charge/(credit)	**(4)**	**278**

Factors affecting tax charge for period
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19 %. The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	28,850	26,956
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19 % (2019: 19 %)	5,482	5,122
Effects of:		
Expenses not deductible for tax purposes	—	4
Profits exempt from tax due to charitable exemption	(5,285)	(6,979)
Acquisition of subsidiary	—	2,274
Prior year deferred tax	—	(2)
Effect on profit from Joint Ventures	(133)	(108)
Rate change	(68)	(33)
Total charge	**(4)**	**278**

Deferred taxation
The movement in the year is as follows:

	2020 £'000	2019 £'000
At the beginning of the year	(577)	(855)
Charge for the year	(4)	280
Prior year	(1)	(2)
At the end of the year	(582)	**(577)**

The elements of the deferred tax asset and amounts not provided are as follows:	Provided £'000	Unprovided £,000
Difference between accumulated depreciation and capital allowances	—	5
Losses	—	(517)
Other timing differences	—	(70)
	—	**(582)**

10 Tax on surplus on ordinary activities – continued

Factors affecting tax charge for period
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19 %. The differences are explained below:

	Association	
	2020 **£'000**	**2019** **£'000**
Profit on ordinary activities before tax	18,999	56,797
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19 % (2019: 19 %)	3,610	10,791
Effects of:		
Profits exempt from tax as a result of charitable exemption	(3,610)	(10,791)
Current tax	–	–

11 Tangible fixed assets

	Group				
	Social housing properties held for letting £'000	Social housing properties under construction £'000	Completed shared ownership properties £'000	Shared ownership properties under construction £'000	Total properties £'000
Cost					
At 1 April 2019	2,268,530	35,583	114,674	14,511	2,433,298
Schemes completed	45,034	(45,034)	13,808	(13,808)	—
Additions	105,123	60,163	61	16,795	182,142
Improvements to existing properties	35,776	—	—	—	35,776
Disposal of properties	(9,494)	—	(3,021)	—	(12,515)
Accelerated replacement of components	(4,505)	—	—	—	(4,505)
Reclassification	—	(64)	36	(32)	(60)
Arising on group reconstruction	—	—	—	—	—
At 31 March 2020	**2,440,464**	**50,648**	**125,558**	**17,466**	**2,634,136**
Depreciation and impairment					
At 1 April 2019	452,399	—	5,094	295	457,788
Charge for the year	37,318	—	1,088	—	38,406
Eliminated in respect of disposals	(8,482)	—	(204)	—	(8,686)
Impairment charge	1,174	—	—	—	1,174
Impairment released on disposals	(370)	—	—	—	(370)
Arising on group reconstruction	—	—	—	—	—
At 31 March 2020	**482,039**	**—**	**5,978**	**295**	**488,312**
Net book value at 31 March 2020	**1,958,425**	**50,648**	**119,580**	**17,171**	**2,145,824**
Net book value at 31 March 2019	1,816,131	35,583	109,580	14,216	1,975,510

Improvements to existing properties consist of £36m (2019: £33m) capitalised costs in addition to £7.1m (2019: £7.5m) non-capitalised improvements, which have been charged to the income and expenditure account.

The net book value of tangible fixed assets includes £Nil (2019: £Nil) in respect of assets held under finance leases.

11 **Tangible fixed assets** – continued

	Group			
	Scheme fixtures and fittings £'000	Freehold and long leasehold offices £'000	Fixtures vehicles and computer equipment £'000	Total other fixed assets £'000
Cost				
At 1 April 2019	18,697	9,715	10,723	39,135
Additions	7,319	(1)	1,189	8,507
Disposals	(2,264)	(82)	(1,665)	(4,011)
Reclassification	(42)	—	42	—
Arising on group reconstruction	—	—	—	—
At 31 March 2020	**23,710**	**9,632**	**10,289**	**43,631**
Depreciation and impairment				
At 1 April 2019	7,726	4,561	5,313	17,600
Charge for the year	2,398	237	2,100	4,735
Eliminated in respect of disposals	(2,161)	(82)	(1,552)	(3,795)
Reclassification	(25)	—	25	—
Arising on group reconstruction	—	—	—	—
At 31 March 2020	**7,938**	**4,716**	**5,886**	**18,540**
Net book value at 31 March 2020	**15,772**	**4,916**	**4,403**	**25,091**
Net book value at 31 March 2019	10,971	5,154	5,410	21,535

Intangible fixed assets – Group and Association	Completed £000	Work in Progress £000	Totals £'000
Cost			
At 1 April 2019	6,657	5,175	11,832
Additions	—	6,756	6,756
Disposals	—	—	—
Reclassification	6,552	(6,552)	—
Completed in year	—	—	—
At 31 March 2020	**13,209**	**5,379**	**18,588**
Amortisation			
At 1 April 2019	1,962	—	1,962
Charge for the year	2,001	—	2,001
Eliminated in respect of disposals	—	—	—
Reclassification	—	—	—
At 31 March 2020	**3,963**	**—**	**3,963**
Net book value at 31 March 2020	**9,246**	**5,379**	**14,625**
Net book value at 31 March 2019	4,695	5,175	9,870

As part of the Transformation Programme there is significant investment in our IT infrastructure. These internally generated enhancements are being recognised as Intangible Assets.

11 Tangible fixed assets – continued

	Association				
	Social housing properties held for letting £'000	Social housing properties under construction £'000	Completed shared ownership properties £'000	Shared ownership properties under construction £'000	Total properties £'000
Cost					
At 1 April 2019	2,009,901	26,339	113,617	11,056	2,160,913
Schemes completed	29,175	(29,175)	13,808	(13,808)	—
Additions	101,222	51,849	61	16,795	169,927
Improvements to existing properties	33,974	—	—	—	33,974
Disposal of properties	(6,462)	—	(2,986)	—	(9,448)
Accelerated replacement of components	(3,826)	—	—	—	(3,826)
Reclassification	—	(64)	36	(32)	(60)
Arising on Group reconstruction	162,227	534	4,478	—	167,239
At 31 March 2020	**2,326,211**	**49,483**	**129,014**	**14,011**	**2,518,719**
Depreciation and impairment					
At 1 April 2019	407,863	—	4,034	—	411,897
Charge for the year	32,881	—	1,088	—	33,969
Eliminated in respect of disposals	(3,543)	—	(204)	—	(3,747)
Impairment charge	1,024	—	—	—	1,024
Impairment released on disposals	(370)	—	—	—	(370)
Arising on group reconstruction	29,138	—	—	—	29,138
At 31 March 2020	**466,993**	**—**	**4,918**	**—**	**471,911**
Net book value at 31 March 2020	**1,859,218**	**49,483**	**124,096**	**14,011**	**2,046,808**
Net book value at 31 March 2019	1,602,038	26,339	109,583	11,056	1,749,016

Improvements to existing properties consist of £34m (2019: £31m) capitalised costs in addition to £6.5m (2019: £6.9m) non-capitalised improvements, which have been charged to the income and expenditure account.

The net book value of tangible fixed assets includes £Nil (2019: £Nil) in respect of assets held under finance leases.

11 Tangible fixed assets – continued

			Association	
	Scheme fixtures and fittings £'000	Freehold and long leasehold offices £'000	Fixtures vehicles and computer equipment £'000	Total other fixed assets £'000
Cost				
At 1 April 2019	17,253	7,941	9,861	35,055
Additions	6,663	—	1,060	7,723
Disposals	(2,264)	(2)	(1,582)	(3,848)
Reclassification	(42)	—	42	—
Arising on group reconstruction	—	1,290	2,093	3,383
At 31 March 2020	**21,610**	**9,229**	**11,474**	**42,313**
Depreciation and impairment				
At 1 April 2019	6,754	3,694	4,820	15,268
Charge for the year	2,361	204	1,781	4,346
Eliminated in respect of disposals	(2,161)	(2)	(1,463)	(3,626)
Reclassification	(25)	—	25	—
Arising on group reconstruction	—	458	1,528	1,986
At 31 March 2020	**6,929**	**4,354**	**6,691**	**17,974**
Net book value at 31 March 2020	**14,681**	**4,875**	**4,783**	**24,339**
Net book value at 31 March 2019	10,499	4,247	5,041	19,787

Intangible fixed assets – Group and Association	Completed £000	Work in Progress £000	Totals £'000
Cost			
At 1 April 2019	6,657	5,175	11,832
Additions	—	6,756	6,756
Disposals	—	—	—
Reclassification	6,552	(6,552)	—
Completed in year	—	—	—
At 31 March 2020	**13,209**	**5,379**	**18,588**
Amortisation			
At 1 April 2019	1,962	—	1,962
Charge for the year	2,001	—	2,001
Eliminated in respect of disposals	—	—	—
Reclassification	—	—	—
At 31 March 2020	**3,963**	**—**	**3,963**
Net book value at 31 March 2020	**9,246**	**5,379**	**14,625**
Net book value at 31 March 2019	4,695	5,175	9,870

As part of the Transformation Programme there is significant investment in our IT infrastructure. These internally generated enhancements are being recognised as Intangible Assets.

11 Tangible fixed assets – continued

Housing properties and offices include freehold and long leasehold land and buildings as analysed below:

	Group	
	2020 £'000	2019 £'000
Housing Properties		
Freehold	2,149,248	1,810,739
Long leasehold	19	127
	2,149,267	**1,810,866**
Offices		
Freehold	3,925	4,285
Long leasehold	195	322
	4,120	**4,607**

	Association	
	2020 £'000	2019 £'000
Housing Properties		
Freehold	2,051,972	1,729,186
Long leasehold	10	127
	2,051,982	**1,729,313**
Offices		
Freehold	3,925	4,021
Long leasehold	154	226
	4,079	**4,247**

12 Investments

A. Fixed assets

Name of undertaking	Nature of undertaking	Principal activity
Caribou Green Warmth LLP[1]	Joint Venture partnership incorporated under the Limited Liability Partnership Act 2000	Energy improvement works
Circle Liverpool Limited[2]	Joint Venture company incorporated and limited by shares under the Companies Act 1985	Construction waste recycling
The Compendium Group Limited[3]	Joint Venture company incorporated and limited by shares under the Companies Act 1985	Strategic urban regeneration and development
Donald Bates Charity[4]	Charitable Trust	Management of sheltered housing
ECHG (Harrow) Homes plc[4]	Public Limited Company limited by shares under the Companies Act 1985	Property investment
ECHG (Kensington & Chelsea) Homes plc[4]	Public Limited Company	Property investment
ECHG (No. 1) Limited[4]	A charitable Registered Society under the Co-operative and Community Benefit Societies Act 2014	Property investment
Riverside Urban Services Limited[4]	Company incorporated and limited by guarantee under the Companies Act 1948-1981	Leasing of office premises
Eleanor Godfrey Crittall Charity	Charitable Trust	Management of sheltered housing
Eventide Homes Trust	Charitable Trust	Management of supported housing
Evolve Facility Services Limited	Private company limited by shares under the Companies Act 2006	Property maintenance
Impact Housing Association Limited[6]	Registered Society under the Co-operative and Community Benefits Societies 2014	Registered provider of social housing
Irvine Housing Association Limited	Registered Society and Scottish Registered Charity under the Co-operative and Community Benefits Societies 2014	Registered provider of social housing
Naylands (51-68) Limited[5]	Private company limited by shares under the Companies Act 1985	Property management
Prospect (GB) Limited	Company incorporated and limited by shares under the Companies Act 1985	Property development and investment
Riverside Consultancy Services Limited	Company incorporated and limited by shares under the Companies Act 1985	Design and build services
Riverside Finance plc	Public Limited Company incorporated under the Companies Act 2006	Bond issuance
Riverside Estuary Limited	Private charitable company limited by shares under the Companies Act 1985	Construction and management of Extra Care units
Riverside Regeneration Limited	Company incorporated and limited by shares under the Companies Act 1985	Investment in Stanton Cross LLP
Riverside Regeneration (Lambeth) Limited	Company incorporated and limited by shares under the Companies Act 1985	Urban regeneration initiatives
The St. Michael's Housing Trust	Registered charity and registered provider	Management of supported housing

Key to numbering

1 0% Disinvestment in Joint Venture in the year.
2 0% Disinvestment in Joint Venture in the year.
3 Entity is 50% owned by The Riverside Group Limited.
4 Entity is dormant.
5 Entity is 77% owned by The Riverside Group Limited.
6 Impact now forms part if the Association following the Transfer of Engagement on 31 March 2020.

All other undertakings are 100% owned by The Riverside Group Limited.

12 Investments – continued

	Group	
	2020 £'000	2019 £'000
Fixed assets		
Charifund	—	14,512
Other	2,314	2,626
Investment in joint ventures (see (i) below)	43,819	1,674
Investment properties (see (ii) below)	1,186	1,190
Homebuy equity loans	1,061	1,830
	48,380	**21,832**
Current assets		
Charged bank accounts	41,515	36,848
	41,515	**36,848**
Total investments	**89,895**	**58,680**

(i) Group share of net assets and liabilities of joint ventures		
Compendium Group Limited	2,325	1,674
Stanton Cross Developments LLP	41,194	—
Regeneration Lambeth Limited	300	—
	43,819	**1,674**

Investment in Compendium Group Limited is £1.29m and the Group share of profit was £1.04m.
During the year Riverside Regeneration Limited invested £39.09m in Stanton Cross Development LLP for the development of homes on the Stanton Cross site. The Group share of profits from this joint venture was £1.74m.
Riverside Regeneration Lambeth Limited invested £0.3m in Lambeth Regeneration LLP for the development of homes on the Bellway site.

	Association	
	2020 £'000	2019 £'000
Fixed assets		
Charifund	—	14,512
Other	2,084	2,398
Investment in subsidiaries	74,943	72,203
Investment in joint ventures	1,285	1,441
Investment properties (see (ii) below)	1,186	1,190
Homebuy equity loans	220	329
	79,718	**92,073**
Current assets		
Charged bank accounts	38,344	33,912
	38,344	**33,912**
Total investments	**118,062**	**125,987**

12 Investments – continued

	Group and Association	
	2020	2019
	£'000	£'000
(ii) Investment properties		
Valuation at 1 April 2019	1,190	1,236
Revaluation	(4)	(46)
Valuation at 31 March 2020	**1,186**	**1,190**

13 Debtors

	Group	
	2020	2019
	£'000	£'000
Amounts falling due after more than one year:	**7,920**	**10,587**
Amounts falling due within one year:		
Rent and service charge arrears	22,297	20,922
Less: provision for bad and doubtful debts	(10,604)	(9,209)
Net rental debtors	**11,693**	**11,713**
Other debtors	120,748	112,941
Prepayments and accrued income	11,849	9,307
Deferred tax	—	—
Amount due from joint venture	5,658	6,574
Total amounts falling due within one year	**149,948**	**140,535**

Included in debtors due after more than one year is £4.5m (2019: £6.6m) representing the obligation of the local authorities that transferred stock to the Group to have improvement work carried out to the properties. The Group is contracted by the local authorities to carry out these improvement works on their behalf. A further £3.4m (2019: £Nil) is held in respect of the ongoing Fire Risk Assessment programme.

	Association	
	2020	2019
	£'000	£'000
Amounts falling due after more than one year:		
Improvement programmes	7,920	10,587
Intra group debtors	23,890	68,659
	31,810	**79,246**
Amounts falling due within one year:		
Rent and service charge arrears	20,799	19,094
Less: provision for bad and doubtful debts	(10,208)	(8,559)
Net rental debtors	**10,591**	**10,535**
Other debtors	50,739	40,286
Prepayments and accrued income	11,510	8,646
Total amounts falling due within one year	**72,840**	**59,467**

14 Properties for sale

	Group 2020 £'000	Group 2019 £'000
Properties under construction – outright sales	21,352	22,642
Properties under construction – shared ownership	6,466	9,932
Completed properties – outright sales	3,675	3,806
Completed properties – shared ownership	11,002	11,040
	42,495	**47,420**

	Association 2020 £'000	Association 2019 £'000
Properties under construction – shared ownership	6,466	5,076
Completed properties – shared ownership	11,002	11,040
	17,468	**16,116**

15 Creditors: amounts falling due within one year

	Group	
	2020	2019
	£'000	£'000
Bank and other loans (see note 17)	19,850	19,200
Trade creditors	10,833	11,146
Rent and service charges received in advance	7,788	7,239
Social Housing Grant received in advance	15,819	14,140
Other creditors	32,839	27,051
Recycled Capital Grant Fund (see note 16a)	12,369	2,970
Disposal Proceeds Fund (see note 16a)	—	1,282
Accruals and deferred income	67,729	57,017
Corporation tax	—	—
Grant on Homebuy equity loans	1,061	1,171
Amortisation of grant	10,466	10,499
	178,754	**151,715**

	Association	
	2020	2019
	£'000	£'000
Bank and other loans (see note 17)	17,406	16,358
Trade creditors	7,465	7,687
Rent and service charges received in advance	7,351	6,401
Social Housing Grant received in advance	15,720	13,667
Other creditors	31,835	26,711
Recycled Capital Grant Fund (see note 16a)	12,369	2,970
Disposals Proceeds Fund (see note 16a)	—	1,282
Accruals and deferred income	55,278	41,438
Intra group creditors	14,625	14,135
Grant on Homebuy equity loans	219	329
Amortisation of grant	10,256	10,289
	172,524	**141,267**

Social Housing Grant received in advance will be utilised against the related capital expenditure during the next twelve months. Deferred government grant received from Homes England is initially stated at fair value as a long term liability and is amortised as income over the life of the structure of properties.

16 Creditors: amounts falling due after more than one year

	Group	
	2020 £'000	2019 £'000
Long term loans (see note 17)	976,960	842,616
Recycled Capital Grant Fund (see note 16a)	3,754	22,237
Deferred Capital Grant (note 16b)	971,872	957,207
Accumulated amortisation of grant (note 16b)	(211,708)	(201,694)
Amortisation of grant due in one year	(10,466)	(10,499)
Fair value of derivatives	17,646	16,574
Other	1,463	1,300
	1,749,521	**1,627,741**

	Association	
	2020 £'000	2019 £'000
Long term loans (see note 17)	884,550	721,855
Recycled Capital Grant Fund (see note 16a)	3,754	22,237
Deferred Capital Grant (note 16b)	939,348	849,333
Accumulated amortisation of grant (note 16b)	(208,381)	(198,577)
Amortisation of grant due in one year	(10,256)	(10,289)
Fair value of derivatives	17,646	16,574
Other	1,523	25
	1,628,184	**1,401,158**

Long term loans are secured by fixed charges on properties.

16a Creditors: analysis of disposal proceeds fund and recycled capital grant fund

	Group and Association 2020 £'000	2019 £'000
Disposal Proceeds Fund		
Opening balance	1,282	2,332
Inputs to DPF:		
Transferred from Impact Housing Association	—	353
Interest accrued	—	10
Recycling of grant:		
Newbuild	(1,282)	(1,413)
Closing balance	**—**	**1,282**

No amounts are due for repayment to Homes England.

	2020 £'000	2019 £'000
Recycled Capital Grant Fund		
Opening balance	25,207	23,382
Inputs to RCGF:		
Grants recycled	971	3,124
Interest accrued	22	182
Recycling of grant:		
Newbuild	(10,077)	(1,481)
Closing balance	**16,123**	**25,207**

No amounts are due for repayment to Homes England.

16b Deferred Capital Grant

	Group	
	2020 £'000	2019 £'000
Deferred capital grant		
At start of the year[1]	957,207	961,524
Grant received in the year	16,481	1,709
Disposals	(1,816)	(6,026)
As at 31 March 2020	**971,872**	**957,207**
Amortisation at start of the year	(201,694)	(186,940)
Released to income	(10,466)	(10,499)
Released to disposals	452	(4,255)
As at 31 March 2020	**(211,708)**	**(201,694)**

Amounts due to be released within one year £10,466k.
Amounts due to be released after more than one year £961,406k.

[1]The 2019 opening balance includes the acquisition of Impact.

	Association	
	2020 £'000	2019 £'000
Deferred capital grant		
At start of the year	849,333	848,008
Grant received in the year	91,841	6,731
Disposals	(1,826)	(5,406)
As at 31 March 2020	**939,348**	**849,333**
Amortisation at start of the year	(198,577)	(184,025)
Released to income	(10,256)	(10,289)
Released to disposals	452	(4,263)
As at 31 March 2020	**(208,381)**	**(198,577)**

Amounts due to be released within one year £10,256k.
Amounts due to be released after more than one year £929,092k.

17 Debt analysis

	Group	
	2020 £'000	2019 £'000
Due within one year		
Bank loans	16,138	15,569
Other loans	3,712	3,631
Total due within one year	**19,850**	**19,200**
Due after more than one year		
Bank loans	556,460	417,598
Local authority loans	92	67
Other loans	169,686	173,468
Less finance costs capitalised	(6,900)	(6,463)
	719,338	**584,670**
Bond	250,000	250,000
Premium/Discount on issue	9,099	9,483
Bond issue costs	(1,477)	(1,537)
Net bond balance	**257,622**	**257,946**
Total due after more than one year	**976,960**	**842,616**

The loans and bond are secured by way of a first fixed charge over assets of the Group.

Bank loans are repaid in instalments at a combination of fixed and variable rates of interest inclusive of lending margins of between 0.58 % and 1.80 %. The instalments fall to be repaid in the periods 2020 to 2046.

The local authority loan is interest free and is repayable in 2021.

Other loans are repayable in instalments at fixed rates of interest of between 2.89 % and 8.80 %. The instalments fall to be repaid in the periods 2020 to 2046.

The bond is repayable in one instalment in 2045. Fixed interest is payable at 3.9 %.

	2020 £'000	2019 £'000
Debt maturity profile		
In one year or less	19,850	19,200
Between one and two years	19,604	19,895
Between two and five years	237,070	90,249
In five years or more	719,564	730,988
	996,088	**860,332**
Less:		
Loans due in one year or less	(19,850)	(19,200)
Finance costs capitalised	(8,377)	(7,999)
Discount on issue of bond	9,099	9,483
	976,960	**842,616**

Debt analysis – continued

	Association 2020 £'000	Association 2019 £'000
Due within one year		
Bank loans	16,138	15,132
Other loans	1,268	1,226
Total due within one year	**17,406**	**16,358**
Due after more than one year		
Bank loans	523,306	358,314
Local authority loans	92	92
Other loans	110,608	111,920
Less finance costs capitalised	(7,078)	(6,417)
	626,928	**463,909**
Bond	250,000	250,000
Premium/(Discount) on issue	9,099	9,483
Bond issue costs	(1,477)	(1,537)
Net bond balance	**257,622**	**257,946**
Total due after more than one year	**884,550**	**721,855**

The loans and bond are secured by way of a first fixed charge over assets of the Association.

Bank loans are repaid in instalments at a combination of fixed and variable rates of interest inclusive of lending margins of between 0.58 % and 1.75 %. The instalments fall to be repaid in the periods 2020 to 2046.

The local authority loan is interest free and is repayable in 2021.

Other loans are repayable in instalments at fixed rates of interest of between 2.89 % and 8.62 %. The instalments fall to be repaid in the periods 2020 to 2046.

The bond is repayable in one instalment in 2045. Fixed interest is paid at 3.9 %. The bond was issued by Riverside Finance plc which on-lends all of the proceeds of the issue to the Association. The assets of the Association act as security for the issuance through a security trust arrangement with Prudential Trustee Company Limited.

	2020 £'000	**2019 £'000**
Debt maturity profile		
In one year or less	17,406	16,358
Between one and two years	17,142	16,672
Between two and five years	229,557	64,424
In five years or more	637,307	639,230
	901,412	**736,684**
Less:		
Loans due in one year or less	(17,406)	(16,358)
Finance costs capitalised	(8,555)	(7,954)
Discount on issue of bond	9,099	9,483
	884,550	**721,855**

17a Borrowing facilities

Borrowing facilities
Undrawn committed borrowing facilities at 31 March 2020 were as follows:

	Group	
	2020 £'000	**2019 £'000**
Expiring in one year or less	61,005	60,359
Expiring between one and five years	72,000	215,839
Expiring in more than five years	127,000	53,399
	260,005	**329,597**

In the financial year ending 31 March 2020, all undrawn committed borrowing facilities were fully secured (2019: £30m of undrawn facilities remained to be secured before the facility could be utilised).

	Association	
	2020 £'000	**2019 £'000**
Expiring in one year or less	61,005	60,359
Expiring between one and two years	72,000	215,839
Expiring in more than two years	122,000	53,399
	255,005	**329,597**

In the financial year ending 31 March 2020, all undrawn committed borrowing facilities were fully secured (2019: £28m of undrawn facilities remained to be secured before the facility could be utilised).

18 Financial instruments and risk management

A. Carrying amount of financial instruments

The carrying value of the financial assets and liabilities include:

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Assets at fair value through profit or loss				
Fixed asset investments (Note 12)	45,763	17,138	2,084	16,910
Assets measured at amortised cost				
Fixed asset investments (Note 12)	1,061	1,830	220	329
Current asset investments (Note 12)	41,515	36,848	38,344	33,912
Debtors (Note 13)	138,099	131,522	61,330	50,548
Cash and cash equivalents	62,096	105,994	61,558	69,390
Liabilities measured at amortised cost				
Loans (Notes 15, 16 and 17)	(996,810)	(861,816)	(901,956)	(738,213)
Trade creditors (Notes 15 and 16)	(120,652)	(103,971)	(103,452)	(82,262)
Derivatives				
Designated as hedges (Note 16)	(17,646)	(16,574)	(17,646)	(16,574)
	(846,574)	**(689,029)**	**(859,518)**	**(665,960)**

B. Financial instruments measured at fair value

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

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

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

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

Investments measured at fair value through profit and loss comprise investments in bonds and funds investing in UK stocks. The fair value is determined by reference to their market price.

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

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

C. Hedge accounting

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

	Group and Association			
	2020		2019	
	£'000 Assets	£'000 Liabilities	£'000 Assets	£'000 Liabilities
Interest rate swaps				
In one year or less	452	(4,251)	954	(4,467)
Between one and two years	356	(4,013)	1,051	(4,251)
Between two and three years	393	(3,224)	1,186	(4,013)
Between three and five years	855	(5,744)	2,155	(6,255)
In five years or more	730	(3,672)	2,715	(6,385)
Total	**2,786**	**(20,904)**	**8,061**	**(25,371)**

	Group and Association	
	2020 £'000	2019 £'000
Nominal values of the above		
Cash flow hedge	137,705	141,195
Total	**137,705**	**141,195**

D. Risk

The main risks arising from the from the Group's financial instruments are liquidity risk, interest rate risk, credit and counterparty risk, and market risk.

Liquidity Risk
The Group will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it all times to have the level of funds available to it which are necessary for the achievement of its business objectives.

The Group has a policy to maintain sufficient liquidity:

i) In cash to cover the next one months forecast net cash requirement;

ii) In cash and committed loan facilities capable of immediate drawdown to cover the next twelve months forecast net cash requirement, including an estimate of cash collateral requirements;

iii) In cash and committed loan facilities (whether or not capable of immediate drawdown) to cover the higher of committed development spend and the next eighteen months forecast net cash requirement, including an estimate of cash collateral requirements.

Interest Rate Risk
The Group has a policy of managing its exposure to fluctuations in interest rates so as to minimise any detrimental impact on its budgeted expenditure and income levels. In respect of its borrowings the Group is risk adverse and will endeavour to ensure that its borrowings contain a mix of fixed and variable interest rate structures. The optimum mix will be determined in the Annual Treasury Strategy.

Variable rates include borrowing linked to LIBOR and borrowings linked to an index. Fixed rate interest includes borrowing in relation to which the interest rate has been fixed in excess of twelve months.

The Chief Financial Officer is responsible for monitoring the Group's interest rate risk exposures and in managing this risk they will pay due regards to:

— minimising the risk of future covenant breach;

— current interest rate levels and the structure of the interest rate market;

— current interest rates and inflation compared with historic trends;

— anticipated future trend movements;

— the impact on revenue of estimated movements in interest rate and inflation trends;

— sensitivity of revenue to movement in interest rates and inflation trends; and

— policy and/or budgetary implications.

The Group has adopted the wider constitutional rule permitting the use of interest rate derivatives to manage its interest rate exposures. The Group will only use derivatives for managing interest rate and inflation risk and not for speculative purposes. All derivative transactions will be subject to standard ISDA documentation.

The Chief Financial Officer will monitor the mark to market of derivatives and ensure sufficient security is available to meet any requirements.

Credit and Counterparty risk
Credit risk applies to all debtor balances, the majority relating to tenant and other arrears. There are dedicated teams assigned to manage the recovery of these arrears which are reported monthly as one of the Group's key performance indicators.

The Group Treasury Policy specifies minimum credit ratings for counterparties. The Chief Financial Officer monitors the credit quality of all counterparties and if the credit rating of a counterparty is downgraded below the minimum requirement it is reported to the Group Board with appropriate recommendations, which might include proposals to cease investing surplus funds, to refinance loans or unwind a derivative position.

If possible the Group will spread transactions over a number of financial institutions at a level appropriate to their efficient management.

Market Risk
The Group seeks to ensure that its treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will seek to protect itself from the effects of such fluctuations.

19 Deferred income

Deferred income represents the amount received by the Association and Group in excess of nominal value of the bond. This includes £8.2m for the AHF Bond and £0.8m for the £25m THFC loan. These amounts are being released over the life of the loan and the balances at 31 March 2020 are £7.0m and £0.6m respectively.

20 Share capital

	Group and Association 2020 £	2019 £
At 1 April 2019	23	21
Appointed in year	15	7
Resigned in year	(4)	(5)
At 31 March 2020	**34**	**23**

21 Reconciliation of operating surplus to net cash inflow from operating activities

	Group	
	2020 £'000	2019 £'000
Operating surplus	59,593	79,478
Depreciation and impairment	42,562	33,100
Increase in other debtors and prepayments	18,352	(8,787)
Increase in other creditors and accruals	10,297	(9,516)
Decrease in rent arrears	11	(1,856)
Fixed asset disposals	11,064	45,106
Amortisation of grant	(10,845)	(11,071)
Arising on acquisition	—	(3,272)
Net cash inflow from operating activities	**131,034**	**123,182**

22 Reconciliation of net cash flow to movement in net debt

	Group	
	2020 £'000	2019 £'000
Increase/(decrease) in cash in the year	(43,898)	42,307
Increase in loans	(134,994)	(39,162)
(Decrease)/increase in liquid resources	4,667	(668)
Change in net debt resulting from cash flows	**(174,225)**	**2,477**
Release of finance costs	—	(200)
Arising on Acquisition	—	(54,254)
	(174,225)	**(51,977)**
Net debt at 1 April 2019	(718,974)	(666,997)
Net debt at 31 March 2020 (see note 23)	**(893,199)**	**(718,974)**

23 Analysis of net debt

	Group			
	1 April 2019 £'000	Cash flows £'000	Other changes £'000	31 March 2020 £'000
Cash at bank and in hand	105,994	(43,898)	—	62,096
Loans due within one year (see note 15)	(19,200)	(650)	—	(19,850)
Loans due after one year (see note 16)	(842,616)	(134,344)	—	(976,960)
Current asset investments (see note 12)	36,848	4,667	—	41,515
Total	**(718,974)**	**(174,225)**	**—**	**(893,199)**

24 Capital commitments

	Group and Association	
	2020 £'000	2019 £'000
Capital expenditure that has been contracted for but which has not been provided for in the financial statements	75,431	105,132
Capital expenditure that has been authorised by the Board but which has not yet been contracted for	8,433	5,244
Income to be generated from the above expenditure contracted not provided for	32,672	41,684
Income to be generated from the above expenditure authorised by the Board	—	—

The remaining commitments will be fully financed from internal cash resources and existing loan facilities as required.

25 Financial commitments

At 31 March 2020 commitments under non-cancellable operating leases were as follows:

	Group			
	2020		2019	
	Land & buildings £'000	Other £,000	Land & buildings £'000	Other £,000
Not greater than one year	1,179	398	201	265
Between one and five years	1,169	363	562	200
Later rhen five years	167	—	694	114
	2,515	**761**	**1,457**	**579**

	Association			
	2020		2019	
	Land & buildings £'000	Other £,000	Land & buildings £'000	Other £,000
Not greater than one year	1,000	384	85	211
Between one and five years	1,038	346	436	144
Later rhen five years	167	—	519	114
	2,205	**730**	**1,040**	**469**

At 31 March 2020 commitments under finance leases were as follows:

	2020 £'000	2019 £'000
Not greater than one year	48	47
Between one and five years	144	141
Later rhen five years	1,157	1,144
	1,349	**1,332**

26 Pension information

i) The Riverside Group Pension Scheme

The Group operates the Riverside Group Pension Scheme (RGPS), a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The RGPS was closed to future accrual on 31 March 2016.

The Trustee is responsible for running the RGPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the RGPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every three years. The last triennial actuarial valuation of the RGPS was performed as at 31 March 2017. This valuation revealed a funding shortfall of £14.2 million. Following this valuation, the Employer agreed a deficit recovery plan with the Trustee. The Employer agreed to pay a one-off contribution of £3,000,000 into the RGPS in April 2018. The next actuarial valuation is due as at 31 March 2020. The Group does not expect to pay any contributions to the RGPS during the accounting year beginning 1 April 2020. All expenses in relation to running the RGPS are paid in addition by the Group.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102. The major assumptions are:

	2020	**2019**
Rate of discount on scheme liabilities	2.3%	2.3%
Retail price inflation	2.5%	3.3%
Consumer price inflation	1.75%	2.3%
Pension increases:		
— Pre 1 February 2002 accrual	2.5%	3.3%
— Pre 5 April 2006 accrual	2.5%	3.3%
— Post 5 April 2006 accrual	2.0%	2.4%
Life expectancy at age 65:		
— Male current pensioner	22.2	22.9
— Female current pensioner	24.6	25.5
— Male future pensioner	23.5	27.3
— Female future pensioner	26.0	27.0

	2020 £'000	**2019 £'000**
Fair value of assets	151,274	165,300
Present value of liabilities	(154,361)	(179,300)
Deficit in the scheme	**(3,087)**	**(14,000)**

26 **Pension information** – continued

The market value of the assets of the scheme and the expected long term rates of return at 31 March 2020 were:

	2020 £'000	2019 £'000
Market value		
Equities	47,990	62,960
Insured policy	13,957	15,110
LDI Portfolio	24,300	23,050
Cash	20,858	14,590
Other	44,168	49,590
Total	**151,273**	**165,300**

The net interest expense for the year is included in comprehensive income. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	2020 £'000	2019 £'000
Analysis of interest		
Interest on assets	3,736	4,000
Interest on liabilities	(4,058)	(4,300)
Net interest expense	**(322)**	**(300)**
Amount recognised in Other Comprehensive Income (OCI)		
Return on scheme assets excluding amount included in net interest	(11,972)	6,700
Actuarial gains/(losses)	23,207	(10,600)
Adjustment for restrictions on the asset recognised	—	—
Remeasurement of the net liability	**11,235**	**(3,900)**
Total defined benefit cost	**10,913**	**(4,200)**

26 Pension information – continued

	2020 £'000	2019 £'000
Movement in deficit during year		
Deficit in scheme at beginning of the year	(14,000)	(12,800)
Movement in year:		
Contributions from the employer	—	3,000
Net interest expense	(322)	(300)
Return on assets excluding amount included in net interest	(11,972)	—
Actuarial gains/(losses)	23,207	(3,900)
Deficit in scheme at end of the year	**(3,087)**	**(14,000)**

	2020 £'000	2019 £'000
The return on scheme assets		
Interest income	3,736	4,000
Return on scheme assets excluding amount included in net interest	(11,972)	6,700
	(8,236)	**10,700**

	2020	2019
History of experienced surpluses and deficits		
Difference between actual and expected returns on assets (£'000)	(11,972)	6,700
% of scheme assets	(7.9 %)	4.1 %
Experienced gains/(losses) on liabilities (£'000)	23,207	(10,600)
% of scheme liabilities	15.0 %	(5.9 %)
Total amount recognised in (OCI) (£'000)	11,235	(3,900)
% of scheme liabilities	7.3 %	(2.2 %)

26 Pension information – continued

	2020 £'000	2019 £'000
Reconciliation of assets		
Assets at beginning of period	165,300	157,700
Employer contributions	—	3,000
Benefits paid	(5,790)	(6,100)
Interest income	3,736	4,000
Return on scheme assets excluding amounts included in net interest	(11,972)	6,700
Assets at end of period	**151,274**	**165,300**
Reconciliation of liabilities		
Projected benefit obligation at the beginning of period	(179,300)	(170,500)
Interest expense	(4,058)	(4,300)
Benefits paid	5,790	6,100
Actuarial gains/(losses)	23,207	(10,600)
Projected benefit obligation at end of period	**(154,361)**	**(179,300)**
Recognition of surplus		
Deficit brought forward	(14,000)	(12,800)
Net interest expense	(322)	(300)
Return on assets less interest income	(11,972)	—
Actuarial gains/(losses)	23,207	(3,900)
Contribution gain	—	3,000
Deficit carried forward	**(3,087)**	**(14,000)**

26 Pension information – continued

ii) Riverside (Ex SHPS) DB Scheme

The Riverside (Ex SHPS) DB Scheme was established with effect from the 1 October 2019 after a bulk transfer from the Social Housing Pension Scheme. The bulk transfer resulted in Riverside's share of the assets and liabilities in SHPS being transferred into the new Riverside (Ex SHPS) DB Scheme. The 31 March 2019 assets and liabilities shown in the disclosure are the values in SHPS prior to the transfer.

The Ex SHPS Scheme is a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Ex SHPS Scheme is closed to future accrual.

Verity Trustees are responsible for running the Ex SHPS Scheme in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the Ex SHPS Scheme is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every three years. The first actuarial valuation of the Ex SHPS Scheme will be carried out at a date no later than 1 October 2020. The Group has agreed an interim schedule of contributions with the Trustee. The Group expects to pay £2.6m towards the funding deficit in the Ex SHPS Scheme during the accounting year beginning 1 April 2020. All expenses in relation to running the Ex SHPS Scheme are paid in addition by the Group.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102. The major assumptions are:

	2020	**2019**
Rate of discount on scheme liabilities	2.3%	2.3%
Retail price inflation	2.5%	3.3%
Consumer price inflation	1.75%	2.3%
Life expectancy at age 65		
— Male current pensioner	22.2	21.8
— Female current pensioner	24.6	23.5
— Male future pensioner	23.5	23.2
— Female future pensioner	26.0	24.7

	2020 £'000	**2019 £'000**
Fair value of assets	77,936	75,801
Present value of liabilities	(90,693)	(101,882)
Deficit in the schemes	**(12,757)**	**(26,081)**

26 Pension information – continued

	2020 £'000	2019 £'000
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at the start of period	(101,882)	(94,639)
Current service cost	—	—
Expenses	(105)	(90)
Interest expense	(2,120)	(2,391)
Contributions by plan participants	—	—
Actuarial gains/(losses) due to scheme experience	—	(393)
Actuarial gains/(losses) due to changes in demographic assumptions	—	(288)
Actuarial gains/(losses) due to changes in financial assumptions	10,791	(6,558)
Benefits paid and expenses	2,623	2,477
Defined benefit obligation at the end of period	**(90,693)**	**(101,882)**

	2020 £'000	2019 £'000
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair Value of plan assets at the start of period	75,801	72,878
Interest income	1,629	1,859
Experience of plan assets (excluding amounts included in interest income)	510	1,471
Contributions by the employer	2,619	2,070
Contributions by plan participants	—	—
Benefits paid and expenses	(2,623)	(2,477)
Fair value of plan assets at the end of period	**77,936**	**75,801**

Defined benefit costs recognised in Statement of Comprehensive Income		
Current Service cost	59	90
Net Interest expense	199	532
Defined benefit cost recognised in statement of comprehensive income	—	—
Defined Benefit cost recognised on OCI	**258**	**622**

Defined benefit costs recognised in Other Comprehensive Income (OCI)		
Experienced on plan assets (excluding amounts included in net interest cost)	(7,414)	1,471
Experienced gains and losses arising on the plan liabilities	1,058	(393)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	15,383	(288)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	—	(6,558)
Total amount recognised in Other Comprehensive Income (OCI)-gain/(loss)	**9,027**	**(5,768)**

	2020 £'000	2019 £'000
Assets		
Global Equity	7,896	12,754
Absolute Return	—	6,559
Distressed Opportunities	—	1,378
Credit Relative Value	—	1,388
Alternative Risk Premiums	2,043	4,372
Fund of Hedge Funds	—	341
Emerging Markets Debt	2,049	2,615
Risk Sharing	2,450	2,289
Insurance-Linked Securities	—	2,174
Property	1,369	1,706
Infrastructure	3,910	3,975
Private Debt	—	1,017
Opportunistic Illiquid Credit	—	—
Corporate Bond Fund	—	3,537
Liquid Credit	—	—
Long Lease Property	1,333	1,115
Secured Income	1,965	2,714
Over 15 Year Gilts	—	—
Index Linked All Stock Gilts	126	—
Liability Driven Investment	—	27,721
Net Current Assets	—	146
Apollo	1,859	—
Pimco	1,660	—
BLK LMF Short Real Profile	7,790	—
BLK LMF Long Nominal Profile	3,791	—
BLK LMF Long Real Profile	9,546	—
BLK LMF Short Nominal Profile	6,677	—
Fixed Interest Corporate	2,961	—
Hayfin	1,245	—
ILS	2,101	—
King Street	1,325	—
MAN	2,044	—
Ruffer	2,984	—
GIP Gemini	821	—
Ares SIF	380	—
TwentyFour	28	—
Other assets - cash & debtors/creditors	9,583	—
Total assets	**77,936**	**75,801**

(iii) The Social Housing Pension Scheme – Defined Benefit Scheme
The Group participates in the defined benefit section of the Social Housing Pension Scheme (SHPS) in respect of members previously employed by Impact Housing Association. The Group has closed SHPS to future accrual.

SHPS is a UK registered trust-based pension scheme. SHPS is a multi-employer scheme with around 400 non-associated employers. SHPS is classified as a 'last-man standing arrangement'. Therefore, the Group is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from SHPS.

Verity Trustees are responsible for running SHPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the SHPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every three years. The last triennial actuarial valuation of SHPS for funding purposes was carried out as at 30 September 2017. This valuation revealed a total scheme deficit of £1,522m. A recovery plan has been put in place with each employer paying contributions with the aim of removing this deficit by 30 September 2026. The Group expects to pay £0.6m towards the funding deficit in SHPS during the accounting year beginning 1 April 2020. The Group's share of expenses in relation to running SHPS are paid in addition. The next actuarial valuation is due as at 30 September 2020.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102. The major assumptions are:

	2020	2019
Rate of discount on scheme liabilities	2.3%	2.3%
Retail price inflation	2.75%	3.3%
Consumer price inflation	1.75%	2.3%
Salary Growth	1.75%	3.3%
Life expectancy at age 65:		
— Male current pensioner	21.5	21.8
— Female current pensioner	23.3	25.5
— Male future pensioner	22.9	23.2
— Female future pensioner	24.5	24.7

26 Pension information – continued

	2020 £'000	2019 £'000
Fair value of plan assets	18,693	18,054
Present value of defined benefit obligation	(22,087)	(24,317)
Deficit in plan	**(3,394)**	**(6,263)**

	2020 £'000	2019 £'000
Defined benefit costs recognised in other comprehensive income (OCI)		
Experienced on plan assets (excluding amounts included in net interest cost)	97	348
Experienced gains and losses arising on the plan liabilities	(94)	196
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	215	(66)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	2,215	(1,649)
Total amount recognised in Other Comprehensive Income (OCI)-gain/(loss)	**2,433**	**(1,171)**

	2020 £'000	2019 £'000
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at the start of period	(24,317)	(22,685)
Current service cost	(34)	(116)
Expenses	(19)	(16)
Interest expense	(565)	(581)
Contributions by plan participants	(40)	(106)
Actuarial gains/(losses) due to scheme experience	(94)	196
Actuarial gains/(losses)due to changes in demographic assumptions	215	(66)
Actuarial gains/(losses) due to changes in financial assumptions	2,215	(1,649)
Benefits paid and expenses	552	706
Defined benefit obligation at the end of period	**(22,087)**	**(24,317)**

	2020 £'000	2019 £'000
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair Value of plan assets at the start of period	18,054	17,309
Interest income	425	447
Experience on plan assets (excluding amounts included in interest income)	97	348
Contributions by the employer	629	550
Contributions by plan participants	40	106
Benefits paid and expenses	(552)	(706)
Fair value of plan assets at the end of period	**18,693**	**18,054**

	2020 £'000	2019 £'000
Defined benefit costs recognised in Statement of Comprehensive Income		
Current Service cost	34	116
Expenses	19	16
Net Interest expense	140	134
Defined benefit cost recognised in statement of comprehensive income	**193**	**266**

	2020 £'000	2019 £'000
Assets		
Global Equity	2,734	3,038
Absolute Return	975	1,562
Distressed Opportunities	360	328
Credit Relative Value	513	331
Alternative Risk Premiums	1,307	1,041
Fund of Hedge Funds	11	81
Emerging Markets Debt	566	623
Risk Sharing	631	545
Insurance-Linked Securities	574	518
Property	412	406
Infrastructure	1,391	947
Private Debt	377	242
Opportunistic Illiquid Credit	452	—
Corporate Bond Fund	1,066	842
Liquid Credit	8	—
Long Lease Property	323	266
Secured Income	709	656
Over 15 Year Gilts	—	—
Index Linked All Stock Gilts	—	—
Liability Driven Investment	6,204	6,603
Net Current Assets	80	35
Total assets	**18,693**	**18,064**

(iv) Merseyside Pension Fund
The Group participates in the Merseyside Pension Fund (MPF). The MPF is a Local Government Pension Scheme that provides defined benefits.

The last triennial actuarial valuation of MPF was carried out as at 31 March 2019. The Group expects to pay around £0.1m to the Fund during the accounting year beginning 1 April 2020. The next actuarial valuation is due as at 31 March 2022.

Any share of expenses in relation to running the MPF are paid in addition by the Group.

Pension costs for accounting purposes have been calculated using assumptions consistent and appropriate with FRS 102. The major assumptions are:

	2020	**2019**
Rate of discount on scheme liabilities	2.4%	2.4%
Consumer price inflation	2.1%	2.2%
Rate of salary increases	3.6%	3.7%
Rate of increase of pensions in payment	2.2%	2.3%
Life expectancy at age 65:		
— Male current pensioner	20.9	22.2
— Female current pensioner	24.0	25.0
— Male future pensioner	22.5	25.2
— Female future pensioner	25.9	27.9

	2020 £'000	**2019 £'000**
Fair value of assets	8,607	9,229
Present value of liabilities	(10,732)	(11,771)
Deficit in the schemes	**(2,125)**	**(2,542)**

26 Pension information – continued

The market value of the assets of the scheme and the expected long term rates of return at 31 March 2020 were:

	2020 £'000	2019 £'000
Market value		
Equities	3,546	3,625
Government Bonds	1,532	627
Other Bonds	946	2,105
Property	646	702
Other	1,592	1,671
Cash	345	499
Total	**8,607**	**9,229**

The net interest expense for the year is included in comprehensive income. Remeasurements of the net defined benefit liability are included on other comprehensive income.

	2020 £'000	2019 £'000
Analysis of interest		
Interest on assets	221	228
Interest on pension liabilities	(284)	(283)
Net interest expense	**(63)**	**(55)**

Analysis of amounts charged to operating profit		
Current service costs defined scheme	126	127
Net interest cost	63	55
Administration expenses	2	2
Past service cost	202	—
Effect of curtailments	—	—
Effect of settlements	—	—
Effect of asset ceiling	—	—
Total pension cost recognised in comprehensive income	**393**	**184**

26 Pension information – continued

	2020 £'000	2019 £'000
Statement of other comprehensive income		
Remeasurements (liabilities and assets)	653	(356)
Effect of asset ceiling	—	—
Total remeasurements included in OCI	**653**	**(356)**

	2020 £'000	2019 £'000
Movement in deficit during year		
Deficit in scheme at beginning of the year	(2,542)	(2,182)
Movement in year:		
Contributions from the employer	157	180
Net interest expense	(63)	(55)
Remeasurements	653	(356)
Current service cost	(126)	(127)
Past service cost	(202)	—
Administration expenses	(2)	(2)
Return on assets excluding amount included in net interest	—	—
Actuarial gains / (losses)	—	—
Deficit in scheme at end of the year	**(2,125)**	**(2,542)**
The return on scheme assets		
Interest income	221	228
Return on scheme assets excluding amount included in net interest	**221**	**228**
History of experienced surpluses and deficits		
Difference between actual and expected returns on assets	(757)	257
% of scheme assets	(8.8 %)	2.8 %
Experienced losses on liabilities	1,410	(613)
% of scheme assets	13.1 %	(5.2 %)
Total amount recognised in OCI	653	(356)
% of scheme assets	6.1 %	(3.0 %)

26 Pension information – continued

	2020 £'000	2019 £'000
Reconciliation of assets		
Fair value of plan assets at beginning of period	9,229	8,811
Interest on plan assets	221	228
Remeasurements	(757)	257
Administration expenses	(2)	(2)
Business combinations	—	—
Settlements	—	—
Employer contributions	158	180
Member contributions	26	27
Benefits / transfers paid	(267)	(272)
Return on scheme assets excluding amounts included in net interest	—	—
Fair value of plan assets at the end of period	**8,608**	**9,229**
Reconciliation of liabilities		
Benefit obligation at the beginning of period	11,771	10,993
Current service cost	126	127
Interest on pension liabilities	284	283
Member contributions	26	27
Past service cost	202	—
Remeasurements (liabilities)	(1,410)	613
Curtailments	—	—
Settlements	—	—
Benefit / transfers paid	(267)	(272)
Business combinations	—	—
Actuarial loss	—	—
Benefit obligation at end of period	**10,732**	**11,771**
Recognition of surplus		
Deficit in scheme at the beginning of the year	(2,542)	(2,182)
Movement in year		
Contributions from employer	157	180
Net interest expense	(63)	(55)
Remeasurements	653	(356)
Current service cost	(126)	(127)
Past service cost	(202)	—
Administration expenses	(2)	(2)
Return on assets excluding amount included in net interest	—	—
Actuarial gains / losses	—	—
Deficit in scheme at end of year	**(2,125)**	**(2,542)**

V) Other defined benefit schemes

During the year the Group also made contributions to other defined benefit pension schemes

- the East Riding Pension Fund; and
- the Growth Plan run by TPT Retirement Solutions.

The Group exited the East Riding Pension Fund during the year and a cessation deficit value of £471,000 was calculated by the actuary as at 31 December 2019. This deficit was settled by the Group.

VI) Defined contribution pension schemes

From 1 October 2019, Riverside transferred its defined contribution pension provision from the Social Housing Pension Scheme to Legal & General (L&G). Future contributions are being invested in a master trust through the Our Riverside Retirement Plan. Riverside also provides defined contribution pension schemes to employees previously employed by Impact Housing Association through arrangements run by TPT Retirement Solutions. The total Group contributions to defined contribution schemes for the year was £4.7m (2019: £4.0m).

	Group 2020 £'000
Reconciliation of remeasurement though statement of other comprehensive income	
Riverside Group Pension Scheme	11,235
Riverside (Ex SHPS) DB Scheme	9,027
Social Housing Pension Scheme - Defined benefit scheme[2]	2,433
Merseyside Pension Fund	653
Social Housing Pension Scheme - Defined benefit scheme[1]	2,274
Growth Plan	1
Total remeasurement in OCI	**25,623**

	Association 2020 £'000
Riverside Group Pension Scheme	11,235
Riverside (Ex SHPS) DB Scheme	9,027
Merseyside Pension Fund	653
Social Housing Pension Scheme - Defined benefit scheme[1]	2,274
Total remeasurement in OCI	**23,189**

1 The Social Pension Housing Scheme transferred to the Riverside (Ex SHPS) DB Scheme on 30 September 2019. Actuarial gain £2.27m to the period September 2019 was recognised in OCI in the year.

2 Social Pension Housing Pension Scheme for Impact.

26a Pension liability analysis

	Group 2020 £'000	2019 £'000
Summary of pension liabilities		
Riverside Group Pension Scheme	(3,087)	(14,000)
Riverside (Ex SHPS) defined benefit scheme	(12,757)	(26,081)
Social housing pension scheme - Defined benefit	(3,394)	(6,263)
Merseyside Pension Fund	(2,125)	(2,542)
Growth plan	(54)	(65)
Early retirement plan	(227)	(227)
East Riding Pension Fund	—	(202)
Total provision (note 28)	**(21,644)**	**(49,380)**

27 Contingent liabilities

Following the demolition of properties on certain sites in 2010 the related grant has been written back and a contingent liability to a maximum of £2.1m (2017: £2.1m) exists in respect of this grant. In the unlikely event of the sale of the land, the grant becomes repayable to the extent of any surplus generated on the sale.

During 2017, £9.3m government grant was recognised, arising from a stock acquisition from another social landlord. Further stock transfer acquisitions in 2018 £12.8m and 2020 £25.3m. This grant is recyclable in the event of the housing properties being disposed.

28 Provisions for liabilities and charges

		Group	
		2020 £'000	**2019 £'000**
Improvement programmes	(i)	4,519	6,682
Pension liabilities	(ii)	21,644	49,380
Target operating model implementation		377	3,565
Other		—	200
At 31 March 2020		**26,540**	**59,827**

		Association	
		2020 £'000	**2019 £'000**
Improvement programmes	(i)	4,519	6,682
Pension liabilities	(ii)	21,644	43,052
Target operating model implementation		377	3,565
Other		—	—
At 31 March 2020		**26,540**	**53,299**

(i) Improvement programmes
A provision of £4.5m (2019: £6.6m) has been made in respect of The Riverside Group's outstanding contractual and statutory commitment to carry out improvement work.

(ii) Pension liabilities
In line with FRS 102 'Retirement Benefits' the net deficits on the Group's Pensions Schemes are recognised as a liability on the balance sheet.

29 Donations

	Group and Association 2020 £'000	Group and Association 2019 £'000
Donations	1	505
	1	**505**

30 Accommodation in management and development

	Group 2020 Number	Group 2019 Number	Association 2020 Number	Association 2019 Number
Social housing ownership				
General housing social rent	33,443	32,155	29,033	27,835
Intermediate rent	241	245	241	245
Affordable rent	7,619	7,315	7,389	7,105
Housing for older people	4,903	4,711	4,810	4,618
Supported housing	4,457	4,473	4,056	4,083
Care homes	294	317	255	270
Leasehold where purchaser owns less than 100%	2,090	1,929	1,940	1,785
Leasehold where purchaser owns 100%	1,677	1,104	1,677	1,104
Total social housing owned	**54,724**	**52,249**	**49,401**	**47,045**
Social housing management only				
General housing social rent	1,023	1,195	1,015	1,187
Supported housing	582	541	563	522
Leasehold where purchaser owns less than 100%	31	38	31	38
Leasehold where purchaser owns 100%	44	89	44	89
Housing for older people	—	—	—	—
Total managed	**1,680**	**1,863**	**1,653**	**1,836**
Non-social housing				
Rented owned	353	356	353	356
Rented managed for others	—	—	—	—
Leased owned	1,592	658	1,583	650
Leased managed for others	11	963	11	963
Total non-social housing	**1,956**	**1,977**	**1,947**	**1,969**
Total stock	**58,360**	**56,089**	**53,001**	**50,850**
Accommodation in development at the year end	1,300	1,098	1,300	1,098

31 Related party transactions

One Board member of The Riverside Group Limited is a tenant of The Riverside Group Limited. Their tenancy is on normal commercial terms, and they cannot use their position to their advantage. There are no other related party transactions.

The Riverside Group Limited provides a number of central services for its subsidiaries including unregulated entities Prospect (GB) Limited and Evolve Facility Services Limited and these are recharged accordingly.

Evolve Facility Services Limited is a wholly owned subsidiary which performs maintenance services for the Group. Its income is derived entirely from the repair contracts it has in place with the Group.

During the year the parent association, The Riverside Group Limited, transacted with its subsidiary undertakings as follows:

	2020 £'000	2019 £'000
Net payments to/(from) related entities		
Caribou Green Warmth LLP	—	—
The Compendium Group Limited	(3)	2,550
Evolve Facility Services Limited	(55)	41,795
Irvine Housing Association Limited	4,652	(1,650)
Prospect (GB) Limited	(6,524)	(12,410)
Riverside Consultancy Services Limited	29,474	15,887
Riverside Finance plc	(226)	(113,595)
Riverside Estuary Ltd	—	(2,092)
Circle Limited	(101)	(6)
Impact Housing Association Limited	—	44,014
Riverside Regeneration Limited	5,961	33,128
The Riverside Group Pension Scheme contributions (note 26)	—	3,000
Local Government Pension Scheme contributions (note 26)	157	244
Social Housing Defined Benefit Scheme contributions (note 26a)	1,972	2,620
The Riverside Group Total	**35,307**	**13,485**

	2020 £'000	2019 £'000
Outstanding balances due (to)/from related entities		
The Compendium Group Limited	5,525	7,810
Evolve Facility Services Limited	397	4,153
Irvine Housing Association Limited	6,996	2,342
Prospect (GB) Limited	31,718	38,242
Riverside Consultancy Services Limited	(129)	(691)
Riverside Finance plc	(262,335)	(262,558)
Riverside Estuary Ltd	5,211	3,487
Circle Limited	—	101
Impact Housing Association Limited	—	44,014
Riverside Regeneration Limited	39,048	42,500
The Riverside Group Total	**(173,569)**	**(120,600)**

The schemes' deficits are detailed in notes 26 and 26a.

32 Combinations that are in substance a gift

On 20 August 2018 Impact Housing Association Limited joined The Riverside Group, becoming a 100 % subsidiary, for nil consideration. As such the excess of the fair value of liabilities over the fair value of assets received has been recognised in the Statement of Comprehensive Income.

	£m 2019 Fair Value
Fixed assets	
Housing properties	153.5
Other tangible assets	1.8
	155.3
Current assets	
Debtors	0.9
Cash at bank	3.2
	4.1
Liabilities	
Creditors: Amounts falling due within one year	(0.4)
Creditors: Amounts falling due after more than one year	(81.9)
Provisions	(5.4)
Loans	(68.2)
Net assets/(liabilities)	**3.5**

In the period to 31 March 2020 there have been no further acquisitions and as such this note is included for prior year information only. It should be noted that following the Transfer of Engagements on the 31 March 2020 Impact is now recognised as part of the Association.

Get in touch or find out more

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Follow us on Twitter @RiversideUK

Customer Service Centre
24 hours, **365** days a year. So you can call at the weekend or even on Christmas Day
0345 111 0000

Speak to a member of our team

We are happy to accept **Relay UK** calls.

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A charitable Registered Society under the Co-operative and Community Benefit Societies Act 2014

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