Riverside

Financial Statements

Year ended 31 March 2022
The Riverside Group Limited

Contents

01.	**Five year summary of financial highlights**	**1**
02.	**The Board, Executives and Advisors**	**2**
03.	**Group Chair's introduction**	**4**
04.	**Group Chief Executive's statement**	**6**
05.	**Strategic report**	**8**
06.	**Report of the Board**	**32**
07.	**Independent auditor's report**	**46**
08.	**Group and Association statements**	**54**
	Consolidated statement of comprehensive income	54
	Consolidated statement of financial position	55
	Consolidated statement of changes in reserves	57
	Consolidated statement of cash flows	58
	Association statement of comprehensive income	59
	Association statement of financial position	60
	Association statement of changes in reserves	61
09.	**Notes to the financial statements**	**62**

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

At a glance

In 2021/22 we achieved the following:

Homes for the future
1,227
New homes built
Last year: 766

Places to thrive in
£231M
Reinvestment
Last year: £103M

People at our heart
27.1%
Digital participation
Last year: 16.8%

01.

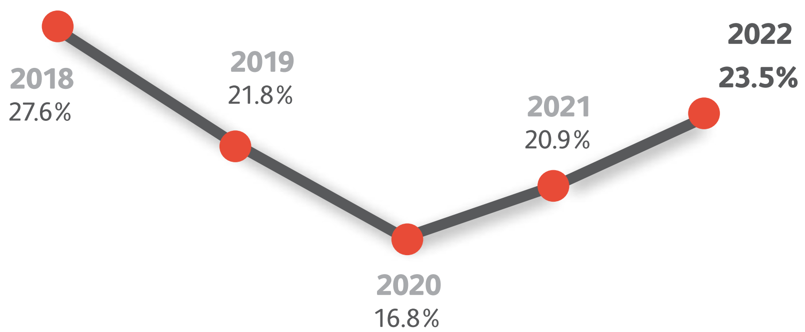
Five year summary of financial highlights

For the year ended 31 March Group		2018	2019	2020	2021	**2022**
Statement of comprehensive income						
Turnover	£'000	346,160	364,255	355,654	374,258	**448,141**
Operating surplus	£'000	95,431	79,478	59,593	78,203	**105,383**
Operating surplus as a percentage of turnover	%	27.6	21.8	16.8	20.9	**23.5**
Surplus on ordinary activities before tax	£'000	60,071	26,956	28,850	49,112	**761,659**
Surplus as a percentage of turnover	%	17.4	7.4	8.1	13.1	**170.0**
Statement of financial position						
Tangible and intangible assets	£'000	1,835,975	2,006,915	2,185,540	2,250,314	**3,977,435**
Loans repayable after more than one year	£'000	749,595	842,616	976,960	957,135	**2,107,420**
Reserves	£'000	518,121	522,856	575,487	608,452	**1,390,955**
Accommodation figures						
Total housing stock owned and managed	Units	52,942	56,089	58,360	58,671	**76,675**
New homes built	Units	845	590	894	766	**1,227**
Key ratios						
Voids and bad debts – Group (as % of net rental income)	%	2.7	3.2	2.5	3.0	**2.9**
Rent and service charge arrears – Group (as a % of net rent and service charge receivable)	%	4.1	4.6	4.4	4.4	**9.3**
Gearing – Group	%	38.9	38.3	43.6	43.5	**54.1**
Interest cover – Association (operating surplus plus surplus on sale of property, property depreciation, amortisation and grant divided by net interest payable)		3.2	2.5	2.4	3.9	**3.4**
Gearing – Association (loans as % of historic cost of properties)	%	32.6	34.7	36.7	35.1	**37.8**

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

Operating surplus as a percentage of turnover

Riverside reported a healthy overall operating margin of 23.5% compared to 20.9% the previous year. The improvement in the margin was attributable to a large increase in gain on the sale of fixed assets.



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

Terrie Alafat CBE
Group Chair

Pauline Davis
Group Vice Chair

Caroline Corby
Group Vice Chair
(Appointed 1 December 2021)

Stewart Davenport
(Appointed 1 December 2021)

Ingrid Fife

Carlos Gregorio Ashmore

Olwen Lintott
(Appointed 1 January 2022)

Erfana Mahmood
(Appointed 2 June 2021, previously co-optee)

Carol Matthews CBE
Co-Optee

Sandy Murray

Rommel Pereira
(Appointed 1 December 2021)

Sam Scott
Co-Optee
(Appointed 11 October 2021)

Paula Simpson
Tenant Observer
(Appointed 16 October 2021)

Other movements during the year

Cameron Dougherty (Resigned 15 October 2021)
Clarine Stenfert (Resigned 19 June 2021)
Lisa Tennant (Resigned 3 October 2021)
Sally Trueman (Resigned 31 December 2021)
Peter White (Resigned 31 December 2021)

Executive Directors

Carol Matthews CBE
Group Chief Executive

Tony Blows
Chief Information Officer
(Appointed 1 April 2022)

John Glenton
Executive Director, Care and Support

Ian Gregg
Executive Director, Asset Services

Richard Hill
Chief Executive, One Housing Group
(Appointed 1 December 2021)

Cris McGuinness
Chief Financial Officer

Patrick New
Executive Director, Customer Service

Registered auditors

BDO
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Principal bankers

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

Secretary and Registered Office

Sara Shanab
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

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

03.

Group Chair's introduction

With the merger with One Housing Group completed, and a programme of integration in train, the next chapter of the Riverside story is well underway.

Our recent merger with One Housing Group will enable us to do more for our customers and communities.

Welcome to our Financial Statements for 2021/22. Thank you for taking time to read them and for your ongoing interest in Riverside.

These are the first set of financial statements which reflect our recent merger with One Housing Group (OHG) in December 2021. This was a planned, strategic choice we made to improve the long-term resilience and financial strength of the Group which will enable us to do more for our customers and communities. Of course, there are short-term cost challenges, mainly associated with tackling significant building safety works to higher blocks, and these will be reflected in our results over the next few years. However, we know that with patience and a systematic approach to integration, real value for money benefits will come, and we already have a very healthy long-term financial plan underpinned by a combined balance sheet with assets more than doubling to over £1.3bn. Furthermore, both organisations are already on a journey to transform services through digital excellence, and the merger will accelerate this as well as releasing more resources to support customer livelihoods and communities, invested through a strengthened charitable Foundation.

Over the longer term we will be able to do more to play our part in dealing with the housing crisis with 40% more development capacity. I'm so proud that we've already delivered a record 1,227 new homes over 2021/22 and our estate regeneration in London, through both Riverside and OHG, has made real progress with positive ballots. At the heart of our plans is a shared commitment to Care and Support, and we are now one of country's largest providers of services to tackle and prevent homelessness. We are well aware of the financial impact of our strategic choices, however we are in a strong position to sustain and grow these services at a time when they are needed more than ever.

The annual reporting season has given me the opportunity to take stock and reflect on the world in which we operate. It is incredible how COVID-19 has become business as usual, yet despite the challenges we have encountered, colleagues and customers have continued to navigate the pandemic with great flexibility, as we have strived to deliver services in a range of different ways. I thank and commend colleagues for their focus over 2021/22 and am most grateful for the commitment and support to the business from the governance community.

We have also seen the reputation of the sector come under increased scrutiny. A succession of high-profile service failures have been detailed in the press and relentlessly amplified by social media. Government has rightly responded by broadening its focus from increasing housing supply, to driving quality and building safety, culminating in changes to consumer regulation underpinned by a new Social Housing Regulation Bill. This is something which chimes with the priorities we have already adopted as part of our current corporate plan, and we welcome this new emphasis.

Considering our performance over the past year, as we have emerged from a series of lockdowns, we have made strong progress in improving and renewing our homes, with

over 80 % of our major repairs programme delivered – despite supply chain difficulties. We are delighted to now be Strategic Partners to both Homes England and the Greater London Authority. I am also pleased that the Board has recently approved its first Climate Responsibility Strategy with a new Head of Sustainability in post to co-ordinate delivery. This will be an increasingly important part of our agenda going forward, with £500m set aside in our long-term financial plan to deliver EPC C and get us well on the way towards achieving net zero carbon.

But we also need to be honest where our performance has fallen short. I believe that for the first time we are seeing the true impact of the pandemic and wider operating environment on our metrics, with the reality of reduced service levels biting, arising from higher than usual staff absence levels, recruitment difficulties and material shortages. This was compounded by a serious malware attack in November 2021, which whilst quickly contained, led to longer than expected service recovery times. We are learning and implementing the lessons from this so our business continuity can be more resilient going forward.

However, I am optimistic. Behind the performance dashboards, the Board can see a relentless focus on service improvement and value for money. Two examples neatly demonstrate this, one technical the other behavioural. The successful launch of the MyRiverside App is improving customer access to services, with 27,000 customers now signed up to our online offer, whilst the imaginative 'Our Riverside Way Everyday' programme is ensuring that each and every one of our colleagues has the opportunity to deepen their commitment to the values of the organisation and the way we care for customers.

None of our achievements would have been possible without the fantastic support of a highly skilled governance community, which has been strengthened with the arrival of Caroline Corby and her non-executive colleagues at One Housing. They have been brilliant partners as we have brought the two organisations together.

I must also single out recently retired Group Board members Peter White and Sally Trueman and commend them for their diligent and loyal service to Riverside. A big thank you too to colleagues on the former Impact Board who have steered Impact Housing to full integration with Riverside in October 2021. Some have now left us whilst others continue to enrich the governance community.

As our Financial Statements are published, the country is in national mourning for Queen Elizabeth II whose selfless service is an example to us all. We also have the rent cap consultation underway in England and a rent freeze announced in Scotland. We are now planning how we respond to reduced income at a time of higher inflation and interest rates. I'm sure that together OHG and Riverside will navigate through these challenges and focus on delivering services to the customers and communities we serve.

Terrie Alafat CBE
Group Chair

04.

Group Chief Executive's statement

These financial statements reflect One Housing Group joining The Riverside Group in December 2021, almost exactly as planned, and as we embark on the final year of our 2020/23 Riverside Plan.

I would like to pay tribute to all my excellent colleagues – those who have been at Riverside a while, and those OHG colleagues we have recently welcomed into the Group.

Let me add my warm welcome to readers of our Financial Statements for 2021/22.

This time last year we were in the throes of consulting our customers and stakeholders about the proposed merger with One Housing Group (OHG) – it seems like a lifetime ago! After a year of careful planning, due diligence and engagement, OHG joined The Riverside Group in December 2021, almost exactly as planned. This was the culmination of a remarkable effort on the part of the governance communities, leadership teams and many other colleagues from both organisations as well as engaged customers, who worked together to support us through the process, review our pledges and keep us on the right track. I believe the fact that the process was completed so smoothly was very much a product of shared values and the high degree of trust we were able to quickly establish between ourselves. This bodes really well for the future, and with a strong strategic business case founded on tangible benefits for customers, supported by our growing long-term financial capacity, we can be confident that our partnership is built on the strongest of foundations.

Together we will plan and respond to the consultation on an English rent cap for 2023 - 24, shaping a business plan that navigates us through this challenging environment.

As a Group-level document, these statements obviously reflect the fact of the merger. This means that the balance sheet captures our combined assets and liabilities at financial year end, whilst our income and expenditure reflect just four months of OHG being part of the Group. This makes the numbers presented a little unfamiliar and harder to put in perspective, and so where appropriate we have added additional explanation to assist with interpretation. For a complete picture, you might also want to look at OHG's financial statements which can be found here.

Whilst the rationale for merger has been compelling, in the short-term it has had a significant impact on the Group's risk profile, bringing in new risks associated with the scale of remediation costs required to ensure all OHG's high-rise buildings are safe, and the operation of a number of newly developed luxury care homes which were handed over as lockdown started and where occupancy has been significantly hampered by COVID-19 restrictions. Dealing with these risks tightens our performance against key financial covenants, and this is already apparent in the measures set out in these statements, as it will continue to be over the coming few years before we really see the benefits of the merger being realised. This means that there will need to be a laser-like focus on realising the efficiency savings which underpin our long-term financial plan, and we have established a Merger Integration Panel to drive a transition process which will achieve at least £7.5m recurring savings from 2024/25 onwards.

The BIG Conversation

An inevitable short-term consequence of the merger was that the English Social Housing Regulator provided us with an interim G2/V2 grade, below the G1/V1 we've sustained for the whole time that this approach has been used to classify providers. This interim grade was the original grade of OHG, and we're keen for this to be reviewed by the Regulator at the right time, particularly given the changes we have made since December to strengthen our governance, building on improvements already set in train by OHG. However, this isn't our immediate priority, as we focus on establishing momentum with our integration programme and driving customer service improvement to deliver the organisational promises made to customers and in preparation for the introduction of more proactive consumer regulation. As important as the merger will be for helping us drive value for money in the long-term, we are determined not to let the aftermath distract us from 'business as usual' as we seek to achieve the objectives we set under 'Our Riverside Plan 2020/23' as it enters its final year.

Similarly, we started the year as one of Moody's highest rated housing associations at 'A1', a position we've retained for a significant time period. As expected, we've ended it rated 'A2 – stable', reflecting the changes to our stock profile and financial position post-merger. We're not fazed by this, and as we start to consider a new Corporate Plan (to be published in April 2023) we will have the opportunity to review how our approach to development, merger and acquisitions can help de-risk the business in the long-term. Indeed we've already started a 'big conversation' about future priorities, seeing this as the perfect opportunity to bring board and committee members, customers and colleagues together to help shape our future vision. Already we are considering what more we can do to support our customers as real incomes are squeezed and prices continue to rise relentlessly, as well as improving the quality of our homes to ensure they are safe and comfortable to live in. We anticipate some tricky decisions as we try and rebalance our priorities in the face of a highly challenging and uncertain operating environment, however our underlying financial strength means that we are in the fortunate position to be able to make positive choices to shape our own future.

I would like to conclude by paying tribute to all my excellent colleagues – those who have been at Riverside a while, and those OHG colleagues we have recently welcomed into the Group. The impact of the pandemic continues to cast a long-shadow, but it is their hard work and commitment to our values which makes me optimistic that we will be able to continue to fulfil our vision of "transforming lives and revitalising neighbourhoods".

Carol Matthews CBE
Group Chief Executive

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.

140K+
Over 140,000 customers.

77K
Almost 77,000 homes under management.

176
Operating in 176 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); and
- extra services to help sustain tenancies including money advice, employment support and affordable warmth advice.

Each entity within the The Riverside Group plays a role in meeting our social and charitable objectives.

Rated **G2:V2** by the Regulator for Social Housing and **A2** by Moody's.

One Housing Group Limited	A Registered Provider, offering homes for social rent in partnership with local authorities, as well as homes for affordable rent, shared ownership, private rent and private sale. One Housing Group Limited own and manage over 15,800 homes in London and the South East and are the landlord to over 35,000 residents.
Evolve Facility Services Limited*	Delivers repairs and maintenance services to Riverside properties.
Prospect (GB) Limited*	Builds new homes for sale.
Irvine Housing Association Limited (trading as Riverside Scotland)	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 to deliver new homes in Stanton Cross, Northamptonshire.
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, where a joint venture partner is not required.
Riverside Regeneration (Bromley) Limited*	Invests on Riverside's behalf in a joint venture with Countryside to deliver regeneration in Bromley, London.
Riverside Regeneration (Southwark) Limited*	Will invest in the future on Riverside's behalf in a joint venture to be formed with Mount Anvil in respect of delivering regeneration in 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.
Riverside Consultancy Services Limited*	Provides construction services to The Riverside Group Limited.

We are now embarking on year three of 'Our Riverside Plan' for 2020–23.

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 32.

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

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 and we have just completed the second year of our 2020-23 Corporate Plan ('Our Riverside Plan').

Context

'Our Riverside Plan' was approved in March 2020, a matter of weeks before the first national lockdown was announced. Following a rapid review of priorities, it was agreed that the overall strategic direction identified in the plan remained the right one and we are still committed to delivering against each of our objectives.

Our objectives 2022 – 2023

Our activities over the next year 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.

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 in both our Corporate and Business Plans. This means driving down costs through better working practices and effective procurement, but only where we can do so without undermining service standards or quality. This 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' remains the starting point for the prioritisation of all activities across the Group and we continue to refine and consolidate our services within this framework. Although 2021-22 was another challenging year in which we have had to deal with the implications of the pandemic on our working patterns, workforce availability and cost base, at the same time as our customers are facing a cost-of-living crisis, we have kept our plan under review and retained our overall strategic direction. In order to ensure that we are able to meet our objectives and achieve the outcomes we want, a detailed delivery plan is produced on an annual basis setting out tasks to be completed in the year.

92.5% of our affordable rent customers were satisfied with their new home.

£500k
has been set aside to fund local environmental projects.

2021-2022 Our Riverside Plan review

As highlighted in the Group Chair's introduction, we faced a number of challenges this year that impacted our ability to meet the stretching targets we have set, and performance against a number of strategic Key Performance Indicators (KPIs) has declined from this time last year. This is particularly the case for measures associated with the 'People' objective where there has been a reduction in both overall customer and colleague satisfaction, though a range of activity has been identified with comprehensive improvement plans now in place to drive performance. Activity-based progress has been more positive, and we successfully completed the majority of actions set out within the annual delivery plan, a summary of which is set out under each of our corporate objectives.

People at our heart

Although it has been a difficult year in which a number of issues have impacted our overall level of customer satisfaction (see page 28), we have continued to make progress against our priorities for this part of the plan which tie together our approach to customers, tackling homelessness and the experience of our colleagues. Indeed, we have worked with customers to identify shortcomings in service delivery across several key areas, with improvement activity captured within a comprehensive 'Customer Satisfaction Improvement Plan'. Our digital offer has grown significantly with the launch of a webchat facility, chatbot and My Riverside app, which is already receiving very positive customer feedback. We have continued to develop our influence as a leading provider of homelessness services through targeted campaigns and were able to launch our 2020 research on commissioning trends over the past 10 years (A Traumatised System), at an event attended by 230 sector leaders. Over the past year we have also totally re-shaped the ways in which we work, building upon changes implemented during the height of the pandemic to transition to a new 'Smart Working' model that aims to promote greater flexibility for colleagues.

Homes for the future

We continue to maintain homes at the current decent homes standard, and whilst the pandemic, and associated difficulties in both labour and building supplies has had an ongoing impact on delivery during the year, around 80% of our major repairs programme was delivered following the previous year's experience when our programme practically ceased. At March 2022 Riverside had 15 homes of a non-decent standard due to severe HHSRS damp and mould issues. A clear baseline position regarding the condition and energy performance of our stock has been established, with survey work completed and modelled, and a long-term investment strategy in place for achieving EPC level C for all of our homes by 2030. We are well on course to deliver more than 3,000 new homes over the corporate plan period, having completed 1,227 in 2021/22, of which 992 were affordable (see page 22). The specification of our new homes has also been updated to reflect imminent changes to part L of building regulations, the Government's first stage of driving a higher 'Future Homes Standard' to deliver greater energy performance and lower emissions.

Places to thrive in

Work on our London estate renewal programme is now progressing well following complex consultation, ballot and planning processes which have had to accommodate significant changes to maintain viability, with two schemes now on site (Lambeth and Lewisham) and a third (Pike Close, Bromley) starting in June. Our programme to regenerate the Palace Fields estate in Runcorn is also making steady progress, albeit slower than originally anticipated as we have sought to put together a complex package of public funding to support our investment based upon the area renewal plan developed in 2019. In the meantime, we have identified a development partner, invested £150k in 'quick win' community projects, undertaken site investigations and continued consultation with the local community and other stakeholders. A series of plans have been devised for priority neighbourhoods and a smaller £500k sustainability fund has been set aside for 2022/23 to fund local environmental projects.

Our business environment

The following paragraphs explain the 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 and we take all necessary steps to protect social housing assets against undue risk.

Risk appetite
Group Board has agreed a set of risk appetite statements. In particular, Riverside calibrates its appetite for risks which 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 is a standing item at every meeting of TRGL Board and Group Audit Committee. The risk register gives a clear line of sight between risk, mitigation and assurance. Board sub-Committees oversee risk registers focussed on their own areas of responsibility. A summary of the strategic risks is set out below:

Strategic Risk and explanation	How Group Board gets assurance
Culture, retention and integration Over the next two years, Riverside and One Housing Group will integrate to become one company. We aspire to a truly customer focussed culture. Colleagues are proud of working in a value based organisation but we know we need to do more to enhance collaboration between teams. The buoyant jobs market means we need to be attractive to employees.	A Merger Integration Panel has been established comprising senior executives from both Riverside and One Housing Group. Group Board receives regular updates on the delivery of the culture change programme. A suite of KPIs is in place to measure organisational health.
Data security, integrity and business insight We have no appetite for data leakage either due to human error or external cyber-threat. Intelligent data is vital to the delivery of Our Riverside Plan and we are enhancing data governance.	Riverside achieved Cyber Essentials Plus accreditation in December 2021. Business continuity arrangements are maturing following the lessons learnt during the pandemic and the malware attack in November 2021. A data governance framework is being implemented with ongoing oversight by the executive Information Governance Group.
Care and Support Riverside supports customers who present or might develop higher levels of risk often due to ageing, ill-health, addiction or threat of violence or abuse. Our services are both a safety net and a springboard.	A scheme quality assurance framework is in place including policies, procedures, self-assessments and quality audits.

Strategic Risk and explanation	How Group Board gets assurance
Fire safety, tall buildings and wider landlord building safety We have no appetite for risk of harm to customers, colleagues and others. The merger with One Housing Group brings a number of tall and complex buildings including those with cladding issues.	A compliance dashboard is scrutinised by the governance community. Safety KPIs, for example asset compliance, are generally set at 100%. External specialists provide third line assurance. A funded programme of cladding remediation is underway following a full survey programme by external specialists. Changes to the building safety operating model have been made in relation to the management of high risk and complex residential buildings in line with likely regulatory requirements for fire.
Quality, sustainability and viability of homes Our property portfolio was built up over 100 years. This, together with the requirement to meet Zero Carbon, creates a range of financial challenges.	Following a full stock survey, the financial implications of Zero Carbon have been reflected in the business plan. A new standard has been implemented to give consistency in what customers can expect when they move into their homes. SAP ratings are reported annually to Board. A review of all supported housing buildings has taken place including exit strategies should a service be decommissioned.
Development We will explore innovative schemes and delivery mechanisms in order to achieve our development ambitions. However, we will not tolerate a level of exposure which could threaten the Business Golden rules or trigger a downgrade by either Moody's or the Regulator. We recognise our ability to deliver the development programme is constrained by uncertain economic times, living with COVID and supply chain disruptions.	All development schemes are scrutinised by the Development and Investment Appraisal Panel in line with parameters set by Group Board. The Group's development ambitions are stress tested against a range of adverse scenarios. Market conditions are reviewed monthly by the Development and Investment Appraisal Panel. A quarterly development report is presented to Group Board.
Customer experience We acknowledge that there are some gaps in our delivery of consistent services that customers trust. We are well aware of and are working to respond to higher customer expectations which are further encouraged and strengthened by the Social Housing Charter. We acknowledge that we don't always get things right first time for customers. Whilst doing so will always remain our aim, we will also seek to put things right earliest opportunity.	Customer satisfaction is closely scrutinised by the Customer Experience Committee. We have created a detailed action plan, based on customer insights and feedback, to drive improvements in the customer experience. A current state assessment against the requirements of the White Paper has been carried out and reported to TRGL Board. A senior, cross business Steering Group is managing our action plan and progress is overseen by the Customer Experience Committee.

Strategic Risk and explanation	How Group Board gets assurance
Cash leakage We have no appetite for voids or arrears to rise above a level which will threaten the business plan. We balance this by seeking to support customers facing financial difficulty and minimise evictions.	A cash leakage dashboard is scrutinised by the Customer Experience Committee and the Care & Support Committee. An Income Collection improvement project has been established to increase the focus on prevention and proactive action. Customers are signposted to money advice services where appropriate. The employment and training team support customers get back into work. A dedicated lettings team has been established to provide clearer accountability for empty homes management.
External economic and political factors We recognise the challenges posed to our ambitions by the uncertain economic and political environment. We will continue to set challenging objectives but will be increasingly vigilant to threats to their delivery and, with approval and challenge by Group Board, will modify our approach where appropriate.	The Business Plan is stress tested against a range of adverse scenarios. The Group maintains an influencing strategy so that it has early warning of policy developments and changes in the external environment. The Corporate Plan was informed by a comprehensive evidence base. Progress is reported to Group Board every six months.
Loan covenant or regulatory breach We have no tolerance for breach in our loan covenants or for breach in our Regulatory responsibilities. We have an open and transparent relationship with the English social housing regulator. We have a positive relationship with the Scottish regulator via Riverside Scotland and professional exchanges with CQC in regulated services. In all settings we raise any potential compliance issues swiftly.	Covenant compliance is scrutinised by TRGL Board and the Group Treasury Committee. The Treasury Policy and Treasury Strategy are updated annually. The regime of regulatory compliance self assessments has been strengthened – aiming to move beyond compliance towards a tool for improvement. As well as the annual self-assessment against the Regulatory standards, a matrix of legal compliance is maintained by the Governance team.

£37m
invested in works to our existing homes.

COVID-19 Impacts on Riverside

The COVID-19 environment has felt more like business as usual during 2021-22 as we moved between periods of restrictions, mask wearing and vaccination. In line with most sectors, we saw customer goodwill around delays in service provision reduced and in many ways exhausted when repair timescales (from October 2021 to February 2022) moved from 28 days to 56 days due to material shortages, vacancy levels and ongoing sickness levels relating to COVID-19, we also experienced disbelief and customer frustration which has also been reported by others in the sector and a wide range of industries.

The sense of working in exceptional times has evaporated for customers and governance communities yet we've experienced higher sickness levels in 2021/22 than in 2020/21 and COVID-19 sickness has continued in 2022/23.

During the autumn of 2021 we launched our flexible working contract, increased annual leave and withdrew our flexitime model and we now have colleagues regularly attending our offices. Likewise we have seen our governance meetings move to a blend of in person and virtual meetings to ensure that our governance arrangement remains solid.

Whilst there have been operational challenges caused by COVID-19 throughout the year all of our commercial subsidiaries have still remained profitable.

We continue to live with COVID-19, but our response has become 'business as usual' and as such our Incident Response Team (IRT) which managed the COVID-19 response for Riverside was stood down in March 2022, two years after it was launched and they have done an exceptional job in steering us through the pandemic. One other favourable outcome is a more strategic approach to, and buy-in to, business continuity planning.

The COVID-19 environment has felt like business as usual during 2021/22.

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 benefiting the environment.

Environmental, Social and Governance (ESG) reporting is becoming more common across the sector as organisations respond to the increasing scrutiny from stakeholders. To ensure a transparent and consistent approach, the Sustainability Reporting Standard has been developed for the sector which we continue to report against.

We are committed to investing in added-value activities for individuals and broader communities, whilst delivering measurable positive outcomes. 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 people or households through our various projects.

We've helped **67** people into formal training or volunteering and **six** into apprenticeships.

This has resulted in the following outcomes:

- We have registered 251 people for employment and training advice and 132 customers have moved into employment.
- We have also helped 67 people into formal training or volunteering and six into apprenticeships.
- Through our Ladders of Aspiration funding, we've helped 26 customers to gain qualifications.
- Through our Money Advice service, we have helped to increase income for customers by £2,918,480.
- Our Helping Hand hardship fund has assisted 53 customers to buy new clothes or pay for travel costs for job interviews. While a further 87 customers benefited by getting essential furniture like a bed, fridge or sofa. We have also helped 66 customers to get emergency energy top ups.
- Affordable warmth advisors have helped customers to save £99,258 on energy bills and provided energy advice to 212 households.
- We have helped support 155 vulnerable customers to live independently and receive support for their needs through our Intensive Intervention scheme.

Following an evaluation of our employment and training offer to customers the team has re-structured to focus upon pro-active broader projects and relationship building with key training providers rather than one-to-one support. This approach is still in development and we expect to see large scale results during 2022-23.

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.

Our business performance

The 2021/22 financial performance has been influenced by the merger with OHG. The results include the financial performance for OHG from 1 December 2021 through to year end. As a result, both revenue and costs have increased compared to the previous year. The value of assets reported at year end includes assets held by OHG. The increase in the asset base resulting from the merger was reported as a gain resulting from a gift of assets through the surplus on ordinary activities before tax. As the merger occurred towards the end of the 31 March 2022 financial year, the full incremental impact from the additional stock has not been reflected in the Groups results. The 2022/23 financial statements will include the first full year impact of the OHG asset base.

In line with other providers, from 1 April 2020 Riverside can increase rents by CPI plus 1% per year for the next five years.

Riverside continues to invest in housing supply and improvements to existing stock. The Group balance sheet remains strong and healthy; though Group gearing has increased because of the merger with OHG.

Statement of comprehensive income

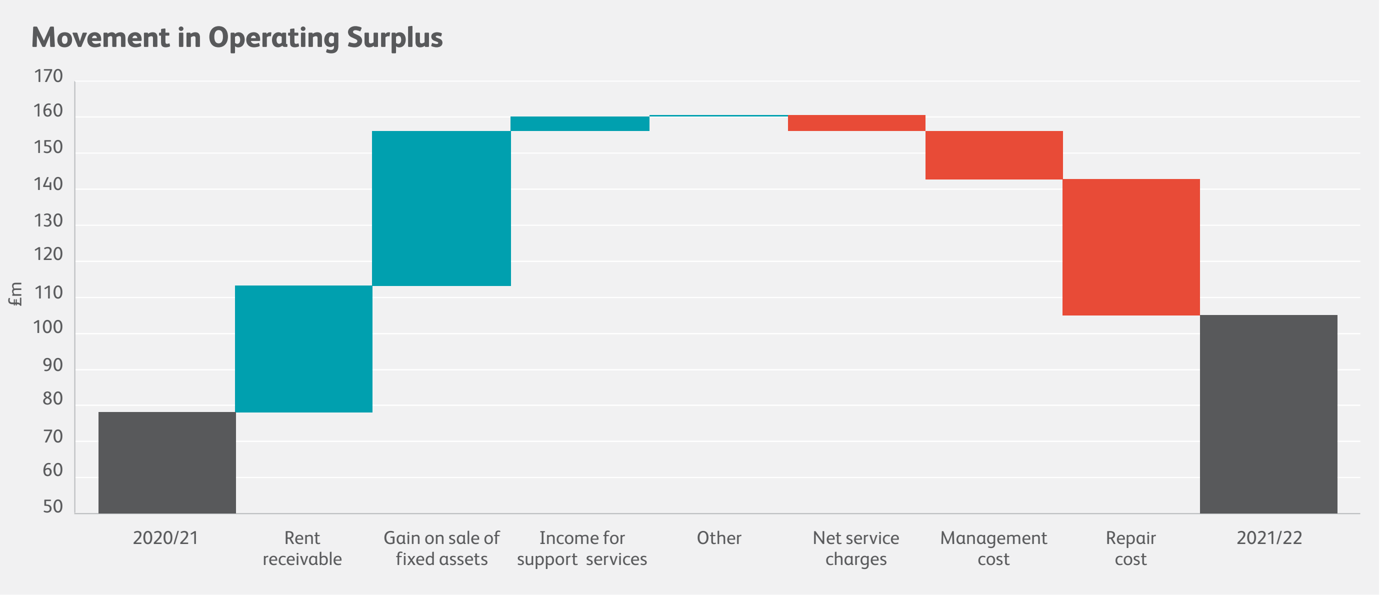
The detailed results for the year are set out in the consolidated statement of comprehensive income on page 54 and the notes to the financial statements on pages 62 to 126 . The following table provides a summary of the Group's results:

For the year ended 31 March	**2022**	2021
	£m	£m
Group turnover	**448.1**	374.3
Operating costs	**(390.1)**	(300.2)
Surplus on sale of property	**47.3**	4.1
Operating surplus	**105.3**	78.2
Net interest payable	**(42.8)**	(32.8)
Share of operating profit in joint ventures	**6.4**	3.6
Other movements	**692.7**	0.1
Surplus for the year before tax	**761.7**	49.1
Other comprehensive income/(loss) and tax	**20.8**	(16.2)
Total comprehensive income	**782.5**	32.9
Operating margin %	**23.5%**	20.9%

Turnover from social housing lettings continues to comprise the majority of the Group's turnover and increased by £63.3m. Surplus from sale of property increased significantly to £47.3m. Turnover from development for sale of shared ownership properties increased by £3.7m to £14.8m. Turnover from social housing lettings accounted for 86% of turnover, development for outright sale 5%, income from the sale of shared ownership properties 3% of turnover, income from other social housing activities 4%, and turnover from non-social lettings 2%.

Statement of comprehensive income (continued)

The operating surplus increased by £27.2m from £78.2m to £105.4m. The key components in the increase of operating surplus are detailed below.



The increase in turnover from net rental income was the largest contributor to the increase in operating surplus. Gain on sale of fixed assets increased by £43.2m compared to the previous year, and income from support services increased by £8.3m. Repair cost increased by £37.7m with an increase of £23.3m in major repairs being the largest contributor as repair activity returned to levels undertaken prior to COVID-19.

There was also an increase in routine maintenance of £13.2m. Management costs increased by £13.4m because of an increase in staff cost resulting from an increase in headcount, whilst there was a worsening in net service charges of £7.0m. Depreciation increased by £7.0m compared to the previous year because of the increase in the value of the asset base following the merger.

Surplus on ordinary activities before tax increased from £49.1m to £761.7m predominantly due to a one-off gain of £674.8m relating to the gift of net assets following the merger. There was an increase in operating surplus of £27.2m, and a positive movement of £17.4m in the fair value of financial instruments, though there was an increase in net interest payable of £12.4m due to an increase in borrowing.

Accounting adjustments recognised in Other Comprehensive Income increased the surplus in the year by £22.6m. The actuarial valuations performed on the Group's Defined Benefit pension schemes resulted in a £13.9m decrease in the pension deficit liability because of using higher discount rates to value liabilities of the schemes resulting from an increase in the current rate of return on a high-quality corporate bond.

Further detail on the movements in pension deficits is available in Note 25 and a summary of the pension liability for each defined benefit scheme is available in Note 25a. There was a gain of £8.7m recognised on cashflow hedges.

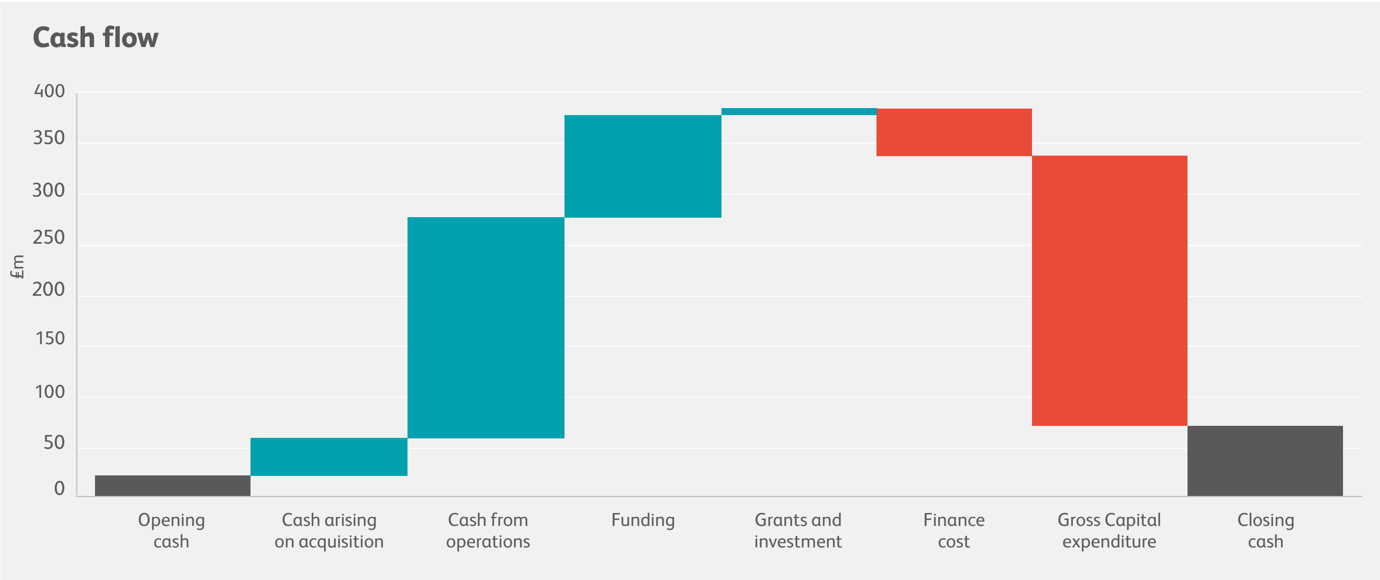
Statement of cash flows

The consolidated statement of cash flows is provided on page 58 and supporting details can be found in the notes to the financial statements on pages 62 to 126. The following table provides a summary of the key elements:

For the year ended 31 March	2022	2021
	£m	£m
Cash arising on acquisition	**36.8**	–
Operating activities	**54.6**	117.4
Returns on investment and servicing of finance	**(51.7)**	(38.1)
Capital expenditure	**(92.3)**	(97.7)
Change in short term deposits	**(5.5)**	(0.1)
Cash outflow	**(58.1)**	(18.5)
Financing	**107.1**	(22.8)
Increase / (Decrease) in cash	**49.0**	(41.3)

The cash generated from operating activities, property sales and grants has been invested in the supply of new housing, other fixed assets, and improvements to existing properties. There was an increase of £126.1m in overall capital expenditure as the lifting of COVID-19 restrictions lead to an increase in investment in housing stock. The cost of servicing of the Group's debt increased compared to 2021 due to an increase in borrowing.

There was a net cash inflow from financing as new loans raised exceeded loan principal repayments. In addition, cash was further increased by £36.8m because of cash arising on the acquisition of OHG. The Group remains committed to further investment in supply of new housing and improvements to existing properties and because of the additional finance raised during the year the cash holding increased by £49.0m and is currently £69.8m. The available cash will be used to fund further investment in new and existing housing stock.



Statement of financial position

The consolidated statement of financial position is provided on page 55 to 56 and supporting details can be found in the notes to the financial statements on pages 62 to 126. The following table provides a summary of the key elements:

For the year ended 31 March	**2022**	2021
	£m	£m
Fixed assets and investments	**4,270.5**	2,301.8
Debtors receivable after more than one year	**75.9**	83.7
Net current assets	**60.6**	9.2
Total assets less current liabilities	**4,407.0**	2,394.7
Creditors falling due after more than one year	**2,976.0**	1,739.4
Reserves	**1,391.0**	608.5
Debt per unit (£'000)	**28.4**	16.7

The balance sheet remains strong, and the value of reserves has been enhanced by the gain realised on the gift of net assets following the merger, and an increased surplus generated from operating activity, which includes sale of fixed assets. Reserves have been further increased by actuarial gains on pension schemes and gains recognised on cash flow hedges.

Gearing has increased to 54.1% due to a significant increase in long term loans following the merger with OHG and is also relatively high in comparison to benchmark comparators. The increase in loans was planned. There has been a significant increase in cash, and in the net book value of housing properties held by the Group following the merger.

There has also been an increase in the value of investment in Joint Ventures. Investment properties to the value of £196.9m were realised because of the merger.

There has been an overall increase of £167.3m in the value of current assets, resulting from increases in cash which was discussed in more detail in the statement of cash flows (£49.0m) which includes £36.8m cash arising on acquisition), shared ownership or outright sale properties under construction or completed (£54.2m) and trade and other debtors (£58.6m). The value of Investments held within current assets remained at a similar level to the previous year.

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The net book value of housing properties has **increased** by **£1,680m** due to the merger with OHG.

Our borrowing structure and interest costs

The transaction with One Housing Group has understandably changed the shape and size of the borrowing portfolio within Riverside. As such, as at 31 March 2022, the Group had committed funding of £2,414m of which £1,949m was drawn. From the remaining available facilities of £465m, £437m are fully secured and ready to draw; £28m of facilities with NatWest are waiting on the completion of a charging exercise (expected Summer 2022) to become immediately available. In addition to loan facilities, as at 31 March 2022 the Group also had available £69.8m of cash and cash equivalents, making total availability as at 31 March 2022 £506.8m.

During the course of the year, Riverside continued with its plans to transition the existing borrowing portfolio to SONIA in line with the requirements of the Bank of England. This was successfully completed and as at the year end, no external LIBOR facilities remain in the Group portfolio. All associated hedging instruments were also transitioned to SONIA at the appropriate time.

Riverside had purposefully set a Treasury strategy for the year ended 31 March 2022 that did not require any new borrowing so that the focus could be on other matters of best practice, such as the SONIA transition noted above. As such, no new facilities were entered into during the year. However, there was much interaction with all lenders as part of the transaction with One Housing Group, which required consent from the majority of lenders to the Group. Lenders to the combined Group are supportive of the plans to integrate Riverside and One Housing Group across the next two years and the funding that will be required to deliver the approved business plan.

The Group's treasury policy aims to minimise refinancing risk and the Group has to repay £594m of loans over the next five years. This represents 27.2% of drawn debt.

Net interest costs are £43m. There were no break costs incurred during the year. The weighted average cost of drawn debt, inclusive of margins and hedging activities was 3.4% (2021: 3.3%).

The Group manages its exposures to fluctuations in interest rates by ensuring that 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 swaps.

As at 31 March 2022, the Group had a standalone interest rate swap exposure of £36.8m based on fixed rate interest swaps with a notional value of £256m. The weighted duration of the swaps is 4.9 years. For the year ended 31 March 2022, as One Housing Group Limited has not applied hedge accounting to their swaps in the same way that The Riverside Group Limited does, the impact of the movement in the fair value of derivatives to the statement of comprehensive income is more pronounced than in previous periods. For the year ended 31 March 2022, the movement was a £10m credit. A gain was also recognised on cashflow hedges of a further £8.7m.

Loan covenants are monitored and reported to the Executive Team on a monthly basis and to Group Board on a quarterly basis. The key covenants are interest cover, gearing ratios and asset cover.

Supply Volume Summary

	1 April 2021 Opening Unsold Units	Affordable Homes	Shared Ownership Homes	Care and Support	Market Sale Homes	31 March 2022 Closing Unsold Units	**Total Delivered**
Riverside	–	618	225	45	–	–	**888**
OHG (1 April 2021 – 30 November 2021) **excluded from VFM reporting**		35					**35**
OHG (1 December 2021 – 31 March 2022) **included in VFM reporting**		53	16				**69**
Prospect	–	–	–		58	–	**58**
Compendium	(10)	–	–		55	1	**46**
Stanton Cross	(7)	–	–		120	18	**131**
Total	**(17)**	**706**	**241**	**45**	**233**	**19**	**1,227**

New supply delivered – social housing units (VFM mandatory metric 2a)	**957**
New supply delivered – non-social housing units (VFM mandatory metric 2b)	**235**
OHG (1 April 2021 – 30 November 2021)	**35**
Total	**1,227**

Our development

'Homes for the future' is a key theme within the Riverside Corporate Plan for 2020-23. This will be achieved through building homes with different tenures to help balance the risks and ensure the development programme remains financially sustainable. The Corporate Plan set out an ambition to deliver between 3,000 and 4,000 homes over the three year duration of the plan.

During 2021/22, there were 888 homes developed by Riverside for affordable rent and shared ownership. This was less than anticipated in the plan and was mainly due to delays on site due to labour and material shortages. Handover of 20 homes in Scotland for Riverside subsidiary Irvine were achieved in 2021/22.

OHG developed 104 new homes in 2021/22, 69 of which were post merger. This consisted of 53 affordable homes and 16 shared ownership homes.

Prospect, a Riverside subsidiary, sold 58 homes and handed over 52 new affordable homes to Riverside.

During 2021/22, Compendium Living (one of our joint venture companies) focused sales activity on two key sites at Ings in Hull and Castleward in Derby.

In Hull, 46 sales were achieved in the year and at Castleward, the remaining nine homes were sold. All units at Ings are now sold, exchanged or reserved. Work has commenced on the next phases of Castleward and Ings with 28 sales budgeted for 2022/23.

Riverside entered into a joint venture agreement with Vistry Group in 2019/20 for a large mixed tenure development at Stanton Cross, Wellingborough. Sales in 2021/22, the third year of the development, have progressed well with a further 120 sales added to the 148 sales achieved in previous years.

We are now on site in Lambeth and will develop **441** homes.

The Riverside London Regeneration team continues to work on five of the six sites identified at the start of the regeneration programme. Although there has been some marked progress this has been hampered by planning delays.

The development at Geoffrey Close, Lambeth is now on site and will develop 441 homes. In conjunction with our Joint Venture partner Bellway we submitted a planning application for consideration which received approval in August 2021. The development at Pike Close, Bromley will deliver 179 homes. In conjunction with our Joint Venture partner Countryside we submitted a planning application which received approval in April 2022.

The site at Gillan Court, Lewisham has received full planning permission for nine shared ownership homes. Funding has been received from the GLA and work has now started. As well as providing new homes, an element of improvement works will be undertaken on a neighbouring estate.

We are now in joint venture on Friars Close in Southwark where we are progressing from feasibility stage with pre-application discussions with local planning teams.

In September 2020, Government announced a new programme of grant, the Affordable Homes Programme 2021/2026, which included the opportunity to become a strategic partner of Homes England. In August 2021, Riverside was approved as a Strategic Partner of Homes England. In addition, The Riverside Group (via One Housing Group) is a strategic partner of the Greater London Authority. Collectively, these programmes will see The Riverside Group deliver up to an additional 2,133 new 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 and business planning and performance management framework clearly set out and measure what we want to achieve for our customers, prospective customers and communities. We have adopted a blend of metrics that combine physical outputs, customer and colleague sentiment and financial performance, and 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, we have set out in our corporate plan our intention to explore 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. In 2019 the Board agreed a strategic statement, 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, and make better-informed decisions when opportunities arise.

It is in this context that in December 2021, One Housing Group joined The Riverside Group as a subsidiary following a period of extensive customer and stakeholder consultation and due diligence. The merger is underpinned by a compelling business case which identifies tangible benefits for customers in the form of improved services, higher levels of investment and more affordable homes, made possible by harnessing our combined strength to deliver savings and become more efficient over the longer-term.

As a result of the merger with One Housing Group (OHG) on 1 December 2021, the 2021/22 performance reporting for the mandatory financial metrics includes four months of OHG outturns.

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 (2020/21) 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 additional measures, drawn from the bi-annual 'Our Riverside Plan' Strategic Performance Report we use to monitor and review progress against our objectives for the period to 2023. These are internal measures of performance that reflect the full year outcomes for Riverside only, included to retain ongoing continuity with previous reports. Indeed, at this stage it is not possible to incorporate OHG data given the nature of the metrics and differing methodologies adopted, though work is ongoing to align approaches as part of the integration process, with combined outturns due to be reflected from 2023.

We have supplemented the Regulator's mandatory metrics with five additional measures.

Commentary on metrics

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

Value for money mandatory metrics	Group 2021/22 Result	2021/22 Target	2020/21 Result	2020/21 Benchmark	2022/23 Target
Efficiency					
Reinvestment %	**6.0**	10.3	**4.7**	5.9	10.4
New supply delivered (social housing units) %	**1.3**	1.8	**0.9**	1.3	1.5
New supply delivered (non-social housing units) %	**0.3**	0.5	**0.5**	0.1	0.3
Gearing %	**54.1**	45.8	**43.5**	45.9	50.7
Headline social housing cost per unit (CPU)	**£4,807**	£5,210	**£4,344**	£3,537	£7,319
EBITDA MRI Interest cover %	**109**	126	**241**	171	28
Operating margin (social housing lettings) %	**12.3**	17.0	**17.5**	27.8	6.9
Operating margin (overall) %	**13.0**	19.2	**19.8**	24.0	11.6
Return on capital employed %	**2.5**	3.4	**3.4**	3.4	2.4

Value for money additional metrics (Riverside only)	2021/22 Result	2021/22 Target	2020/21 Result	2022/23 Target
People at our heart				
Overall customer satisfaction %	**70.7**	78.0	**75.1**	78.0
Digital participation %	**27.1**	35.0	**16.8**	60.0
Homes for the future				
Satisfaction with quality of home %	**72.5**	79.0	**74.4**	82.0
Affordable homes started (% of programme)	**82.9**	66.0	**94.2**	66.0
Places to thrive in				
Customer satisfaction with area as place to live %	**79.5**	83.0	**81.6**	86.0

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 £37m capitalised major repairs from the calculation of the 2021/22 outcome would increase interest cover to 179%.
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 2020/21 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 2021/22 Riverside reinvested 6.0% of the total value of our housing assets in this way. This compares favourably with a figure of 4.7% in the previous year. During 2021/22 we spent £194m on development of new properties with more than twice the level of investment in this area compared to the previous year. There was also an £18m increase on the level of reinvestment in our existing housing stock. The figure increased from £19m in 2020/21 to £37m in 2021/22. The significant increase in the scale of our capital investment programmes can be linked to the exceptional circumstances created by COVID-19 in 2020/21, as well as the inclusion of four months of OHG investment spend in 2021/22, although it should also be noted that the additional value of the OHG investment is matched against the full value of OHG housing assets. Including the impact of the full year OHG investment spend increases the reinvestment percentage to 7.9%.

Performance Improvement:
There is an increase in investment spend planned for 2022/23, through a programme to maintain our stock, to ensure we meet all regulatory compliance requirements and complete our Retirement Living Investment programme. The programme includes significant investments on fire safety works.

Increased spend is also planned for responsive repairs, void works and cyclical repairs. We will also continue with a five year £25m programme of major improvements to our larger supported housing schemes and complete a longstanding programme of improvements to our retirement living housing.

The merger will enhance the financial strength of the Group, and this will be a vehicle that will deliver continued high levels of investment both in new supply and our existing stock.

Target for 2022/23: 10.4%

New supply delivered

Overall supply of new homes increased by 458 homes in 2021/22. The overall supply figure of 1,192 excludes 35 properties built by OHG prior to the merger.

During the year, we delivered 957 social housing homes under the Affordable Housing programme including 241 properties developed for shared ownership, and 45 for supported living. We continued to focus our investment in core areas, where we already have a significant presence, though this now includes areas around London served by OHG.

During the Corporate Plan, we have developed homes for outright sale to enable cross subsidy, which balances the risks and ensures the development programme remained financially sustainable. During the year there were 235 'Non-Social' home completions, which was a small reduction from the previous year. Of the total, 58 homes were developed for market sale by our commercial house building subsidiary Prospect with the remainder delivered through our two joint ventures, Stanton Cross and Compendium who delivered 131 and 46 homes respectively.

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

- Our Riverside London regeneration programme will deliver more than 1,000 new homes, of which approximately 50% are for market sale. Planning has been achieved in Lambeth, Lewisham and one scheme in Bromley. Lambeth and Lewisham are now onsite.
- In August 2021 Riverside was approved as a strategic partner of Homes England. Through the Affordable Homes Programme 2021/26 Riverside will develop 1,530 affordable rent and shared ownership properties.

Target for 2022/23:
Social housing 1.5%/1,075homes
Non-social housing 0.3%/191 homes

£25m
major improvement programme in progress for supported housing schemes.

Gearing %

Riverside's gearing has understandably increased to 54.1% as a result of the enlarged size of the group and the associated borrowing portfolio, especially an increase in long term debt from £1.0bn to £2.1bn. The increase of £41m in short term loans is offset by an increase in cash of £49m. Whilst there is also a significant increase in the NBV of housing properties as a result of the inclusion of the OHG housing stock, the proportional level of gearing is higher due to the aforementioned debt levels. It was anticipated that gearing would increase as a result of the merger and is expected to remain higher than the historic Riverside levels in the short term whilst the size of the borrowing portfolio is righted. Riverside still has a strong balance sheet that puts us in a good position to fund our growth ambitions and development plans as we play our part in helping tackle the housing crisis. What has not changed is the collaborative way in which we work with our lenders and investors to assure them that Riverside continues to have significant financial strength and stability, underpinned by our 30-year Business Plan.

Performance Improvement: None required.
Target for 2022/23: 50.7%

Headline Social Housing CPU

Riverside's headline social housing cost per home has increased from £4,344 to £4,807 in 2021/22. The main reasons for the increase in CPU are increased spend on major repairs including planned maintenance (£42.1m), routine maintenance (£13.2m), service charge cost (£13.7m) and management cost (£13.7m). The increase in all types of repair cost can be attributed to the lifting of full lockdown COVID-19 restrictions that were in place during 2020/21. All categories of social housing cost include four months of OHG cost following the merger. This has increased the total value of social housing cost in 2021/22, and the cost per unit would have been higher if the full year impact of OHG cost had been included. The CPU for Riverside alone was £4,710.

Whilst CPU has increased in 2021/22 we remain committed to investing money in our housing stock for the benefit of current and future customers. Also, 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 2022/23 target reflects the effect of including a full year worth of OHG cost in the metric and a planned increase in major repairs including fire safety work.

Performance Improvement:

— Performance improvement measures are the same as those set out for interest cover.

Target for 2022/23: £7,319

Interest cover (EBITDA MRI) %

Our interest cover has reduced from 241% to 109%. Several factors have combined to cause this significant reduction in the metric. The Group operating surplus after excluding gain from sale of fixed assets has reduced by £16.1m, Additionally, capitalised major repairs expenditure for the period increased by £17.7m, and there was an increase in interest payable and financing cost of £12.4m because of increased borrowing.

Our interest cover is influenced by higher costs and the lower operating margins associated with our labour-intensive care and support business. The previous year's outturn was untypically high as a result of untypically low cost of repair due to the impact of COVID-19. Our typical level of interest cover is also the product of a relatively low rent base, especially in the Northwest of England.

The explanation of the reduction in the 2021/22 target is the same as for the increase in CPU.

Performance Improvement:

— Reduced management and overhead costs delivered through an ongoing focus on optimising our organisational structure and reducing operational costs. This includes leveraging cost efficiencies gained through the merger.

— Delivery of the 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.

Target for 2022/23: 28%

£4,807
social housing cost per home.

Operating Margin

Riverside reported an overall group-level surplus (excluding contribution from disposal of fixed assets) of £58.1m. This represented a reduction in the margin to 13.0%. Rent receivable increased by £34.9m in part due to the additional revenue received following the merger, and the impact of the 1% rent increase effective from 1 April 2020. There was however a significant increase in the cost base due to increasing repair cost, management cost and net services charges. The increases were £37.7m, £13.7m and £7.0m respectively. The overall margin was adversely impacted by the high-cost base that OHG carries, particularly repair spend which includes fire safety related expenditure.

Surplus from outright sales and shared ownership was £1.4m more than the previous year. This increase was driven by an increase in sales of shared ownership.

The surplus delivered from non-social housing lettings was £1.9m less than prior year, and the surplus generated from management services and other social housing activities reduced by £6.9m in comparison to the previous year.

As referred to previously within our social housing business, neighbourhood services (general needs rent and shared ownership) have an operating margin which is much higher than the level generated by our care and support business stream, which significantly suppresses our operating margin on social housing lettings. Care and support have 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, from both Prospect's and our joint venture enterprises.
- Other cost reduction measures as per commentary on interest cover.

We plan to retain and consolidate our care and business streams. Growth will be focused on our areas of expertise where our margin expectations must be realised.

Overall Target 2022/23: 11.6%

Social Housing Target for 2022/23: 6.9%

There has been an increase in Group turnover of **£73.9m**.

Return on Capital Employed

Our Return on Capital Employed reduced to 2.5% from 3.4%. The decline in the overall operating margin was the biggest reason for the reduction however the outturn includes only four months of OHG trading compared to the full value of the OHG total assets less liabilities which is a further mitigating factor. Including the full year impact of OHG trading increases Return on Capital Employed to 2.6%. There was an increase in share of operating surplus in joint ventures of £0.6m.

Performance Improvement:

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

Target for 2022/23: 2.4%

Our Additional Value for Money Metrics

(Riverside only)

People at our heart

Overall customer satisfaction

It has been a year in which the ongoing impact of Covid-19 and significant operational challenges in key areas affected our ability to deliver services to the standards we expect, and overall customer satisfaction has declined. Indeed, higher than usual absence levels, recruitment difficulties and material shortages have all had an impact, compounded by a malware attack (November 2021) that impacted our systems, many of which needed to be totally rebuilt. This also follows a significant increase in satisfaction achieved in the previous year.

It's partly because of this that performance is not where we want it to be and a dedicated 'Customer Satisfaction Improvement' plan has been developed to address the main areas in which we need to focus based on our insight (repairs and maintenance, listening to and acting on customer views, making it easier to get queries resolved, and providing better value in relation to services charges). We are expecting to see the positive impacts of work undertaken in the year to strengthen our digital offer (see 'Digital Participation') and we have worked with customers to 'map' their journeys through several key services, including service charges, allocations, and repairs. A number of Customer Service Centre (CSC) challenges are already easing with a more positive recruitment outlook, and a new telephony system is due to be implemented that will help to reduce the time taken to respond to queries.

Performance Improvement:
We will continue to drive improvement through our dedicated 'Customer Satisfaction Improvement' plan, working with customers to:

— Implement changes identified as part of customer journey mapping, including a new repairs job management system, revised standard appointment time and enhanced repairs diagnostic solution to increase the proportion of repair works completed first time.

— Develop and publish a clear set of service standards, against which we will monitor and report on performance as part of a wider initiative to be more open and inclusive.

— Consult on priorities for engagement to inform the development of a 'Customer Engagement & Involvement' strategy.

We will also continue to improve our complaints handling process to ensure that complaints are resolved quickly and with minimal customer effort.

Target for 2022/23: 78%

Digital Participation (%)

This is a measure of how far we are progressing in our journey to improve our digital offer and ensure that customers can access a range of services quickly and easily online. It tracks the proportion of current customers that interact with us online rather than through alternative communication channels, and our objective is to increase this level over the course of the current Corporate Plan period. Though we have finished below target, the outcome represents very strong progress with positive steps taken to strengthen our digital offer, which has grown significantly through the launch of an app 'MyRiverside' we co-designed with customers, a new live webchat facility and digital sign-up process. We have also recently launched an automated chatbot service, which is halving the amount of time taken for customers to resolve issues.

As a result, the number of customers interacting with us through digital channels has greatly increased and excluding supported and housing for older people, we are already reporting a digital participation rate of 27.1%, with the overall number of users registered for 'MyRiverside' almost doubling in the year to more than 27,000.

Performance Improvement:

— Continue to enhance and expand digital sign-up process for a greater number of new customers.

— Further develop automated chat function, using customer insight to deliver ongoing service enhancement.

— Rollout video technology to enable more accurate diagnosis of repairs, providing operatives with a better understanding of required works.

Target for 2022/23: 60%

Homes for the future

Satisfaction with quality of home

The reduction in overall customer satisfaction in the year has coincided with a decline in customers' perception with the quality of their home, a trend that has continued from the previous year in which it was acknowledged that the fact that people are spending more time at home may be having an impact on this measure. Whilst it is difficult to be certain about the extent to which this might be the case, we know that improvement is necessary, and work continues to develop our insight into the key drivers of performance against this measure as we develop and deliver plans to increase satisfaction over the course of the final year of 'Our Riverside Plan' and beyond.

In the past year, we have already taken steps to extend our enhanced 'empty homes' standard beyond Social Housing to Care and Support customers following a successful pilot, with plans in place to embed this on a wider basis across the Group. We are also committed to doing more to identify and address damp and mould issues and tackle disrepair cases through a planned, proactive approach, with greater provision identified within our business plan to deliver targeted investment and complete outstanding repairs. Strategic investment priorities for all of our homes, including future energy-efficiency retrofit requirements, are being established based on a comprehensive stock condition survey previously completed to ensure that homes remain fit for purpose.

Performance Improvement:

— Implement 'empty homes' standard across the Group.

— Expand smart thermostat (Switchee) pilot with installation of 1,500 devices to better understand property performance data.

— Use additional insight to deliver dedicated damp and mould and disrepair improvement programmes with targeted investment to complete necessary remediation works.

— Deliver targeted investment programme to address properties with poor insulation.

Target for 2022/23: 82%

27,550
users signed up to online repairs.

93%
customer satisfaction with newly built rented and shared ownership homes.

Affordable homes started (% of programme)

We have a long-term commitment to ensuring that at least two thirds of our development programme delivers affordable homes, comprising a mixture of Affordable Rented, Shared Ownership and Care and Support accommodation. Performance remains comfortably above target and the vast majority of new starts in the year were affordable, split between the categories above. Although a reduction from the previous year, this has been driven by an anticipated increase in the number of open market sale homes started by our commercial subsidiary Prospect and through our Joint Ventures at Compendium and Stanton Cross. This reflects original assumptions in terms of delivery schedules where it was already expected that the number of homes developed for sale would increase over this and subsequent years, which will at times see a reduction in the proportion of affordable homes started within the overall programme, though it remains the case that it is very unlikely that this will have a significant impact on our ability to meet this target.

Performance improvement: N/A

Target for 2022/23: 66%

Places to thrive in

Satisfaction with area as a place to live

The level of satisfaction with area as a place to live also reduced in the year and finished below target. Efforts to improve our neighbourhoods have continued in the year, through targeted investment as part of localised neighbourhood initiatives and larger-scale regeneration plans in London and Runcorn that are continuing to advance, the benefits of which will likely be seen over the longer-term. We have continued to develop and launch targeted 'Neighbourhood Plans' that cover a third of our stock across our geography, setting out key priorities in areas in need of improvement.

Performance Improvement:

- Commence works at three sites in London and secure funding to deliver retrofit and placemaking activity in Runcorn.
- Continued delivery of improvement activity identified in bespoke Neighbourhood Plans.
- Delivery of local environmental improvement initiatives through £500k sustainability fund.

Target for 2022/23: 86%

79.5%
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 is focused on delivering the next stage of its strategic plan. Riverside is an organisation that:

- Is focused on improving outcomes for customers through front-line services supported by online options and ensuring that customers receive high quality products and services. Services will be transformed through digital excellence, and this process will be accelerated by the merger.
- Has delivered more than 1,200 new homes in the financial year ending 31 March 2022. 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 a culture of continuous improvement that will deliver substantial and sustainable annual savings. The recent merger will improve the long-term financial strength of the Group by delivering real value for money benefits.
- Looks to deliver further efficiency by a systematic approach to integration following the merger, driving down costs through better working practices and effective procurement without compromising on service standards or quality and by maximising income. In the short-term there will be cost challenges linked to the merger that will be reflected in our results over the next few years.
- 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. Part of this commitment is tackling significant building safety works to higher blocks.

We hope this is an organisation you recognise and value.

"We will drive at least, **£7.5m** from the cost base."

Our future

The merger with One Housing Group (OHG) brings some challenges initially, but these are significantly outweighed by the longer term benefit the partnership brings.

During 2022-23, we will continue to deliver the aspirations of Our Riverside Plan including 1,266 new homes, of which some 85 % will be affordable.

There is no doubt that, initially, the merger changes the shape of our financial metrics (especially in 2021/22). However, despite this, our overall operating margin has increased from 20.9 % to 23.5 %.

As we look to the future, our efforts also turn to integration where over the course of the next three years we will drive at least £7.5m out of the cost base of the merged businesses.

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

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

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 2019.

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 2022.

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 34 to 35 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

The Board can confirm that there have been no events since the financial year end that have had a material effect on the financial position of the Group.

The Board of The Riverside Group Limited

The Board members of TRGL holding office during the period 1 April 2021 to 31 March 2022 are detailed below:

- Terrie Alafat CBE
- Carlos Gregorio Ashmore
- Caroline Corby (appointed 1 December 2021)
- Stewart Davenport (appointed 1 December 2021)
- Pauline Davis
- Ingrid Fife
- Olwen Lintott (appointed 1 January 2022)
- Erfana Mahmood* (appointed 19 June 2020 as co-optee and as Board Member from 2 June 2021)
- Carol Matthews* CBE (co-opted member)
- Sandy Murray
- Rommel Pereira (appointed 1 December 2021)
- Sam Scott (appointed as a co-optee member 11 October 2021, board member 1 April 2022)
- Clarine Stenfert* (co-opted member, resigned 19 June 2021)
- Lisa Tennant (resigned 3 October 2021)
- Sally Trueman (resigned 31 December 2021)
- Peter White (resigned 31 December 2021)

(*co-optee)

The Board is comprised of 11 non-executives, one of whom is a customer member, and the Group Chief Executive, who is a co-optee. A customer is also invited to attend Board meetings as an observer. This role was filled by Cameron Dougherty until October 2021 when he was succeeded by Paula Simpson, 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 67% women, (2021: 82%), which compares to a 51% in the wider population. (Board members declaring themselves to have a disability is lower than the wider population and those declaring themselves as having ethnic minority backgrounds is higher than the wider population).

Membership of the Board comprises **67%** women.

The Board has responsibility for ensuring that the Group operates in compliance with all relevant law and regulation.

During the year payments made to Board members were £382k (2021: £366k), which represented 0.08% (2021: 0.10%) 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 2021 as part of the merger with One Housing Group using independent benchmarking data.

The Board (and its committees and subsidiary boards) carry out an annual appraisal of performance and effectiveness in accordance with the adopted Code of Governance. Every three years an independent, external provider is engaged to support the appraisal and bring an objective perspective. An independent specialist facilitated an appraisal of the Board in 2021 which involved customer feedback. Outcomes of the appraisal exercise were used as the basis for an action plan to enhance effectiveness.

In 2021, individual appraisals were also carried out to support Board and Committee members in reflecting on their individual performance and identifying opportunities for improvement.

Each Board member (excluding the co-optees) is appointed for a fixed term of office, of up to three years. Having adopted the NHF Code of Governance 2020, reappointment is now possible for up to a maximum of one additional term. Further extensions are only granted by exception and where there is clear business need.

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.

Board members are drawn from diverse backgrounds and are selected to ensure that they bring relevant experience, skills and understanding to the work 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.

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 Customer Experience Committee, the Care and Support Committee and the Group Development Committee all of which, are composed of non-executive members, and chaired by a member of Group Board. Where it is considered that a direct link is required between Committees, an individual may be appointed to more than one Group. Each Committee obtains independent external advice to support its work where it is appropriate to do so. There are over 15 customers actively involved in Riverside's governance through their roles on Board and Committees and Riverside Customer Voice Executive members. In 2021, the Impact Committee was dissolved following completion of the integration of services previously delivered by Impact Housing Association. As part of the merger with One Housing Group, the role and responsibilities of a number of Group Committees were reviewed and refined to ensure that the Committees remained fit for purpose in the new Group structure. As part of this work, the London Development Committee transitioned into a Group Development Committee with an expanded scope covering the national development and regeneration programme. The Chair and Membership of Group Board and its Committees (with the exception of the customer committees) were also reviewed as part of the merger exercise and following an internal recruitment exercise, a number of One Housing Group Non-Executive colleagues were appointed to the Board and Committees, enhancing the skills, knowledge and experience of those groups. Further information on the Committees and their membership is provided below.

Committee	Role	Members	Meetings
Customer Experience	To scrutinise delivery of social housing and home ownership customer services to ensure that Riverside delivers safe, decent homes in a good state of repair, lets homes in a fair and transparent way and keeps wider areas clean and safe, promoting wellbeing and tackling antisocial behaviour. The Committee also oversees how customers are involved and empowered through engagement with Riverside.	Sam Scott (Chair) (Appointed as interim Chair 11 October 2021 and permanent chair 1 April 2022) Jackie Grannell Olwen Lintott (Appointed 1 September 2021) Maria Milford Margi Kelly Gillian Singh Jim Strang (Appointed 1 October 2021 Wayne Booth (Appointed 1 September 2021) Duncan McEachran (Resigned 21 August 2021) Peter White (Resigned 31 December 2021) Lisa Tennant (Appointed 1 September 2021 and resigned 3 October 2021) Sara Naylor (Resigned 31 December 2021) Sue Powell (Resigned 31 December 2021) Mary McAndrew (Resigned 28 October 2021)	Met seven times in the year
Care and Support	The Committee carries out the same role as the Customer Experience Committee but with a focus on those customers within our Care & Support business area; Supported Housing, Retirement Living, and Extra Care Schemes.	Ingrid Fife (Chair) Victor Andrews Sara Beamand Ian Campbell Andy Deutsch Pauline Ford Hetal Parmar (Resigned 31 May 2022) Michele Scattergood Archdeacon Karen Lund (Resigned 7 October 2021) John Glenton ((Resigned 16 December 2021) Judith Crowther (Resigned 30 September 2021) Chris Billinge (Resigned 26 October 2021)	Met six times in the year

Committee	Role	Members	Meetings
Governance & Remuneration	To provide assurance and advice to the Group Board (and relevant subsidiary Boards) on the effectiveness of Group governance arrangements, and compliance against the adopted Code of Governance, all relevant law and regulation and Group governing instruments. The Committee considers nominations and appointments to Group Boards and Committees and approves or recommends approval of such to Group Board. The Committee is also responsible for matters of remuneration relating to staff, senior leadership and Non-Executive Directors and Committee Members.	Pauline Davis (Chair) Terrie Alafat CBE Caroline Corby (Appointed 1 December 2021)	Met seven times in the year
Group Audit	To provide assurance and advice to the Group Board (and relevant subsidiary Boards) on the effectiveness of risk management arrangements, the internal control framework, compliance with all legal, statutory and regulatory requirements and the integrity of the annual financial statements. The Committee also advises the Group Board on the appointment and effectiveness of the external auditor for the Riverside Group.	Rommel Pereira (Chair) (Appointed 1 December 2021) Sandy Murray (Vice Chair – Chair untill 30 November 2021) Maria Hallows Sara Naylor (Resigned 31 December 2021) Erfana Mahmood Pauline Ford Suki Jandu (Appointed 1 April 2021) Lee Gibson (Appointed 1 December 2021)	Met four times in the year
Group Treasury	To advise the Board on significant technical or complex treasury issues. To assist the Board in understanding the implications of treasury risk for the Group and ensuring that such risks are adequately mitigated. To make decisions on behalf of the Board with regards to day-to-day operational treasury matters that require higher level approvals, in accordance with the Delegated Authorities provided by the Board to the Committee for such activities.	Carlos Gregorio Ashmore (Chair) Devan Bala Nigel Perryman	Met two times in the year
Group Development	To assist the Group Board in approving certain development activities and in monitoring the performance of the Group's development, regeneration and sales programmes. This includes where this activity is via Joint Ventures or Special Project Vehicles. This is a new committee following the merger with One Housing Group.	Stewart Davenport (Chair) (Appointed 1 December 2021) Pauline Davis Jenny Coombs Dale Meredith Paul Newbold Richard Nichols (Appointed 1 April 2021)	Met two times in the year

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 Development and Investment Appraisal Panel. This panel replaced the Investment Appraisal Committee following the merger with One Housing Group and the expansion of the panel's scope and 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 (which for the financial year 2021/22 was the NHF Code of Governance 2020) has been completed. The Group complies with its Code of Governance, with the following exceptions:

The Tenant Board Member had served with Riverside in excess of nine years and stepped down in December 2021. The extension to their tenure was agreed to be in the best interests of Riverside, providing important continuity at a time of significant change in Board Membership.

The Board has approved a term of office for the Board Vice Chair, Pauline Davis, to run to October 2023 which will result in a tenure of nine years which exceeds the six year maximum tenure. Again, this is to maintain appropriate skills and experience in the coming year which will be a critical time for the business.

The Board of Irvine Housing Association has retained a nine year maximum Board Member tenure and a retirement rotation system as set out in its Rules. It has also retained those Rules which set out the minimum and maximum board Membership which differ from the Code of Governance. Riverside is content that these exceptions do not compromise the governance of this organisation.

The Board of Evolve Facility Services Limited is comprised of two Executive Directors whose terms of office are co-terminous with their appointment as Executive Directors.

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

- Substantial work has been carried out to strengthen compliance with the adopted Code of Governance including the adoption of a suite of new governance policies and a review of TRGL's Governance Framework.
- An updated Code of Conduct and Service Member Agreement for all Board and Committee Members has been introduced.
- A range of new role profiles for Chairs, Vice Chairs and Board/Committee Members has been developed.
- A Succession Strategy and Plan has been established.
- Streamlining of the Corporate Structure has continued.
- A central regulatory and statutory compliance function has been further developed to support the business.
- Membership of Boards and Committees has been strengthened through the recruitment of additional skilled and experienced colleagues.
- Group Board meetings have moved from remote video-conferencing, to a hybrid model in which 50% of Board meetings are in person and include site visits around the country in which the Board can meet with staff and customers.

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 2022 and to the date of approval of these financial statements. For the year ended 31 March 2022, 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.

We are using our Equality, Diversity and Inclusion Action Plan to drive improvement.

We are committed to promoting inclusion and celebrating diversity.

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, colleagues, 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 aims, it is important that Riverside understands the composition of its Board and Committees, its Leadership Team and the wider workforce by the key protected characteristics, comparing this data with the profile of the population living in the communities we serve. We remain committed to being open and transparent by publishing this data and the charts below show this comparison by gender, ethnicity, disability, sexual orientation, age and religion or belief.

Each year, the Board agrees an EDI Action Plan to provide a framework to drive improvement. The plan for 2022/23 reaffirms our commitment to improving the diversity of Riverside's leadership and governance, by exploring and identifying routes for the engagement of diverse customers within governance in addition to Board and Committee membership. Our Board Diversity Protocol continues to encourage a wider pool of applicants for governance vacancies and in 2022/23 the Board will set KPIs for our Board and Committee membership, all of which supports the Group's continued compliance with the NHF Code of Governance.

Gender – Riverside generally mirrors the wider population in all comparator groups apart from its workforce, of which 64 % is female.

Ethnicity – Compared to the wider population, Riverside has a higher proportion of colleagues from ethnic minorities across its Leadership Team and overall workforce.

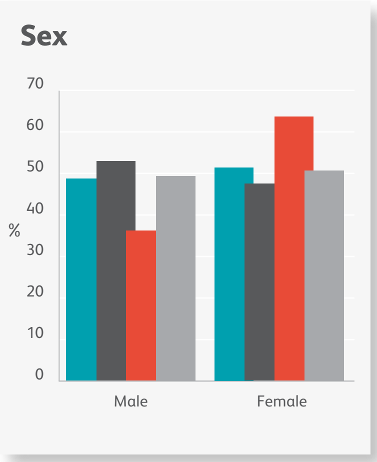
Disability – We have a high proportion of colleagues who have declared their disability status, but a lower proportion of disabled people in our workforce, Leadership Team and governance community compared to the wider population. We are currently running a campaign to encourage colleagues to share their protected characteristics data, including disability.

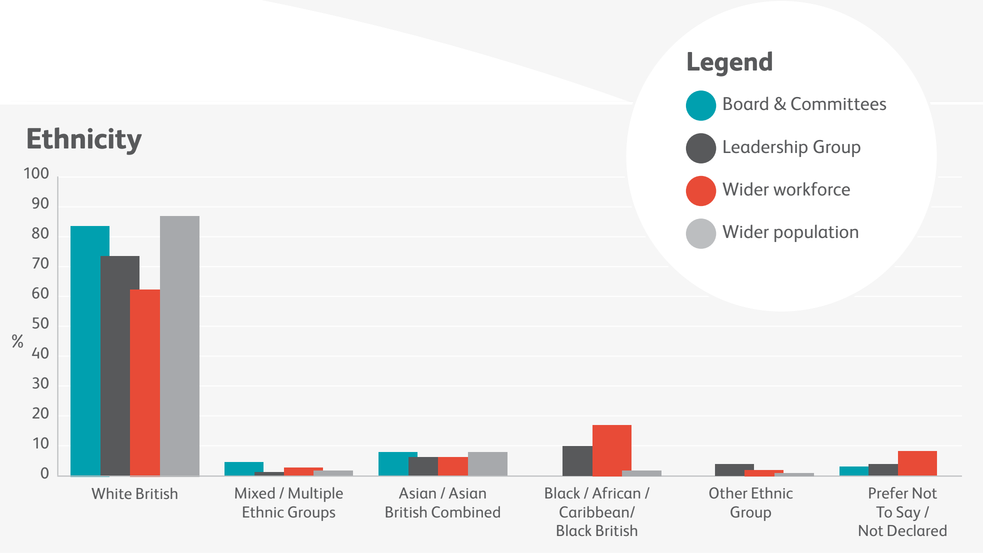
Sexual orientation – We will continue to encourage colleagues to share their data, but from what we currently hold, Riverside's workforce, Leadership Team and our governance community are more representative of lesbian, gay and bisexual people when compared to the wider population.

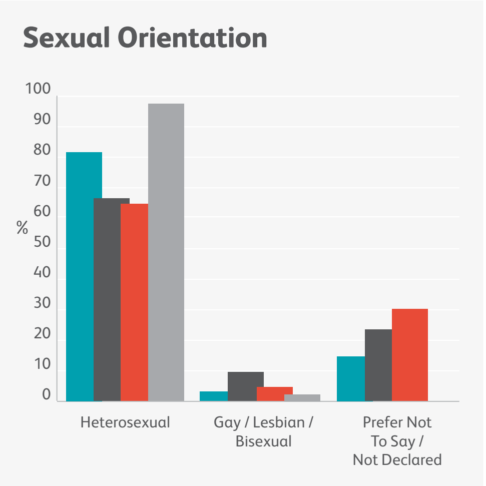
Age – When compared to the wider population, our governance community is less representative of people aged under 35 and more representative of people aged over 55. Our Leadership Team and workforce mainly comprises colleagues from the 35-64 age groupings.

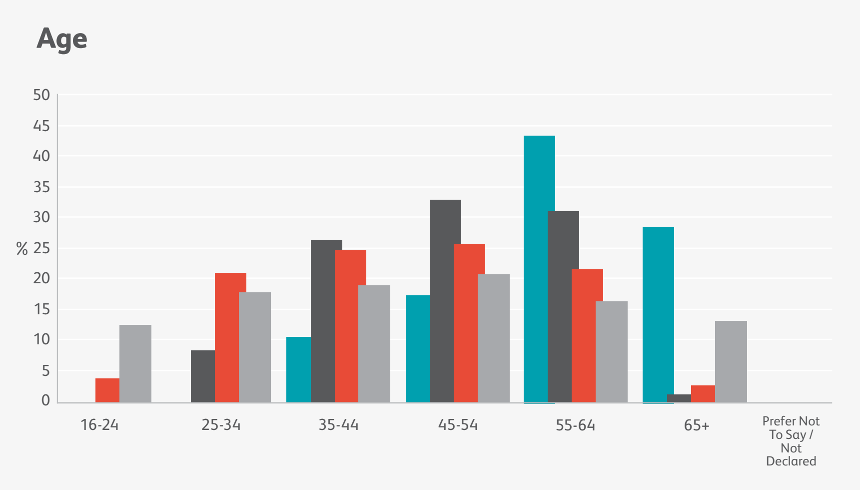
Religion or belief – From the data we hold, Riverside as a whole has more diversity across its comparator groups when compared with the wider population.

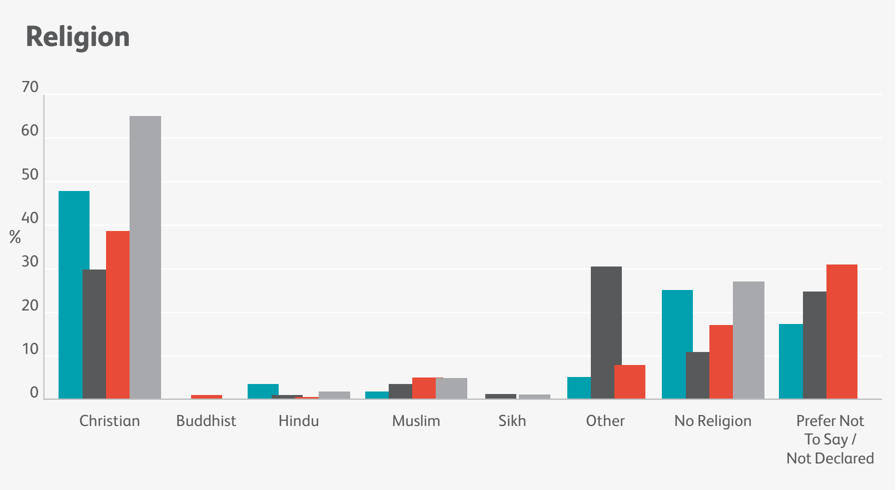
Key Equality and Diversity Metrics

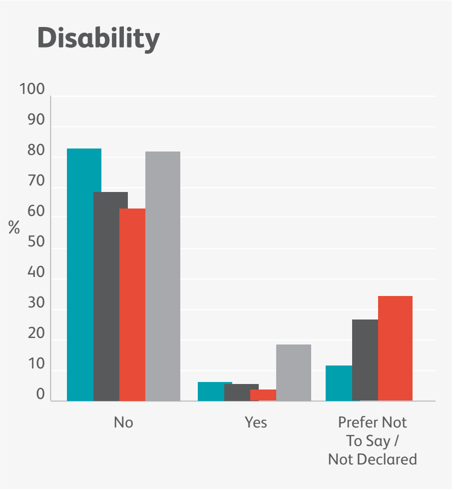












The wider population grouping does not include ‘do not wish to state / not declared’ responses for ethnicity, disability and sexual identity.

Riverside's Ethnicity and Gender Pay Gap

At Riverside, we are committed to supporting and promoting equality, diversity, and inclusion. We care passionately about our people and creating an environment where all colleagues can realise their potential.

Our ambition is that our diversity reflects the customers and communities we serve. Our ways of working and pay structures ensure colleagues are paid equally for the work they do.

Employers with over 250 employees are required by UK law to publish their gender pay gap annually, based on their payroll on a snapshot date of 5 April each year. The requirement is to publish this gap report within 12 months of the snapshot date. However, Riverside are keen to publish its results as soon as possible after the snapshot date.

In addition, although no legal requirement to do so, Riverside undertakes an ethnicity pay analysis on an annual basis at the same time and on the same calculation basis used for gender; we have been undertaking this analysis since 2019.

As an organisation, publishing and monitoring pay gaps will help us understand the reasons for any gap and consider what action we need to take to tackle the causes.

Gender Pay Gap 2022

At Riverside, our mean gender pay gap is 11.6% and shows a median gap of 4.4%, both having decreased from our 2021 snapshot data of 12.2% and 7.2% respectively. Our mean bonus gap is 5.4% and median 0%. The bonus gap has increased slightly from 2021. Females occupying our upper and upper middle quartile roles has reduced slightly from 2021.

As at 5 April 2022, Riverside's gender split was 1,685 female (63.7%) and 961 male (36.3%), with our female representation reducing by 1% compared to 2021. Riverside's female representation is typical of our industry and has remained broadly static since reporting began in 2017.

Our gender pay gap is not because of different rates of pay, but a high proportion of females across our workforce in lower quartile roles in Care & Support and an under-representation within our upper quartile.

We will continue to focus on:

- Improving the representation of females in upper quartile positions and removing any barriers to progression that we will drive through our colleague groups, EDI Action Plan and People Strategy.
- Promotion of flexible working practices, development opportunities and vacancies for all.

Riverside's gender split was 1,685 female and 961 male.

Ethnicity Pay Gap 2022

Our mean ethnicity pay gap is 17.3 % and shows a median gap of 11.5 %, having both also decreased from our 2021 snapshot data of 17.5 % and 14 % respectively. Our mean bonus is 2.3 %, which has also reduced significantly from 2021 at 10.5 % and a median 0 %.

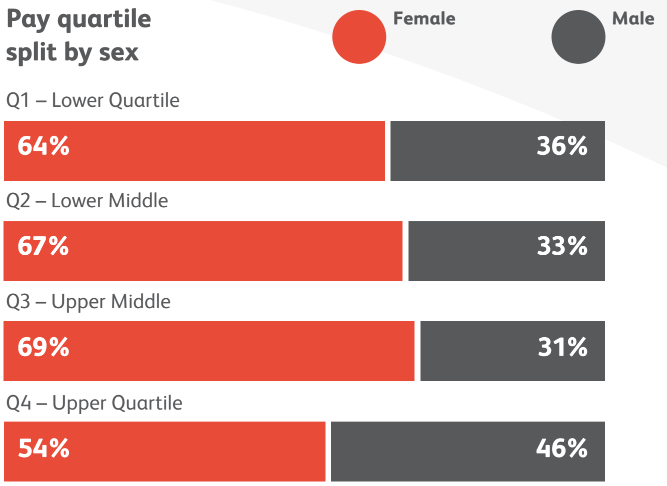
When looking at our ethnic minority representation, for those who have disclosed their ethnicity, our split was 1,911 white (79.4 %) and 497 ethnic minority backgrounds (20.6 %), an increase in ethnic minority representation of just over 1 %, when compared to 2021. Representation has increased in all our top three quartiles, with the lower quartile remaining static which is driving the improvement in our pay gap.

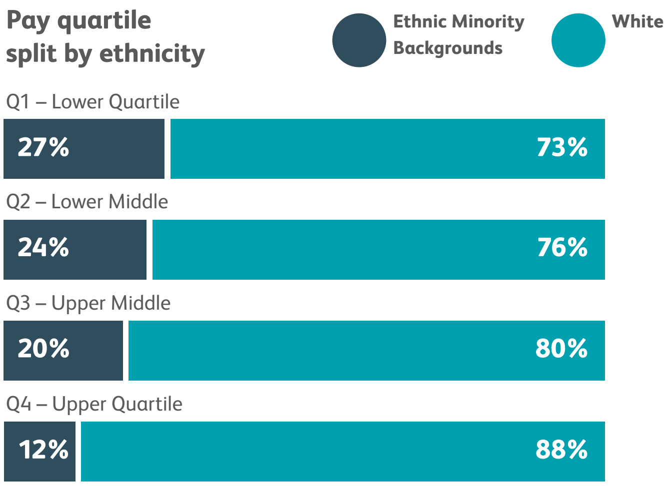
There has been an increase in our upper middle (3 %) and upper quartiles (0.8 %) where we have been targeting progression through our ethnic minorities Action Plan and Talent Acquisition Strategy.

Like gender, our ethnicity pay gap is not because of different rates of pay, but a high proportion of ethnic minority colleagues in our lower quartile roles in Care & Support and a comparative under representation within our upper quartile roles.

We will continue to focus on:

- Listening to our colleagues to improve experience and provide opportunities for growth and progression, working in partnership with Origin, our employee group.
- Continuing to target representation in our upper quartile roles with a particular focus on more senior roles and creating a pipeline of talent in our upper middle roles.
- Ensuring we are attracting talented colleagues to our organisation through our ethnic minority Talent Acquisition Strategy.





One Housing's Ethnicity and Gender Pay Gap

At One Housing, we are committed to supporting and promoting equality, diversity and inclusion. We work hard to create a culture that celebrates diversity, ensuring that everyone can bring their whole, true, authentic self to work. It is one of our values to treat everyone as individuals, respecting their diverse backgrounds, characteristics and contributions. Our ambition is that our workforce diversity reflects the customers and communities we serve.

We recognise that it is important to publish and monitor pay gaps as it can help to understand the reasons for any gap and develop action plans to tackle the causes. This is different from equal pay which is where people from all gender and ethnic backgrounds working in the same job should be paid the same.

Highlights for 2022:

- Our mean gender pay gap is 18.6% compared to 18.5% in 2021
- Our median gender pay gap is 20.9% compared to 19.7% in 2021.
- The percentage of women in the highest paid roles now stands at 49% compared to 48% in 2021.
- Our mean bonus pay gap is -113%. The bonus gap figures are hugely skewed due to the very low number of colleagues that received a bonus. The 2022 figures reflect the payments made to this small group of staff in 2021/22 for their performance in 2020/21 and the significant majority of colleagues receiving a bonus were female. In 2021, this mean bonus pay gap was 16.7%.

According to the World Health Organisation women form 70% of workers in the global health and social sector.

Why is there a gap?

The main explanation for our gender mean and median pay gaps is because a higher proportion of our frontline Care & Support staff who are paid in the lowest quartile are female. This is not unusual as according to the World Health Organisation “women form the beating heart of every health system and 70 % of workers in the global health and social sector”. In 2022, 77 % of our Care & Support staff were female and made up 81 % of those paid in the lowest quartile.

If we exclude frontline Care & Support staff from our calculations our mean gender pay gap in 2022 reduces to 2.48 % and our median gender pay gap disappears even further to -1.74 %.

Please note: We recognise that for a small but growing number of people, gender does not simply refer to male and female. For the purposes of this report. However, our gender pay gap is calculated using the approach required by the current Government regulations.

Ethnicity Pay Gap 2022

As of April 2022, our workforce consists of 58 % of employees from Black, Asian and other minority ethnic groups. Although organisations are not yet required by the Government to publish their ethnicity pay gap, we have calculated that our mean ethnicity pay gap is 22.4 %, compared to 18.4 % in 2021 and our median ethnic pay gap is calculated as 22.3 % compared to 13.7 % in 2021.

Actions

- Continue to offer some development activities targeted at female colleagues and those from Black, Asian and other minority ethnic groups, such as the G15 Accelerate Programme.
- Continue to apply the ‘Rooney Rule’ guaranteed job interview scheme for female and Black, Asian and other minority ethnic candidates who meet the essential job criteria.
- Work with our active Diversity Networks representing women, Black & Asian, LGBTQ+ and disabled colleagues on tailored ways to attract, recruit, develop, promote and retain people from all diverse backgrounds.
- Implement the wider actions from our recently agreed Equality, Diversity & Inclusion Strategy to nurture the development and careers of people from all diverse groups at One Housing, to enable them to reach their potential and thrive.

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

Recovery from COVID-19 has driven year on year downturn in 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 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;
- assess the Group's 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 28 September 2022.

Auditors

A tender exercise was undertaken in the year and BDO were appointed for a maximum five year term.

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.

Sara Shanab
Secretary

07.

Independent auditor's report

to The Riverside Group Limited

Opinion on the Financial Statements

In our opinion:

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

We have audited the financial statements of The Riverside Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the Group Audit Committee, we were appointed by the Board on 15 November 2021 to audit the financial statements for the year ending 31 March 2022 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 1 year, covering the year ending 31 March 2022.

We remain independent of the Group and the Parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Association.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board's assessment of the Group and the Parent Association's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's assessment that supports the Board's conclusions with respect to the disclosures provided around going concern;
- We assessed the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast and also have a high level understanding of the Group's markets, strategy and profile in the customer base;
- We considered the forecasts prepared by management and challenged key assumptions based on our knowledge of the business. As referred to in the basis of preparation note, management have modelled reasonably possible downside scenarios to incorporate the extended impact of the COVID-19 pandemic, impact of Russia/ Ukraine Crisis and cost of living increases. We have considered the appropriateness of the downside scenarios stated above and challenged management to confirm that they had suitably addressed the inputs, which are most susceptible to change, including those in respect of revenue, margins and cost savings;
- We challenged management on the suitability of the mitigating actions identified in their assessment and the quantum and period ascribed to these mitigating actions. Scenarios modelled by management include a stress test to analyse the current estimates of rent collection, performance of commercial investments, fire safety and compliance expenditure and maintenance and development spend that could be sustained without breaching banking covenants. We challenged the assumptions used and mitigating actions included within this scenario and reviewed the reverse stress test calculations;
- We obtained and assessed the availability of financing facilities, including the nature of the facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations through to September 2023 and the consistency of such calculations with the ratios stated in relevant lender agreements; and
- We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the going concern assessment performed.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	98% of Group surplus before tax 100% of Group revenue 98% of Group total assets	
Key audit matters	Accounting and disclosure in relation to the transaction with One Housing Group.	2022 ✓
Materiality	*Group financial statements as a whole* Materiality has been based on 6% of adjusted operating surplus as defined by the Group's tightest lending covenant.	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement.

Audit work on all components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes. We identified ten components which, in our view required an audit of their complete financial information due to their size or risk characteristics and were therefore considered to be significant components.

In addition to the parent association, the following subsidiaries were identified as significant components due to their size and risk characteristics:

— Irvine Housing Association Limited
— One Housing Group
— Evolve Facility Services Limited
— Prospect (GB) Limited
— Riverside Regeneration Limited
— Riverside Estuary Limited
— Riverside Consultancy Services Limited
— Riverside Foundation
— Riverside Finance plc

The only components not subject to a full scope audit by BDO UK were the Group's joint ventures which comprise less than 2% of the Group's assets and 1% of the Group's surplus before tax.

Our involvement with component auditors

In addition to the Group audit team, a separate BDO UK team has completed work in relation to the audit of One Housing Group.

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

We assessed the competence and independence of the component auditors. Direction and supervision over their work performed was also provided by the Group audit team. We attended the component entities' planning and completion meetings. The component auditors also transferred documentation of their work performed which was reviewed by the Group audit team in order to gain comfort over the audit of these entities.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Accounting and disclosure in relation to the transaction with One Housing Group **Note 31** **See 'Business combinations' accounting policy in Note 1**	The acquisition of One Housing Group ("OHG") in the year was a significant transaction given the various complexities and judgements involved. The are key judgements and estimates are in relation to the accounting treatment of the transaction and the fair value of: — Housing and investment properties — Joint Ventures — Loan portfolio — Defined benefit pension scheme The significance of assumptions and judgement involved in the accounting for and disclosure of the transaction means that this transaction has been identified as a Key Audit Matter.	Our audit response involved the following: — Assessment of management's paper in relation to the treatment of the acquisition and fair values applied in line with the accounting standards — Challenge of the fair values used by managements and their experts by the audit team and also utilising an auditor's expert — Consideration of the disclosure included within the financial statements in relation to the acquisition. **Key observations:** We noted no material exceptions through performing these procedures.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements 2022 £m	Parent Association financial statements 2022 £m
Materiality	8.0	4.9
Basis for determining materiality	Based on 6% of adjusted operating surplus as defined by the Group's tightest lending covenants.	Based on 6 % of adjusted operating surplus as defined by the Association's tightest lending covenants.
Rationale for the benchmark applied	Management reports its performance to key stakeholders and monitors the business based adjusted operating surplus as defined by the loan covenants. Based on the toughest loan covenants definition, depreciation and profit on fixed asset disposal are added back, grants expensed and capitalised repairs are excluded. It is therefore appropriate to adjust materiality in order to respond to the risk of covenant breach.	Management reports its performance to key stakeholders and monitors the business based adjusted operating surplus as defined by the loan covenants. Based on the toughest loan covenants definition, depreciation and profit on fixed asset disposal are added back, grants expensed and capitalised repairs are excluded. It is therefore appropriate to adjust materiality in order to respond to the risk of covenant breach.
Performance materiality	5.2	3.2
Basis for determining performance materiality	Performance materiality was set at 65% of materiality.	Performance materiality was set at 65% of materiality.

Component materiality

We set materiality for each component of the Group based on a percentage of up to 61% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was set in a range up to a maximum of £4,900k. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £161k. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the Association;
- a satisfactory system of control has not been maintained over transactions;
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board members responsibilities statement, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for 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 the Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and Association and the sector in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Group and Association Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax legislation.

In addition the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection and health and safety legislation.

We have made an assessment of the susceptibility of the Group's financial statements to material misstatement, including how fraud may occur. In addressing the risk of fraud through management override of controls we have tested the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management, privileged users or with unusual account combinations.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Discussions with management and Group Audit Committee including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, internal audit reports, reviewing correspondence with HMRC and the other regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing items included in the fraud register for any potential weaknesses in internal control which could result in fraud susceptibility;
- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to the following:
  - Categorisation of housing properties
  - Useful economic lives of tangible fixed assets
  - Impairment of non-financial assets
  - Pension and other post-employment benefits;
- We gained an understanding of the Group's current activities, the scope of its authorisation and the effectiveness of the Group's control environment.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities** This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Hamid Ghafoor
BDO LLP
Statutory Auditor
Liverpool, United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Group and Association statements

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Consolidated statement of comprehensive income

for the year ended 31 March 2022

	Notes	**2022 £'000**	**2021 £'000**
Group turnover	2	448,141	374,258
Operating costs	2	(390,087)	(300,160)
Gain on the sale of fixed assets	6	47,329	4,105
Group operating surplus		**105,383**	**78,203**
Share of operating profit in joint ventures		6,407	3,548
Interest receivable and other income	7	9,695	7,365
Interest payable and similar charges	8	(52,542)	(40,125)
Movement in fair value of financial instruments		17,551	121
Profit on gift of net assets	31	674,758	—
Amortisation on gift	32	407	—
Surplus on ordinary activities before tax	9	**761,659**	**49,112**
Taxation	10	(1,795)	(134)
Share of joint venture tax		—	—
Transfer (to)/from reserves		—	44
Surplus for the year after tax		**759,864**	**49,022**
Other comprehensive income			
Gain/(Loss) recognised on cashflow hedges		8,733	4,401
Actuarial gain/(loss) on pension schemes	25	13,871	(20,605)
Total comprehensive income for the year		**782,468**	**32,818**
Total comprehensive income for the year attributable to			
Owners of the parent		782,476	32,818
Non-controlling interest		(8)	—
		782,468	**32,818**

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 62 to 126 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 2022	Notes	2022 £'000	Restated 2021 £'000
Non current assets			
Tangible assets:			
Housing properties	11	3,879,414	2,198,369
Other tangible fixed assets	11	74,869	32,058
Intangible assets	11	23,152	19,887
		3,977,435	**2,250,314**
Investments			
Investment in joint ventures	12	91,009	46,628
Investment properties	12	198,239	1,364
Other investments	12	2,338	2,321
Homebuy equity loans	12	1,451	1,160
		4,270,472	**2,301,787**
Debtors: amounts receivable after more than one year	13	75,948	83,654
Total non current assets		**4,346,420**	**2,385,441**
Current assets			
Investments	12	47,072	41,602
Trade and other debtors	13	110,997	47,127
Properties for sale	14	85,675	31,445
Cash and cash equivalents		69,755	20,804
		313,499	**140,978**
Current liabilities			
Creditors: amounts falling due within one year	15	(252,863)	(131,730)
Net current assets		**60,636**	**9,248**
Total assets less current liabilities		**4,407,056**	**2,394,689**
Non current liabilities			
Creditors: amounts falling due after more than one year	16	2,975,967	1,739,380
Deferred income	19	7,694	7,259
Provisions for liabilities			
Pension provision – deficit funding liability	27	26,066	35,763
Other provisions	27	6,374	3,835
		3,016,101	**1,786,237**
Total net assets		**1,390,955**	**608,452**
Capital and reserves			
Non-equity share capital		—	—
Cashflow hedge reserve		(3,973)	(12,706)
Income and expenditure reserve		1,394,928	621,158
		1,390,955	**608,452**

Consolidated statement of financial position – continued

as at 31 March 2022	2022 £'000	Restated 2021 £'000
Equity attributable to		
Owners of the parent	1,285,589	608,452
Non-controlling interest	105,366	—
Total Equity	**1,390,955**	**608,452**

Note 13 debtors and note 15 creditors contain a prior year restatement that has been identified.

The financial statements on pages 54 to 126 were approved by the Board on 20 September 2022 and were signed on its behalf by:

Terrie Alafat CBE, Group Chair

Ingrid Fife, Board Member

Sara Shanab, Secretary

The notes on pages 62 to 126 form an integral part of the financial statements.

Consolidated statement of changes in reserves

	Cash flow hedge reserve	Income expenditure reserve £'000	Minority interest £'000	Total reserves £'000
Balance as at 1 April 2021	**(12,706)**	**621,158**	**—**	**608,452**
Arising as a result of acquisition	—	—	97	97
Surplus for the year	—	759,864	8	759,872
Transfer to/from reserves	—	25	—	25
Revaluation reserve	—	10	—	10
Other comprehensive income				
Effective position of changes in fair value of cash flow hedges	8,733	—	—	8,733
Actuarial gain on pension schemes	—	13,871	—	13,871
Non-controlling interest	—	(105)	—	(105)
At 31 March 2022	**(3,973)**	**1,394,823**	**105**	**1,390,955**

	Cash flow hedge reserve £'000	Income expenditure reserve £'000	Total reserves £'000
Balance as at 1 April 2020	**(17,107)**	**592,594**	**575,487**
Surplus for the year	—	49,022	49,022
Surplus for the year – subsidiaries	—	147	147
Effective position of changes in fair value of cash flow hedges	4,401	—	4,401
Actuarial (loss) on pension schemes	—	(20,605)	(20,605)
At 31 March 2021	**(12,706)**	**621,158**	**608,452**

Consolidated statement of cash flows

for the year ended 31 March 2022	2022 £'000	Restated 2021 £'000
Cash inflow from operating activities (note 21)	**54,594**	**117,397**
Cash from operations		
Interest paid	(51,784)	(38,059)
Tax paid	(11)	—
Cash from operations	**(51,795)**	**(38,059)**
Net cash generated from operating activities	**2,799**	**79,338**
Cashflow from investing activities		
Interest received	5,333	2,682
Cash received for disposal of fixed assets	97,696	36,496
Cash paid for housing construction	(191,098)	(94,815)
Cash paid for other fixed assets	(24,279)	(20,344)
Cash flow for fixed asset investments	(87)	—
Expenditure on capitalised improvements	(22,165)	(26,810)
Social Housing Grant received	38,564	7,880
Investment in joint ventures	(2,579)	(2,808)
Proceeds from disposal of joint vetures	6,350	—
Cash arising from acquisition of subsidiary	36,753	—
Decrease/(increase) in short term deposits	(5,470)	(87)
Net cash outflow from investing activities	**(60,982)**	**(97,807)**
Financing activities		
Loans raised	167,459	50,000
Loan principal repayments	(60,346)	(72,823)
Finance lease	20	—
Net cash inflow/(outflow) from financing	**107,133**	**(22,823)**
Increase/(Decrease) in cash	**48,951**	**(41,292)**
Opening cash balance	20,804	62,096
Movement in cash/cash equivalents	48,951	(41,292)
Closing cash balance	**69,755**	**20,804**

The notes on pages 62 to 126 form an integral part of the financial statements.

The prior year Consolidated Cashflow has been amended as follows to correct the highlighted errors:
(1) The use of the standard FRS 102 headings of Operating, Financing and Investing.
(2) The grossing up of Fixed asset disposal cashflows previously £32,390k to show the removal of profit as non cash – Gain on sale of fixed assets £4,105k. Then the cash received under Investing Activities (as it was a transaction outside of the core activities of the entity). Cash on Disposal of Fixed Assets £36,496k
(3) The splitting out of Creditors and accruals movement of £11,119k in non-cash movements to Current Asset Disposals of £8,414k, Amortisation of Intangibles of (£2,782k) and Pension Costs £2,500k."

Association statement of comprehensive income

for the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Turnover	2	347,184	337,643
Operating costs	2	(287,199)	(269,940)
Gain on the sale of fixed assets	6	7,562	4,105
Operating surplus		**67,547**	**71,808**
Interest receivable and other income	7	2,619	4,747
Interest payable and similar charges	8	(37,999)	(36,511)
Movement in fair value of financial instruments		67	121
Gift Aid		3,031	4,832
Surplus on ordinary activities before tax	9	**35,265**	**44,997**
Taxation	10	—	—
Transfer (to)/from reserves		—	44
Surplus for the year after tax		**35,265**	**45,041**
Other comprehensive income			
Gain/(loss) recognised on cash flow hedges		8,733	4,401
Actuarial gain/(loss) on pension schemes	25	9,962	(20,605)
Total comprehensive income for the year		**53,960**	**28,837**

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 62 to 126 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 2022	Notes	2022 £'000	Restated 2021 £'000
Non current assets			
Tangible assets:			
Housing properties	11	2,210,387	2,097,105
Other tangible fixed assets	11	42,257	31,359
Intangible assets	11	23,152	19,887
		2,275,796	**2,148,351**
Investments			
Investment properties	12	1,497	1,364
Other investments	12	96,911	82,354
Homebuy equity loans	12	204	203
		2,374,408	**2,232,272**
Debtors: amounts receivable after more than one year	13	25,237	31,243
Total non current assets		**2,399,645**	**2,263,515**
Current assets			
Investments	12	45,683	39,950
Trade and other debtors	13	46,187	38,285
Properties for sale	14	17,679	16,370
Cash and cash equivalents		13,486	17,295
		123,035	**111,900**
Current liabilities			
Creditors: amounts falling due within one year	15	(163,209)	(125,524)
Net current liabilities		**(40,174)**	**(13,624)**
Total assets less current liabilities		**2,359,471**	**2,249,891**
Non current liabilities			
Creditors: amounts falling due after more than one year	16	1,696,195	1,621,571
Deferred income	19	6,925	7,259
Provisions for liabilities:			
Pension provision – deficit funding liability	27	19,451	35,763
Other provisions	27	1,442	3,835
		1,724,013	**1,668,428**
Total net assets		**635,458**	**581,463**

Association statement of financial position – continued

	Notes	2022 £'000	Restated 2021 £'000
Capital and reserves			
Non-equity share capital	20	—	—
Cashflow hedge reserve		(3,973)	(12,706)
Income and expenditure reserve		639,431	594,169
		635,458	**581,463**

Note 13 debtors and note 15 creditors contain a prior year restatement that has been identified.

The financial statements on pages 54 to 126 were approved by the Board on 20 September 2022 and were signed on its behalf by:

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

The notes on pages 62 to 126 form an integral part of the financial statements.

Association statement of changes in reserves

	Cash flow hedge reserve £'000	Income expenditure reserve £'000	Total reserves £'000
Balance as at 1 April 2021	**(12,706)**	**594,169**	**581,463**
Surplus for the year	—	35,265	35,265
Transfer to/from reserves	—	25	25
Revaluation reserve	—	10	10
Other comprehensive income			
Effective position of changes in fair value of cash flow hedges	8,733	—	8,733
Actuarial gain on pension schemes	—	9,962	9,962
At 31 March 2022	**(3,973)**	**639,431**	**635,458**

	Cash flow hedge reserve £'000	Income expenditure reserve £'000	Total reserves £'000
Balance as at 1 April 2020	**(17,107)**	**569,777**	**552,670**
Surplus for the year	—	45,041	45,041
Effective position of changes in fair value of cash flow hedges	4,401	—	4,401
Actuarial gain on pension schemes	—	(20,605)	(20,605)
Transfer to/from reserves	—	(44)	(44)
At 31 March 2021	**(12,706)**	**594,169**	**581,463**

Notes to the financial statements

Year ended 31 March 2022
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 2018 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 63.

The Group have changed the policy in respect of Statement of Financial Position presentation to adopt an appropriate adapted format applying paragraph 1A(1) of Schedule 1 to the Regulations, where assets are presented into current and non-current portion. Consequently, the debtors due after more than one year are presented as part of non-current assets on the face of the statement of financial position.

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.

The results of One Housing Group Limited are included within the consolidated statement of comprehensive income for the four month period from 1 December 2021.

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 business plan which is updated and approved on an annual basis. The most recent business plan was approved in May 2022 by the board. As well as considering the impact of a number of scenarios The Group Business Plan is rigorously stress tested through Matrix single variant stress testing and Multi-Variant stress testing scenarios. Included within the Multi-Variant stress testing are a number of specific scenarios that test the Groups resilience to continue to cope with an extension to the COVID-19 pandemic, the impact of the Russia/Ukraine crisis and the cost of living increases. In these scenarios as part of Riverside's risk management approach, a number of mitigations would be implemented to ensure compliance with all loan covenants. The Group has five tiers of mitigations ranging from those that have an immediate impact, through to those that would take up to two years to implement.

The Board, after reviewing the Group budget for 2022/2023 and the Group's medium term position as detailed in the business plan including changes arising from the scenarios above, 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.

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 66.
- **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 2021/22 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 25.

Other areas of estimation uncertainty

- At the date of acquisition on 1 December 2021, all completed housing properties units owned by One Housing Group were valued to their existing use value for social housing (EUV-SH) by Jones Lang LaSalle Limited (JLL). JLL carried out the valuation using a discounted cash flow model on the entire housing portfolio. The key inputs into the valuations were the passing rent on the relevant cost bases associated; the discount rate, and; rent and expenditure growth rates.
- The One Housing Group loan and capital markets portfolio was measured using a fair value methodology at the acquisition date of 1 December 2021. The specialist treasury firm, Centrus Advisors Limited, carried out the valuation using underlying assumptions based on market prices where available or based on recent transactions using similar financial instruments.

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. This would be accounted for on an accruals basis with invoices being raised after the period has ended.

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 England/GLA, 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 or Association 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.

Business Combinations

Where there is a business combination that is in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the statement of comprehensive income. The gain represents the gift of the value of one entity to another and shall be recognised as income. Where the fair value of the liabilities exceeds the fair value of the assets, the loss represents the net obligation assumed and shall be recognised as an expense in the statement of comprehensive income, below operating surplus.

Costs directly attributable to the execution of business combinations that are in substance a gift are recognised within the overall gain or loss on the gift of net assets.

Principal pension accounting policies

On 1 April 2021 former employees of Impact Housing who had been members of the Social Housing Pension Scheme (SHPS) transferred into the Riverside ex SHPS Defined Benefit Scheme. On 1 December 2021 as a result of One Housing Group (OHG) joining Riverside as a subsidiary, OHG SHPS, and two Local Government Pension Schemes; Tower Hamlets and Lewisham were also added to the portfolio of 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 under the heading actuarial gains and losses on pension schemes.

The Group also contributes to two defined contribution pension schemes. Contributions are being invested in a master trust provided by Legal & General, through the Our Riverside Retirement Plan. 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. From 1 December Riverside also makes contributions into SHPS by virtue of contributions made by OHG.

Obligations for contributions to the defined contribution pension scheme are recognised as an expense in the statement of comprehensive income periods during which services are rendered by employees.

The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

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.

Intangible assets

Intangible assets relate to items capitalised in respect of software and IT projects.

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 – 125
Structure – rehabilitated	up to 50
Kitchens	20
Bathrooms	30
Roofs	60 – 80
Central boilers	40
Individual boilers	15
Full heating system	30 – 40
Windows and doors	25 – 40
Lift	25 – 30
Electrical wiring	30 – 45
External wall render	20
Cladding	50
Common parts	50

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	5 – 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

An impairment review is undertaken at least annually, or more frequently if deemed necessary 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.

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 on deposit in the money market invested for periods of generally greater than 3 months and charged accounts which are illiquid. 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 arm's 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.

One Housing Group Limited has chosen not to adopt hedge accounting. All gains and losses on instruments held by One Housing Group Limited are recognised directly 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".

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.

Reserves

Cashflow hedge reserve – Accumulated gain/losses on cash flow hedge derivatives.

Income and expenditure reserve – Accumulated surplus/deficit from ongoing activities to sustain the organisation.

Operating segments

As we have publicly traded securities within the Group we are requires to disclose information about our operating segments under IFRS 8. Segmental information is disclosed in notes 2 and 3 and as part of the analysis of housing properties in note 11. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group rather than geographical location. As permitted by IFRS 8 this is appropriate on the basis of the similarity of the service provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The Board does not routinely receive segmental information disaggregated by geographical location.

2 Turnover, operating costs and operating surplus

	Group 2022			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing activities				
Lettings (note 3)	382,243	—	(335,347)	46,896
Other social housing activities				
Development for sale shared ownership	14,796	(12,396)	—	2,400
Management services	2,259	—	(6,706)	(4,447)
Community regeneration	168	—	(720)	(552)
Other	18,000	—	(3,645)	14,355
	417,466	**(12,396)**	**(346,418)**	**58,652**
Non-social housing activities				
Lettings (note 3)	10,093	—	(9,998)	95
Developments for outright sale	20,582	(21,275)	—	(693)
	30,675	(21,275)	(9,998)	(598)
Total	**448,141**	**(33,671)**	**(356,416)**	**58,054**

The figures in this disclosure for 2022 include income and expenditure for One Housing Group Limited for the four month period commencing 1 December 2021.

	2021			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing activities				
Lettings (note 3)	318,900	—	(263,022)	55,878
Other social housing activities				
Development for sale shared ownership	11,097	(10,720)	—	377
Management services	755	—	(130)	625
Community regeneration	27	—	(446)	(419)
Other	17,879	—	(2,158)	15,721
	348,658	**(10,720)**	**(265,756)**	**72,182**
Non-social housing activities				
Lettings (note 3)	2,932	—	(970)	1,962
Developments for outright sale	22,668	(22,714)	—	(46)
	25,600	(22,714)	(970)	1,916
Total	**374,258**	**(33,434)**	**(266,726)**	**74,098**

2 Turnover, operating costs and operating surplus – continued

	Association 2022			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing activities				
Lettings (note 3)	315,632	—	(274,543)	41,089
Other social housing activities				
Development for sale shared ownership	12,901	(11,524)	—	1,377
Management services	692	—	(207)	485
Community regeneration	—	—	(542)	(542)
Other	15,082	—	411	15,493
	344,307	**(11,524)**	**(274,881)**	**57,902**
Non-social housing activities				
Lettings (note 3)	2,877	—	(794)	2,083
	2,877	—	(794)	2,083
Total	**347,184**	**(11,524)**	**(275,675)**	**59,985**

	2021			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing activities				
Lettings (note 3)	308,181	—	(257,492)	50,689
Other social housing activities				
Development for sale shared ownership	11,097	(10,416)	—	681
Management services	755	—	(149)	606
Community regeneration	27	—	(672)	(645)
Other	15,617	—	(321)	15,296
	335,677	**(10,416)**	**(258,634)**	**66,627**
Non-social housing activities				
Lettings (note 3)	1,966	—	(890)	1,076
	1,966	—	(890)	1,076
Total	**337,643**	**(10,416)**	**(259,524)**	**67,703**

3 Income and expenditure from social housing lettings

	Group					
	General housing £'000	Supported housing £'000	Shared ownership £'000	Key worker housing £'000	2022 Total £'000	2021 Total £'000
Income from lettings						
Rent receivable net of service charge income	212,919	43,888	11,392	961	269,160	234,216
Income for support services	898	36,609	988	15	38,510	30,197
Service charge receivable	8,831	40,427	3	199	49,460	42,656
Net rental income	**222,648**	**120,924**	**12,383**	**1,175**	**357,130**	**307,069**
Other revenue grants	303	326	11,083	—	11,712	408
Amortisation of government grants	8,928	3,818	563	63	13,372	11,423
Government grants taken to income	26	—	3	—	29	—
Turnover from lettings	**231,905**	**125,068**	**24,032**	**1,238**	**382,243**	**318,900**
Expenditure on lettings						
Management	(22,656)	(17,444)	(426)	(64)	(40,590)	(26,862)
Service charge costs and support services	(37,434)	(86,792)	(1,472)	(135)	(125,833)	(112,052)
Routine maintenance	(29,497)	(12,850)	(1,500)	(79)	(43,926)	(30,727)
Planned maintenance	(27,159)	(3,801)	(113)	(4)	(31,077)	(29,864)
Major repairs expenditure	(19,258)	(3,648)	(17,447)	(52)	(40,405)	(17,152)
Bad debts	(2,303)	(470)	(125)	(9)	(2,907)	(2,617)
Depreciation of housing properties	(39,397)	(9,641)	(1,345)	(219)	(50,602)	(43,633)
Impairment of housing properties	(7)	—	—	—	(7)	(115)
Operating costs on lettings	**(177,711)**	**(134,646)**	**(22,428)**	**(562)**	**(335,347)**	**(263,022)**
Operating surplus on social housing lettings	**54,194**	**(9,578)**	**1,604**	**676**	**46,896**	**55,878**
Void loss	(2,433)	(5,099)	(18)	—	(7,550)	(6,689)

	2022 £'000	2021 £'000
Particulars of turnover from non-social housing lettings		
Market rent	10,093	2,932
	10,093	**2,932**

The figures within this disclosure for 2022 include income and expenditure from One Housing Group Limited for the four month period commencing 1 December 2022. As the operations of One Housing Group Limited were not integrated into the Riverside Group Limited during this period, it has continued to adopt its own methodology in allocating overheads and central costs to the relevant segments.

3 Income and expenditure from social housing lettings – continued

	Association					
	General housing £'000	Supported housing £'000	Shared ownership £'000	Key worker housing £'000	2022 Total £'000	2021 Total £'000
Turnover from lettings						
Rent receivable net of service charge income	180,777	40,689	7,250	146	228,862	224,279
Income for support services	898	30,005	—	—	30,903	30,196
Service charges receivable	7,188	37,301	3	199	44,691	42,373
Net rental income	**188,863**	**107,995**	**7,253**	**345**	**304,456**	**296,848**
Other revenue grants	10	1	—	—	11	192
Amortisation of government grants	7,240	3,518	407	—	11,165	11,141
Turnover from lettings	**196,113**	**111,514**	**7,660**	**345**	**315,632**	**308,181**
Expenditure on lettings						
Management	(17,714)	(8,295)	—	(18)	(26,027)	(25,804)
Service charge costs and support services	(30,399)	(82,352)	(279)	(61)	(113,091)	(107,829)
Routine maintenance	(44,024)	(11,783)	(1,152)	(35)	(56,994)	(50,149)
Planned maintenance	(15,937)	(3,626)	(47)	3	(19,607)	(18,572)
Major repairs expenditure	(9,748)	(3,458)	(78)	(26)	(13,310)	(10,274)
Bad debts	(2,067)	(740)	(37)	(1)	(2,845)	(2,543)
Depreciation of housing properties	(32,349)	(8,986)	(1,326)	(1)	(42,662)	(42,206)
Impairment of housing properties	(7)	—	—	—	(7)	(115)
Operating costs on lettings	**(152,245)**	**(119,240)**	**(2,919)**	**(139)**	**(274,543)**	**(257,492)**
Operating surplus on social housing lettings	**43,868**	**(7,726)**	**4,741**	**206**	**41,089**	**50,689**
Void loss	(2,396)	(5,099)	(18)	—	(7,513)	(6,654)

	2022 £'000	2021 £'000
Particulars of turnover from non-social housing lettings		
Market rent	2,877	1,966
	2,877	**1,966**

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 2019.

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	
	2022 £'000	**2021 £'000**
Emoluments (including pension contributions and benefits in kind)	1,335	1,300
Highest paid Director – Group Chief Executive Emoluments (excluding pension contributions)	264	235
Expenses reimbursed to Directors not chargeable to income tax	2	2

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

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

Executive Directors	**2022 £'000**	**2021 £'000**
Carol Matthews CBE	264	235
Cris McGuinness	227	201
Patrick New	172	171
Joanne Lucy	120	156
Ian Gregg	158	154
John Glenton	155	143

Remuneration for Richard Hill is funded by One Housing Group.

The emoluments above exclude the following pension payments:
Four of the Directors received pensions payments of £63k (2021: £66k) and two of them received cash in lieu of pension payments of £46k (2021: £43k). 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.

4 Directors' and senior staff emoluments – continued

Non-Executive Directors	2022 £'000	2021 £'000
Terrie Alafat CBE	31	30
Pauline Davis	20	19
Ingrid Fife	16	15
Peter White	9	15
Sandy Murray	14	13
Carlos Gregorio Ashmore[1]	15	11
Clarine Stenfert[1]	2	8
Erfana Mahmood[1]	11	8
Lisa Tennant[1]	5	8
Tim Croston[1]	—	4
Rommel Pereira	5	—
Olwen Lintott	4	—
Sam Scott	7	—

Remuneration for Caroline Corby and Stewart Davenport is funded by One Housing Group.

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:

	2022	2021
£60,001 — £70,000	105	47
£70,001 — £80,000	61	35
£80,001 — £90,000	19	23
£90,001 — £100,000	17	8
£100,001 — £110,000	9	6
£110,001 — £120,000	8	8
£120,001 — £130,000	7	3
£130,001 — £140,000	2	1
£140,001 — £150,000	4	—
£150,001 — £160,000	2	1
£160,001 — £170,000	1	—
£170,001 — £180,000	1	—
£180,001 — £190,000	1	—
£210,001 — £220,000	1	—
	238	**132**

The salary bandings do not include Directors who are disclosed above or on the previous page.

Salary costs for employees of One Housing Group Limited have been allocated to the bands above by annualising salaries for the four month period commencing 1 December 2021. This has resulted in a significant increase in employees earning £60,000 or more versus the prior year.

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	
	2022 Number	**2021 Number**
Full time equivalent	3,418	3,059

	2022 £'000	**2021 £'000**
Staff costs (for the above persons)		
Wages and salaries	119,505	91,980
Social security costs	11,324	8,852
Other pension costs	7,140	6,010
	137,969	**106,842**

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.

Headcount and salaries for One Housing Group Limited are reflected in the above numbers for the four month period commencing December 2021.

FTEs for the Group have increased by 11.7 % and Association decreased by 3.9 %. The increase in Group is due to additional employees from One Housing Group.

The total amount of severance and redundancy payments made during the year was £0.8m (2021: £0.9m).

	Association	
	2022 Number	**2021 Number**
Full time equivalent	2,289	2,382

	2022 £'000	**2021 £'000**
Staff costs (for the above persons)		
Wages and salaries	80,403	76,942
Social security costs	7,606	7,215
Other pension costs	5,203	5,117
	93,212	89,274

The total amount of severance and redundancy payments made during the year was £0.6m (2021:£0.9m).

6 Gain on the sale of fixed assets

	Group 2022 £'000	Group 2021 £'000
Proceeds of sales	65,943	10,172
Cost of sales	(18,614)	(6,067)
Surplus on sale of property	**47,329**	**4,105**

	Association 2022 £'000	Association 2021 £'000
Proceeds of sales	18,476	10,172
Cost of sales	(10,914)	(6,067)
Surplus on sale of property	**7,562**	**4,105**

Surplus on sale of property includes shared ownership staircasing sales surplus of £1.97m (2021: £594k).

7 Interest receivable and other income

	Group 2022 £'000	Group 2021 £'000
Bank and other interest receivable	5,213	7,180
Income from listed investments	4,482	185
	9,695	**7,365**

	Association 2022 £'000	Association 2021 £'000
Bank and other interest receivable	1,985	2,187
Income from listed investments	78	130
Intercompany interest from subsidiaries	556	2,430
	2,619	**4,747**

8 Interest payable and similar charges

	Group	
	2022	**2021**
	£'000	**£'000**
Bank loans and overdrafts	28,737	17,372
Other loans	21,613	19,601
Other interest payable	(1,398)	1,430
Pension costs	660	412
Finance costs	2,382	1,310
Derivatives	1,600	—
Interest capitalised on the construction of housing property	(1,052)	—
	52,542	**40,125**

	Association	
	2022	**2021**
	£'000	**£'000**
Bank loans and overdrafts	14,769	16,209
Other loans	19,369	17,215
Other interest payable	1,471	1,379
Pension costs	660	412
Finance costs	1,730	1,296
	37,999	**36,511**

9 Surplus on ordinary activities

	Group	
	2022 £'000	2021 £'000
Surplus on ordinary activities is stated after charging:		
Depreciation for the year		
Housing properties	48,533	41,786
Other tangible fixed assets	6,471	4,412
Amortisation of intangibles	3,800	2,782
Impairment charge/(credit) for the year		
Housing properties	7	115
Released on disposal	(90)	(45)
Impairment of investment in subsidiary	(2,510)	—
Auditors' remuneration		
For audit services	470	250
For non-audit services		
— other	70	3
Operating lease rentals		
Land and buildings	202,719	2,191
Other	1,885	548
Defined contribution pension costs	917	—

	Association	
	2022 £'000	2021 £'000
Surplus on ordinary activities is stated after crediting:		
Depreciation for the year		
Housing properties	40,715	40,383
Other tangible fixed assets	4,069	4,267
Amortisation of government grant	(11,164)	(22,278)
Amortisation of intangibles	3,800	2,782
Impairment charge/(credit) for the year		
Housing properties	7	115
Released on disposal	(90)	(45)
Auditors' remuneration		
For audit services	120	189
For non-audit services		
— other	—	3
Operating lease rentals		
Land and buildings	1,450	2,030
Other	228	507

10 Tax on surplus on ordinary activities

	Group 2022 £'000	2021 £'000
Analysis of charge in period		
Current tax charge	5	—
Deferred tax charge	1,790	134
Total tax charge	**1,795**	**134**

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:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	761,659	49,112
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19 % (2020: 19 %)	144,715	9,331
Effects of:		
Expenses not deductible for tax purposes	5,338	—
Loss exempt from tax due to charitable exemption	(12,515)	(9,979)
Acquisition of subsidiary	(128,204)	—
Prior year deferred tax	6	7
Movements in deffered tax	(16)	—
Movements in fair value of financial instruments	(3,528)	—
Movement in investment properties	(830)	—
(Creation)/use losses and group reliefs	52	—
Affect on profit from Joint Ventures	(3,712)	775
Rate change	489	—
Total charge	**1,795**	**134**

Deferred taxation
The movement in the year is as follows:

	2022 £'000	2021 £'000
At the beginning of the year	(448)	(582)
Charge for the year	1,795	134
Prior year	—	—
At the end of the year	**1,347**	**(448)**

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		
Losses	(401)	(4,877)
Other timing differences	(95)	—
Accelerated capital allowances	1	—
	(495)	**(4,877)**

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 2022 £'000	Association 2021 £'000
Profit on ordinary activities before tax	35,265	44,997
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19 % (2020: 19 %)	6,700	8,549
Effects of:		
Profits exempt from tax as a result of charitable exemption	(6,700)	(8,549)
Current tax	–	–

11 Fixed assets

	Social housing properties held for letting £'000	Social housing properties under construction £'000	Group Completed shared ownership properties £'000	Shared ownership properties under construction £'000	Total properties £'000
Cost					
At 1 April 2021	2,492,166	74,340	141,623	11,827	2,719,956
Restated at April 2021	—	2,628	—	—	2,628
Schemes completed	73,839	(73,839)	16,955	(16,955)	—
Additions	23,198	123,746	489	48,155	195,588
Improvements to existing properties	40,168	—	120	—	40,288
Disposal of properties	(36,054)	—	(6,840)	—	(42,894)
Accelerated replacement of components	(6,980)	—	—	—	(6,980)
Reclassification	—	—	1,420	(54)	1,366
Transfer to another housing association	(20,269)	—	(4,822)	—	(25,091)
Arising on acquisition	1,175,232	66,266	263,613	25,864	1,530,975
At 31 March 2022	**3,741,300**	**193,141**	**412,558**	**68,837**	**4,415,836**
Depreciation and impairment					
At 1 April 2021	516,950	—	7,265	—	524,215
Charge for the year	47,126	—	1,407	—	48,533
Eliminated in respect of disposals	(31,875)	—	(312)	—	(32,187)
Impairment charge	7	—	—	—	7
Impairment released on disposals	(90)	—	—	—	(90)
Transfer to another housing association	(3,480)	—	—	—	(3,480)
Amortisation of FV adjustments	(576)	—	—	—	(576)
At 31 March 2022	**528,062**	**—**	**8,360**	**—**	**536,422**
Net book value at 31 March 2022	**3,213,238**	**193,141**	**404,198**	**68,837**	**3,879,414**
Net book value at 31 March 2021	**1,975,216**	**76,968**	**134,358**	**11,827**	**2,198,369**

On the acquisition of One Housing Group Limited, the Riverside Group Limited carried out a valuation on the completed housing properties portfolio acquired, using that amount as fair value. The Riverside Group engaged JLL Valuers Limited to value housing properties on an Existing Use Value for Social Housing (EUV-SH) basis. More information can be found in note 31.

Government grants of £680m associated with housing properties acquired from the business combination with One Housing Group Limited were included within the Gain arising from Gift of Net Assets within the consolidated statement of comprehensive income. As these properties were included at fair value on acquisition, no grant is disclosed within creditors. In the event of the housing properties being disposed of, the Group is responsible for the repayment or the recycling of the grant.

Improvements to existing properties consist of £37m (2021: £19m) capitalised costs in addition to £10m (2021: £7.7m) non-capitalised improvements, which have been charged to the income and expenditure account within cost of sales.

Reclassification consists of transfer to current assets £390k (2021: Nil) and adjustments for first tranche % £976k (2021: Nil). The net book value of tangible fixed assets includes £1.1m (2021: £Nil) in respect of assets held under finance leases. Additions of Housing Fixed Assets in the year include a stock transfer from Guinness Homes of Social Housing £20m and Shared ownership £63k.

Accruals
The 2021 position has been restated to increase accruals by £2,628k for unrecorded liabilities. This adjustment has also been made in Fixed Assets. The adjustment impacts group and the impact on association is £1,777k the remaining £850k is in respect of Irvine Housing Association.

11 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 2021	33,330	8,539	8,488	50,357
Additions	14,806	28	2,746	17,580
Disposals	(2,736)	(1,369)	(1,589)	(5,694)
Arising on acquisition	2,572	4,935	24,630	32,137
At 31 March 2022	**47,972**	**12,133**	**34,275**	**94,380**
Depreciation and impairment				
At 1 April 2021	9,671	3,810	4,818	18,299
Charge for the year	2,922	602	2,947	6,471
Eliminated in respect of disposals	(2,445)	(1,296)	(1,518)	(5,259)
At 31 March 2022	**10,148**	**3,116**	**6,247**	**19,511**
Net book value at 31 March 2022	**37,824**	**9,017**	**28,028**	**74,869**
Net book value at 31 March 2021	**23,659**	**4,729**	**3,670**	**32,058**

On the acquisition of One Housing Group Limited, other fixed assets were acquired at book value which was deemed as fair value. The figures relating to fixed asset cost and depreciation arising on acquisition have been disclosed separately as we consider that this provides a clearer picture to the users of the accounts.

Intangible fixed assets – Group and Association	Completed £000	Work in Progress £000	Totals £'000
Cost			
At 1 April 2021	19,164	7,524	26,688
Additions	—	7,064	7,064
Transfers	3,287	(3,287)	—
Disposals	(1,494)	—	(1,494)
At 31 March 2022	**20,957**	**11,301**	**32,258**
Amortisation			
At 1 April 2021	6,801	—	6,801
Charge for the year	3,800	—	3,800
Eliminated in respect of disposals	(1,495)	—	(1,495)
At 31 March 2022	9,106	—	9,106
Net book value at 31 March 2022	**11,851**	**11,301**	**23,152**
Net book value at 31 March 2021	**12,363**	**7,524**	**19,887**

Intangible assets relate to items capitalised in respect of software and IT projects.

11 **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 2021	2,376,036	72,275	145,079	8,372	2,601,762
Restated at April 2021	—	1,777	—	—	1,777
Schemes completed	55,874	(55,875)	13,939	(13,939)	—
Additions	20,191	82,925	484	27,892	131,492
Improvements to existing properties	37,695	—	120	—	37,815
Disposal of properties	(35,272)	—	(5,750)	—	(41,021)
Accelerated replacement of components	(4,896)	—	—	—	(4,896)
At 31 March 2022	**2,449,628**	**101,102**	**153,872**	**22,325**	**2,726,929**
Depreciation and impairment					
At 1 April 2021	500,524	—	5,910	—	506,434
Charge for the year	39,308	—	1,407	—	40,715
Eliminated in respect of disposals	(30,212)	—	(312)	—	(30,524)
Impairment charge	7	—	—	—	7
Impairment released on disposals	(90)	—	—	—	(90)
At 31 March 2022	**509,537**	**—**	**7,005**	**—**	**516,542**
Net book value at 31 March 2022	**1,940,091**	**101,102**	**146,867**	**22,325**	**2,210,387**
Net book value at 31 March 2021	**1,875,512**	**74,052**	**139,169**	**8,372**	**2,097,105**

Improvements to existing properties consist of £34m (2021: £17m) capitalised costs in addition to £9.5m (2021: £7.2m) non-capitalised improvements, which have been charged to the income and expenditure account.

Reclassification consists of transfer to current assets £390k (2021: Nil) and adjustments for first tranche % £976k (2021: Nil).

The net book value of tangible fixed assets includes £1.1m (2021: Nil) in respect of assets held under finance leases.

Additions of Housing Fixed Assets in the year include a stock transfer from Guinness Homes of Social Housing £20m and Shared ownership £63k.

11 **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 2021	31,150	8,469	9,869	49,488
Additions	14,770	—	390	15,160
Disposals	(2,525)	(1,214)	(1,567)	(5,306)
Arising on acquisition				
At 31 March 2022	**43,395**	**7,255**	**8,692**	**59,342**
Depreciation and impairment				
At 1 April 2021	8,587	3,773	5,769	18,129
Charge for the year	2,793	52	1,224	4,069
Eliminated in respect of disposals	(2,399)	(1,214)	(1,500)	(5,113)
At 31 March 2022	**8,981**	**2,611**	**5,493**	**17,085**
Net book value at 31 March 2022	**34,414**	**4,644**	**3,199**	**42,257**
Net book value at 31 March 2021	**22,563**	**4,696**	**4,100**	**31,359**

Intangible fixed assets – Group and Association	Completed £000	Work in Progress £000	Totals £'000
Cost			
At 1 April 2021	19,164	7,524	26,688
Additions	3,287	3,777	7,064
Disposals	(1,494)	—	(1,494)
Arising on acquisition			
At 31 March 2022	**20,957**	**11,301**	**32,258**
Amortisation			
At 1 April 2021	6,801	—	6,801
Charge for the year	3,800	—	3,800
Eliminated in respect of disposals	(1,495)	—	(1,495)
Arising on acquisition			
At 31 March 2022	**9,106**	**—**	**9,106**
Net book value at 31 March 2022	**11,851**	**11,301**	**23,152**
Net book value at 31 March 2021	12,363	7,524	19,887

11 Fixed assets – continued

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

	Group	
	2022 £'000	2021 £'000
Housing Properties		
Freehold	3,879,519	2,195,732
Long leasehold	9	9
	3,879,528	**2,195,741**
Offices		
Freehold	7,297	4,573
Long leasehold	1,721	157
	9,018	**4,730**

On the acquisition of One Housing Group Limited, the Riverside Group Limited acquired freehold and leasehold offices at book value which was deemed as fair value.

	Association	
	2022 £'000	2021 £'000
Housing Properties		
Freehold	2,206,236	2,095,319
Long leasehold	9	9
	2,206,245	**2,095,328**
Offices		
Freehold	4,552	4,573
Long leasehold	92	157
	4,644	**4,730**

12 Investments

A. Fixed assets

Name of undertaking	Nature of undertaking	Principal activity
The Compendium Group Limited[1]	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
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
Irvine Housing Association Limited	Registered Society and Scottish Registered Charity under the Co-operative and Community Benefits Societies Act 2014	Registered provider of social housing
Naylands (51-68) Limited[2]	Private company limited by shares under the Companies Act 1985	Property management
One Housing Group Limited[5]	Registered Society under the Co-operative and Community Benefits Societies Act 2014	Registered provider of social housing
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 homes
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
Riverside Regeneration (Bromley) Limited	Company incorporated and limited by shares under the Companies Act 1985	Urban regeneration initiatives
Riverside Regeneration (London) Limited	Company incorporated and limited by shares under the Companies Act 1985	Urban regeneration initiatives
Riverside Regeneration (Southwark) Limited	Company incorporated and limited by shares under the Companies Act 1985	Urban regeneration initiatives
Skylight Lettings[3]	Joint venture company incorporated and limited by shares under the Companies Act 1985	Ethical lettings agency

Key to numbering

1 Entity is 50% owned by The Riverside Group Limited.
2 Entity is 77% owned by The Riverside Group Limited.
3 Entity is owned 33.3% by The Riverside Group Limited and is in the process of dissolution.
4 Entity is dormant
5 Joined The Riverside Group as a subsidiary from 1 December 2021.
All other undertakings are 100% owned by The Riverside Group Limited.

12 Investments – continued

	Group	
	2022 £'000	2021 £'000
Fixed assets		
Other	2,338	2,321
Investment in subsidiaries	—	—
Investment in joint ventures (see (i) below)	91,009	46,628
	93,347	**48,949**
Investment properties (see (ii) below)	198,239	1,364
Homebuy equity loans	1,451	1,160
	293,037	**51,473**
Current assets		
Charged accounts and short term investment	47,072	41,602
	47,072	**41,602**
Total investments	**340,109**	**93,075**
(i) Group share of net assets and liabilities of joint ventures		
Compendium Group Limited	3,659	3,091
Stanton Cross Developments LLP	45,470	41,879
Regeneration Lambeth Limited	2,518	1,474
Skylight Lettings	—	184
Regeneration Bromley (Pike Close) LLP	920	—
Regeneration Bromley (Calverley Close) LLP	522	—
New Ladderswood LLP	6,970	—
Dollar Bay Developments LLP	471	—
New Granville LLP	12,679	—
Citystyle Fairview VQ LLP	17,800	—
	91,009	**46,628**

Investment in Compendium Group Limited is £1.3m and the Group share of profit was £1.08m.
Riverside Regeneration Limited invested £39.1m in Stanton Cross Development LLP for the development of homes on the Stanton Cross site. The Group share of profit was £3.6m. Riverside Regeneration Lambeth Limited invested £2.5m in Lambeth Regeneration LLP for the development of homes on the Bellway site. Riverside Regeneration Bromley Ltd invested £1.4m for the development of homes on the Countryside site.

One Housing Group Limited holds investments in a number of joint ventures via intermediate subsidiaries. CHA Ventures Limited holds investments of £14.9m in New Ladderswood LLP and £15.9m in New Granville LLP. Citystyle Fairview VQ Limited holds an investment of £2.8m in Citystyle Living (Victoria Quarter) LLP.

Investments – continued

	Association 2022 £'000	Association 2021 £'000
Fixed assets		
Other	1,989	2,036
Investment in subsidiaries	93,637	78,849
Investment in joint ventures	1,285	1,469
	96,911	**82,354**
Investment properties (see (ii) below)	1,497	1,364
Homebuy equity loans	204	203
	98,612	**83,921**
Current assets		
Charged accounts and short term investment	45,683	39,950
	45,683	**39,950**
Total investments	**144,295**	**123,871**

	Group 2022 £'000	Group 2021 £'000
(ii) Investment properties		
Valuation at 1 April 2021	1,364	1,186
Revaluation	133	178
Arising on acquisition	196,742	—
Valuation at 31 March 2022	**198,239**	**1,364**

On the acquisition of One Housing Group Limited, the Riverside Group Limited carried out a valuation of the investment properties acquired using that amount as the fair value. The Riverside Group engaged JLL Valuers Limited to value the investment properties on a market value basis. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' appraisal and valuation manual. A discounted cash flow methodology was adopted. Further detail is provided within the key sources of estimation uncertainty section of accounting policies.

	Association 2022 £'000	Association 2021 £'000
(ii) Investment properties		
Valuation at 1 April 2021	1,364	1,186
Revaluation	133	178
Valuation at 31 March 2022	**1,497**	**1,364**

13 Debtors

	Group	
		Restated
	2022	2021
	£'000	£'000
Amounts falling due after more than one year:	**75,948**	**83,654**
Amounts falling due within one year:		
Rent and service charge arrears	41,282	23,338
Less: provision for bad and doubtful debts	(10,773)	(8,068)
Net rental debtors	**30,509**	**15,270**
Other debtors	42,677	20,062
Prepayments and accrued income	37,417	10,111
Amount due from joint venture	394	1,684
Total amounts falling due within one year	**110,997**	**47,127**

Included in debtors due after more than one year is £1.4m (2021: £3.7m) 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.

	Association	
		Restated
	2022	2021
	£'000	£'000
Amounts falling due after more than one year:		
Improvement programmes	3,494	6,206
Intra group debtors	9,018	10,268
PFI finance debtor	12,725	14,769
	25,237	**31,243**
Amounts falling due within one year:		
Rent and service charge arrears	25,632	21,819
Less: provision for bad and doubtful debts	(10,249)	(7,672)
Net rental debtors	**15,383**	**14,147**
Other debtors	18,584	14,612
Prepayments and accrued income	12,220	9,526
Total amounts falling due within one year	**46,187**	**38,285**

The 2021 position has been restated to correct the following prior year errors:

1) The PFI Finance debtor is presented as a component of Other debtors. The correction to PFI debtor reduces it by £11,348k being amounts incorrectly recognised as other creditors relating to the operation of PFI schemes. The adjustment impacts both the Group and the Association. The adjustment to Other Debtors (Group) reduces the balance from £93,248k to £81,900k. The adjustment to Other Debtors (Association) reduces the balance from £28,517k to £17,169k.

2) Amounts falling due after more than one year in respect of the PFI Debtor which is a multi-year scheme, were incorrectly disclosed within amounts due within one year, therefore £77,448k has been moved to amounts falling due after more than one year. The adjustment impacts both the Group and the Association. The adjustment to Amounts greater than 1 year (Group) increases the balance by £77,488k to £77,448k, it reduces the amounts due within one year from £81,900k to £4,452k. The adjustment to Amounts greater than 1 year (Association) increases the balance by £14,749k to £14,749k, it reduces the amounts due within one year from £17,169k to £2,420k.

14 Properties for sale

	Group 2022 £'000	Group 2021 £'000
Properties under construction – outright sales	33,951	13,358
Properties under construction – shared ownership	29,475	6,153
Completed properties – outright sales	5,605	—
Completed properties – shared ownership	16,644	11,934
	85,675	**31,445**

On the acquisition of One Housing Group Limited, the Riverside Group Limited acquired properties held for sale at book value which was deemed fair value.

	Association 2022 £'000	Association 2021 £'000
Properties under construction – shared ownership	7,840	4,436
Completed properties – shared ownership	9,839	11,934
	17,679	**16,370**

15 Creditors: amounts falling due within one year

	Group 2022 £'000	Group Restated 2021 £'000
Bank and other loans (see note 17)	59,090	18,344
Trade creditors	27,823	14,882
Rent and service charges received in advance	22,095	9,060
Social Housing Grant received in advance	5,340	12,944
Other creditors	28,443	8,429
Recycled Capital Grant Fund (see note 16a)	2,845	4,422
Accruals and deferred income	94,066	51,163
Grant on Homebuy equity loans	—	1,061
Amortisation of deferred capital grant	11,459	11,425
Obligations under finance lease	80	—
Fair value of derivatives	1,622	—
	252,863	**131,730**

	Association 2022 £'000	Association Restated 2021 £'000
Bank and other loans (see note 17)	43,200	15,881
Trade creditors	8,846	8,060
Rent and service charges received in advance	11,651	11,541
Social Housing Grant received in advance	5,242	12,845
Other creditors	9,668	8,182
Recycled Capital Grant Fund (see note 16a)	2,845	4,422
Accruals and deferred income	43,669	38,984
Intra group creditors	25,222	14,249
Grant on Homebuy equity loans	—	219
Amortisation of deferred capital grant	11,164	11,141
Obligations under finance lease	80	—
Fair value of derivatives	1,622	—
	163,209	**125,524**

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.

The 2021 position has been restated to reduce other creditors by £11,348k being amounts incorrectly recognised as other creditors relating to the operation of PFI schemes. The adjustment impacts both the Group and the Association.

The 2021 position has been restated to reduce other creditors due within one year by £9,722k to £18,151k being amounts incorrectly recognised as other creditors due within one year relating to the ageing of Sinking and Cyclical Funds. There is an equal increase in Creditors falling due after more than one year of £9,722k which is disclosed on separate line as Sinking and Cyclical Funds. The adjustment impacts both the Group and the Association to the same value.

The adjustment to Other creditors (Group) reduces the balance from £29,499k to £18,151k for PFI and from £18,151k to £8,429k for Sinking and cyclical. The adjustment to Other Creditors (Association) reduces the balance from £29,252k to £17,904k for PFI and from £17,904k to £8,182k for Sinking and Cyclical.

Trade Creditors
The 2021 position has been restated to increase trade creditors by £3,000k relating to overpayments, this is netted off with a prior year adjustment on debtors. The adjustment relates to group and association.

Accruals
The 2021 position has been restated to increase accruals by £2,628k for unrecorded liabilities. This adjustment has also been made in Fixed Assets. The adjustment impacts group and the impact on association is £1,777k the remaining £850k is in respect of Irvine Housing Association.

16 Creditors: amounts falling due after more than one year

	Group 2022 £'000	Group Restated 2021 £'000
Long term loans (see note 17)	2,107,420	957,135
Recycled Capital Grant Fund (see note 16a)	16,098	2,717
Deferred Capital Grant (note 16b)	1,029,818	1,001,377
Accumulated amortisation of deferred capital grant (note 16b)	(242,737)	(233,270)
Amortisation of deferred capital grant due in one year	(11,459)	(11,425)
Fair value of derivatives	2,702	13,124
Derivatives not designated as hedges	39,563	—
Obligations under finance lease	1,321	—
Sinking and cyclical funds	31,895	9,722
Grant on homebuy	1,346	—
	2,975,967	**1,739,380**

	Association 2022 £'000	Association Restated 2021 £'000
Long term loans (see note 17)	940,346	868,755
Recycled Capital Grant Fund (see note 16a)	4,183	2,717
Deferred Capital Grant (note 16b)	983,361	968,053
Accumulated amortisation of deferred capital grant (note 16b)	(238,830)	(229,659)
Amortisation of deferred capital grant due in one year	(11,164)	(11,141)
Fair value of derivatives	2,702	13,124
Obligations under finance lease	1,321	—
Sinking and cyclical funds	14,072	9,722
Grant on homebuy	204	—
	1,696,195	**1,621,571**

Long term loans are secured by fixed charges on properties.

The 2021 position has been restated to reduce Other creditors due within one year by £9,722k to £8,182k being amounts incorrectly recognised as Other creditors due within one year relating to the ageing of Sinking and Cyclical Funds. There is an equal increase in Creditors falling due after more than one year of £9,722k which is disclosed on separate line as Sinking and Cyclical Funds. The adjustment impacts both the Group and the Association to the same value.

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

	2022 £'000	2021 £'000
Recycled Capital Grant Fund		
Opening balance	7,139	16,123
Inputs to RCGF:		
Grants recycled	3,769	1,614
Interest accrued	80	11
Recycling of grant:		
Newbuild	(2,666)	(10,609)
Transferred to creditors	(3,459)	—
Arising on acquisition	14,080	—
Closing balance	**18,943**	**7,139**

No amounts are due for repayment to Homes England.

The element of the Recycled Capital Grant Fund arising on the acquisition of One Housing Group Limited has been separately disclosed to provide a clearer picture to the users of the accounts.

16b Deferred Capital Grant

	Group	
	2022 £'000	2021 £'000
Deferred capital grant		
At start of the year	1,001,377	971,872
Grant received in the year	35,481	22,714
Disposals	(7,040)	(4,346)
Reclassification	—	11,137
As at 31 March 2022	**1,029,818**	**1,001,377**
Amortisation at start of the year	(233,270)	(211,708)
Released to income	(11,459)	(11,425)
Released to disposals	1,993	1,000
Reclassification	—	(11,137)
As at 31 March 2022	**(242,736)**	**(233,270)**

Amounts due to be released within one year £11.5m.
Amounts due to be released after more than one year £1bn.

Government grants of £680m associated with housing properties acquired from the acquisition of One Housing Group Limited were included within the Gain arising from Gift of Net Assets within the consolidated statement of comprehensive income. Further information can be found in note 11 relating to housing properties and note 31 relating to combinations that are in substance a gift.

	Association	
	2022 £'000	2021 £'000
Deferred capital grant		
At start of the year	968,053	939,348
Grant received in the year	22,348	21,914
Disposals	(7,040)	(4,346)
Reclassification	—	11,137
As at 31 March 2022	**983,361**	**968,053**
Amortisation at start of the year	(229,659)	(208,381)
Released to income	(11,164)	(11,141)
Released to disposals	1,993	1,000
Reclassification	—	(11,137)
As at 31 March 2022	**(238,830)**	**(229,659)**

Amounts due to be released within one year £11.2m.
Amounts due to be released after more than one year £1bn.

17 Debt analysis

	Group	
	2022	**2021**
	£'000	**£'000**
Due within one year		
Bank loans	53,580	14,579
Other loans	5,510	3,765
Total due within one year	**59,090**	**18,344**
Due after more than one year		
Bank loans	1,153,053	528,380
Local authority loans	118,515	25
Other loans	512,053	180,930
Less finance costs capitalised	(17,033)	(9,622)
	1,766,588	**699,713**
Bond	338,000	250,000
Premium/Discount on issue	6,382	8,839
Bond issue costs	(3,550)	(1,417)
Net bond balance	**340,832**	**257,422**
Total due after more than one year	**2,107,420**	**957,135**

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 0.275 % and 2.50 %. The instalments fall to be repaid in the periods 2022 to 2050.

Other loans are repayable in instalments at fixed rates of interest of between 2.69 % and 9.30 %. The instalments fall to be repaid in the periods 2022 to 2053.

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

One Housing Group Limited loans were revalued at fair value as defined by s11 of FRS 102 as at the date of acquisition, 1 December 2021. Further information can be found in note 31.

The fair value of the long term borrowing is £293.62m (2021: £326.89m). Bonds are secured on properties and deposits held within The Riverside Group Limited.

	2022	**2021**
	£'000	**£'000**
Debt maturity profile		
In one year or less	59,090	18,344
Between one and two years	138,915	67,814
Between two and five years	395,914	149,272
In five years or more	1,586,792	742,249
	2,180,711	**977,679**
Less:		
Loans due in one year or less	(59,090)	(18,344)
Finance costs capitalised	(20,583)	(11,039)
Discount on issue of bond	6,382	8,839
	2,107,420	**957,135**

17 Debt analysis – continued

	Association 2022 £'000	Association 2021 £'000
Due within one year		
Bank loans	41,789	14,579
Other loans	1,411	1,302
Total due within one year	**43,200**	**15,881**
Due after more than one year		
Bank loans	467,670	495,227
Local authority loans	25	25
Other loans	222,903	124,314
Less finance costs capitalised	(6,271)	(8,233)
	684,327	**611,333**
Intra group creditor – Bond	250,000	250,000
Intra group creditor – Premium/(Discount) on issue	8,702	8,839
Intra group creditor – Bond issue costs	(2,683)	(1,417)
Net bond balance	**256,019**	**257,422**
Total due after more than one year	**940,346**	**868,755**

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 2022 to 2046.

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 2022 to 2046.

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

The fair value of the long term borrowing is £293.62m (2021: £326.89m). Bonds are secured on properties and deposits held within The Riverside Group Limited.

	2022 £'000	2021 £'000
Debt maturity profile		
In one year or less	43,200	15,881
Between one and two years	28,372	65,347
Between two and five years	169,246	141,757
In five years or more	742,981	662,462
	983,799	**885,447**
Less:		
Loans due in one year or less	(43,200)	(15,881)
Finance costs capitalised	(8,955)	(9,650)
Discount on issue of bond	8,702	8,839
	940,346	**868,755**

17a Borrowing facilities

Borrowing facilities
Undrawn committed borrowing facilities at 31 March 2022 were as follows:

	Group	
	2022 **£'000**	**2021** **£'000**
Expiring in one year or less	37,000	11,000
Expiring between one and five years	252,810	200,000
Expiring in more than five years	175,000	225,000
	464,810	**436,000**

In the financial year ended 31 March 2022, all undrawn committed borrowing facilities were fully secured (2021: £0m of undrawn facilities remained to be secured before the facility could be utilised).

	Association	
	2022 **£'000**	**2021** **£'000**
Expiring in one year or less	37,000	11,000
Expiring between one and two years	154,000	200,000
Expiring in more than two years	125,000	225,000
	316,000	**436,000**

In the financial year ended 31 March 2022, all undrawn committed borrowing facilities were fully secured (2021: £0m 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 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Assets at fair value through profit or loss				
Fixed asset investments (Note 12)	93,347	48,949	1,989	2,036
Assets measured at amortised cost				
Fixed asset investments (Note 12)	1,451	1,160	204	203
Current asset investments (Note 12)	47,072	41,602	45,683	39,950
Debtors (Note 13)	145,056	122,885	51,462	51,876
Cash and cash equivalents	69,755	20,804	13,486	17,295
Liabilities measured at amortised cost				
Loans (Notes 15, 16 and 17)	(2,166,510)	(975,479)	(983,546)	(884,636)
Trade creditors (Notes 15 and 16)	(227,308)	(112,100)	(85,026)	(96,184)
Derivatives				
Designated as hedges (Note 16)	(4,324)	(13,124)	(4,324)	(13,124)
Other	(47,091)	—	—	—
	(2,088,552)	**(865,303)**	**(960,072)**	**(882,584)**

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. On the acquisition of One Housing Group Limited, derivative financial instruments were transferred acquired by the Riverside Group at fair value. Centrus Financial Advisors Limited were retained by the Riverside Group to value derivatives at fair value using a discounted cash flow methodology.

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			
	2022		2021	
	£'000 Assets	£'000 Liabilities	£'000 Assets	£'000 Liabilities
Interest rate swaps				
In one year or less	146	(4,013)	123	(4,013)
Between one and two years	1,722	(3,224)	292	(3,224)
Between two and three years	2,056	(2,573)	468	(2,573)
Between three and five years	3,160	(4,786)	1,325	(4,786)
In five years or more	1,266	(2,056)	1,001	(2,056)
Total	**8,350**	**(16,652)**	**3,209**	**(16,652)**

	Group and Association	
	2022 £'000	2021 £'000
Nominal values of the above		
Cash flow hedge	120,455	122,619
Total	**120,455**	**122,619**

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.

One Housing Group has elected not to adopt hedge accounting. The values in the note above therefore do not include figures relating to interest rate swaps held by One Housing Group. Further information on the Group's approach to hedge accounting can be found in the accounting policies note.

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.
Interest rate benchmark reform has been completed in the year and so:

FRS 102 requires that an entity shall disclose information on the nature and extent of risks arising from financial instruments subject to interest rate benchmark reform, how the entity manages those risks and the entity's progress in completing the transition from interest rate benchmarks to alternative benchmark rates.

Riverside are applying the practical expedient in that hedge accounting should not be disrupted if the only change in the arrangements is the move from LIBOR to SONIA. All swaps and the underlying loans transitioned to SONIA on the same date and on the same SONIA basis, so economically the hedges are entirely undisturbed.

Variable rates during the year included borrowings linked to either LIBOR or SONIA; going forward, all variable rate borrowing is linked to SONIA. 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.

18 Financial instruments and risk management – continued

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 the 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 2022 are £6.4m and £0.5m respectively. Deferred income also includes £0.8m relating to Prospect (GB) Limited schemes and this will be released at the correct stage of the build.

20 Share capital

	Group and Association	
	2022 **£**	**2021** **£**
Opening balance as at 1 April 2021	36	34
Appointed in year	6	5
Resigned in year	(19)	(3)
Closing balance as at 31 March 2022	**23**	**36**

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

	Group 2022 £'000	Restated 2021 £'000
Operating surplus	105,383	78,203
Depreciation and impairment	55,004	46,178
Decrease/increase in other debtors and prepayments	(26,599)	19,241
Decrease in other creditors and accruals	(2,459)	(2,987)
Pension and provision costs	(8,277)	(2,500)
Current asset disposals	(7,072)	(8,414)
Decrease in rent arrears	(8,905)	(576)
Gain on sale of fixed assets	(47,329)	(4,105)
Amortisation of grant	(11,459)	(10,425)
Amortisation of intangibles	3,800	2,782
Impairment	2,507	—
Net cash inflow from operating activities	**54,594**	**117,397**

The prior year Consolidated Cashflow has been amended as follows to correct the highlighted errors:

The splitting out of Creditors and accruals movement of £11,119k in non-cash movements to Current Asset Disposals of £8,414k, Amortisation of Intangibles of (£2,782k) and Pension Costs £2,500k.

22 Analysis of net debt

	Group				
	1 April 2021 £'000	Cash flows £'000	Non cash £'000	Arising on acquisition £'000	31 March 2022 £'000
Cash at bank and in hand	20,804	12,198	—	36,753	69,755
Loans due within one year (see note 15)	(18,344)	72,188	604	(113,538)	(59,090)
Loans due after one year (see note 17)	(957,135)	(179,301)	—	(970,984)	(2,107,420)
New finance lease in year	—	20	(1,421)	—	(1,401)
Total	**(954,675)**	**(94,895)**	**(817)**	**(1,047,769)**	**(2,098,156)**

23 Capital commitments

	Group 2022 £'000	Group 2021 £'000
Capital expenditure that has been contracted for but which has not been provided for in the financial statements	770,752	169,861
Capital expenditure that has been authorised by the Board but which has not yet been contracted for	325,115	26,791

	Association 2022 £'000	Association 2021 £'000
Capital expenditure that has been contracted for but which has not been provided for in the financial statements	353,597	169,861
Capital expenditure that has been authorised by the Board but which has not yet been contracted for	5,579	26,791

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

24 Financial commitments

At 31 March 2022 commitments under non-cancellable operating leases were as follows:

	Group			
	2022		2021	
	Land & buildings £'000	Other £,000	Land & buildings £'000	Other £,000
Not greater than one year	7,620	909	994	321
Between one and five years	29,060	959	1,039	227
Later than five years	166,039	17	158	—
	202,719	**1,885**	**2,191**	**548**
Amounts receivable as lessor				
Expiring within one year	—	(12,545)	—	—
Expiring between one and five years	—	(54,394)	—	—
Expiring in five years or more	—	(267,093)	—	—
	—	**(334,032)**	**—**	**—**

	Association			
	2022		2021	
	Land & buildings £'000	Other £,000	Land & buildings £'000	Other £,000
Not greater than one year	589	119	864	301
Between one and five years	861	109	1,008	206
Later than five years	—	—	158	—
	1,450	**228**	**2,030**	**507**

At 31 March 2022 commitments under finance leases were as follows:

	Group and Association	
	2022 £'000	2021 £'000
Not greater than one year	80	48
Between one and five years	155	150
Later than five years	1,166	1,161
	1,401	**1,359**

25 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 2020. This valuation revealed a funding shortfall of £27.1million. Following this valuation, the Employer agreed a deficit recovery plan with the Trustee. The Employer agreed to pay contributions of £3.0million per year into the RGPS for a period of six years, starting from 1 April 2021. The next actuarial valuation is due as at 31 March 2023. The Group therefore expects to pay £3.0million in contributions to the RGPS during the accounting year beginning 1 April 2022.

All expenses in relation to running the RGPS are paid in addition by the Group.

	2022	**2021**
Rate of discount on scheme liabilities	2.7%	2.0%
Retail price inflation	3.5%	3.2%
Consumer price inflation	3.2%	2.7%
Pension increases:		
— Pre 1 February 2002 accrual	3.40%	3.15%
— Pre 5 April 2006 accrual	3.40%	3.15%
— Post 5 April 2006 accrual	2.30%	2.25%
Life expectancy at age 65:		
— Male current pensioner	22.2	22.2
— Female current pensioner	24.7	24.6
— Male future pensioner	23.5	23.5
— Female future pensioner	26.1	26.0

	2022 £'000	**2021 £'000**
Fair value of assets	187,391	176,320
Present value of liabilities	(169,233)	(181,266)
Irrecoverable surplus	(18,158)	—
Deficit in the scheme	**—**	**(4,946)**

25 Pension information – continued

The market value of the assets of the scheme and the expected long term rates of return at 31 March 2022 were:

	2022 £'000	2021 £'000
Market value		
Equities	64,709	76,507
Insured policy	10,603	12,025
LDI Portfolio	21,259	21,883
Gilts	14,006	—
Cash	9,313	56,087
Other	67,501	9,818
Total	**187,391**	**176,320**

The net interest expense for the year and past service cost are included in comprehensive income. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	2022 £'000	2021 £'000
Analysis of interest		
Interest on assets	3,514	3,438
Interest on liabilities	(3,585)	(3,509)
Net interest expense	**(71)**	**(71)**
Past service cost	—	(25)
Amount recognised in Other Comprehensive Income (OCI)		
Return on scheme assets excluding amount included in net interest	8,787	25,262
Actuarial gains/(losses)	11,529	(27,025)
Adjustment for restrictions on the asset recognised	(18,158)	—
Remeasurement of the net liability	**2,158**	**(1,763)**
Total defined benefit/(cost)	**2,087**	**(1,859)**

25 Pension information – continued

	2022 £'000	2021 £'000
Movement in deficit during year		
Deficit in scheme at beginning of the year	(4,946)	(3,087)
Movement in year:		
Contributions from the employer	2,859	—
Past service cost	—	(25)
Net interest expense	(71)	(71)
Return on assets excluding amount included in net interest	8,787	25,262)
Actuarial gains/(losses)	11,529	(27,025)
Change in the effect of the asset limit	(18,158)	—
Deficit in scheme at end of the year	**—**	**(4,946)**

	2022 £'000	2021 £'000
The return on scheme assets		
Interest income	3,514	3,438
Return on scheme assets excluding amount included in net interest	8,787	25,262
	12,301	**28,700**

	2022	2021
History of experienced surpluses and deficits		
Difference between actual and expected returns on assets (£'000)	8,787	25,262
% of scheme assets	4.7 %	14.3 %
Limit on recognition of assets less interest	(18,158)	—
% of scheme assets	(9.7 %)	—
Experienced gains/(losses) on liabilities (£'000)	11,529	(27,025)
% of scheme liabilities	6.8 %	(14.9 %)
Total amount recognised in (OCI) (£'000)	2,158	(1,763)
% of scheme liabilities	1.3 %	(1.0 %)

25 Pension information – continued

	2022 £'000	2021 £'000
Reconciliation of assets		
Assets at beginning of period	176,320	151,274
Employer contributions	2,859	—
Benefits paid	(4,089)	(3,654)
Interest income	3,514	3,438
Return on scheme assets excluding amounts included in net interest	8,787	25,262
Assets at end of year	**187,391**	**176,320**
Reconciliation of liabilities		
Projected benefit obligation at the beginning of period	(181,266)	(154,361)
Past service cost	—	(25)
Interest expense	(3,585)	(3,509)
Benefits paid	4,089	3,654
Actuarial gains/(losses)	11,529	(27,025)
Projected benefit obligation at end of year	**(169,233)**	**(181,266)**
Recognition of surplus		
Deficit brought forward	(4,946)	(3,087)
Employer contributions	2,859	—
Past service cost	—	(25)
Net interest expense	(71)	(71)
Return on assets less interest income	8,787	25,262
Actuarial gains/(losses)	11,529	(27,025)
Contribution gain	(18,158)	—
Deficit carried forward	**—**	**(4,946)**

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 (SHPS). 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. On 31 March 2021 there was a further bulk transfer from SHPS in respect of former Impact Housing members. The pension disclosures for the scheme within the financial statements include assets and liabilities previously attributable to SHPS.

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 was carried out as of 30 September 2020. This valuation revealed a funding shortfall of £28.8million. Following this valuation, the Employer agreed a deficit recovery plan with the Trustee. The Employer agreed to pay contributions of £4.0million per year into the Ex SHPS Scheme for a period of 6 years, starting from 1 October 2021. The Employer also agreed to pay £1.0million per year in respect of the bulk transfer on 31 March 2021 from SHPS of former Impact Housing members. The Group therefore expects to pay £5.0million in contributions to the Ex SHPS Scheme during the accounting year beginning 1 April 2022.

All expenses in relation to running the Ex SHPS Scheme are paid in addition by the Group.

	2022	**2021**
Rate of discount on scheme liabilities	2.7%	2.0%
Retail price inflation	3.5%	3.2%
Consumer price inflation	3.2%	2.7%
Life expectancy at age 65		
— Male current pensioner	21.2	22.3
— Female current pensioner	23.6	24.6
— Male future pensioner	22.5	23.8
— Female future pensioner	25.1	26.0

	2022 £'000	**2021 £'000**
Fair value of assets	110,368	83,753
Present value of liabilities	(129,810)	(108,495)
Deficit in the schemes	**(19,442)**	**(24,742)**

25 Pension information – continued

	2022 £'000	2021 £'000
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at the start of period	(108,495)	(90,693)
Bulk transfer of Impact Housing	(27,157)	—
Interest expense	(2,685)	(2,049)
Actuarial gains/(losses) due to scheme experience	(3,462)	1,710
Actuarial gains/(losses) due to changes in demographic assumptions	(45)	(1,002)
Actuarial gains/(losses) due to changes in financial assumptions	9,381	(19,719)
Losses/(gains) due to benefit changes	—	(1)
Benefits paid and expenses	2,653	3,259
Defined benefit obligation at the end of period	**(129,810)**	**(108,495)**

	2022 £'000	2021 £'000
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair Value of plan assets at the start of period	83,753	77,936
Bulk transfer of Impact Housing	21,127	—
Interest income	2,093	1,785
Expenses	(144)	—
Experience of plan assets (excluding amounts included in interest income)	1,904	4,684
Contributions by the employer	4,288	2,737
Benefits paid and expenses	(2,653)	(3,389)
Fair value of plan assets at the end of period	**110,368**	**83,753**

Defined benefit costs recognised in Statement of Comprehensive Income		
Current Service cost	144	—
Net Interest expense	592	130
Defined benefit cost recognised in statement of comprehensive income	—	264
Benefit changes	—	1
Defined benefit cost recognised in statement of comprehensive income	**736**	**395**

Defined benefit costs recognised in Other Comprehensive Income (OCI)		
Experienced on plan assets (excluding amounts included in net interest cost)	1,904	4,686
Experienced gains and (losses) arising on the plan liabilities	(3,462)	1,710
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	(45)	(1,002)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	9,381	(19,719)
Total amount recognised in Other Comprehensive Income (OCI) – gain/(loss)	**7,778**	**(14,327)**

25 Pension information – continued

	2022 £'000	2021 £'000
Assets		
Equity	13,014	12,522
Bonds	20,873	39,638
Property	7,545	2,039
Cash	1,724	2,180
Other	30,617	27,374
LDI	36,595	—
Total assets	**110,368**	**83,753**

(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 One Housing Group (which became a subsidiary of the Riverside Group on 1 December 2021). The Group previously participated in this Scheme in respect of members previously employed by Impact Housing Association but, on 1 April 2021, the Group completed a bulk transfer of Impact's share of the assets and liabilities in SHPS to the Riverside ex SHPS DB Scheme. 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 500 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 2020. This valuation revealed a total scheme deficit of £1,560m. To eliminate this funding shortfall, the Employer has agreed to pay contributions of £1,726,287 per year from 1 April 2022. The payments will increase by 5.5 % each year, with the first increase on 1 April 2023, and payments are due until 31 March 2028. The Group therefore expects to pay £1,726,287 in contributions to the SHPS DB Scheme during the accounting year beginning 1 April 2022.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

	2022	**2021**
Rate of discount on scheme liabilities	2.70%	2.0%
Retail price inflation	3.50%	3.2%
Consumer price inflation	3.20%	2.7%
Salary Growth	3.17%	2.87%
Life expectancy at age 65:		
— Male current pensioner	21.1	21.5
— Female current pensioner	23.7	23.4
— Male future pensioner	22.4	22.8
— Female future pensioner	25.2	25.0

25 Pension information – continued

	2022 £'000	2021 £'000
Reconciliation of liabilities		
At 1 April	(27,157)	(22,087)
Transfer of Impact Housing out	27,157	—
Acquisition of One Housing Group	(62,600)	—
Expenses	(35)	(19)
Interest cost	(1,356)	(504)
Benefits paid	1,362	368
Re-measurements – change in financial assumptions	3,728	(5,201)
Re-measurements – experience	(2,289)	286
Re-measurements – demographic assumptions	944	—
At 31 March	**(60,246)**	**(27,157)**

	2022 £'000	2021 £'000
Reconciliation of assets		
At 1 April	21,127	18,693
Transfer of Impact Housing out	(21,127)	—
Acquisition of One Housing Group	49,968	—
Interest income on plan assets	1,095	433
Employer contributions	1,462	632
Benefits paid and expenses	(1,362)	(368)
Experience on plan assets – gain	928	1,737
At 31 March	**52,091**	**21,127**

	2022 £'000	2021 £'000
Fair value plan of assets	52,091	21,127
Present value of plan liabilities	(60,246)	(27,157)
	(8,155)	**(6,030)**

	2022 £'000	2021 £'000
Defined benefit costs recognised in statement of Comprehensive Income		
Included in administrative expenses:		
Expenses	35	19
Net interest expense	261	71
	296	**90**

25 **Pension information** – continued

	2022 £'000	2021 £'000
Defined benefit costs recognised in Other Comprehensive Income (OCI)		
Re-measurments – change in financial assumptions gain/(losses)	3,728	(5,201)
Re-measurments – experience on plan liabilities gain/(losses)	(2,289)	286
Re-measurments – demographic assumptions gain/(losses)	944	—
Experience on plan assets gain	928	1,737
	3,311	**(3,178)**

	2022 £'000	2021 £'000
Assets		
Global Equity	9,997	3,367
Absolute Return	2,090	1,166
Distressed Opportunities	1,864	610
Credit Relative Value	1,731	665
Alternative Risk Premiums	1,718	796
Fund of Hedge Funds	—	2
Emerging Markets Debt	1,516	853
Risk Sharing	1,715	769
Insurance-Linked Securities	1,214	507
Property	1,407	439
Infrastructure	3,711	1,409
Private Debt	1,335	504
Opportunistic Illiquid Credit	1,750	537
High Yield	449	633
Opportunistic credit	185	579
Cash	177	—
Corporate Bond Fund	3,475	1,248
Liquid Credit	—	252
Long Lease Property	1,340	414
Secured Income	1,941	879
Liability Driven Investment	14,535	5,370
Currency hedging	(204)	—
Net Current Assets	145	128
Total assets	**52,091**	**21,127**

25 Pension information – continued

(iv) Tower Hamlets Pension Fund
The Group participates in the London Borough of Tower Hamlets Pension Fund (THPF). The THPF is a multi-employer Local Government Pension Scheme that provides defined benefits. The employees in this scheme have been TUPE'd from local authorities and the Group has closed the THPF to new members.

The Group makes contributions of 41.4% of salaries in respect of accrual.

	2022	2021
Rate of discount on scheme liabilities	2.70%	—
Salary Growth	3.40%	—
Consumer price inflation	3.20%	—
Allowance for cummutation of pension for cash at retirement (post 2008 service)	75%	—
Life expectancy at age 65:		
— Male current pensioner	21.5	—
— Female current pensioner	23.7	—
— Male future pensioner	22.7	—
— Female future pensioner	25.5	—

	2022 £'000	2021 £'000
Reconciliation of liabilities		
At 1 April	(8,858)	—
Expenses	(68)	—
Interest cost	(176)	—
Benefits paid	179	—
Re-measurements – change in financial assumptions	521	—
Re-measurements – experience	(18)	—
Re-measurements – demographic assumptions	49	—
At 31 March	**(8,371)**	**—**

	2022 £'000	2021 £'000
Reconciliation of assets		
At 1 April	9,787	—
Interest income on plan assets	194	—
Employer contributions	58	—
Benefits paid and expenses	(179)	—
Experience on plan assets – gain/(loss)	110	—
At 31 March	**9,970**	**—**

Pension information – continued

	2022 £'000	2021 £'000
Fair value plan of assets	9,970	—
Present value of plan liabilities	(8,371)	—
	1,599	**—**

	2022 £'000	2021 £'000
Defined benefit costs recognised in statement of Comprehensive Income		
Included in administrative expenses:		
Expenses	68	—
Net interest expense	(18)	—
	50	**—**

	2022 £'000	2021 £'000
Defined benefit costs recognised in Other Comprehensive Income (OCI)		
Re-measurments – change in financial assumptions gain/(losses)	457	—
Re-measurments – experience on plan liabilities gain/(losses)	(18)	—
Re-measurments – demographic assumptions gain/(losses)	49	—
Experience on plan assets gain/(losses)	110	—
	598	**—**

	2022 £'000	2021 £'000
Assets		
Equities	8,474	—
Bonds	499	—
Property	897	—
Cash	100	—
	9,970	**—**

V) Other defined benefit schemes

During the year the Group also made contributions to the Growth Plan run by TPT Retirement Solutions. From 1 April 2022 the Group is required to pay annual deficit contributions of £11,817 per annum. Payments increase by 3 % effective from 1 April each year.

The Group participates in the London Borough of Lewisham Pension Fund (LPF). The Scheme was closed to future accrual and the last member left on 31 December 2019. One Housing Group are in receipt of a cessation report that stipulates that an exit debt of £60k is payable.
The Group made an exit payment to the Strathclyde Pension Fund during the year.

VI) Defined contribution pension schemes

The Group also contributes to two defined contribution pension schemes. Contributions are invested in a Legal & General master trust through the Our Riverside Retirement Plan. From 1 December Riverside also makes contributions into SHPS by virtue of contributions made by OHG.
The total Group contributions to defined contribution schemes for the year was £6.2m (2021: £5.1m).

	Group	
	2022 £'000	**2021 £'000**
Reconciliation of remeasurement though statement of other comprehensive income		
Riverside Group Pension Scheme	2,158	(1,763)
Riverside (Ex SHPS) DB Scheme	7,778	(14,327)
Merseyside Pension Fund	—	(1,335)
Social Housing Pension Scheme (OHG)	3,311	—
Social Housing Pension Scheme (Impact)	—	(3,178)
LGPS – Tower Hamlets (OHG)	598	—
Growth Plan (Impact)	26	(2)
Total remeasurement in OCI	**13,871**	**(20,605)**

	Association	
	2022 £'000	**2021 £'000**
Reconciliation of remeasurement though statement of other comprehensive income		
Riverside Group Pension Scheme	2,158	(1,763)
Riverside (Ex SHPS) DB Scheme	7,778	(14,327)
Mersey Pension Fund	—	(3,178)
Social Housing Pension Scheme (OHG)	—	(1,335)
Growth Plan (Impact)	26	(2)
Total remeasurement in OCI	**9,962**	**(20,605)**

25a Pension liability analysis

	Group	
	2022 £'000	2021 £'000
Summary of pension liabilities		
Riverside Group Pension Scheme	—	(4,946)
Riverside (Ex SHPS) defined benefit scheme	(19,442)	(24,742)
Social housing pension scheme – Defined benefit	(8,155)	(6,030)
LGPS – Tower Hamlets	1,599	—
LGPS – Lewisham	(60)	—
Growth plan	(8)	(45)
Total provision (note 27)	**(26,066)**	**(35,763)**

	Association	
	2022 £'000	2021 £'000
Summary of pension liabilities		
Riverside Group Pension Scheme	—	(4,946)
Riverside (Ex SHPS) defined benefit scheme	(19,442)	(30,772)
Growth plan	(8)	(45)
Total provision (note 27)	**(19,450)**	**(35,763)**

26 Contingent liabilities

Government grants associated with housing properties acquired from stock transfers are recognised as a contingent liability. As these properties were included at fair value on acquisition, any fall in value for which the grant is compensating has already been reflected in the valuation and therefore no capital grant liability is disclosed within creditors. In the event of the housing properties being disposed, the Riverside Group Limited is responsible for the repayment or recycling of the grant.

Contingent liabilities relating to government grant arising from stock transfers at the reporting date are as follows:

	2022 £m	2021 £m
Carlisle, 2017	0.4	0.4
Accent Group, 2017	8.6	8.6
The Hyde Group, 2018	12.6	12.6
The Hyde Group, 2020	12.5	12.7
Clarion Housing Association, 2020	12.6	12.7
Guinness Homes, 2021	17.9	—
	64.6	**47.0**

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 (2021: £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.

In the current financial year, The Riverside Group Limited entered into a stock transfer with Guinness Homes, the fair value of the housing properties includes original government grant funding of £17.9m which has an obligation to be recycled in accordance with the original grant funding terms and conditions. The Riverside Group Limited is responsible for recycling of the grant in the event of the housing properties being disposed.

27 Provisions for liabilities and charges

		Group 2022 £'000	Group 2021 £'000
Improvement programmes	(i)	6,374	3,657
Pension liabilities	(ii)	26,066	35,763
Target operating model implementation		—	178
At 31 March 2022		**32,440**	**39,598**

		Association 2022 £'000	Association 2021 £'000
Improvement programmes	(i)	1,442	3,657
Pension liabilities	(ii)	19,451	35,763
Target operating model implementation		—	178
At 31 March 2022		**20,893**	**39,598**

(i) Improvement programmes
A provision of £6.4m (2021: £3.66m) 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.

28 Donations

	Group and Association 2022 £'000	Group and Association 2021 £'000
Donations	77	55
	77	**55**

29 Accommodation in management and development

	Group 2022 Number	Group 2021 Number	Association 2022 Number	Association 2021 Number
Social housing units owned and/or managed (excluding leasehold units)				
Social rent general needs housing	42,621	34,411	32,150	31,105
Affordable rent general needs housing	9,486	7,709	8,272	7,709
Social rent supported housing and housing for older people	10,843	9,838	9,884	9,824
Affordable rent supported housing and housing for older people	237	216	237	216
Low cost home ownership	4,784	2,261	2,643	2,261
Care homes	387	294	350	294
Other social housing	266	232	266	232
Total social housing owned and/or managed	**68,624**	**54,961**	**53,802**	**52,641**
Total social housing units managed but not owned	1,637	1,673	1,637	1,673
Total social housing units owned	**66,987**	**53,288**	**52,165**	**50,968**
Total social housing units owned but not managed	1,586	1,594	1,586	1,594
Total social housing units managed	**67,038**	**53,367**	**52,216**	**51,047**
Non-social rental housing units (excluding leasehold units)				
Total non-social rental housing units owned	1,229	352	354	352
Total non-social housing units owned and/or managed	**1,229**	**352**	**354**	**352**
Leasehold units				
Social leasehold units owned	5,150	1,692	1,590	1,692
Additional social leasehold units managed but not owned	50	45	50	45
Total social leasehold units owned and/or managed	**5,200**	**1,737**	**1,640**	**1,737**
Non-social leasehold units owned	1,589	1,589	1,589	1,589
Additional non-social leasehold units owned and/or managed	33	32	33	32
Total non-social leasehold units owned and/or managed	**1,622**	**1,621**	**1,622**	**1,621**
Total social owned	72,137	54,980	53,755	52,660
Total social managed	1,687	1,718	1,687	1,718
Total non-social	2,851	1,973	1,976	1,973
Total stock	**76,675**	**58,671**	**57,418**	**56,351**

Current year stock numbers include homes owned and managed by One Housing Group Limited.

30 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:

	2022 £'000	2021 £'000
Net payments to/(from) related entities		
Evolve Facility Services Limited	(2,837)	(5,534)
Irvine Housing Association Limited	42	(2,993)
Prospect (GB) Limited	(3,609)	(32,949)
Riverside Consultancy Services Limited	36,460	17,246
Riverside Finance plc	266	239
Riverside Estuary Ltd	(237)	408
St Michael's Housing Trust	197	(202)
Riverside Foundation	(418)	750
Eventide Homes Trust	—	(248)
Eleanor Godfrey Crittall Charity	(32)	(640)
Naylands (51-58) Limited	—	(4)
Donald Bates Charity	—	(119)
Riverside Regeneration Limited	3,596	2,907
Riverside Regeneration (Lambeth) Limited	1,314	(1,542)
Riverside Regeneration (London) Limited	—	(3)
Riverside Regeneration (Bromley) Limited	1,751	—
Riverside Regeneration (Southwark) Limited	—	—
The Compendium Group Limited	(731)	(1,105)
Local Government Pension Scheme contributions (note 25)	2,859	2,953
Social Housing Defined Benefit Scheme contributions (note 25a)	68	632
One Housing Group Limited	20	—
The Riverside Group Total	**38,709**	**(20,204)**

30 Related party transactions – continued

	2022 £'000	2021 £'000
Outstanding balances due (to)/from related entities		
Evolve Facility Services Limited	(7,974)	(5,137)
Irvine Housing Association Limited	4,044	4,003
Prospect (GB) Limited	(4,840)	(1,231)
Riverside Consultancy Services Limited	—	(1,679)
Riverside Finance plc	(261,830)	(262,096)
Riverside Estuary Ltd	5,382	5,619
St Michael's Housing Trust	(5)	(202)
Riverside Foundation	332	750
Eventide Homes Trust	(248)	(248)
Eleanor Godfrey Crittall Charity	(672)	(640)
Naylands (51-58)Limited	(4)	(4)
Donald Bates Charity	(119)	(119)
The Compendium Group Limited	3,689	4,420
Riverside Regeneration Limited	45,552	41,955
Riverside Regeneration (Lambeth) Limited	(228)	(1,542)
Riverside Regeneration (London) Limited	(3)	(3)
Riverside Regeneration (Bromley) Limited	1,751	—
Riverside Regeneration (Southwalk) Limited	—	—
Skylight Lettings	—	184
One Housing Group Limited	20	—
The Riverside Group Total	**(215,153)**	**(215,970)**

The schemes' deficits are detailed in notes 25 and 25a.

31 Combinations that are in substance a gift

On 1 December 2021 One Housing Group 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.

	£'000 Book value	£'000 Fair value	£'000 Fair value adjustment
Fixed Assets			
Housing properties	1,750,997	1,530,980	(220,017)
Other tangible assets	32,132	32,132	—
Investment Properties	192,371	195,646	3,275
	1,975,500	**1,758,758**	**(216,742)**
Investments			
Investment in joint ventures	62,931	41,245	(21,686)
Other investments	30	30	—
	62,961	**41,275**	**(21,686)**
Current assets	**119,684**	**119,684**	—
Creditors: amounts falling due within one year			
Other creditors: amounts falling due within one year	52,144	52,144	—
Social housing grant received in advance	17,579	—	(17,579)
Loans: amounts falling due within one year	113,571	113,538	(33)
	183,294	**165,682**	**(17,612)**
Creditors: amounts falling due after more than one year			
Other creditors: amounts falling after more than one year	33,425	33,425	—
Grants	662,884	—	(662,884)
Loans: amounts falling after more than one year	954,440	1,028,349	73,909
	1,650,749	**1,061,774**	**(588,975)**
Provisions			
Pension provision	11,273	10,171	(1,102)
Other provisions	2,263	2,263	—
	13,536	**12,434**	**(1,102)**
Net assets	**310,567**	**679,828**	**369,261**

The fair value of assets acquired on 1 December 2021, as set out in the note above, is £679.83m. The value of the gift, net assets recognised on the statement of comprehensive income is £674.76m. This difference of £5.07m is due to the fact that the value of the gift excludes £4.40m of favourable fair value adjustments which are disclosed under actuarial gain/(loss) on pension schemes within the statement of comprehensive income, and; is also stated net of £0.67m costs of acquisition.

32 Amortisation of fair value adjustments arising on acquisition

The statement of comprehensive income includes a credit of £0.4m relating to net amortisation of fair value adjustments arising on the acquisition of One Housing Group Limited. Where amortisation is deemed to be appropriate for the particular asset/ liability class, the associated fair value adjustments are to be amortised over the life of the underlying asset/ liability. Amortisation of these items is recognised below operating surplus as the underlying fair value adjustments have not arisen as a result of operational activity.

33 Post balance sheet event disclosure

One Housing Group Limited Disclosure

Citystyle Living (Victoria Quarter) Limited (SVQ), a wholly owned subsidiary of One Housing Group Limited, has a 50% share in a joint venture partnership with Fairview New Homes Limited to develop a site at Victoria Quarter in New Barnet. Victoria Quarter is an old gasworks site which was acquired prior to 2017 and required substantial remediation of contaminated land. The site has yet to achieve planning and was rejected by London Borough of Barnet against the advice of officers. The joint venture partnership had appealed this planning decision through the Planning Inspectorate (PINS). On 19 August 2022, the appeal was rejected by the Planning Inspectorate. The joint venture partners have carefully considered the judgement and are considering seeking judicial review of this decision; the view of the joint venture's Planning QC is that there are substantive grounds for this approach. The first stage of the process, which has to be completed within six weeks from the 19 August 2022 decision date, is to submit a pre-action protocol letter to PINS. The pre-action protocol letter has been agreed and submitted on 8 September 2022. We do not consider the planning process to be over and therefore the scheme does not require further impairment. Our investment in SVQ is £56m at 31 March 2022.

Get in touch or find out more

www.riverside.org.uk
email: **info@riverside.org.uk**
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The Riverside Group Limited
Registered Office:
2 Estuary Boulevard,
Estuary Commerce Park,
Liverpool L24 8RF

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