Annual report

2021/2022







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Front cover (top left) & back cover image (top left) photography: Sean Pollock Photography

Board members, executives and advisors

Metropolitan Thames Valley Housing Group (MTVH) Thames Valley Housing Association Limited

CHAIR

Althea Efunshile CBE

VICE CHAIR

Tania Brisby (retired 15 June 2022)

NON-EXECUTIVE BOARD MEMBERS

Gary Admans (appointed 20 June 2022)

Lesley-Anne Alexander (resigned 1 October 2021)

Helen Cope (appointed 1 March 2022)

Davinder Dhillon

Michael Dunn (retired 31 December 2021)

Gurpreet Gujral

Dennis Hone CBE (appointed 1 January 2022)

Nigel Ingram

Ofei Kwafo-Akoto

Grainia Long Senior Independent Director (retired 31 December 2021)

Trevor Moross (appointed 1 January 2022)

Ingrid Reynolds Senior Independent Director

EXECUTIVE BOARD MEMBERS

Chief Executive **Geeta Nanda**

Ian Johnson Chief Financial Officer

EXECUTIVE DIRECTORS

Guy Burnett Executive Director, Development

Mark Everard Executive Director, Property

Ann Gibbons Executive Director, Customer Services

Jane Long Executive Director Corporate Services

Secretary
Patricia Etter

Registered offices
Premier House, 52 London Road, Twickenham, Middlesex, TW1 3RP
The Grange, 100 High Street, Southgate, London, N14 6PW

Auditors
BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Bankers
Barclays Bank plc
Lloyds Banking Group

Results and performance at a glance 2021/2022

Turnover
2022 £406m
2021 £446m

Surplus after tax
2022 £40m
2021 £61m

Operating Surplus: before non-recurring costs
2022 £135m
2021 £138m

Operating surplus: after non-recurring costs
2022 £122m
2021 £138m

Operation margin: before non-recurring costs
2022 33%
2021 31%

Operating margin: after non-recurring costs
2022 30%
2021 31%

Gearing**
2022 38%
2021 40%

Letting margin*
2022 29%
2021 31%

* Letting margin = surplus on social housing / turnover from lettings (note 3)
** Gearing = net loans / total net housing asset
- Net loans are defined as loans less loan fees and adjusted for any issuance premium or discount and less cash at bank
- Total net housing asset is defined as housing assets at cost less depreciation and impairment, including work in progress on housing assets only

712
New homes delivered *

£138m
Investment in existing stock **

5,527
Homes development pipeline ***

£161m
Invested in acquiring land and building new homes ****

G1/V2
Governance/ viability rating from Regulator of Social Housing *****

£1.94m
Total financial gains delivered to residents

83%
Employee Engagement Score ******

88.2%
Proportion of repairs fixed first time *******

A-
Credit rating from Standard & Poors ********

A
Credit rating from Fitch

* (161 for rent, 165 shared ownership, 30 for private sale and 356 in joint ventures with other parties) (2020/21 – 923)
** (2020/21 - £126m)
*** (2020/21 – 6,239)
**** (2020/21 - £159m)
***** (2020/21 – G1/V2)
****** (2020/21 – 83%)
******* (2020/21 – 87.9%)
******** (2020/21 – A-)

Chair's foreword

Spending time with our residents and in our communities this year, I have been struck time and time again by the importance of a good home. One that is affordable, safe, and well-maintained. A good home can transform lives. Good homes give people the opportunity to live well. The opportunity to receive a stable education. The opportunity to gain a job or a skill. The opportunity for an area to regenerate and grow. This is why the work of MTVH is so important.

A good home and the opportunity to live well is particularly significant when the world in which we live is unpredictable and potentially harsh. Covid restrictions which were still very much in place at the start of the year, eased during 2021/22. Arguably though, Covid merely made more visible the inequalities that already existed. These inequalities have been exacerbated as many of our residents contend with the cost of living crisis. Our financial assistance and advice services are vital in supporting our most vulnerable customers. Meanwhile, high energy costs have seen too many residents plunged into fuel poverty. We continue to work with residents by providing energy saving advice, and our decarbonisation efforts offer real hope for the longer term.

As we publish this report, a generation of Ukrainian refugees are set to come to this country and will face a range of challenges. For over a decade our Migration Foundation has supported people seeking sanctuary, support and good quality homes. We are working with government and stakeholders to provide assistance to Ukrainians arriving into the UK, building on our commitment to make 50 homes available over this year for Afghan refugees.

We are now entering the second year of the implementation of our five-year strategy, Serving People Better Every Day. This is our commitment to improving the service and support our residents and customers receive, so that by 2026 at least 8 in 10 MTVH residents say they are satisfied overall with the service, up from the current 7 in 10.

> Our residents tell us they want us to get the basics right, every time. To work efficiently, to be visible and reliable.

Our residents tell us they want us to get the basics right, every time. To work efficiently, to be visible and reliable. To provide them with the foundation they need to live well. They want us to help look after their homes, their local area, and their planet. To provide more homes and to build better housing. To be open and inclusive, and to reflect the rich diversity of the places and communities in which they live.

While there is much more to do to make our services more efficient and more reliable, I am pleased that we are on the right path. Our target of getting 85% of repairs right first time has been exceeded. We have re-shaped our local teams so that Housing Managers are now serving smaller geographical areas, with more time to spend building relationships on the ground. And we have improved our on-line and digital offer.

As we continue to implement our plan, the scale of the economic and societal challenge our residents face will only become greater. In this country, it is our residents, and those of organisations like ours, who are among those who are experiencing the cost of living crisis most acutely. Research MTVH undertook earlier this year showed that younger residents are particularly anxious about their housing future, with 60% of young people surveyed saying that thinking about their future housing situation is affecting their mental health. Meanwhile, despite our spending £7.56m on building safety measures in our estate, the overarching building safety crisis remains unresolved nationally causing worry for leaseholders throughout the country.

Given these multiple headwinds, and the constant need to juggle competing priorities, we have had to make some hard choices. We have invested less in developing new homes this year than we would have ideally liked. Despite these challenges, we will always work for the benefit of our customers. We do so in a robust financial position, with a sound underlying operating surplus of £135m. Global increases in the cost of borrowing have been factored into our plans, and our financial strength has been underscored by S&P which confirmed an A- (Stable) rating, while a second rating, A (Stable) was awarded by Fitch.

This year we welcomed three new Board members, replacing valued colleagues who had reached the end of their tenures. Dennis Hone CBE, Helen Cope, and Trevor Moross bring strength in depth of experience. Their insight will be invaluable as we move forwards. Ingrid Reynolds, who joined the Board in 2018, has taken on the role of Senior Independent Director. We were hugely saddened by the passing of Tania Brisby in June 2022. Tania had been appointed to the new post of Vice-Chair during the past year. She brought enormous energy and a wealth of sound advice and experience to the role. She is remembered with great respect and affection.

We've come some way from the organisation first established to meet the housing needs of Windrush generation Caribbean migrants, but our values and our commitment to our customers remain steadfast and constant. Becoming an organisation that truly delivers right first time, every time, is where we now want to be, because it's what our residents want from us. The work and investment we are putting in now will make us an organisation that is more responsive to customers in the future. Our plan will support stable and happy lives, growth and opportunity. We will leave a lasting legacy for future generations.

Althea Efunshile CBE
Chair

Chief Executive's introduction

The assurance of a safe and decent home remains as vital as ever to people's hopes and happiness. This remains our top priority. We are also determined to deliver continued improvements to the services that we provide. We know that plenty of work remains and we are working resolutely to increase the efficiency and reliability of our services.

"Our development plans continue to bear fruit, with 712 new homes completed this year.

In recent months, MTVH has started to move beyond the pandemic. Nonetheless, it is clear from regular interaction with residents, that a myriad of challenges remain. We are acutely aware that many residents are facing difficult financial and emotional pressures due to the increasing cost of living. Rising energy costs, the removal of the Universal Credit top up and the end of the government's furlough scheme are just some of the factors which have placed added strain on residents over the past year.

Towards the start of the pandemic, we tailored and adjusted a number of services, fulfilling our mission to serve our residents whatever the circumstances. I am pleased to report that as residents face a new challenge, we are focusing services in a similar way once more, including our specialist income and money advice teams. In total, we have delivered £1.94m in financial gains to residents over the past year. This year, we have also increased our hardship fund, in order to help address acute resident needs.

This type of support is just one way in which we are making real our five-year strategy, "Serving People Better Every Day," which was launched one year ago. We are striving to deliver the right results for our residents on every occasion, in everything that we do. This approach is making a difference on the ground, with Local Housing Managers now serving a smaller, more concentrated geographical area. This allows them to spend more time in our communities, building relationships with more residents, delivering what they need. This approach has also seen us revamp much of our online and digital offering to customers, in order to more directly and effectively serve them. We launched a new website, as the first step in bringing together our digital assets and creating a single customer experience.

The shifting challenges facing residents underscore the importance of a safe, secure and comfortable home. It is the bedrock of stability which residents so desperately need in order to build a brighter future. Therefore, we have invested significantly in ensuring that homes are well-maintained. In total, over the last year we invested £41m in capital works, including home improvements such as new bathrooms, new windows and new kitchens. We have also continued to reduce the number of homes failing the Decent Homes Standard which was down to 31 at March 2022 (48 at March 2021).

Our dedicated Safer Buildings team continues to make significant progress, ensuring that risks are identified and addressed in buildings we are responsible for. In total, they surveyed 41 buildings over the past year and we have spent £23m on fire safety works. We understand the strain too many leaseholders continue to face across the country, grappling with the implications of government fire safety regulations. We continue to urge government to clarify the situation as soon as possible.

The issues of obtaining mortgages and completing fire remediation works remain and the ability for the construction industry to deliver what is required is constraining. We understand that it will take a decade to resolve many of these issues and we remain committed to working with both the government and developers/contractors and financial institutions to unblock these issues for our residents.

These are just some of many issues we are actively campaigning on, as an organisation and as the chair of the G15 group of London's largest housing associations. In both capacities, we are continually strengthening relationships with stakeholders and decision makers, on behalf of residents. Earlier this year, we published important research which amplified the voices of young residents in the media and beyond, highlighting the difficulties that housing poses towards their futures.

As the country looks to meet zero-carbon targets, our residents are also gradually enjoying greener and more sustainable homes. 1,500 homes have benefitted from our wall cavity insulation programme. The work completed is equivalent to £351,000 saved in total bills and 1,719 annual tonnes of carbon saved. Thousands more residents will benefit from this and similar work in Lambeth and the Midlands, for which we have secured £3.9m from the Social Housing Decarbonisation Fund.

I am delighted that we continue to provide decent homes for many more people. During this past year, after nearly a decade of success, MTVH sold its stake in pioneering build-to-rent service Fizzy Living. I am proud that Fizzy Living set the standard for much-needed rental housing, establishing build-to-rent as an asset class. Looking towards the future, our development plans continue to bear fruit, with 712 new homes completed this year. Meanwhile, MTVH was selected as a Strategic Partner by Homes England, as part of the new Affordable Homes Programme 2021-2026. In total, we have secured almost a quarter of a billion pounds across Homes England and the GLA to deliver 2,500 new affordable homes.

For all of these steps and more, I sincerely thank all colleagues at MTVH, whose dedication to the residents we serve is unflinching. This commitment is key as we continue the journey towards unparalleled customer satisfaction and ultimately, giving more people a home and the opportunity to live well.

Geeta Nanda OBE
Chief Executive

Chief Executive's strategic operational review

Who we are

MTVH (Metropolitan Thames Valley Housing) is one of the UK's leading providers of affordable housing and care and support services. We currently chair the G15 group of London's largest housing associations.

Our roots proudly lie in housing the Windrush generation of migrants from the Caribbean, who arrived in the UK during the 1950s, facing squalor and insecure tenancies. Seven decades later, we remain just as determined now as we were then, to provide affordable, safe, and well-maintained homes which can transform lives.

We know that today there are many people across the country who do not benefit from a good home and the opportunities this can offer. For those that do, the service and support they receive is not always of a good enough quality, where problems should be heard, responded to, and put right.

As MTVH, we are determined to get the basics right every time. To work efficiently, so that residents can get on with life. To be visible and reliable. To provide residents with the foundation they need to live well. To show we care.

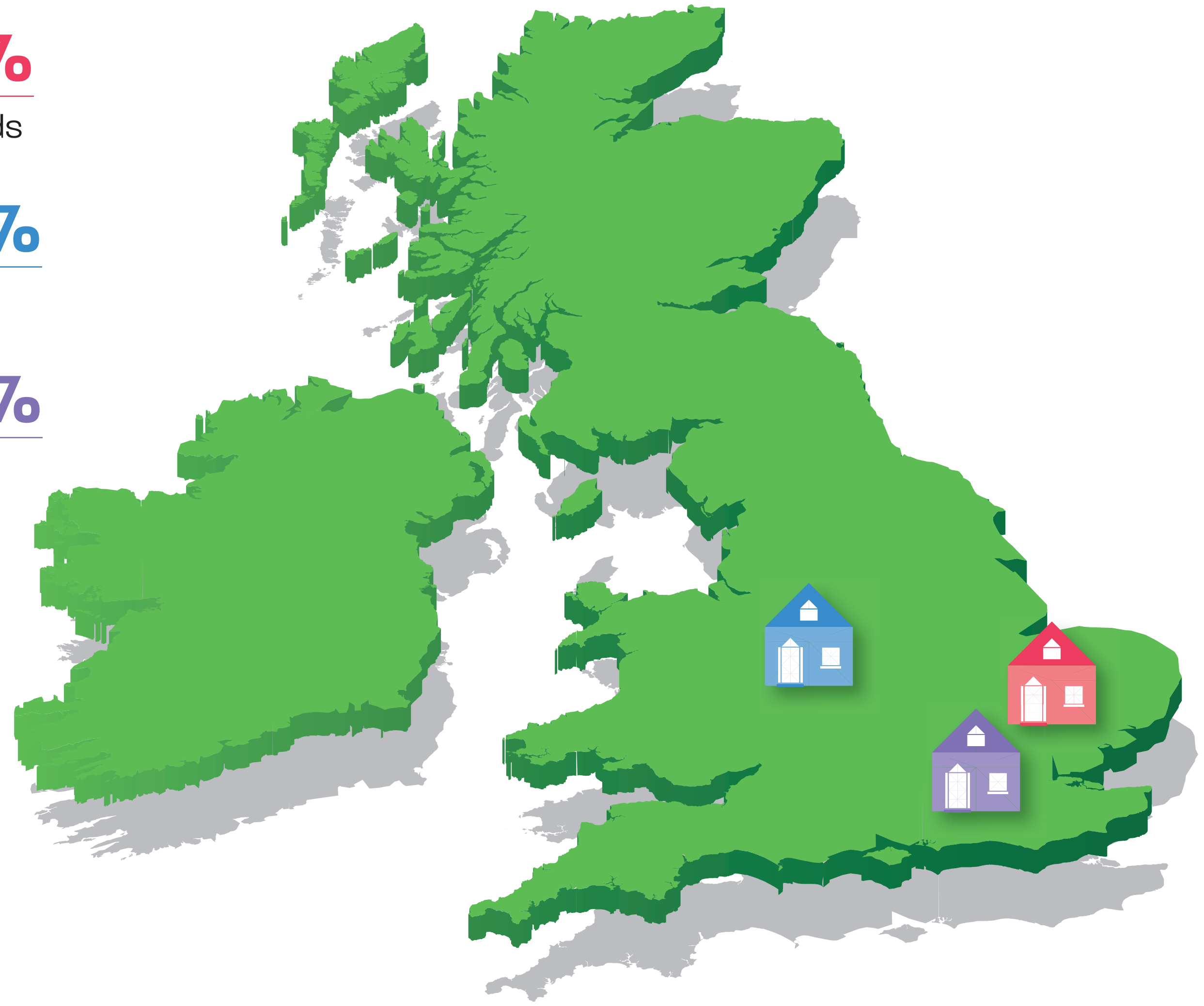
Where we operate

We own, manage and administer more than 57,000 homes.
This graphic shows percentages of housing stock by MTVH region:

27%
Midlands

39%
North

34%
South



Service driven and people-focused

Residents rightly expect an efficient and reliable service. The Metworks repairs service is just one of the resources in place which is working hard to meet these expectations.

Determined to empower people to live well, we aim to ensure that residents can make the most of the places and communities they call home. A range of care and support services enrich life for those with learning disabilities, mental health needs, the elderly and those requiring extra care. Meanwhile, programmes and initiatives within the communities which we serve foster togetherness and provide opportunity.

MTVH is also committed to help solve social issues, benefitting the residents we serve and beyond. As far back as the 1980s, we pioneered the shared ownership model, maximising the opportunity for home ownership and a secure housing future. This continues today, with the SO Resi brand a market leader.

For more than a decade, the Migration Foundation has worked to improve housing opportunities and access to justice for migrants, refugees and asylum seekers, providing a gateway towards participation in society. This work continues with Ukrainian, Afghan and other migrants.

Chief executive's strategic operational review

Five-Year Strategy: Progress update

A home that is affordable, safe and well maintained can help transform a person or a family's life. Making this a reality for thousands of people is what MTVH has been about for almost 70 years. We are committed to improving the service and support to our residents and customers, by focusing on what matters to them.

They want us to be reliable and efficient every time. They expect us to provide the foundation to build a better future. They want us to build more and better quality homes. They want to see an organisation that puts itself in their shoes. An organisation that reflects the diversity that often characterises the place they call home. One year ago, in order to make this a reality, we set out a five-year strategy. This blueprint contains eight aims that we are committed to achieving by 2026:

1 **Provide a quality customer experience, raising overall satisfaction levels to over 80% and working with residents, stakeholders and colleagues to design and deliver the services and support that matter most to them.**

2 **Improve the quality of our built environment through investment in our infrastructure and safety and build 5,000 new homes.**

3 **Have a clear route to becoming sustainable and reducing carbon emissions, becoming net zero by 2050.**

4 **Expand our role in providing support services, working with the health services to integrate health and housing.**

5 **Help tackle the barriers to living well, working with our residents and communities to empower futures**.

6 **Use our influence and size to drive policy changes which positively impact on our communities, environment and the housing sector and become the organisation others come to for solutions.**

7 **Become more diverse from top to bottom in all respects and lead the charge as an anti-racist organisation.**

8 **Support colleagues with the right resources, working environments and opportunities to perform at their best and deliver quality services to residents.**

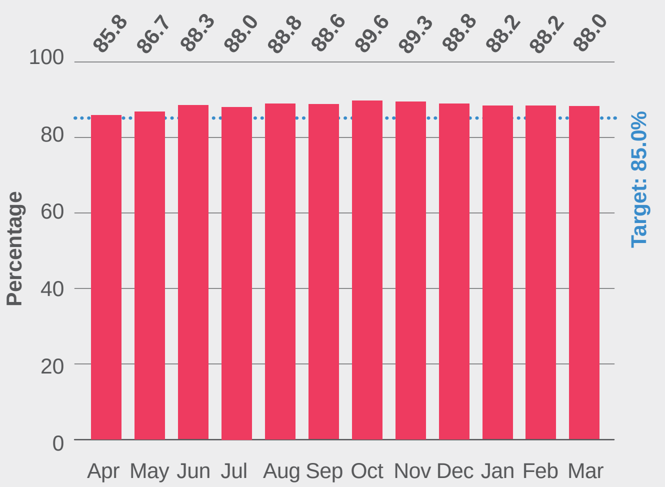
One year on, we are making progress. Our target of getting 85% of repairs right first time has been exceeded. More than 3,000 transactions are now made monthly via our new online service, exceeding targets. The number of residents who have received intensive support has also surpassed where we had planned to be by this point.

We have invested more in homes. We have simplified the customer experience both on the ground and online. We have empowered more residents, making them part of our governance structure. We have made homes safer and greener. We have provided more residents with the practical and financial support they need. We have campaigned and advocated on behalf of our residents.

However, we know there is further to go. Our overall customer satisfaction stands at 71%. There is much more to do to become an organisation that truly delivers right on every occasion, as our residents want us to be. As this annual report details, we are moving forward on the journey towards fulfilling the strategic goals we have set ourselves for the coming years.

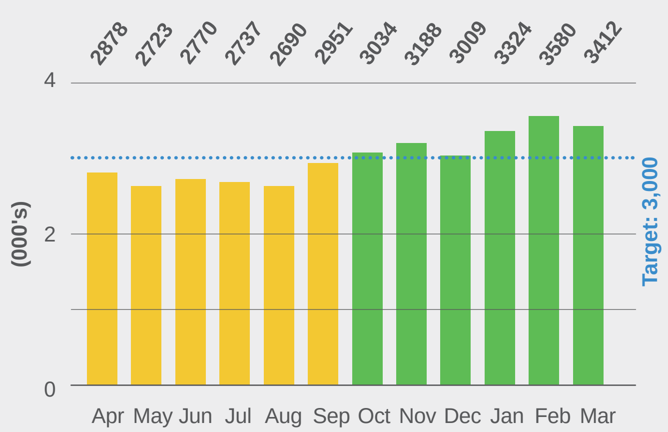
Repairs Performance

Right first time - repairs



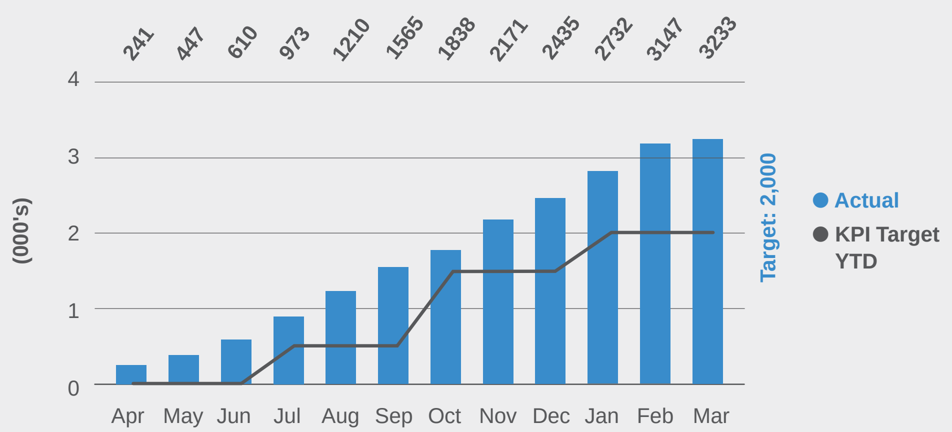
Digital Services

Number of transactions completed through MTVH online



Tenancy Support

Number of residents MTVH have provided with intensive support



A more reliable, responsive and efficient service

Listening to your voice

When we launched our five year strategy in 2021, improving the day to day experience of our residents topped the list of strategic priorities. Since then we have worked to improve opportunities for residents to get involved with decisions affecting them. We want residents to be heard.

Last year we set up new Regional Panels, giving a voice to residents all over the country. We were oversubscribed with interest and 102 people applied for the 30 positions available. Due to the interest shown and the success of the programme so far we will be recruiting more residents during 2022 with a view to creating more opportunities for everyone to share their views.

We also set up a Customer Council which has so far scrutinised four topics: the national Tenant Involvement and Empowerment Standard, our sustainability strategy, communication and the Customer Voice Framework. During the coming year the group will be focusing on safer buildings.

Meanwhile, our Customer Voice Framework is being established to embed a strong culture of customer voice at MTVH, leading to positive improvements for residents. We have already held two customer focus groups, as well as multiple colleague workshops and the input of the Customer Council. The framework is now in the final stages of approval and when it is active it will make an important contribution to our strategic aim to enhance our customers' experience.

Residents have also started to get more involved in our procurement processes. Last year we involved nine residents in varying capacities, from bidder's days to interviews and scoring, in contracts for a customer relationship management (CRM) system, property contractors and estates services.

Residents also took part in developing MTVH Online (see below), testing it before launch and offering their thoughts on website navigation. This involvement helped in the development of an easy-to-use platform for the growing number of residents and service users who access our services digitally.

MTVH online

Last year saw the launch of MTVH Online and mtvh.co.uk, our single, unified service platforms for residents and colleagues, which have replaced several older, outdated sites (including our legacy websites). Our websites are customer-focused with popular features including service request forms for 17 services and a refunds feature that significantly reduces the time taken to process repayments.

Since the launch of mtvh.co,uk in October, there have been increasing volumes of customers self-serving and requesting services using the website. Such requests via the website means that they can be captured with greater detail, improving service handling and processing, delivering a streamlined process for residents.

Over the last year there has been a 25% increase in service transactions and requests (payments, repairs and enquiries) totaling 156,611 (125,046 in 2020/21) and an 18% increase in overall online usage comprising 360,159 customer sessions (304,084 in 2020/21). Online card payments have increased with more than 10,000 customer payments being made online every month, which is introducing considerable efficiencies into the system and making life easier for our residents.

Efforts have also been focused on improving our homeownership digital services offering on soresi.co.uk. Existing homeowners wishing to sell their home can make use of the 'Resales' feature, which improves communication and gives them more control over the sale as it progresses.

Simplifying the customer experience

We have listened to our residents' feedback on a number of ways in which we can improve our service and consequently we have developed our 'Right Side Up' commitment to put residents first and do things more efficiently.

Last year we implemented this on the ground by introducing Local Housing Managers to replace the role of Housing Officers. Local Housing Managers have a smaller area to manage and increased visibility in the community. They are the first port of call for our residents and they can advocate for them on a range of issues.

Local offices are open for pre-arranged appointments for face-to-face meetings and a range of services and, for those unable or unwilling to use MTVH Online, we have a dedicated Housing Hub and Property Desk where residents can access specialist assistance over the telephone.

CASE STUDY

How a Local Housing Manager has been empowered to better serve residents

Dann Meakin-Smith, a Local Housing Manager, tells us how 'Right Side Up' has changed how he engages with residents

Dann has been with MTVH for nearly nine years. He says:

“When MTVH launched ‘Right Side Up’ in October 2021 I saw it as a great step forwards. A number of us on the ground, had been asking for this so we could make better use of our time and engage better with residents on our patches and allow us the time to make the difference residents want to see.

I was looking for a challenge in a new patch that needed some care and attention when an opportunity arose at Bloomsbury House in Northampton. Residents had previously raised concerns over security, CCTV and fire safety and felt that MTVH wasn’t listening to them properly. Bloomsbury House is at least an hour’s drive away from any of our offices and residents had no other way of contacting us than calling to speak to someone about their concerns.

I knew the best way to change things was to have a presence on the ground, so I suggested that we create office space at the location to enable to me work on site. I’m now able to accommodate residents with appointment times that work around their schedules, including late nights and early morning appointments. The resident liaison within the block comes in for a cup of tea in the office and we discuss all the issues that she has been made aware of, and we develop plans together so we can better serve the residents within the block.

Good housing management is about putting yourself into the shoes of the person you’re talking to and working as if you lived in the block yourself. I want to make sure everyone feels safe in their home and that’s why I do everything in my power to make sure that our residents’ concerns are heard.

These changes are the result of Right Side Up. The positive engagement with residents that has resulted has helped revive Bloomsbury House as a safe and beautiful building, and a place where people want to live!” ■

> I knew the best way to change things was to have a presence on the ground.

Maintaining homes with an improved service

It is important to us and our residents that our properties are well maintained. We are continually investing in maintenance and improvements of our residents’ homes and their surroundings.

Improving the built environment is one of our strategic priorities and in 2021/22 we spent a total of £138m on maintenance, compliance and estate improvements across the whole MTVH estate (£126m in 2020/21). This includes £23m spent on fire safety (£20m in 2020/21) and capital improvement works in our built environment of £41m (£41m in 2020/21).

In practical terms this means we were able to install 1,640 new kitchens; 2,045 new bathrooms; 171 new roofs and 609 new boilers. Getting best value for money has been a key focus and even though building costs have increased significantly over the past two years (up by 11%) we have managed to reduce other costs associated with kitchen and bathroom fitting. As a result, we have been able to fit 290 more kitchens and 855 bathrooms for the same money as the previous year.

We are responding to residents’ concerns about building safety with an ongoing programme of works. We did 3,247 Fire Risk Assessments (100% compliance); 29,286 LGSR Gas Safety Certificates (99.8% compliance); 4,332 asbestos re-inspections (99.7% compliance); 919 Water Risk Assessments (96.6% compliance); 744 LOLER Lift Safety Inspections (99.9% compliance); 37,930 EICR Electrical Safety Inspections (98.7% compliance) and there are no outstanding High Risk Fire Risk Assessment Actions.

Our residents have told us that a responsive repairs service is important to them. Our repairs teams worked determinedly to meet their expectations, despite restrictions due to the pandemic which sometimes impacted their work. We completed 121,839 routine maintenance repairs and emergency and other call-outs arising from a total of 268,637 calls and 21,846 repairs registered through our online repairs service.

The amount of work in progress in total was at an historically low level for MTVH. This notably strong performance by the Metworks service, particularly through the challenges of the pandemic, is reflected in a customer satisfaction feedback level of 75%.

Improving our handling of residents' complaints

Since April 2021 all complaints have been managed and reported by a central complaints team. This is part of our drive to improve overall customer satisfaction as it helps us to monitor complaint handling to ensure we are delivering a better service.

Last year we saw a rise in the number of complaints we received. This was in part due to the impact of the pandemic, which at times reduced the capacity of our repairs service. During the year we handled 4,094 (3,668 in 2020/21) Stage 1 complaints and 941 (524 in 2020/21) Stage 2 complaints. 18.6% (14.2% in 2020/21) of the complaints were escalated from Stage 1 to 2 but new working practices and our commitment to putting things right quickly has seen an improvement in the number of complaints that are resolved at Stage 1 to 93.4%.

We are not always able to resolve complaints to the satisfaction of our residents and in such cases we work closely with the Housing Ombudsman (a free, independent, impartial service for residents) to understand what they expect from us and learn from the decisions they reach. In 2021/22, 94 complaints were referred to the Ombudsman and their decisions were:

- **No jurisdiction: 9**
- **No maladministration: 12**
- **Early resolution offering adequate redress: 29**
- **Maladministration: 12**
- **Service failure: 30**
- **Severe maladministration: 2**

We are compliant with the Housing Ombudsman's new Complaint Handling Code guidelines and this is a key focus of the way we work. We are also one of five landlords working with the service on their 'Making a Difference' pilot project which focuses on faster and effective complaint handling and we have already worked with another housing landlord to help them develop their own complaint handling processes to be consistent.

Monthly risk meetings take place between the Complaints team and the Executive team and such collaboration ensures that MTVH continues to improve and deliver a better service to our residents.

93.4%

our commitment to putting things right quickly has seen an improvement in the number of complaints that are resolved at Stage 1 to 93.4%.

Providing more homes, building better places

Building more new homes

We have seen a reduction in the number of new homes we provided during the year. This is in large part due to the economic impact of the pandemic, which invariably slowed construction of new homes on our sites.

In total we built 712 new homes (923 in 2020/21), including 161 for rent (229 in 2020/21), 165 shared ownership (475 in 2020/21), 30 for private sale (219 in 2020/21) and 356 in joint ventures with other parties. There are however 5,527 new homes in the pipeline (6,239 in 2020/21), representing the prospect of plenty of building activity in the coming year.

The total invested in land acquisition and building new homes in 2021/22 was £161m (£159m in 2020/21). Meanwhile, MTVH has entered into a strategic partnership with Homes England – the government's housing delivery agency – to deliver 1,500 new homes. This will see MTVH supported with £62.6m of funding. Additionally, we are also seeking to finalise terms with the Greater London Authority (GLA), to secure £128.8m to deliver 1,035 homes in the 2021-26 programme.

SO Resi continues to pioneer shared ownership

Our shared ownership scheme So Resi offers an attractive option for people who dream of owning their own home but cannot afford a deposit. Customers buy a share of their home with a lower deposit and smaller mortgage and make a monthly payment on the rest.

SO Resi has a reputation as a simple, viable shared ownership scheme and with over 8,500 SO Resi homes delivered so far, it is one of the nation's leading providers. With affordability of homes, especially in London such a significant issue, we continue to push for innovative ways to help boost housing supply including forming partnerships with the public and private sector, where we provide support and sales delivery. This has seen over 100 sales delivered for our partners in 2021/22 and another 100 due for completion in the first half of this year.

In 2021/22 we sold 376 homes (531 in 2020/21) across all types of tenure, including 338 shared ownership homes (380 in 2020/21) and 38 private sales (151 in 2020/21). These generated £59m in receipts (£109m in 2020/21). There is a pipeline of 97 homes currently going through the sales process (221 in 2020/21).

> We continue to push for innovative ways to help boost housing supply including forming partnerships with the public and private sector.

After-sales activity, which includes stair-casing (purchase of the remaining shares in the shared ownership property) and MTVH Mortgage redemptions continued, with 504 sales (576 in 2020/21), generating £74.9m in receipts (£60m in 2020/21). A further 222 sales are due for completion during the year (198 in 2020/21).

As part of the ongoing commitment to improve customer service, we made a number of policy changes to improve our shared ownership offer for new and existing customers during the past year. These included the unilateral removal of ground rents from all of our leasehold properties and the ability for customers to extend their leases to 990 years across all MTVH-owned sites.

Through MTVH Online, it is now easier for existing customers to buy or sell shares in their homes online, thus simplifying the process, reducing transaction times and reducing costs for all.

The government is making changes to the shared ownership model and we are working with colleagues across the sector with the aim of delivering an improved customer offering.

Progress at regeneration sites

CLAPHAM PARK

Clapham Park is undergoing a major transformation and last year we formed a joint venture with Countryside, a leading urban regeneration and placemaking developer, to deliver over 2,400 new homes (53% of them affordable tenures) and community facilities over the next 13 years. Community engagement, social investment and employment and training opportunities will be at the heart of this project as we move forwards.

Construction works on the second phase of 520 new homes started in March 2022 and 261 will be allocated for existing Clapham Park residents. Completion of 50 homes in the first phase are expected for residents to be ready to move into by January 2023. Two key figures in MTVH's history have been officially commemorated in the development in Keith Shaw House (named for Keith Shaw, who was influential in establishing MTVH's forerunner and was one of our residents for more than 50 years until his death in 2018) and Donna Mews, (named for Donna Henry MBE, who headed a group of residents setting in motion the path towards regeneration and diligently chaired the Clapham Park Project for fifteen years until her death in 2020).

WEST HENDON

Over 750 homes have now been completed at West Hendon, in partnership with Barratt London. All existing residents and any leaseholder who wishes to stay on has now been re-housed. Phase 4 of the scheme is currently underway, adding a further 611 new homes.

Throughout the regeneration project we have worked closely with Barnet Council and West Hendon Partnership Board. In a reflection of its extensive use and demand, we are currently working with them to expand and improve the West Hendon Community Hub so it can continue to serve and meet the needs of local residents in the years ahead.

WESTHORPE GARDENS, HENDON

We have appointed award-winning developer Hill to help deliver the regeneration of 1960s housing in Westhorpe Gardens and Mills Grove in Hendon. Over 250 affordable homes are being built, including rented homes for existing residents, shared ownership, private sale and homes for the over-55s. The first phase of 79 homes is due for completion in early 2023.

Sustainability is being prioritised, with the developer incorporating green roofs and energy efficient air source heat pumps. We engaged with the local residents prior to commencement and over 75% were strongly supportive of the proposals.

Below: Cllr Nanda Manley-Browne (left) and Sharon Shaw (son of Keith Shaw) at the construction of Keith Shaw House

CANNING TOWN

MTVH has signed an agreement with the English Cities Fund (ECF) and the Mayor's Homes for Londoners team to bring forward a scheme for 804 new homes in the Manor Road Quarter, Canning Town, of which 50% will be genuinely affordable. We will own, manage and administer 177 of the affordable homes on the first phase.

MERIDIAN WATER, ENFIELD

Meridian Water is a major 25-year regeneration in the London Borough of Enfield, which will comprise approximately 10,000 homes within an array of public space, alongside a new railway station and other facilities. MTVH will deliver 274 affordable homes on the second phase, across 4 tenure blind blocks, with podium landscaping, commercial units and car parking.

BRIDGE ROAD, WELWYN GARDEN CITY

Built on the site of a former Shredded Wheat factory which we acquired in 2017, MTVH is developing 643 homes over the next few years. The first phase, which comprises 208 affordable tenure homes is due for completion in December 2022.

OTHER SITES

MTVH also has an active programme of regeneration of smaller sites largely aimed at maximising the use of redundant and under-utilised space on our existing estates. One example of this is the Ashmole Estate in South London where we are redeveloping a former garage to provide 15 new town houses and apartments for rent and a former resident hall is being converted into a new community centre with 15 additional shared ownership flats above.

In Rushcliffe, Nottinghamshire, we are in the fourth year of a project with Rushcliffe Borough Council where we are redeveloping underused garages to provide homes for rent. The next phase of ten homes will be used as a pilot for the emerging Future Homes standards, using passive and assistive technologies to help reduce heating costs for residents and help lower the carbon impact during and post-construction. These standards will be important as we strive to reduce our emissions in a bid to move towards Net Zero and more efficient systems will also help residents struggling with increasing energy prices.

CASE STUDY

One Clapham Park family tells us what their new home will mean to them

Bibiana Forde and her mother have lived in Headlam Road since 1991. Bibiana's mother struggles with mobility issues and initially their ground floor flat was ideal for them, but over time it has become less suitable for their needs.

"The kitchen is very small - we had our microwave on top of the cooker which became a health and safety issue. Our shower was unreliable and we had to use the bath, which was difficult for my mum," says Bibiana.

There are other inherent issues too, which are more difficult to address. "It is often really cold in winter and too hot in summer, because the flat does not keep in the heat and there is not enough air circulation."

Thankfully this is all about to change. Bibiana and her mother are very excited about moving into their brand new flat in Keith Shaw House and looking forward to its imminent completion. Their new home will have a walk-in shower and wet room and there are two lifts, all of which will improve life for Bibiana's mother.

Bibiana says: "We're hoping we will have just as much space as before and, being higher up, Mum will have a balcony to sit out and enjoy the fresh air."

The higher build specification of the new block will also make a big difference to their lives. "We will have double glazing, to keep the heat in and - hopefully - some of the noise out. Our last flat was quite noisy! And we had some say in the choice of the kitchen finishes, which was nice. Mum was able to select cupboards that she liked. I think we are going to be very happy when we move."

Keith Shaw House is named after Keith Shaw, who arrived in South London from the Caribbean in the 1950s and helped establish the housing association which would become MTVH. He was an MTVH resident himself for more than 50 years until his death in 2018.

Sharon Shaw, Keith's daughter, said: "This block will be a great tribute to Dad's work and his commitment to ensuring that everyone has access to quality and comfortable housing."

> I think we are going to be very happy when we move.

Recognising the value of green spaces

The last two years have demonstrated how important it is for everyone to be able to enjoy outdoor green space. Unfortunately, in urban environments, this is not always easy to access. That is why we are putting an emphasis on placemaking and green spaces in our new developments.

In Clapham Park we will be developing over four hectares of parks and public space for the community, including activity zones, running and cycling routes. In the next phase of development we will be deploying a £1m fund which has been set aside to invest in early estate improvements and placemaking initiatives.

Our residents have been actively involved in making suggestions which include areas to grow fruit and vegetables and public arts to recognise community figures. While the regeneration is taking place we are setting aside some temporary creative buildings which will offer affordable work spaces and workshops for local residents and businesses, a bicycle repair shop and a cafe.

Our residents in West Hendon already benefit from the Welsh Harp reservoir which is rich in wildlife. The quality of design and landscaping that we have employed there is one of the features that sets West Hendon apart from many urban regeneration projects, so we were delighted when it achieved recognition in 2021 by winning Bronze for "Best Public Realm' in the What House awards.

Landscaping is also at the heart of design of the Westhorpe Gardens regeneration, with green spaces, play areas and garden areas that incorporate the existing mature trees. Meanwhile, the 'jewel in the crown' of the new development at Canning Town, is a linear park that will provide residents with a cycling and walking route through the scheme, delivering a vibrant and connected place.

Moving towards Net Zero

MTVH is committed to becoming a Net Zero organisation by 2050 and we are continually looking at ways to help us reach that target.

We successfully secured two bids from the Social Housing Decarbonisation Fund at the Department for Business, Energy and Industry Strategy. One is in partnership with the Midlands Energy Hub and the other is with Lambeth Council. These have secured £3.9 million in grants which will help to bring a further 1200 homes up to EPC C standard. This is an important step towards reaching our interim milestone of 75% of our directly managed homes at this standard or better by 2026, with 100% by 2030. Last year we installed cavity wall insulation in 1500 homes.

We are also embedding sustainability into our new build projects. At Clapham Park and Westhorpe Gardens we are incorporating green roofs, solar roofs and energy-efficient heating and encouraging sustainable travel with electric vehicle charging points and cycle paths.

Making homes safer and saving lives

For many residents, fire safety remains a concern and it therefore continues to be a key priority for MTVH. Our Safer Buildings team completed 41 intrusive full block surveys during the year. We have also continued the 'waking watch' initiative where it is deemed necessary and in total we have spent £7.56m on building safety measures (£3.6m in 2020/21).

Customer engagement in this process is hugely important and we have organised more than 140 online meetings for over 3,000 residents, responded to 7,000 emails and sent out letters to over 1,000 customers. We have arranged home surveys for more than 1,000 residents and installed temporary fire alarms for many of them. Everyone living in a block on our programme has a named point of contact within our team to handle any queries and we send out regular updates on a block-by-block basis. This regular, proactive engagement has meant that queries are responded to efficiently, while complaints are minimised and managed effectively.

Our commitment to improving safety extends to the sector in general and so our Building Information team has reviewed 275,000 documents to support surveys, handle customer queries and make preparations for the new draft Building Safety Bill. They have also assisted with information gathering for the Government and other external bodies and MTVH was the main Registered Provider contributor to the new Guidance on Simultaneous Evacuation, which is soon to be issued by the National Fire Chiefs Council.

Dealing with fraud

With social housing in short supply, it is important that our homes are only lived in by the people they are intended for. Unfortunately, that is not always the case and we have created a specialist role to investigate fraud and tackle it. This resulted in 54 proven cases last year, including 38 where sub-letting was occurring, eight where it was not the occupant's sole or principal home, four abandoned properties and four where the succession application was refused. The total financial saving resulting from these cases was £684,000. More importantly, the homes are available for people who need them.

A favourable lettings policy

Introduced as a response to feedback from residents, the lettings policy we initiated two years ago allows us to allocate more of our homes for internal moves and to improve the choice available when residents want to move between homes.

Although the pandemic brought operational challenges and turnover was significantly reduced because of Covid restrictions, we managed to let 1,809 properties in 2021/22 (1994 in 2020/21) and completed 200 new lets with an average turnaround time of just 4.5 days (8.5 days in 2020/21). Turnover of rental stock at 4.63% was lower than pre-pandemic levels but higher than the previous year (3.2% in 2020/21).

When letting homes we will continue to listen and support existing residents in maintaining their tenancies successfully by ensuring they have the right home for their circumstances and needs.

Helping our residents to live well

At MTVH our whole ethos is based on the principle that everyone deserves a chance to live well.

A good, well-maintained and safe home is fundamental to achieving this. However, as a landlord we are striving to go beyond this traditional role and aim to support our residents and customers in more ways than providing a roof over their heads. One of our core aims is to help remove the barriers our residents may be facing which prevent them from living well.

Empowering Futures

Our Empowering Futures teams have offered direct support to more than 3,000 customers in all sorts of ways, from advice with debt or benefits problems to coping with food and fuel poverty. We work with external partners including charities and other funders, as well as using our own funds. As a result, we have delivered £1.94m of financial gains directly to our residents, comprising £827,000 in long-term welfare benefits, £211,000 in emergency food and fuel support with a further £910,000 in other household savings. In addition, we delivered 549 Christmas hampers to residents in need.

Throughout the pandemic we have worked with community organisations and recently we secured £9,000 from Rushcliffe Borough Council's (RBC) Community Food Fund to deliver our 'Nourish' programme over the coming year. This is a project where we help interested residents to improve their knowledge of nutrition and cooking skills. Our positive relationship with RBC also led to us accessing £42,000 in supermarket food vouchers to support individuals and families struggling with the cost of living.

MTVH Empowering Futures

£1.94m

financial gains delivered to our residents

£211,000

emergency fuel and food support

549

Christmas hampers delivered to residents

CASE STUDY

How the West Hendon Food Bank is helping residents

As the Covid-19 pandemic continued into 2021/22, more of our residents told us they were facing problems with unemployment, furlough and lockdowns.

We did not want anyone to go hungry or have to choose between food or paying for utilities, so when the West Hendon Hub closed temporarily due to Covid regulations, our Empowering Futures team decided to use it for a pilot food bank project for the community.

The pilot was due to run for six weeks, to address food poverty and any additional needs that residents were facing. The Young Barnet Foundation offered to assist by providing seed funding and a secure food source.

Residents were involved from the outset. Using social media, local newsletters and outreach on the estate, a small team of community helpers was established. Our Regional Community Coordinator initially collected the food and delivered it to the hub, but later on Pinnacle, our cleaning contractor took over this role as part of their social value commitment.

Listening to residents has been crucial to the project's success. They have provided local insight, helped to identify families in need and have helped us shape the model so that it works specifically for West Hendon residents. In addition to food assistance, the project has also given residents access to additional support services.

From nine families in the first week, numbers quickly rose to 43 families in regular attendance. The rapid increase indicated the need to extend the pilot, so we ran the programme for 20 weeks. In that time:

- **85 households signed up.**
- **5 residents were referred to Love London Working for employment support.**
- **2 residents were helped through MTVH's grant scheme.**
- **11 residents became food bank helpers.**
- **We developed a partnership with a local school to refer parents in need.**

It has been great to see such a strong community spirit in West Hendon. As well as helping with running the food bank, residents supported each other by helping to spread the word to their neighbours in need and collecting bags for them when necessary.

Now that the West Hendon Hub has re-opened, the food bank has moved to the local school where it is run by local volunteers and has received funding for equipment from the West Hendon Charitable Trust.

> It has been great to see such a strong community spirit in West Hendon.

Empowering local communities

We are always very keen to support residents in their own initiatives to improve lives and the Clapham Bike Project is a notable example. Run by a local resident and supported by MTVH, The Clapham Project, British Transport Police and local schools, this project engages with young people by teaching them how to build and maintain a bicycle, which they are allowed to keep at the end of the course.

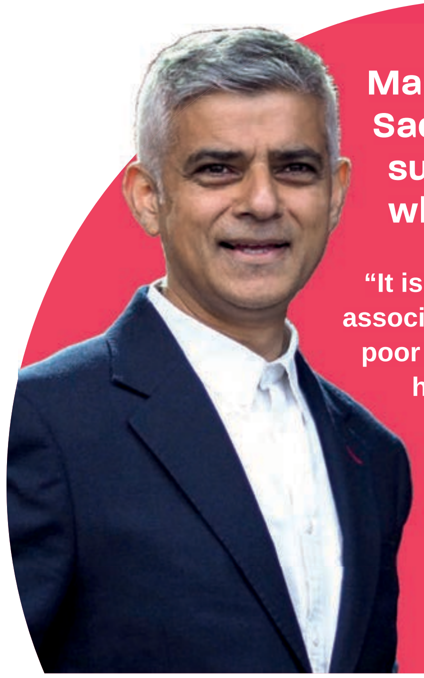
The aim is to create a safe space for young people where they are valued, can develop confidence and learn a new skill. Over 100 youths have already taken part and there is a waiting list due to high demand. The knock-on impacts extend to reducing anti-social behaviour and helping us to understand what matters to young people in the area.

We are now working with our new JV partner, Countryside, to explore how the scheme might be extended into a social enterprise led by community members. We are promoting active transport in Clapham Park, creating a bicycle-friendly community with 4,000 bicycle storage units, so there are opportunities for supporting young people with skills and employment.

Another interesting project we are taking forward is to improve mental health and wellbeing amongst men living in Lambeth. The sessions in the six month pilot will be facilitated by a local partner organisation and are designed to support men who, for a variety of reasons, do not access typical services. Using a range of skills such as sport, cooking and DIY, the aim is to improve mental health and build engagement.

Last year we took a more coordinated approach towards volunteering and consequently the Empowering Futures team created a variety of different opportunities for colleagues to get involved, while building on existing relationships we have with other organisations and charities. We wanted to tap into the knowledge, skills and experience of our own colleagues in ways that could help improve the lives of our residents and have a positive impact on the communities we serve.

Our focus this year has been on career development support and 34 MTVH colleagues volunteered their time in mock interviews, CV workshops, career talks and enterprise challenge days. We hosted seven career development events and 92 young residents benefited from the experience.



Mayor of London, Sadiq Khan, is a supporter of HAYN, which MTVH chairs:

"It is crucial we work with housing associations in our city, because we know poor housing and deprivation go hand in hand and can often be the cause of violence. Housing associations can deliver local solutions to tackling these issues and share our approach to diverting vulnerable young Londoners away from violence by providing them with help and support at key moments in their lives."

Chief executive's strategic operational review

Creating safer communities

We want to help tackle the root causes of disaffection amongst young people that may lead to crime and violence, so we have formed relationships with Violence Reduction Units (VRU), nationally, regionally and locally.

One particular success story is One Flow One Brent, where we are working with the Young Brent Foundation and two other housing associations. Together we obtained a grant of £744,000 from the Greater London Authority's VRU (Violence Reduction Unit) My Ends programme and our aim is to connect with young residents on three large housing estates in Brent (including our own Chalkhill Estate) to devise solutions that will positively impact the lives of over 300 young people.

Already this has resulted in the introduction of Youth Community Connectors in each of the estates: young local people whose role is to engage with others and equip them with a voice to ensure that solutions are youth-led. The steering group, Forever Chalkhill, has introduced peer-to-peer mentoring to share experiences and is developing new decision-making structures to work on the physical development of their neighbourhood and ending violence in their communities. We are embedding community listening to inform and shape family interventions and adopting an inclusive, proactive approach to help us meet the needs of young people.

MTVH chairs the Housing Association Youth Network (HAYN) and leads a consortium of nine housing associations and the VRU (Violence Reduction Unit) in helping to tackle violence across seven London Boroughs. This partnership was formed in August 2021 and has funded two posts in the VRU to work with local young residents and design future projects and services that can address the causes of violence. We are also embedding Local Authority 'violence and vulnerability' plans in our estates in Lambeth, Brent, Hackney and Tower Hamlets.

Jean-Marc (JM) Okende is a Youth Community Connector in the Chalkhill Estate. He got involved through MTVH's Youth Voice project:

"Getting involved with MTVH has helped me boost up a range of personal skills whilst helping me shape my estate for the better. It's something I have always envisioned doing but I never had the resources around me before. My experience has been amazing and it has given me a new understanding of the limits I can reach. Working with MTVH helped me acknowledge my own skill set."

Delivering care and support to our customers

Our Care and Support teams provide a range of services, working with people with a range of needs.

Our particular specialisms where we provide support or care in addition to housing, are supported living for people with learning disabilities or autism, and people with mental health issues. We also provide extra care housing and care for older people. In addition, support is provided for people at points of transition in their lives – whether moving into a home from sleeping rough, or arriving to the UK as a new migrant.

During the past year, we have developed a number of new services. These include our Home Improvement Agency (HIA), under a new contract with the London Borough of Camden, which makes adaptations and minor improvements to homes of older people or people with disabilities. Meanwhile, we expanded our capacity in our Derby City Supported Living service, and created a new 'move on' service for Restart Point which provides accommodation and support to destitute migrants in the city. New contracts for mental health services were also awarded by Sheffield City Council, Nottingham City Council and the London Boroughs of Harrow and Haringey.

In particular, the past year has seen a focus on setting up new services to support homeless and destitute people. We were awarded a contract by Spelthorne Council to house and support 20 homeless families and 31 individuals. Our role there extends to helping with independent living skills, training and access to employment as well as finding suitable long-term accommodation. In Wandsworth we are working on behalf of the Council to provide accommodation for 15 people with a history of rough sleeping, funded by the Rough Sleeping Accommodation Programme. Again, we are assisting customers with broader life skills, helping them prepare for the next step in their journey.

We have 21 services registered with the Care Quality Commission, delivering care across around thirty different sites. During 2021/22 we maintained our target of over 90% of CQC-registered services being rated as either 'Good' or 'Outstanding' where an inspection has taken place. This is testament to the hard work of our care and support teams, particularly as they continue to deal with the impacts of Covid-19.

Assessment and Support Team

Everyone wants to stay in their own home, but there are occasionally times of crisis when that may be threatened. The Assessment and Support Team is a new initiative begun in 2020/21 as part of our commitment to our residents to help them live well. Using their skills and expertise, the team coordinates other colleagues and external organisations to ensure that changing levels of risk are handled appropriately. These may include cases related to mental health concerns to domestic violence, exploitation and financial difficulties. In essence, the team works to make sure that customers receive the right support, from the right people, at the right time.

During 2021/22, 6,875 new referrals were received from across MTVH's regions and were responded to either by an MTVH team, or our external partners. Positive outcomes included additional income and financial benefits, improved emotional wellbeing, employment and ultimately - most important of all - being assisted to stay in their own home where this was the right thing.

Financial Support for Customers

Our Customer Accounts Team introduced a new collections system last year which allows for much earlier and frequent contact to support residents to pay their accounts. This makes provision for enhanced, targeted support for anyone who is transitioning onto Universal Credit or who needs additional help in some way. During the year 761 residents moved on to Universal Credit, taking the total number to 10,522.

The focus was on helping residents to apply for Discretionary Housing Payments if there was a shortfall in their Housing Benefit or Universal Credit payments. We also worked closely with the Assessment and Support Team to help those requiring specialist support and made full use of MTVH's tenant welfare fund to assist customers in financial hardship. The government's decision to end the Universal Credit top-up payment, which had been introduced during the pandemic, hit a lot of residents.

In all, we helped residents to gain £1.94m in financial gains and we kept total arrears at 5.17% (4.64% in 2020/21.)

£1.94m

financial gains delivered to our residents

Migration Foundation

MTVH's Migration Foundation is a restricted fund that exists to make migration work for migrants and the communities they live in. It does this by focusing on direct help, building capacity in the migrant support sector and advocating for change.

The Foundation's two main priorities are improving access to justice and offering improved housing and opportunities to participate in society.

The Afghan and Ukrainian refugee crises have been a focus in the latter part of 2021/22 and the Foundation has been co-funding and coordinating MTVH's response. Through making it easy for residents to sponsor a refugee, colleague volunteering and fundraising, as well as being a direct provider of accommodation and support where it does not detract from local need, we are helping to make a difference to the lives of those affected.

A number of organisations have been supported this year. Over £550,000 has been awarded in grants, including £100,000 to the Justice Together Initiative, £57,000 to Micro Rainbow (which works with LGBT migrants), £10,000 to the Joint Council for the Welfare of Immigrants to assist with information relating to Brexit and residency and £60,000 to our own Empowering Futures team to fund a post to lead MTVH's Afghan resettlement project and improve our services to migrants.

We also invested £80,000 in the renovation of empty property in the East Midlands as a one-year starter home and four new single-occupancy rooms for people recently granted refugee status.

The Foundation has an impressive range of representatives involved in its governance. This includes people with lived experience, colleagues, MTVH Board members, external experts and representatives of the Black on Board programme, which helps prepare minority ethnic colleagues for governance positions.

Grants awarded by Migration Foundation this year

Photography: Sean Pollock Photography

Left: Anthony Were, Development Manager, presenting at the G15 Ethnicity in Housing Awards

Campaigning for communities

A key part of how we as an organisation can support our residents, customers, and wider communities to live well is by using our influence on the issues that matter.

Over the last year, we have listened and heard about the challenges people are facing. Through our public affairs and campaigning activity, we are amplifying their voices.

A clear example of this approach was the Housing Futures report, published in February. This report produced startling evidence of the mental health impact the housing crisis is having on young MTVH residents and others across the country. Working with younger MTVH residents in Brent, Lambeth, and Nottingham, we heard powerful testimony about their hopes for their future housing situations. Fused with national opinion polling that we commissioned, we found that more than 60 per cent of young people surveyed said that thinking about their future housing situation is affecting their mental health. Meanwhile, almost 4 in 5 young people said that the uncertainty surrounding their housing future is affecting life decisions, such as whether to start a family or what jobs they will apply for.

We know that having a home can be the catalyst for so many things in life – starting a family, doing well at school, putting down roots and contributing to your community. The Housing Futures report, and the significant national media attention it obtained, put the barriers young people face to enjoying the secure future they want on the news agenda.

Since June 2021, we have been leading the G15 group of large housing associations as Chair. This is an opportunity to advocate on the biggest issues facing our residents and the organisation, from building safety and achieving net zero, to action on the cost of living crisis. We have built strong relationships with senior politicians and civil servants through this role. This has allowed us to have greater influence, for example, on our calls for leaseholders and social housing organisations to be protected from the costs of building safety issues.

We have partnered with leading research organisations to develop evidence-led policy proposals and to kick start debates. Working with the Centre for Social Justice, we supported the Hidden Housing Crisis Report that demonstrated the importance of investing in affordable housing to the new coalition of voters that will be key to political parties' fortunes at the next election. We also secured commitments from a government minister at our event at Conservative Party conference, that housing associations will have greater access to vital funding to support the transition to net zero.

As we move into the second year of our role as G15 Chair, we will be using the position to demonstrate the sector's commitment to delivering good quality affordable homes. We will continue to work to influence stakeholders on the key issues facing our residents.

At the heart of how we can best achieve change are the relationships we have with our local stakeholders. From providing regular updates on key activities, such as investment in existing homes and the progress of Safer Buildings; to engaging with MPs on issues we have a shared interest in, such as the rights of migrants. However, we know that our relationships with local stakeholders rely on the quality and responsiveness of our services to our residents, which remains a key focus for us in our engagement as well as for the organisation in its operations.

We were pleased to welcome a number of MPs and councillors to see the work we are doing in their communities first-hand, something that we had missed doing during the pandemic.

MTVH is a leading voice on a range of issues, and we have continued to engage in detailed conversations with government and to respond to key consultations. This included approaches to vaccinations for colleagues in care and support settings, working with the Ombudsman on thematic investigations around building safety and noise complaints, and seeking to shape the reform of social housing regulation to support residents. Building safety has dominated much of the policy conversations we have had with government, reflecting our commitment that the safety of all our residents is our number one priority.

We will continue to use our voice and influence to share the lived experiences of our residents, seeking to achieve positive change on the issues that matter most to them.

"We will continue to use our voice and influence to share the lived experiences of our residents, seeking to achieve positive change on the issues that matter most to them.

Left: As G15 Chair, we brought together the largest housing associations operating in Lambeth to meet with local councillors, including Cllr Winifred who spoke with MTVH colleagues about areas we could work together on.

An attractive place to work

Returning to work

After two years of heavily disrupted working practices a cross-organisational working group collaborated to spearhead a return to work for our colleagues that encompasses the best of the lessons we have learnt about safe, flexible and remote working. The watchwords are 'smarter working.' Harnessing government guidelines and best practices from elsewhere, we are keeping colleagues informed and guided towards best practice and helping them to maintain the very best customer experiences.

Embedding the MTVH Way

MTVH is committed to promoting an organisational culture in which colleagues understand and value the role they play in delivering the best possible service to customers. Dedicated workshops were conducted with Board and Executive members to further this goal.

Also key to this effort is an ongoing investment in colleague development and wellbeing. This has been evident through initiatives such as the launch of a colleague mentoring scheme. Meanwhile, an internal awards programme has been instituted, to recognise and celebrate the achievements of colleagues.

In order to foster wellbeing, a series of workshops have been held throughout the year to promote various aspects of personal welfare and happiness. Training and support is also in place to best equip managers to support colleagues facing a variety of challenges.

Introducing efficiencies with new technology

The last year has seen our Technology Strategy come to fruition. The strategy is aimed at improving the technology experience for residents, colleagues and customers alike.

Our residents have told us they want their contact with us to be straightforward. In addition to the launch of MTVH Online, a new single telephony system has been introduced which delivers greater functionality and flexibility, making things easier for callers whilst also delivering cost savings and improved efficiency.

Meanwhile, we have also moved to Cloud architecture for our printing facilities. This will both reduce our carbon footprint and improve the efficiency of our printing. This year has also seen the roll out of Office 365, Teams and OneDrive systems across the organisation, to enhance collaboration between colleagues.

Sustainable working environments

The team has been collaborating with our Head of Sustainability to look at how we can decrease energy use and reduce our waste to ensure that we maintain a trajectory towards Net Zero.

We have started to measure our waste to influence behaviours so that we can meet our goal of sending zero waste to landfill. All our community centres now use LED lighting, some have introduced green roofs and we are looking to roll out electric vehicle charging points in our offices.

Health and Safety

At MTVH, health and safety is not simply a matter of officialdom or red tape. Instead, health and safety is embraced and embedded as a vitally important and obligatory means of ensuring that our residents, customers, colleagues and anyone else affected by our activities, is protected from harm.

To achieve this, each part of our business has a Health and Safety Business Partner dedicated to supporting, assisting and advising management teams and adding value to the effective implementation of health and safety activity within their area and across MTVH as a whole.

Our health and safety team refocused its approach in 2021 with a new team structure and we are now challenging ourselves to strengthen and simplify the processes and requirements to fulfil our important health and safety ambitions.

Risk management is an important part of the health and safety offering and we have developed specific risk registers for each part of our operations as well as a Legal Risk Register to monitor how we comply with health and safety regulation. This year we will be developing specific health and safety plans for each business directorate which will be based on improving risk controls.

An interim health and safety monitoring process was developed which was used to conduct a series of office inspections. This has since evolved into a system harnessing the SHE Assure software system, which includes a comprehensive reporting and an action tracking function. This uniform approach allows us to consistently track findings, establish trends and close out remedial actions across the whole organisation. All new inspections are being carried out using this system and it is proving effective in saving time and using fewer resources.

This and other significant improvements were externally validated through a PWC audit performed at the beginning of 2022, which returned an overall green rating, signifying low risk.

Waterfront House

Since opening in 2021 Waterfront House has lived up to the expectations of our Midlands colleagues. From the varied meeting rooms to light, open workspaces, the new office has literally provided a breath of fresh air for those who work there. The popular café - called Molly's after one of our founders, Molly Huggins - is a particular highlight and the feedback from our colleagues has been hugely positive about the modern, hi-tech space. It has enhanced collaborative working and is an ideal place in which to base our vital Customer Call Centre.

Photography: Sean Pollock Photography

Equality, diversity and inclusion in the workspace

MTVH is committed to becoming even more inclusive than we are already. We want all our colleagues to bring their authentic selves to work, to have a real sense of belonging and to have the security of knowing they can speak openly. Our core values are Care, Dare and Collaborate and we strive to live by them.

It is important to us that all our residents, customers and colleagues feel included and we are working to create an environment where people are not afraid to challenge non-inclusive behaviours and everyone is mindful of their own and other's wellbeing.

Over the last year we have invested in development opportunities for ethnic minority colleagues at all levels. We have had cohorts participate in a Black on Board programme for those preparing for governance positions and the G15 Accelerate programme for Black, Asian and Minority Ethnic managers. We have also trialed the Investing in Ethnicity programme.

Our positive approach to diversity and inclusion is reinforced by various volunteer colleague networks supporting gender, ethnicity, sexual orientation and disability. These are fully supported in our governance structure and by allies across the organisation. There are educational events, webinars and panel discussions across a full range of protected characteristic areas including Domestic Violence, Neurodiversity and Allyship. We also shine a spotlight on notable dates such as Black History Month, International Womens and Mens Day, Holocaust Remembrance Day, International Day for Persons with Disability and LGBTQIA+ History Month.

MTVH's roots are firmly planted in helping house the Windrush generation and we mark Windrush Day annually. Since our inception MTVH has always been a voice for change in the social housing sector and today we are building on that tradition to help shape and influence equality, diversity and inclusion.

Above: RISE, MTVH's Ethnicity Network Group, accepting the Staff Racial Equality Action group award at the G15 Ethnicity in Housing Awards.

> Since our inception MTVH has always been a voice for change in the social housing sector.

Chief Financial Officer's review

Key highlights this year were:

- **£250m sustainability-linked bond issued as part of a £2bn EMTN programme**
- **Early adopter of the Sustainable Reporting Standard, report issued February 2022**
- **£771m of available liquidity**
- **Strong cash generation from operating activities of £254m (2021: £265m)**
- **A Stable rating obtained from Fitch**
- **Confirmation of the S&P credit rating at A- stable**
- **Sale of minority interest in Fizzy Living**
- **Underlying operating surplus of £135m, a 2% reduction from the prior year**

Overview

Group turnover was down 9% at £406m (2021: £446m) largely due to lower revenue from properties for outright sale compared with last year. The Group's letting income (which includes Care and Support) was £309m (2021: £299m), an overall rise of 3.3% year on year in line with the rent settlement policy. Revenues from our other operations, including Care & Support and the market rent portfolio were broadly constant year on year at around £37m (2021: £38m). The market rent portfolio included revenue from our minority stake in Fizzy Living up to the point of disposal. Our 9% interest in Fizzy was sold to our partner, Adia, in December 2021 for £35m, which resulted in a loss for the year of £1.5m (see note 31).

Total revenue from home sales was £59m (2021: £109m). Of this, outright sales revenue was £17m (2021: £65m). We sold 38 units in the year (2021: 151 units) at an average selling price of £447k (2021: £430k). Underlying outright sales profit after deducting selling and marketing costs, was £4m at a 25% gross margin (2021: £8m at a 12% margin). The other element of new homes sale revenue comes from the sale of the First Tranche share of Shared Ownership units, which was £42m in the year (2021: £44m). We sold 339 First Tranche units (2021: 380 units) achieving a surplus of £5m at 12% (2021: £6m at 14%). The first tranche share averaged 35% (2021: 36%) of an average total selling price of £327k (2021: £321k) per unit. The Board is committed to creating social housing subsidy through the market sale of homes in order to build more affordable housing than it could otherwise afford. This development risk remains a core element of our business plan which is capped and closely monitored by the Board.

Operating surplus before non-recurring costs for the year was £135m (2021: £138m), down 2%. Within this, as noted above, the surplus derived from home sales was down by £6m year on year. Total Operating expenses (which include selling costs) were up 18% at £284m (2021: £241m). This reflects the increasing level of fire safety expenditure being incurred, the post-lockdown return to normal operations, investment in the corporate plan as well as the impact of rising costs of labour and material across all of our operations. Adjusting for fire safety related operating costs, the increase was £21m, or 9%.

The Board recognises the safety of customers as its primary concern. Reflecting this priority and following recent changes to legislation, guidance and building regulations, related remediation costs represent an area of increasing cost to the business. During the year we expensed £19.4m (2021: £13.6m) of costs in respect of remediation of fire safety issues, including surveys and assessments, and capitalised further costs of £3.7m (2021: £6.3m). As part of these costs, we have included two items as an non-recurring charge to operating surplus. A provision for non-recoverable costs expected in respect of the fire at Richmond House in 2019 and the related remediation works across the rest of the Worcester Park estate into the future. In addition fire-related costs in relation to waking watch and intrusive surveys, totalling £5.6m, have been classed as a non-recurring item. As a result of these non-recurring items, reported Operating Surplus is £122m (2021: £138m).

Segmental analysis

	2022 Turnover	2022 Operating surplus	2021 Turnover	2021 Operating surplus
	£m	£m	£m	£m
Property	25.8	(15.8)	24.8	(12.2)
Development	116.2	49.8	116.8	29.7
Customer Services	337.4	136.2	328.9	152.9
Central Services, non-recurring & consolidated adjustments	(73.5)	(48.1)	(24.7)	(32.4)
	405.9	122.1	445.8	138.0

MTVH is one of the largest providers in the sector of Shared Ownership homes and Homebuy loans (administered through our 'SO Resi' brand) and this remains core to our affordable home solutions. During the year we completed staircasing transactions which delivered £20.2m of operating surplus at a 36% margin (2021: £16.5m at 37% from 370 completions). In addition, we completed 237 Homebuy loan redemption transactions, achieving £8.1m of operating surplus at a 42% margin (2021: £5.8m at a 38% margin from 206 completions). Surplus derived from other asset disposals was £9.2m, comprised of £2.8m on RTB transactions and £6.3m on asset disposals related to the strategic asset management plan.

The Group recorded a surplus after tax of £41m (2021: £61m) after net interest costs of £75m (2021: £75m). We wrote down the valuation of certain investment properties in the year as a result of the poorer market for commercial properties. Other comprehensive income includes a credit of £21m (2021: charge of £48m) in respect of our defined benefit pension obligations, and a £12m credit (2021: £12m credit) in respect of the movement in fair value of the Group's financial hedging derivatives.

In respect of our defined benefit pension scheme, the accounting deficit (as shown in note 23a) has reduced by £24m in the year to £44m, lower than the deficit at 31 March 2021 of £68m. This reflects the change in discount rates during the year, the more active management of our pension scheme since we disaggregated from SHPS as well as a more tailored investment strategy which has managed to improve returns (compared to the final year in SHPS) while also reducing investment risk. Our funding level stands at 83% (up from 74% last year) which compares favourably to the SHPS funding level. At the same time we have been able to keep our additional deficit contributions at around the same level as they were during our final year of SHPS membership, at around £6m pa.

Finance costs

External interest receivable amounted to £5m (2021: £5m) and total interest payable was £80m (2021: £80m).

Chief financial officer's review

Taxation and Tax Contribution

The tax account for the year showed a nil charge of the year (2021: £nil). Surpluses from the core rental business are exempt from tax as the Group has charitable status. Generally, where activities are taxable, they are undertaken by subsidiaries who gift aid the surplus to the Group, and the Group invests these tax savings to subsidise the development of affordable homes. During the year gift aid payments of £16.3m (2021: £10m) were made within the Group to subsidise the development of affordable homes.

MTVH is a very significant contributor to the UK Treasury through the payment of taxes by MTVH itself and also by the collection of taxes from others.

The total contributions were approximately £57.9m (2021: £50.1m). Our total tax contribution is set out below:

	2021/22 £m	2020/21 £m
TAXES PAID BY MTVH		
Irrecoverable input VAT	28.9	24.1
Employers' NI	7.4	6.7
IPT	0.6	0.6
Other (SDLT etc)	2.0	1.4
Total taxes paid by MTVH	**38.9**	**32.8**
Taxes collected by MTVH		
Taxes collected on behalf of others:		
Employees' PAYE	10.8	9.9
Employees' NI	5.5	5.0
VAT collected from customers	2.3	2.0
Other	0.4	0.4
Total taxes collected by MTVH	**19.0**	**17.3**
Total tax contribution	**57.9**	**50.1**

Cash generation and utilisation

Cash generation was again strong this year this year with a net operating cash inflow of £254m in the year (2021: £265m). This strong performance reflects the strong sales performance (£83m) and the selling down of stock (£31m). Overall, we spent a net amount of £114m (2021: £157m) on investment activities. Net outflows from drawdowns of new facilities less debt repayments totalled £145m (2021: net outflow of £57m).

Group gearing ended the year at 38% on an historic cost of property basis (2021: 40%) and EBITDA interest cover was 2.1 times (2021: 2.3 times).

Balance sheet

The net book value of housing assets was £4.6bn (2021: £4.5bn), with £36m (2021: £35m) of depreciation charged in the year, as we continue to increase the levels of investment in our estate. This figure includes assets under construction at 31 March 2021 of £350m (2021: £295m). Development work in progress (WIP) was £71m (2021: £104m). Short and long term creditors are £2.6bn (2021: £2.7bn), including £1.9bn of borrowings (2021: £2.0bn) and £149m (2021: £137m) of housing grant repayable. Total provisions amounted to £0.2m (2021: £1.1m).

Thames Valley Housing Association Ltd Annual Report 2021/22

Funding and treasury

As at 31 March 2022, MTVH had net debt of £1.7bn (2021: £1.8bn) which included £152m of cash (2021: £156m). We define net debt as debt less cash available to repay lenders. 86% (2021: 85%) of the loan book was fixed at rates of interest ranging from 0.3% to 11.3%, with the remainder at floating rates of interest. Our overall cost of debt was 4.1% per annum (2021: 4.0%).

During the year the Group obtained a second credit rating from Fitch, which was "A Stable". The Group's S&P Global credit rating was confirmed again during the year at A- (stable outlook). Subsequently the Group issued a £250m sustainability-linked bond as part of its £2bn European Medium Term Note ("EMTN") programme. The issue spread was Gilts +115bps resulting in an initial yield of 1.99% and a coupon of 1.875%. The EMTN was issued on a 'Use of Proceeds' basis, and as such there is a requirement to report annually on the utilisation of the funds raised. This report will be available from the MTVH website. Prior to this, as covered earlier in this Annual Report, the Board approved our Sustainability Strategy which identifies 55 goals to improve our sustainability as an organisation. We are also an early adopter of the Sustainability Reporting Standard and issued our first report under this standard in February 2022.

As at 31 March 2022 the Group had committed undrawn facilities of £668m (2021: £680m), which are fully secured and available at 48 hours' notice, in addition to cash and short-term investment balances, totalling £152m (2021: 156m). Cash is invested at average returns of 0.4% (2021: 0.1%). The Group remains well funded and has sufficient resources to meet the requirements of its future development plans.

Managing treasury risk

Treasury risk management is a key and complex area of financial control and is included below separately from the report of the Board and the statement on internal controls.

Governance and control

MTVH operates a central treasury function under a Director of Corporate Finance who reports to the Chief Financial Officer. Oversight is provided by a Treasury Committee of experienced and qualified non-executives as well as independent committee members who report, in turn, to the main Board. The activities of the Treasury function are governed by a Treasury Policy and Strategy which are approved each year by the Treasury Committee and Board.

A risk-based approach is adopted with the overriding objective of managing risk in line with the Board's risk appetite. Risks are regularly assessed and recorded in the Finance risk register, which forms part of the Group's risk register.

Chief financial officer's review

Loans and credit structure: maturity risk

The Group's borrowings are funded from a number of sources. This includes long-term loans and bonds. All borrowing is denominated in Sterling; the Group has no foreign exchange exposures.

The funding sources are split as follows:

% of total	2021/22	2020/21
Banks and building societies	59%	63%
Capital Markets	40%	34%
Local Authorities/Other	1%	3%

MTVH has £299m (2021: £602m) of loans maturing in the next five years which represents 16% (2021: 31%) of our total drawn down-loans.

Interest rate risk

The Group has entered into a number of hedging contracts in order to mitigate the risks on interest cost volatility arising from its floating rate debt and RPI-based cash flows. At 31 March 2022 86% (2021: 85%) of the Group's total debt cost was hedged either by fixed rate loans, floating-fixed swaps or index-linked arrangements. The Group has a target of keeping the fixed proportion of the Group's debt book between 65% and 85%.

As detailed in Note 30 to these accounts, MTVH has £173m (2021: £173m) nominal value of ISDA swaps which hedge interest costs at rates between 3% and 6%. The mark to market exposure is monitored closely and collateralised with a mixture of cash and property assets.

Counterparty risk

Surplus cash is invested with approved banks and counterparties with the priority on the preservation of capital rather than on maximising returns. The treasury policy requires that the maximum deposit exposure to any approved bank is £25m, with the exception of the Group's operational bankers, where a higher level is approved.

Covenant compliance

MTVH's loan covenants are based primarily on interest cover and gearing ratios. Covenant ratios are monitored monthly and reported to the Board. Quarterly performance information is provided to our lenders and we issue regular RNS trading updates and results announcements to bond investors. We hold regular meetings to update our lenders including annual group meetings and provide covenant certification as part of the annual audit process.

Liquidity risk

We prepare monthly and quarterly cash flow re-forecasts, and we also carry out a budget and long-range forecasting exercise at least annually which ensures we can operate well within our safe limits for covenant tests, even under highly adverse changes in performance and market conditions.

Short-term surplus cash balances are placed on deposit for terms of not more than 364 days, with a number of approved counterparties. Cash balances held are sufficient to fund short-term development, capital expenditure and working capital requirements.

Value for money

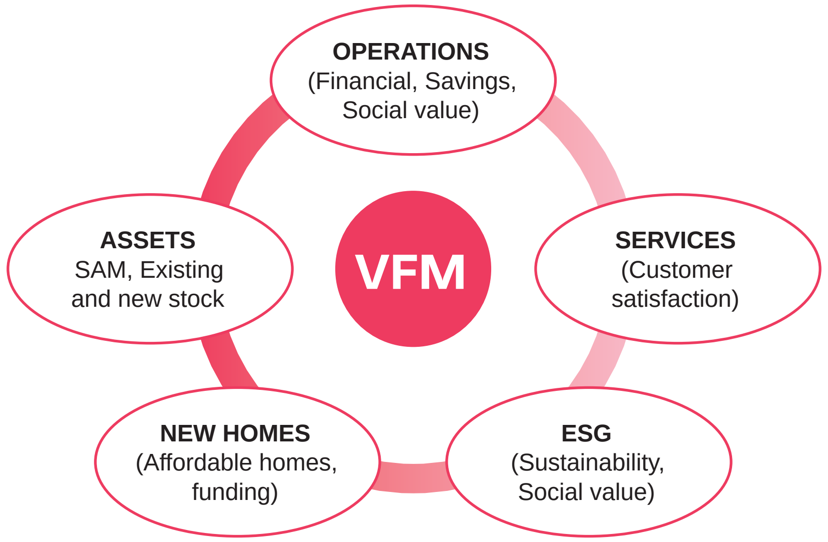
The MTVH approach to value for money

The Board of MTVH has overall responsibility for ensuring that value for money (VFM) is embedded, and an integral element, of the organisation. Being efficient and effective is critically important, to enable us to deliver our vision of serving people better every day. VFM is a culture and mind-set that is a standard consideration for every Board, committee and executive decision to direct resources to residents in the optimal manner and enabling them, and the communities in which they reside, to live well.

This has been another year of considerable change as society, and the economy, recovers from the COVID-19 pandemic and deals with the challenging macroeconomic outlook. Despite the inevitable impact on activities, MTVH have maintained and strengthened VFM principles in our response and all our work. The foundations have been set to achieve social and economic value in the future.

A key milestone underpinning the delivery of VFM has been continued progress on our five-year strategy, in particular the Corporate Plan that underpins this and work on advancing ESG as a key strategic priority. These provide a framework for VFM implementation, which is ingrained in all strategic and operational aspects going forward.

Key elements of VFM approach



Governance

VFM implementation is overseen by MTVH's Executive Management Team and Board, who determine strategy and investment priorities and monitor progress against published plans and targets. The Board ensures compliance with regulatory standards. The oversight of VFM is also supported through the responsibility of various Board sub-committees, including the Property and Customer Services Committees (CSC). This provides an added layer of scrutiny and accountability for customer-related issues where VFM is a key driver.

Performance management

The continued financial strength and capacity of the organisation is instrumental to ensuring that we are able to deliver on our strategic objectives, and is framed by the following;

BUDGET/CORPORATE PLANNING
VFM is firmly entrenched in the 22/23 budget and Corporate Plan and includes both cost optimisation and revenue growth targets, to embed efficiency across the organisation. The five-year operational budgets and plans will allow us a longer term assessment and tracking of strategic priorities and investment in projects.

PERFORMANCE TRACKING
A suite of KPIs/metrics are analysed and reported on at all levels of the organisation, in order to drive performance and identify areas for greater efficiency. This also includes a range of non-financial targets, which provide an enhanced assessment of VFM delivery in future.

ASSET RETURNS AND EFFICIENCY
The Strategic Asset Management (SAM) Plan was adopted in May 2019 to ensure that MTVH continues to provide homes in a sustainable and efficient manner across our regional operating areas. We are pleased to report positive progress in the year on the continued implementation of the SAM plan, with a number of stock disposals across both voids and tenanted stock. The next iteration of the Asset Appraisal Model is due in the early part of 2022/23 and will incorporate decarbonisation data and an updated view of stock investment plans across the portfolio. This will enable us to better understand the short, medium and long term investment forecasts, the income generation of assets and enable comparison of assets, estate and regions.

SERVICE CHARGE PROJECT
The service charge project continues to identify opportunities to improve the processes, systems and workflows around this key area. The aim is to create a transparent, easy to use service that delivers service transformation to our residents, through higher levels of customer satisfaction, reduced complaints and a compelling digital offer whilst ensuring our income is maximised in line with legal and contractual agreements.

Corporate Plan

The Corporate Plan sets out the plans for key projects with improvements to our systems, processes and structure helping to further enhance the customer journey. Underlying this is the desire to realise efficiencies and synergies to shape the long-term VFM agenda. MTVH responded to the pandemic by providing proactive support to both residents and colleagues, and then quickly moved back into delivery against the Corporate Plan to progress the strategic priorities of the organisation.

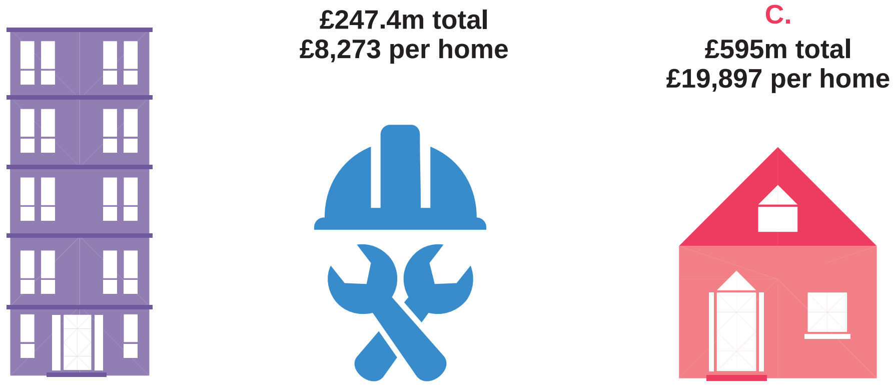
Empowering Futures

Our Empowering Futures strategy continues to develop, with £1.9m (target £1.5m) of financial improvement delivered for residents following MTVH support and 3,233 (target 2,000) residents provided with intensive support. In terms of the value of a social tenancy, our data was externally validated by Sonnet and narrowed the focus on socially rented homes only. It estimated that MTVH social tenancies contribute £595m a year to the UK economy, which is £19,897 per home.

A. SOCIAL HOMES
£347.6m total
£11,624 per home

B. CONSTRUCTION AND MAINTENANCE
£247.4m total
£8,273 per home

C.
£595m total
£19,897 per home



Value for money statement

Reporting performance

This year MTVH continued the investment required to provide quality and consistent services to our customers, deliver new homes sustainably and foster even greater levels of customer engagement.

Three key targets were given prominence at Board and executive level to gauge performance, crucial to the strategic objectives and maintenance of value of money. Operating margin at 30.1% fell short of the target of 34.6%, new homes delivery at 712 missed by 117 homes and customer satisfaction was below the target, although there was continued investment in the foundations for future improvements.

Table 1	2021/22 Actual	2021/22 Target	2020/21 Performance	2020/21 Target	2019/20 Performance	2019/20 Target
Operating Margin	30.1%	34.6%	31.0%	33.2%	27.2%	29.1%
New Homes (incl.JVs)	712	829	923	811	1,023	968
Customer Satisfaction	70.7%	75%	75%	70%	70%	75%

OPERATING MARGIN
The margin of 30.1% attained reflects a robust performance against the challenging external environment, which is slightly below the 31% attained in the prior year. The number quoted is also after non-recurring items, reflecting a reported operating surplus of £122m, which is £22m lower than budget. The main drivers of the variance are higher operating expenditure across service charges and safer building expenditure against budget, non-recurring costs in relation to restoring Richmond House and Worcester Park and delay in recognition of land profit associated with legal completion of Clapham Park JV.

NEW HOMES DELIVERY (INCL.JVS)
At 712 is 117 below the target, impacted by both COVID and the need for contractors/developers to adhere to MTVH's handover quality standards.

CUSTOMER SATISFACTION
The overall satisfaction level of 70.7% is below the target of 75%. Customer focused measures in 2021/22 showed mixed results and reflect changes in resident needs and opinion during the period. The wider economic context has translated into satisfaction scores. This is being reported across the sector, though the movement for MTVH is minor but a downward trend nonetheless. Customer feedback has been refreshed for 2022/23 to improve the level of actionable insight available.

Internal targets are supplemented by other strategic indicators deemed appropriate to assess the overall effectiveness of VFM.

KPIs and Strategic Indicators	21/22 Target	21/22 Performance	22/23 Target
DEVELOPMENT STRATEGY			
Number of new homes (incl.JVs)	829	712	664
New contractual commitments (units)	1,000	1,008	1,000
Unsold stock value over 90 days	£20m	£13.1m	£24m
CUSTOMER EXPERIENCE STRATEGY			
Overall customer rented satisfaction	75%	70.7%	75%
% of customer complaints managed in time	100%	96%	98.5%
Satisfaction with new home (Shared ownership)	85%	84%	85%
Average re-let times for all social rented dwellings (Days)	25	41.9	28
Tenant arrears	5.2%	5.2%	5.2%
PROPERTY COMPLIANCE			
Properties with a valid gas safety certificate	100%	99.8%	100%
Managed blocks with a fire risk assessment	100%	100%	100%
Managed blocks with a valid electrical safety EICR certificate	98%	98.6%	98%
Properties with an EPC rating of C or above	61%	60.3%	64%
Lifts serviced within 12 months	100%	98%	100%
PEOPLE AND ORGANISATIONAL DEVELOPMENT STRATEGY			
Operating Margin	34.6%	30.1%	35.2%
Colleague absence rate (short term, 12 month rolling)	1.8%	1.4%	1.5%
Colleague voluntary turnover (perm, 12 month rolling)	15%	18.8%	17%
% colleague engagement	80%	83%	82%

Development

We plan to create 11,800 homes over the next 10 years, delivering social value by delivering the affordable housing the country requires. This is evidenced by the investment of £161m in acquiring land and building new homes this year which was impacted by the recovery from the pandemic. Activity has since resumed with the reinvestment metric in line with the prior year. The Board continues to review the commercial assets within the Group and opportunities to realise value through asset disposals in conjunction with the Strategic Asset Management Plan, which will provide a clearer basis for the retention or disposal of our property portfolio going forwards. Our annual Treasury strategy is designed to maintain a diverse and balanced loan book that efficiently funds the operational and growth capital of the business.

Customer Experience

As part of the overall Customer Experience Strategy, we plan to make significant investment in a comprehensive digital offer that delivers the necessary levels of service while achieving efficiencies in the long term. A key milestone in the customer journey improvements planned was the continued uptake of the digital platform, MTVH Online. MTVH Online has seen significant growth within the year, with 30% of our total households registered as active users.

We drive performance across a range of measures to be effective and value driven. Performance for re-lets at an average of 41.6 days for the year, significantly above the 25 day target, and is reflective of the increased number of voids the business has witnessed. An action plan is in place through the Asset Review Group (ARG), to mitigate the financial impact of voids. Total YTD arrears (Leasehold, Supported, Commercial, Market Rent, GN) ended the year at the target level of 5.2%, which is a positive result in against the backdrop of intensifying external pressures for residents.

Metworks achieved a first-time repair rate of 88% (2021: 87.9%) which is a positive performance despite the shortage of material and suppliers against a backdrop of COVID-19 restrictions experienced at various stages of the year. Continued efficiencies are being sought and indeed have been embedded in the 22/23 budget, focusing on core repairs activities and enhancing operating performance.

Property compliance

The level of total spend on the existing estate of £138m (2021: £126m), which includes planned component replacements programme of £40m (2021: £42m), is a stepped increase on the prior year. This is in line with MTVH's asset investment programme, which will see a targeted, planned and communicated strategy in place across the portfolio over the next five years. Consistent progress has made in property compliance throughout the year, achieving levels just below the targeted 100% by year end.

People and Organisational Development Strategy

Significant people and organisational development highlights have been achieved in the year to drive future operating efficiencies and create a people powered organisation underpinned by the MTVH way. This is evidenced by the 1.4% staff absence rate achieved for the year, within the target of 1.8%.

Colleague engagement is of paramount importance and we intend to report on this going forward, to align with service delivery for our customers. Using scores from our Colleague Engagement Survey we attained a 83% colleague engagement score in 2021/22 compared with a target of 80%.

ESG

As Environmental, Social and Governance (ESG) reporting increasingly becomes a key driver for investors and stakeholders, we are developing our reporting against key metrics and most notably the Sustainability Reporting Standard ("SRS"). This will provide access to wider funding opportunities and ensure goal congruence between ESG, VFM and social value initiatives.

The implementation of the MTVH sustainability strategy, coupled with the adoption of a sustainable financing framework, demonstrates the long-term VFM commitment to deliver fair, affordable and sustainable housing for future generations to enjoy. The £250m 15 year funding at a 1.99% yield, as part of wider EMTN programme, provides a more economical cost of capital, and creates interest cost savings that will have a significant positive impact on the corporate bottom line.

The launch of a sustainable procurement policy demonstrates the ongoing commitment to achieving value for money for our customers, while driving efficiencies and reducing its negative impact on environment and communities. The supply chain procurement process has been completed, and is in the process of mobilising new contractors across much of our service.

Regulator of Social Housing (RSH) VFM metrics

Our 2021/22 performance on the regulator's VFM metrics and against the 2021 G15 benchmark is reported below.

Table 2 **Based on RSH definitions published May 2021**	**MTVH 2022**	**MTVH 2021**	**G15 Median 2021**	**MTVH 2020**	**MTVH 2019**
1. Reinvestment %	3.9%	3.8%	5.0%	4.7%	5.8%
2a. New supply delivered % (Social housing units)	0.7%	1.5%	1.4%	1.7%	2.0%
2b. New supply delivered % (Non-social housing units)	0.7%	0.4%	0.5%	0.4%	0.2%
3. Gearing	38.0%	40.0%	48.0%	41.4%	40.2%
4. EBITDA MRI interest cover	114.9%	119.3%	126%	103.2%	123.6%
5. Headline social housing cost per unit (£)	5,191	4,862	5,337	4,858	4,578
6a. Operating margin (SHL only)	29.3%	31.5%	28%	28.0%	34.2%
6b. Operating margin (overall)	23.5%	24.3%	21%	20.7%	27.5%
7. ROCE	2.8%	3.0%	2.6%	2.7%	3.2%

Metrics 1 to 3 are investment driven

REINVESTMENT
This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held, with the number of 3.9% broadly consistent with the prior year.

NEW SUPPLY DELIVERED % (SOCIAL AND NON-SOCIAL)
These metrics set out the number of new units (social or non-social) that have been acquired or developed in the year as a proportion of the total units owned at period end. This is predominantly due a slowdown in acquiring new sites during the pandemic, however we are now seeing the pipeline replenish.

GEARING
This metric measures net loans (incl. finance lease obligations) as a percentage of the value of housing properties. We remain well below the G15 median at 38.0%, although this is expected to rise as we deliver our development plan. For 2021 results, our gearing level of 40% compared favourably to the median of 48.0%.

METRICS
Metrics 4 to 7 measure efficiency and economy and are driven by the I&E account (including capitalised repairs spend for metrics 4 and 5). They have broadly the same drivers and reflect the same trends. The FY22 results across these metrics illustrate the continued investment we make in our existing stock and communities, and the increasing pressure on the allocation of our resources.

EBITDA MRI
This measures the level of operating surplus (including expenditure on capitalised major repairs and excluding depreciation and amortisation) compared to total interest payable. It also includes profits on first tranche and outright sales, which can be more volatile. Note this is not our covenant test but a group entity, accounting–driven, ratio. This metric is anticipated to be 114.9% compared with the 119.3% in the prior year, reflective of investment in core social operations to maintain services, sustained planned repairs investment and the delay in delivering efficiencies from some corporate plan projects (albeit deferred to 2021/22).

HEADLINE SOCIAL HOUSING COST PER UNIT
Assesses the costs that MTVH incurs to manage social housing properties divided by the number of units managed by the Association. This is currently a year end measure taken from the annual report (because it requires a complex allocation of overheads which we don't perform on a monthly basis). We are developing a way to report and track this on a monthly basis and use it as a key metric to measure regional performance, since it very largely reflects their controllable costs and efficiency (although since it includes service charges, supported housing fares less well under this metric, notwithstanding additional service charges are recovered).

SOCIAL HOUSING OPERATING MARGIN
This measures the profitability of social housing lettings (SHL) activity, based on surplus on SHL income as a percentage of SHL turnover.

OPERATING MARGIN
This measures the profitability of operating assets as a percentage of turnover. Note that the RSH excludes surplus on disposal of fixed assets (i.e. staircasing) from the calculation. Like EBITDA MRI, this is therefore very much affected by the volume and profitability of first tranche sales and outright sales.

RETURN ON CAPITAL EMPLOYED (ROCE)
This metric compares operating surplus to total assets less current liabilities and is used to assess the efficient investment of capital resources. Despite a reduction to 2.8% compared to 3.0% last year, the metric is in line with the G15 median.

These metrics were calculated in accordance with the definition of the Regulator of Social Housing's Value for Money metrics, these may differ to the calculation of our internal target.

Section 172 statement

The Section 172 statement is not required for TVHA as the parent is incorporated under the CCBA 2014. This statement has been included as it applies to group entities that are incorporated under CA2006.

Stakeholder Engagement

The interaction, views and objectives of our diverse range of stakeholders are integral to the formation of MTVH's long-term strategic approach to creating value, and ensuring that we serve people better every day.

The S172 statement sets out the Board's approach to fulfilling the section 172 requirement of the Companies Act 2006, and how the Directors:

- **have engaged with key stakeholders during the year to understand underlying issues,**
- **understood the issues relevant to key decisions, the need to act fairly between all members of the company and balance this with the likely consequences of any decision in the long term,**
- **the outcomes and key decisions made in the year.**

Engagement underpins good governance, which is embedded throughout the organisation. A series of planned engagements are conducted throughout the year, at various levels, for which the Board either directly participates in or has visibility through the corporate governance process. Sufficient visibility of relevant stakeholder engagement activities in the boardroom is paramount to inform decision-making and delivery of strategy.

As witnessed throughout the response, and subsequent recovery, to the COVID-19 pandemic, being able to harness the feedback of stakeholders is vital to dealing with periods of uncertainty and change, moreover to ensure a balanced approach is taken to the S172 statement.

The progress towards delivery of our strategic priorities (pg 14), approved by the Board, sets the agenda to foster deep, collaborative relationships with the key stakeholders as we move forward as an organisation over the next five years. The Corporate Plan is reflective of the co-ordinated approach to stakeholder engagement and the need to optimise customer, employee, community and supplier expectations against the backdrop of our sustainability agenda.

Section 172 Statement

Stakeholder Groups

I. CUSTOMERS
The residents who we provide housing solutions for, across a range of tenures, geographical areas and needs. Our ambition is to create a customer-centric organisation with truly great and consistent customer experiences – we remain on a journey to implement the service improvements and operational models to be able to deliver this in a sustained manner.

ENGAGEMENT
In 2020, we asked our involved residents for their views on how they would like to influence the direction of customer engagement at MTVH. From these conversations, we developed a new, co-created resident governance structure with a strengthened focus on accountability, openness and diversity.

As the recovery from the pandemic continues, we continue to support residents to face the economic and societal challenges that ensue through the "Coronavirus Support Hub".

The team running the hub focussed on two things: taking immediate action to get help to residents who needed urgent support (like topping up energy accounts for customers who had run out of money to put on meters); and getting customers matched up with the right MTVH team or external partner to provide long-term support (like finding a new job).

Today MTVH Online covers core landlord services. There is a secure onboarding process and 30% of our resident households are now actively using MTVH Online. Once registered, a resident can service their account by viewing their account balance and history, make and schedule payments, or update their contact details. When there's a problem the resident can report a repair with photos and view the status of existing repairs. Residents can also directly contact us by creating an enquiry.

OUTCOMES
The new structure includes a more empowered and robust Customer Services Committee, reporting directly to the Board, and a Customer Council to represent residents' perspectives on service delivery and to define and develop modern scrutiny practices, directly linked to our corporate plan priorities. In addition, we have introduced three new resident panels to represent the interests of communities across each of our regions.

Other customers are encouraged to influence key projects through steering groups, workshops and focus groups. We have a dedicated engagement team to provide the support, development and training to help make their involvement with MTVH teams successful. We also support a range of tenants associations across our regions, and will work together to improve communication and networking between all groups.

We have also been improving the repairs experience, making it easier to raise and giving residents transparency to the repairs process.

- **Tenants can track the progress of repairs in their homes, see orders raised and upcoming appointments.**
- **Both tenants and homeowners can also see ongoing and recent communal repairs.**
- **Streamlined repair reporting experience.**

As a leading housing association, one of the key ways in which we deliver social value is by building new affordable homes, of which 342 were built in this financial year. Quality of design, construction and service is also critical as these factors are fundamental to delivering a positive experience for our residents.

We also made the strategic decision to dispose of our minority interest in Fizzy Living to Greystar, enabling the proceeds to be invested in our services and continued investment in our communities.

II. EMPLOYEES
As a people-powered organisation, our employees are essential to delivering on all our stakeholder obligations. The focus this year has been on putting strong foundations in place to enable us to build a solid customer-centric organisation where colleagues feel engaged and valued and are able to constantly improve our customers' experience – this is reflected in the MTVH way that underpins the principal strategies.

ENGAGEMENT
Colleague engagement is a key driver in our People and Organisational development strategy. We conducted a full survey of all colleagues in summer 2020. Our overall engagement score was 83% which was 2% higher than the average engagement score of other Housing Associations participating in the same survey.

The commitment to diversity and inclusion is central to the company, with helps to promote a culture that embraces innovation. A number of employee network groups were relaunched in the year, with new levels of involvement to ensure that consistent participation is achieved.

OUTCOMES
The adoption of the MTVH way is testament to how the Board is seeking to grow an inclusive and diverse environment where people can innovate, develop and work together to constantly improve our customers' experience. Our network includes groups for LGBTQ+, BAME and female colleagues, as well those who work flexibly, have disabilities or who wish to be allies. We also have a group dedicated to raising awareness of mental health and wellbeing.

A key element to enable employees to achieve their full potential is creating a conducive environment that promotes a collaborative and flexible working culture. We have made great progress on improving our offices to create comfortable, healthy, accessible and adaptable work spaces to inspire colleagues to live, work and breathe People Powered Living.

Our new Midlands regional office at Waterfront House (opened in Summer 2021) is designed so we can collaborate across teams and directorates, using a range of alternative work spaces, together with updated and robust tech infrastructure to connect us across the regions. We continue to review our office footprint as we emerge from the pandemic and consider the optimum model for hybrid working.

III. COMMUNITIES

Developing strong community links is vital to supporting our customers in the most effective manner. Aligned to this, is the need to build communities through a partnership approach and as a regeneration specialist, we believe in supporting communities to grow and develop sustainably.

ENGAGEMENT

Empowering Futures is the MTVH Community Investment department. Empowering Futures exists to play our part in removing barriers that prevent people from living well.

Engagement with residents and local communities has been conducted formally and informally. Examples include the online senate survey, focus groups, customer satisfaction surveys and informal feedback from residents as part of everyday interactions.

We have a strong track record of working in partnership with other organisations to deliver our development ambitions, as evidenced by our well-established joint ventures with Vistry Partnerships and Barratt London.

We also entered into a joint venture with Countryside Partnerships for our Clapham Park estate, that will deliver nearly 2,500 homes and a range of community facilities and public amenities.

OUTCOMES

This has shaped the Resident and Community Empowerment Strategy which focuses on how we listen better to the things that matter to residents and communities to enable them to live well, shaping our responses to empower them improve their lives. We delivered £1.9m of financial improvement for residents following MTVH support and 3,233 residents were provided with intensive support. In terms of the value of a social tenancy, our 20/21 data was externally validated by Sonnet and narrowed the focus on socially rented homes only.

Creating sustainable communities is essential to deliver homes and services people want. The year, we delivered 712 new homes, continuing to work alongside a range of public and private sector partners, and we have a plan to build 11,800 new homes over the next 10 years.

We will invest our money wisely and select our partners carefully to create a balanced development programme which reflects our ambition and risk appetite. With our Joint Venture partner Barratt London, we are now 7 years into a regeneration programme with LB Barnet at West Hendon, which continues to deliver hundreds of new homes.

The Clapham Park joint venture partnership will also be making an initial investment of £1m in placemaking and social value initiatives.

> Developing strong community links is vital to supporting our customers in the most effective manner.

IV. SUPPLIERS

Sustainable business relationships are at the core of interaction with suppliers, to maintain the company's reputation which is built on high standards of business conduct.

ENGAGEMENT

MTVH spends £391m with over 2,417 suppliers. Those suppliers assist the company to develop and maintain its property portfolio, ensuring customers receive the quality of housing they expect, and the high standards the company aspires to.

The newly adopted Supplier Relationship /Category Management Policy also includes a consideration of:

- **appropriate relationship interfaces, for example, including Board attendance at meetings with key members of the company's supply chain**
- **Board review of any supplier feedback to determine how well the relationship is operating**
- **risk management and risk arising from the suppliers to the suppliers (fourth party risk)**

The sustainable procurement policy and framework continues to evolve, linking in our ESG strategy and sustainability targets.

OUTCOMES

MTVH continues with its new Supplier Relationship and Contract Management (SR/CM) Policy, which describes how the company selects and manage its suppliers, how it deals with performance issues, and how it works with suppliers to continually improve performance and identify new and better ways of delivering services. The policy also sets out clear procedures for assessing the criticality of the services to be delivered, and the governance and management approach adopted for the different levels of criticality to ensure the required levels of performance are delivered by suppliers across the MTVH housing portfolio.

A strategic Category Management approach to procurement has been implemented at MTVH. This approach segments the spend of the organisation into areas which contain similar or related products. Category Management techniques are then used to enhance supplier relationships; to fully leverage supplier negotiations; and to correctly manage suppliers in alignment with the corporate objectives. This approach also contributes towards economies of scale and opportunities for delivering value for money whilst gaining an in depth understanding of how each category contributes to risk management.

The procurement plans that are outputs from the category planning phase highlight key considerations including:

- **an overview of the full range of suppliers available to the company**
- **confidence around the supply chain that could be associated with the company**
- **identification of reputational exposure in the supply chain**
- **identification of where there is risk in the supplier eco-system**
- **supplier values, and climate policies of suppliers**
- **assurances on supplier compliance with all relevant laws and regulations through the selection questionnaire processes**
- **where the business is exposed to dependency on a few large suppliers and to the health/ viability of those suppliers**
- **the commercial planning and goal setting for each category to drive improvements**
- **strategic alignment to company & directorate goals**

Environment and social value statement

The Environment and Social Value statement is not required for TVHA as the parent is incorporated under the CCBA 2014. This statement has been included as it applies to group entities that are incorporated under CA2006.

Our commitment to sustainability

In our five-year strategy launched last year, MTVH made it a priority to become more sustainable and at the start of 2022 we issued our first ESG report, in line with the Social Housing Sustainable Reporting Standards (SRS). This is a transparent disclosure of our performance in a format that can be compared to our peers in the social housing sector. Our report sets out our progress over the last two years and serves as a foundation on which we can build in the future. The SRS requires us to report on all three ESG criteria, aligned to specific United Nations Sustainable Development Goals, and some of the highlights from the report are set out below.

Environmental criteria

MTVH has a stated aim to become a Net Zero organisation by 2050.

Our sustainability strategy, "Our Sustainable Future,' and 2030 Action Plan outline the actions we are committed to, in order to reduce our impact on the environment. As reported earlier, we are upgrading our directly managed properties with a view to all of them being EPC C rated or higher by 2030 and we completed 1,500 home insulation projects this year.

Operationally, we have upgraded our East Midlands fleet of Metworks vehicles with more fuel-efficient models including a number of Mild Hybrid Electric Vehicles (MHEV). We are extending our principles into the way we deal with our supply chain and have engaged with them to understand their Net Zero plans, environmental impacts and ethics using our sustainable impact questionnaire. As a result we have developed a Sustainable Procurement Policy which will be used going forwards.

Social criteria

Our founding principle is that everyone deserves a home and a chance to live well. During 2021/22 we delivered £1.94m of financial gains to residents and over £4,500 of fuel vouchers directly.

We have partnered with Pocket Power who provide a household bill switching service free of charge to our residents. In one case this saved the customer over £500.

We are proud to be an early adopter of Together with Tenants (TWT) and have developed our MTVH Customer Charter in collaboration with residents, to make sure everyone has a voice.

Governance criteria

The board of MTVH broadly reflects the make-up of our tenant base. We have two Employee Assistance Providers who help colleagues with free, confidential advice and counselling and we offer a health cash plan through Medicash.

Our Social Value policy requires all procurement exercises over £100,000 to include a weighting score of at least 10% during competitive tenders which is aimed at delivering social value to our residents in addition to the goods/services/works being offered.

Recognition for our ESG performance

In May 2021 MTVH was awarded the prestigious Ritterwald Sustainable Housing Accreditation, in recognition of the progress we have already made toward becoming more sustainable. The process evaluates Environmental, Social and Governance (ESG) performance and MTVH was graded as a Frontrunner for social performance and Ambassador for environmental and governance. It is our aim to become a Frontrunner in all three.

Streamlined Energy and Carbon Reporting

This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for Metropolitan Thames Valley Housing Group (MTVH), under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

It also summarises, in the appendix, the methodologies utilised for all calculations related to the elements reported under Energy & Carbon.

The organisational boundary for the reporting has been set to cover the majority of MTVH's operations, including the sheltered housing operations, as the business has ultimate responsibility for the consumption in these properties. The reported figures are exclusive of consumption for properties that MTVH owns, but where residents undertake their own utility contracts, as this consumption is not part of the normal business operations of MTVH.

MTVH have compiled a large amount of consumption data for our operations for the purpose of SECR – consumption data from over 35,000 invoices have been processed for this data collation.

We are proud to say we achieved 97.8% verifiable data coverage with 2.2% of consumption data required to be estimated to achieve 100% data coverage.

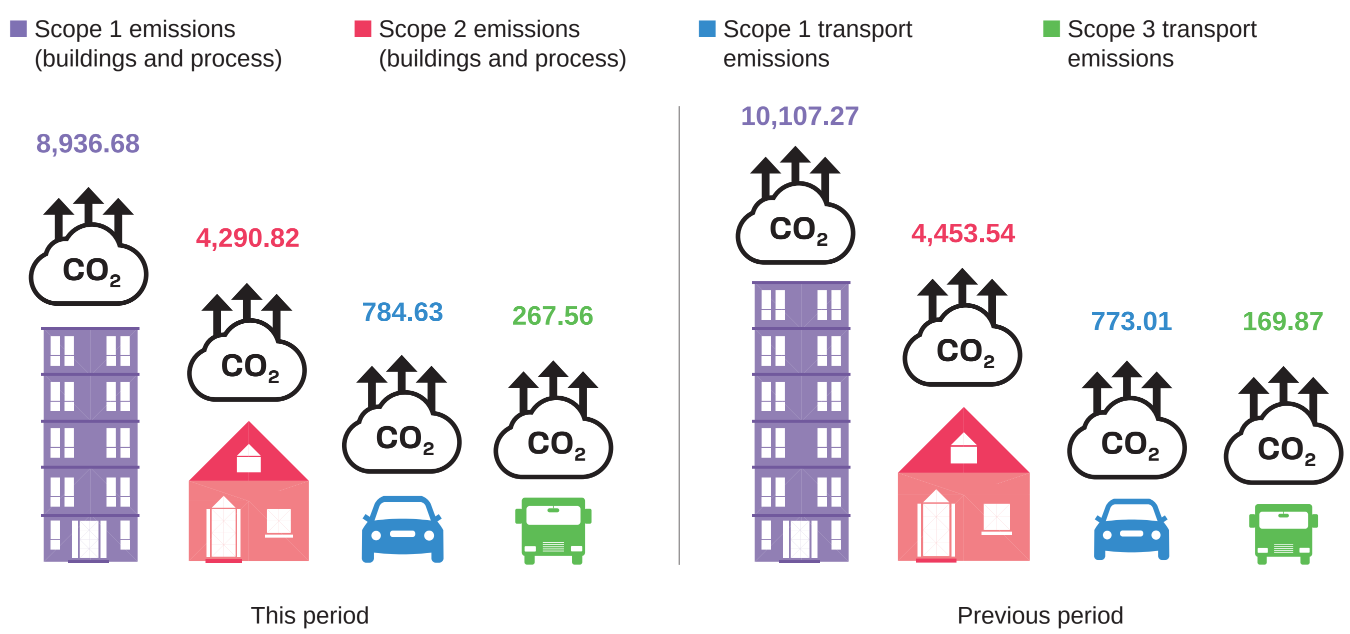
Summary

MTVH's Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for this second year of reporting are 9,988.87 tCO2e, resulting from the direct combustion of 53,258,248 kWh of fuel. This is an 9.60% decrease on 2020/21 emissions.

Scope 2 indirect emissions (purchased electricity) for this year of reporting are 4,290.82 tCO2e, resulting from the consumption of 20,208,263 kWh of electricity purchased and consumed in day-to-day business operations. This is a 3.65% decrease on 2020/21 emissions.

MTVH's operations have an intensity metric of 35.17 tCO2e per £m turnover, 92.73 tCO2e per £m EBITDA, and 7.37 tCO2e per FTE for this reporting year.

SCOPE 1, 2 AND 3 EMISSIONS (TCO_2E) : THIS REPORTING PERIOD VS PREVIOUS REPORTING PERIOD



Organisational structure and qualification

MTVH is the trading name of the merged operation of Metropolitan Housing Trust Limited (MHT) and Thames Valley Housing Association Limited (TVH).

MTVH is required to comply with SECR, as we exceed the qualification thresholds of two of the three criteria (in 2021/22, MTVH employed 1,938 FTE across the group, and had a turnover of £406m).

Data Completeness

All MTVH's electricity and gas invoices have been entered into a fully managed energy database up to 31st March 2022, and data quality checks have been carried out for data completeness and accuracy. All transport information has also been entered into the energy database up to 31st March 2022.

There were a number of instances, equating to 2.2% of the total reported consumption, where it was necessary to calculate some estimated consumption to achieve 100% data coverage. Methodology of these estimation techniques is detailed in the appendix.

Consumption (kWh) and Greenhouse Gas emissions (tCO2e) Totals

The following figures show the consumption and associated emissions for this year of reporting for MTVH, with figures from the previous reporting period included for comparison.

SCOPE 1
Consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

SCOPE 2
Consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

SCOPE 3
Consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company. For MTVH, this is related to grey fleet (business travel undertaken in employee-owned vehicles) only.

Totals
The total consumption (kWh) figures for energy supplies reportable by MTVH are as follows:

Utility and Scope	2021/22 UK Consumption (kWh)	2020/21 UK Consumption (kWh)
Office Grid-Supplied Electricity (Scope 2)	1,238,346	891,858
Residential Grid-Supplied Electricity (Scope 2)	18,937,154	18,210,557
Office Natural Gas (Scope 1)	714,155	756,028
Residential Natural Gas (Scope 1)	48,084,509	54,213,623
Transportation (Scope 1)	3,312,730	3,213,339
Transportation (Scope 3)	1,153,874	717,103
Total	73,466,511	78,002,508

The total emission (tCO2e) figures for energy supplies reportable by MTVH are as follows. Conversion factors utilised in these calculations are detailed in the appendix:

Utility and Scope	2021/22 UK Consumption (tCO2e)	2020/21 UK Consumption (tCO2e)
Office Grid-Supplied Electricity (Scope 2)	262.94	207.93
Residential Grid-Supplied Electricity (Scope 2)	4,020.93	4,245.61
Office Natural Gas (Scope 1)	130.80	139.01
Residential Natural Gas (Scope 1)	8,807.16	9,968.26
Transportation (Scope 1)	784.63	773.01
Transportation (Scope 3)	267.56	169.87
Total	14,279.69	15,503.69

Overall our scope 1 and 2 emissions have reduced by 7.9% in 2021/22. The emissions from our scope 1 transport (MetWorks fleet) and scope 3 transport (grey fleet) emissions have increased following a return to a more normal working routine after COVID-19 restrictions were lifted. The delivery of our Mild Hybrid Electric Vehicles (MVHRs) has been delayed due to a worldwide semi-conductor shortage and consequently some of our older MetWorks vehicles are operating until they arrive.

With staff returning to the office as COVID-19 restrictions eased, we have seen an understandable increase in office electricity. There was a reduction in emissions across both our residential and office gas emissions (scope 1) as mild winter temperatures saw a reduction in gas consumption.

Intensity Metric

An intensity metric of tCO2e per £m turnover has been applied for the annual total emissions of MTVH. MTVH have also decided to report on a variety of intensity metrics, and as such have also included metrics of tCO2e per £m EBITDA and tCO2e per FTE. The methodology of the intensity metric calculations are detailed in the appendix, and results of this analysis is as follows:

Intensity Metric	2021/22 Value	2020/21 Value
tCO2e / £m turnover	35.17	34.76
tCO2e / £m EBITDA	92.73	90.66
tCO2e / FTE	7.37	8.24

Energy Efficiency Improvements

MTVH are committed to year-on-year improvements in their operational energy efficiency. As such, a register of energy efficiency measures available to MTVH has been compiled, with a view to implementing these measures in the next 5 years.

Measures ongoing and undertaken through 2021/22:

CORPORATE SUSTAINABILITY STRATEGY

Last year we developed our Corporate Sustainability Strategy – "Our Sustainable Future" supported by our 2030 Action Plan. This year we have continued to work on the 55 actions that we committed to work towards to make MTVH a more sustainable organisation.

- **We have set up a MTVH Sustainability Committee, comprising of senior leaders from across the organisation to ensure we continue to push ourselves to hit the sustainability targets we have set ourselves.**

- **We have created a new MTVH Construction Plan, our route to creating much needed quality homes while we reduce pollution, emissions and minimise climate change.**

- **We continue to form strategic and mutual partnerships, we are part of the Lambeth Climate Partnership and have supported Sustainability for Housing and were an early adopter of the Social Housing Reporting Standards (SRS) with our first ESG report published earlier this year.**

We will be issuing our annual sustainability update report, which will provide a full update on how we are progressing on each of the 55 targets we set, new targets we will work towards and MTVH's carbon footprint.

WORKSPACE SERVICES SUSTAINABILITY WORKING GROUP

Our workspace services sustainability working group continue to look at how we can make our working environments more sustainable places to work. We have benchmarked the waste generated at our offices and looking at how we can reduce waste and resource use to reach Net-Zero.

CARBON FOOTPRINT

We publish our scope 1 and 2 emissions in line with our Streamlined Energy and Carbon Reporting (SECR) requirement. As part of our push towards Net-Zero, we have also benchmarked our scope 3 emissions. Our carbon footprint will be published as part of our annual sustainability update report.

SUSTAINABLE PROCUREMENT

We have produced a Sustainable Impact Questionnaire which is being introduced to our suppliers through our Supplier Relationship Management (SRM) programme. Suppliers are asked to provide details of their own sustainability accreditations, policies, procedures and targets along with their Net-Zero strategies and ethical working policies.

DECARBONISATION OF OUR PROPERTIES

We launched our Decarbonisation Strategy last year which commits us to an interim target of reaching EPC C on 75% of our residential portfolio by 2026 ahead of reaching 100% EPC C by 2030. Our strategy is based around taking a fabric first approach to all our retrofit work, starting to address heat decarbonisation through providing alternatives to gas centrally heated homes and ensuring that the investment we make in decarbonisation creates a just transition for customers, leaving them with warmer, better homes which are easier and cheaper to heat.

We've baselined the carbon emissions generated from our housing stock which has been initially estimated at 153,000 tonnes of carbon monoxide per year.

We partnered with Parity Projects to employ their Portfolio software system which has enabled us to plot all our properties and identify the exact mix of measures required to upgrade them to a net zero carbon position. We now have more than 4m data points on our asset portfolio to enable us to build detailed investment scenarios for the stock.

Our ECO 3 partnerships which began in 2020 delivered more than £5.7m of fully funded insulation works to 3,790 of our homes. These warmer homes have all reached EPC C and have saved a total of £388,000 in energy bill costs for the households. The work has reduced the carbon emissions from our portfolio by a further 1,535 annual tonnes of carbon monoxide.

We were successful in bidding for a total £6m programme funded through the Social Housing Decarbonisation Fund Wave 1 opportunity. These programmes, focused in our heartlands of Lambeth and the Midlands will see us carry out retrofit works to bring more than 1200 homes up to EPC level C, save over £230k in energy bill costs for customers and save over 3,000 tonnes of carbon.

Our Board and Executive Team have also approved the investment in a specialist staff group to lead and oversee our decarbonisation work, reflecting the growing importance of decarbonisation to how we do business at MTVH.

Environment and social value statement

Measures prioritised for implementation in 2022/23:

CORPORATE SUSTAINABILITY STRATEGY

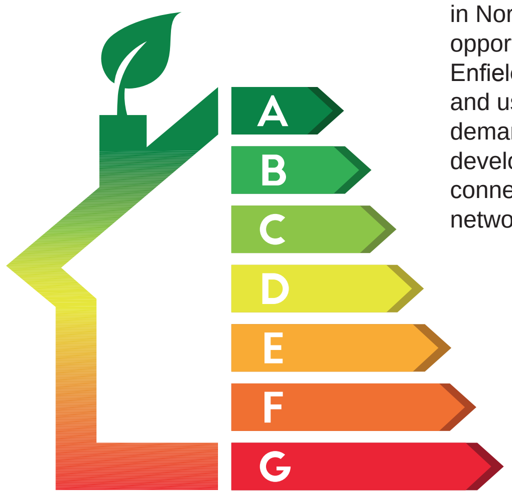
We will continue to work towards the actions we have committed to in our 2030 Action Plan and the new targets we introduce in our sustainability update report.

- **We will focus on working with our construction partners to identify our construction and demolition waste, and will be developing a construction waste management plan.**

- **We will be looking at how we can introduce more renewable energy generation across all of our business that will reduce our emissions but also the cost of energy to us and our residents.**

SUSTAINABLE SUPPLY CHAIN

We will continue to roll out our Sustainable Impact Questionnaire through our supply chain and will be launching a grading system to measure and acknowledge those suppliers share and demonstrate our sustainable values and beliefs.



DECARBONISATION OF OUR PROPERTIES

We will be delivering the Wave 1 SHDF programme this year, starting works in the summer and completing in March 2023. We will be using the experience of the Wave 1 programme to make a substantial bid for Wave 2 which will be a multi-year programme opportunity from BEIS launching in August. As well as fabric measures we will be starting to focus on heat decarbonisation and widen our work out across other areas of London and the East Midlands. Across the year we will be building our internal and external capability and starting to add specialist skills and roles to our technical delivery teams, using long term partnerships with consultant and contractor supply chain.

We have partnered with BEIS on a project to map the potential for Heat Networks by analysing our property data and that of some of our peer organisations and overlaying this latent heat demand with anticipated heat network generation sites. We expect this work to identify candidates for early transition to heat networks and will be working with BEIS to access the Heat Network Fund to provide financial support to creating the technical and commercial business cases. We will deepen our work with local authorities in North London and the Heat Network opportunities presented by the Enfield Waste Plant in Meridian Water and use this year to develop heat demand maps to support the further development of the business case for connecting some of our homes to the network.

With colleagues across the G15 group of large, London based housing associations, we will finish our work on creating retrofit archetypes which will transform the commercial risk associated with retrofit projects, making it easier, quicker and more predictable for supply chain partners to prepare bids for retrofit projects, reduce risk pricing and provide greater certainty about programme outcomes.

We will expand our ECO funded programmes and integrate them more closely to our ongoing asset investment programmes so we more closely align decarbonisation work to our wider strategic asset management strategy and enhancing the value of our residential portfolio over time.

We anticipate carrying out between £8m and £10m of retrofit work in the coming year and will continue to make use of external funding and maximise the opportunities presented through our investment work. As our ambition and delivery grows, we will use the coming year to develop more fundamental and embedded approaches to resident and citizen involvement in decarbonisation and work with third sector organisations to better understand the needs, priorities and hopes of our residents and communities. These will build ways of working for our future programme delivery.

Inspired Energy

This report has been prepared by Net Zero Compliance (a division of Inspired Energy PLC) for Metropolitan Thames Valley Housing Group by means of interpreting the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as they apply to information supplied by Metropolitan Thames Valley Housing Group and its energy suppliers.

Metropolitan Thames Valley Housing Group's CEO and CFO are ultimately responsible for complying with the Regulations. They must be satisfied that to the best of their knowledge all relevant information concerning Metropolitan Thames Valley Housing Group's organisation structure, properties, activities and energy supplies has been provided to Inspired Energy.

This includes details of any complex ownership structures (e.g. private equity funds, franchises for private finance initiatives) and generated on-site (including CHP), or supplied to/from a third party (i.e. not a licenced energy supplier or a landlord/tenant).

Reporting Methodology

Scope 1, 2 and 3 consumption and CO_2e emissions data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2021 version 1 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for reporting period 01/04/2021 – 31/03/2022.

Estimations undertaken to cover missing billing periods for properties directly invoiced to Metropolitan Thames Valley Housing Group were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 2.2% of reported consumption.

Intensity metrics have been calculated using total tCO_2e figures and the selected performance indicator agreed with Metropolitan Thames Valley Housing Group for the relevant report period:

FIGURES 2021/2022

£406m	**£154m**	**1,938**
Total turnover	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	Full time equivalents (FTE)

Statement of corporate governance

MTVH has adopted and complies with the 2020 National Housing Federation's (NHF) Code of Governance.

Governance

Thames Valley Housing Association (TVH) and Metropolitan Housing Trust (MHT) have formed a board made up of the same individuals (a Common Board - referred to as the MTVH Board). The MTVH Board has overall responsibility for Group strategy, policies and oversight.

MHT and TVH have several subsidiaries (listed in note 31 of these accounts), which are governed by MTVH policies. The MTVH Board has nomination rights to each of the subsidiary boards and makes all appointments to MTVH subsidiary Boards. All subsidiary boards include Executive Directors or Senior Leadership Team members and each subsidiary reports to the MTVH Board annually. The Group also includes several joint ventures and associated undertakings which operate through limited liability partnerships. MTVH has member representatives on all joint venture boards, appointed by the MTVH Board.

The MTVH Board has satisfied itself that the organisation complies with the Regulator of Social Housing's Governance and Financial Viability Standard for the year and to the date of approval. As at 31 March 2022, the Group had a G1/V2 rating and this was re-confirmed following MTVH's In-Depth Assessment (IDA) in April 2022.

During the year MTVH held both virtual and 'in person' Board and Committee meetings including two meetings at regional offices which included tours of local MTVH estates. As the country came out of lock down the Board and Committee Meeting cycle reverted to normal with six Board Meetings, two Strategy Days and quarterly Committee Meetings taking place during the year.

The roles of Chair of the MTVH Board and the Chief Executive are separate, reflecting the different responsibilities of leading the Board and the Executive. The roles and responsibilities of the Chair, Vice-Chair, Senior Independent Director, Committee Chair, Board Member and Chief Executive are set out in their role descriptions and each member of the Board is bound by an agreement for services, the code of governance, code of conduct and other agreed policies and documents. The Secretary maintains a register of Board members' interests, which is updated on a regular basis and is published on the website with a brief biography of each Board Member and Executive.

Two additional Independent Members were appointed to the Customer Services Committee during the year; both have strong customer service backgrounds and join the three existing Resident Members and three Non-Executive Board Members on the Committee. The Customer Council and Regional Panels have been fully established during the year with members appointed from MTVH's customer base.

In addition to overseeing MTVH's performance against its new Strategic Plan and its services and financial performance, the MTVH Board focused on mitigating the continued impact of Covid-19 on the wellbeing and safety of MTVH's customers and colleagues. Building safety and balancing the conflicting priorities of developing new homes, investment in our existing stock, and working towards decarbonisation targets has continued to be a focus for the Board.

Chair and Board succession

The MTVH Board comprises ten non-executive members and two executive members (the Chief Executive and the Chief Financial Officer). Further details about their skills, knowledge and experience can be found on the MTVH website.

In line with MTVH's Board succession plan Lesley-Anne Alexander, Mike Dunn and Grainia Long retired from the Board in late 2021. Dennis Hone and Trevor Moross were appointed on 1 January 2022 and Helen Cope joined the Board on 1 March 2022. They have been appointed Chair of Audit & Risk, Chair of Property and Chair of Customer Services respectively.

These new Chairs will consider during the year whether any additional independent members should be appointed to address any knowledge gaps which may arise as the external environment continues to evolve.

All our new Board and Committee Members have completed a full induction programme including sessions with executives, committee chairs and other senior colleagues to familiarise them with the operations and governance of MTVH. Board Member development continues with tours, briefings and topic sessions as well as participation in relevant industry conferences and webinars and seminars provided by professional and advisory bodies.

Audit and Risk Committee

The Audit and Risk Committee is responsible for ensuring that internal controls are adequate and effective and that MTVH's approach to risk management is commensurate with the Board's risk appetite and addresses the external environment in which we operate. The committee approves the internal audit plan and reviews internal audit findings. It considers significant issues relating to financial planning

and the financial statements, including stress testing and accounting policies. It also recommends the appointment of internal and external auditors to the Board. During the year the Committee recommended the re-appointment of BDO as external auditor to MTVH. PWC was appointed as internal auditor at the start of the year and has completed its first year of internal audits and continuous audit monitoring work.

Customer Services Committee

The Customer Services Committee oversees the performance of our services to all our customers and provides assurance to the Board on these services. The customer governance structure links directly into the committee via the Chair of the Customer Council who is one of the resident committee members. This direct link provides valuable customer insight. Strategic initiatives which impact on our customers are considered by the committee in advance of approval by the MTVH Board.

Development Committee

The Development Committee has delegated authority to approve new developments and provides oversight and assurance in relation to them, including any new or innovative proposals, and an understanding of funding mechanisms. Its remit includes oversight and assurance of regeneration activity, strategic asset management activity and key metrics for development finance and appraisal assumptions. It receives a detailed quarterly report on investment and development activity, including the activities carried out within our market sales subsidiary and joint venture operations. During the year the committee received detailed reports on the impact that Covid-19 was having on sales volume and valuations and on development activity.

Property Committee

The Property Committee provides governance oversight and assurance to the MTVH Board about MTVH's provision of building and compliance services to its customers and communities, covering all building safety, fire remediation, reactive maintenance, servicing and asset investment works. It has a full programme to maintain oversight of these areas which are crucial to the comfort and safety of MTVH customers.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee considers and recommends to the Board the appointment, remuneration and removal of MTVH Board and Committee members and the Chief Executive. The Committee

also provides assurance to the MTVH Board regarding the collective performance and effectiveness of the MTVH Board and its committees. It reviews the succession plan and knowledge matrix and has delegated authority to approve bonus payments based on the achievement of financial and customer services targets.

Treasury Committee

The Treasury Committee provides an expert focus on the management of the Group's loans and investments portfolio. The Committee's delegated authority was reviewed during the year to improve the efficiency of MTVH's treasury operations.

Corporate and social responsibility

As a social business we believe corporate responsibility and sustainability should be embedded across our organisation. This includes working with suppliers to embed sustainable practices and our commitment to openness and transparency.

The MTVH Board considered and approved a Sustainability Strategy in 2021 and the associated plan will be delivered across the next several years, with the Board updated on progress against the plan every six months. MTVH reports its sustainability progress via the Sustainability Reporting Standard.

In line with The Modern Slavery and Human Trafficking Act MTVH published its annual Modern Slavery and Human Trafficking Statement which disclosed information relating to the steps MTVH has taken to ensure there is no slavery or human trafficking in our own business or supply chains. The risk of slavery and human trafficking within our organisation is avoided and mitigated by policies and procedures.

As part of our continued commitment to identify and mitigate this risk we use the central government procurement documents which address modern slavery. Where applicable our procurement documents request transparency in relation to working conditions including health and safety, fair remuneration, non-discrimination and forced, cheap labour. We continue to expect our incumbent and new suppliers to have up-to-date, suitable anti-slavery and human trafficking policies and processes.

Non-executive Board membership

All non-executive Board members are required by the Rules of each association to be shareholders. All members of the MTVH Board - executive and non-executive, have the same legal status and share responsibility equally for decisions taken by the MTVH Board.

There is an induction programme which all new Board members undergo and on-going development is achieved through attendance at NHF and other conferences and seminars as well pre-board briefings, tours and topic discussions to update and inform the Board about current and emerging issues.

Individual non-executive Board member appraisals take place annually with the Chair, and each Board member has clear objectives for the year. The Chair is also annually appraised by the Senior Independent Director following feedback from all Board members.

There are mechanisms in place for members who fall short of the required standards. The effectiveness of the MTVH Board and its committees is reviewed annually.

The level of remuneration of non-executive Board members has been arrived at after benchmarking levels of Board member pay in comparable businesses, and takes into account the need to attract, retain and motivate members who have the required levels of skill and experience. In 2021 the Board agreed to defer the biennial review of remuneration. Remuneration was reviewed in early 2022 and it was agreed that current levels of remuneration would be retained.

MTVH follows robust, transparent and independent processes to recruit Board members. Search and advertising for new members is sufficiently broad to ensure that equal opportunities and diversity standards are met and the recruitment process is governed by principles of transparency, openness and accountability.

Note 10 in the notes to the accounts shows the salaries paid to Board and Committee Members for the discharge of their duties during 2021/22.

Board statement on internal control and risk assurance

Internal control and risk

The MTVH Board has reserved certain matters to itself, including determining long-term business objectives and any material decisions. The Board also has overall responsibility for the delegation and systems of internal control and risk and for reviewing its effectiveness on an annual basis.

A formal scheme of delegation and financial regulations sets a framework for Board committees, the Chief Executive and the Executive team. Board committees provide assurance to the Board on key areas of activity such as service delivery, safeguarding, finance and treasury.

The internal control framework is designed to manage and reduce the risk of failing to achieve our business objectives, although it can only provide reasonable, not absolute, assurance against material misstatement or loss.

While minor improvements in controls are consistently being developed, there are no control deficiencies which the Board is aware of which would adversely impact on its conclusion regarding the effectiveness of the internal control environment.

Risk management is firmly embedded across the group. Our risk management policy clearly sets out Board, Committee, Executive and Management responsibility for the identification, evaluation and control of significant risks. This includes the review of strategically important risks at quarterly meetings of the Audit and Risk Committee and the Board. The Strategic Risk Register is reviewed by the Executive team prior to submission to the Audit and Risk Committee and the Board. Operational risk is reviewed with Directorate leads and their Senior Leadership Teams at Quarterly Business Review meetings.

Key risks and mitigations

The Board's risk appetite and the approach to strategic risk mitigation, assessment and management was reviewed and agreed in February 2022. A further in-depth review of strategic risks has taken place given the rapidly changing external environment and a revised Strategic Risk Register has been presented to the Audit & Risk Committee and Board. This addresses the current internal and external risk environment and those risks within our control that can be managed internally, and external risks where we have put in place mitigations. PWC has reviewed our Strategic Risk Register and has taken account of this in developing our internal audit programme for 2022/23.

The Strategic Risk Register represents a combination of risks that may impact on our ability to achieve our strategic plan objectives, as well as those that may have an impact on our operations, financial stability and reputation. A summary of our main strategic risks and the measures to mitigate them is set out in the following table. This includes those strategic risks which remain 'amber' following the introduction of control measures. None of our strategic risks remain 'red' following the implementation of mitigation measures.

STRATEGIC RISKS

Risk Description	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risk that changes in Government policy and legislation impacts on our operations	• Changes in government policy, legislation or regulation, in particular building and fire safety, Decent Homes Standard, consumer standards and Social Housing White Paper • Increase in interest rates increasing poverty for customers, reducing affordability for colleagues and increasing costs to the business • Changes in Central and Local Government leadership	• Changes adversely affect business plan • Regulatory non-compliance leading to downgrade • Unlimited fines	• Good headroom in business plan; Key financial indicators within target; Multi-variant scenario testing within long term financial plan • Annual STEP/SWOT carried out • Committee oversight on building and fire safety requirements and compliance, Board performance reporting and briefings • Regulatory self-assessment and Legal Compliance Certification • Lobbying as chair of G15 to influence policy makers and involvement in government discussions/standing committees • Risk sharing working with JV partners and through Management Agreements • Policies updated in line with changes and training provided • Public Affairs Team input to public policy making, lobbying policy makers, responding to regulatory and statutory consultations, assessment of impact of policy change on customers • Maintenance of good relationship with Regulator leading to early formal and informal discussion around policy and legislative changes • Active monitoring of regulatory and legislative changes on the horizon via regulatory and legal updates. Board advised via quarterly reporting and CEO updates • Residual score 9
Risk of failure to keep our residents and customers safe in line with our obligations regarding duty of care within all of our customers' homes	• Inadequate training and control mechanisms • Poor operating processes	• Death or injury arising from failure to care for customers, in particular vulnerable customers in our care and support facilities • Damage to reputation • Downgrade due to regulatory non-compliance	• Mandatory training % completion • Care Quality Commission assessments • Quarterly reporting to Safeguarding & Quality Panel • Internal quality assurance audits and action plans • Quality Walks and Head of Service oversight • Policies and procedures in place • Implementation of safeguarding training programme including awareness of mental health issues • More proactive participation in serious case reviews and complex case management situations • Caldicott Guardian - Jon Foster appointed • Residual score 9
Risk of our properties not being compliant	• Failure to comply with legislative requirements and building regulations relating to the servicing or maintenance of assets associated with fire, gas & electrical safety, asbestos, legionella, lifts and site safety or failure to maintain properties in a safe way • Failure to address fire risk assessment actions including fire stopping • Failure to maintain good property data	• Death or injury • Reputational damage • Regulatory downgrade due to breach of consumer standards • Prosecution due to breach of health & safety legislation • Increased operating costs arising from poor compliance may result in negative impact on key viability ratios (eg SHIC) and loss of attractiveness to investors	• Compliance reporting weekly within Directorate, monthly to Exec and quarterly to Property Committee and Board • Specialist safety consultants provide quality assurance • Further oversight via property committee with agreed assurance reporting protocol in place should KPIs fall below agreed targets for 2 consecutive months • Monthly contractor meetings • Specialist Technical Leads nominated to each work stream • Residual score 8

STRATEGIC RISKS			
Risk Description	**Possible causes**	**Potential consequences**	**Actions / control measures and residual risk score**
Risk of inadequate information systems and data security	• Appropriate measures not in place to ensure MTVH is protected against the misuse or unauthorised access to systems or data	• Financial, media criticism • Legal action • Information Commissioners Office (ICO) action • Regulatory downgrade • Business interruption	• Maintain up to date data protection and information management policies which can be adapted to mitigate new risks and maintain compliance • Mandatory information security training introduced • Maintain robust tools to monitor security risks across the enterprise • PCI assurance project underway to review options and implement controls • Chief Information Officer appointed Data Protection Officer and manages the end to end compliance of personal data through data protection team • Residual score 6
Risk to Business Continuity	• Inability to react to situations outside of our control • Inadequate disaster recovery plan • Ineffective business continuity plan	• Unable to provide adequate services to our customers • Financial, reputational, regulatory, legal implications • Harm to our customers and colleagues	• IT Disaster Recovery Plan developed as part of the 'Datacenter and DR Strategy' document • Maintaining datacentre architecture to remove points of failure • Company-wide Business Continuity Plan developed, and our full BCP and Service restoration plans will be completed by summer 2022 • Residual score 6
Risk of not meeting required fire safety standards	• Residential blocks not meeting requirements of Buildings Regulations	• Health & safety risk to occupants • Financial risk • Investigations, mitigating measures and remediation works • Lack of information to support recovery from developers • Reputational risk - negative media associated with resident safety, costs and EWS1 form implications • Regulator Risk • HSE and RSH implications • Legal Risk • Claims from residents and claims against developers/ Freeholders	• Safer Buildings Department has budget and has developed a risk prioritisation based Intrusive survey programme. This has focused on buildings over 18m high to date in line with government policy • Analysis of the risks presented by blocks that are 11-18m tall with support from legal and other specialist experts • Risk profiling evolving to reflect tenure, construction type, warranty date and survey results and government legislation • The Department has also established a communications team to deal with the high level of leaseholder/customer correspondence • Planned programme of intrusive surveys and remediation • Residual score 6
Risks associated with not fulfilling ESG (Environmental, Social and Governance) Compliance	• Failure to achieve targets in relation to sustainability and decarbonisation	• Regulatory and statutory penalties • Increase in funding costs • Failure to contribute to the climate challenge and achieve group Sustainability objectives • Fuel poverty for residents living in heat inefficient properties • Increased costs of operation arising from additional property costs may result in negative impact on key viability ratios (eg SHIC)	• Six monthly reporting to Board on performance against the Sustainability Action Plan monitors performance against targets • SECR reporting within the Annual Report • Retaining our Ritterwald accreditation requires us to report regularly to demonstrate auditable progress towards sustainability goals • Submission of the 'Use of Proceeds Report' to bond holders to confirm that we are meeting the sustainability framework obligations which require annual reporting against the 3-year targets • Programme to achieve EPC C target for 75% of properties by 2026 and 100% of properties by 2030 • Sustainability Board monitors progress against the Sustainability Action Plan on a quarterly basis • Residual score 6

Board statement on internal control and risk assurance

STRATEGIC RISKS			
Risk Description	**Possible causes**	**Potential consequences**	**Actions / control measures and residual risk score**
Risks associated with implementation of the new Building Safety Bill and adherence to prevailing fire regulations	• The new Building Safety Bill and the requirement to fully comply with all legislation • Uncertainty around future fire regulations, and the impacts of any changes on existing buildings	• Prosecution or regulatory intervention due to noncompliance with new legislation and safer building regulator • Inability to sell / rent homes that are not built to any future / prevailing guidance • Increased costs of operation arising from remediation costs may result in negative impact on key viability ratios (e.g. SHIC) and reputation	• Procedures being aligned with golden thread gateways with increased emphasis on third party assurance during development and remediation activity • Development quality assurance framework implemented 2021/22 • Utilise building information modelling where feasible to provide assurance • New local document filing systems being developed in advance of business wide electronic document management system selection and implementation • Risk based programme of intrusive surveys to existing portfolio to determine non-compliance, risk to occupants and development of interim and planned remediation programmes as required • Deliver the Safer Building Corporate Project to meet the requirements of new Fire Safety Act, Building Safety Bill, Building Safety Regulatory and other industry standards under review • Develop our Building Safety Management organisational response including improved management of historic as-built information and development of Building Safety Cases in line with Building Safety Bill implementation programme • Work together across the business to support customers to understand fire safety requirements and consequences • Residual score 12
Risk of damage to reputation due to targeted activity by activists, action groups and the media	• Large housing associations are under the spotlight for their services following several high-profile service failures, diversity and customer safety	• Increased demand by residents, greater media activity, poor morale amongst front line staff leading to a responsive rather than a proactive service • Regulatory and stakeholder reputational impact	• Review of business plan requirements for property investment • Regular review of complaints by complaints team and senior managers • Crisis communication plan in place and leaders in business will be trained to understand roles and responsibilities • Residual score 12
Risk to MTVH's investibility if credit rating falls	• Social Housing Interest Cover (SHIC) dropping below 1.0x • Credit rating dropping below A1	• Not being able to deliver our strategic objective targets to provide new homes for our customers to live in • Inability to achieve funding at an attractive rate	• Annual budget process and Board approval of budget • Financial planning and stress testing of long-term plan, reporting to Board on a 6 monthly basis and submission of Financial Forecast Return to Regulator • Regular liaison with rating agencies to gather intelligence around changes in assessment methodologies • Quarterly forecasting against budget and financial report to Board • Residual score 9
Risks associated with the worsening external economy	• Rising inflation, rising fuel costs, rising taxes, recession, rising cost of remedial activities, rising cost of services to customers	• Negative impact on our customers' and colleagues' quality of life and mental health, increase in ASB, reduction in support to our customers • Increase in arrears and cost of services to customers, financial constraints, reduction in market sales and house prices	• Regular reporting to Board on the impact of the worsening economy on our customers and colleagues • Quarterly performance reporting identifying any worsening trends • Maintaining regular contact with service commissioners and service providers to check for continued viability • Residual score 6

STRATEGIC RISKS			
Risk Description	**Possible causes**	**Potential consequences**	**Actions / control measures and residual risk score**
Risks from inadequate resilience in our supply chain	• Contractor default and/or closure • Adverse weather • Lack of availability of materials and labour due to Brexit • Inflation causing volatility in cost of materials and labour and service provision • Reduction in funding for new homes, reduction in investment in existing homes due to business plan constraints	• Delay in delivering new homes • Adverse impact on sales programme, affecting liquidity and scheme viability • Delay and increase in cost of delivery of repairs and planned maintenance programmes • Business interruption (link to Business Continuity Plan) • Reduction in planned maintenance work adding to worsening condition of homes and failure of Decent Homes Standard • Reduction in customer satisfaction levels	• Performance of the development programme is carefully monitored with monthly cashflow updating and monitoring delivery profile. Regular progress/ performance reports presented to Executive, Development Committee as well as Board • Regular performance reporting of day to day and planned maintenance programme to quarterly business reviews, Exec, Property Committee and Board • Regular monitoring of construction programmes. Any slippage of homes is closely monitored, with budgets readjusted accordingly. Where total scheme costs exceed 3% of the approved total scheme cost they will be reported to Executive, Development Committee and Board • HE and GLA are regularly updated regarding delivery timetable • Regular discussions with site teams and senior individuals at our contractor and Developer partners. And regular site visits by Clerks of Works, Development Managers and Health & Safety inspectors • Regular contract review meetings with maintenance contractors to monitor delivery of programme and quality of works • Post repair inspections and monitoring customer feedback • Maintenance procurement rates for fixed periods and increasing Metworks stocks to reduce impact of material shortages • Regular liaison with contracting parties (local authorities etc) • Residual score 9

Glossary

ASB	Antisocial behaviour	**HSE**	Health and Safety Executive
EPC C	Energy Performance Certificate level C	**PCI**	Payment Card Industry
EWS1	External Wall Standard	**RSH**	Regulator of Social Housing
GLA	Greater London Authority	**SHIC**	Social Housing Interest Cover
		SECR	Streamlined Energy and Carbon Reporting

Board statement on internal control and risk assurance

Information and financial reporting systems

Our Financial Plan is monitored regularly by management, the Executive and the MTVH Board to ensure that the business remains financially healthy and that targets for financial growth and strategic objectives are met to enable the delivery of our social objectives. The Financial Plan is stress-tested against a range of challenging regulatory, investment, economic, financial and business performance scenarios, including the Bank of England stress tests. The 2021/22 Plan was approved by the Board in May 2021 for submission to the Regulator and was reviewed and updated in November 2021. The Audit and Risk Committee and Board agree which stress tests would be most appropriate.

Fraud, Anti-bribery and whistleblowing

Fraud is an ever-present threat to resources and may occur from outside or from within the organisation. MTVH has an approved anti-fraud, bribery and corruption policy that covers the prevention, detection, investigation and reporting of fraud, including remedial action to prevent a recurrence. Cases of fraud and attempted fraud are recorded on the fraud register and reported to the Executive Team and to the Audit and Risk Committee. Our anti-fraud, bribery and corruption policy makes clear that we have zero tolerance of any form of bribery. The resulting actions taken following the discovery of any instances of fraud are shared internally to reinforce learning. The Group has appointed a Money Laundering Compliance Principal and a Nominated Officer as part of its compliance with anti-money laundering legislation.

MTVH values its reputation and is committed to maintaining the highest possible ethical standards in all its business activities. The organisation has a whistleblowing policy and associated procedure which encourages staff and others to express any serious concerns regarding suspected misconduct or malpractice going on within the organisation. Whistleblowing events are recorded and investigated and are reported to the Audit and Risk Committee.

Monitoring, control environment and control procedures

A process of control, self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and the Board, together with an auditable trail of accountability. The certification is tailored to reflect the potential risks and the control environment of the business. This enables corrective action to be taken where appropriate and provides assurances to management and the Board. The Chief Executive provides an annual assurance report to the Board, which includes assurance that key legislative and regulatory requirements have been met.

The Code of Conduct sets out MTVH's expectation of Board members, staff and involved residents with regard to quality of service, business disciplines, honesty and integrity. It is supported by a framework of policies and procedures with which Board members and staff must comply.

These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud, bribery and corruption prevention and detection and the management of conflicts of interests. Policies are periodically reviewed in accordance with a prescribed timetable.

Audit assurance

The internal audit function is outsourced and reports directly to the Audit and Risk Committee. The internal audit programme of work is aligned to strategic objectives and risk. The Audit and Risk Committee meets four times a year and considers internal control and risk management at each meeting. The Committee provides an annual report to the Board and feedback following each of its meetings. The work of the external auditors provides further independent assurance on the financial control environment as described in their audit report. MTVH receives a letter from the external auditors identifying any weaknesses in internal control in the preparation of the financial statements with recommendations for improvement. This letter is considered by the Audit and Risk Committee, together with a detailed action plan to address any issues. The internal and external auditors meet with the Audit and Risk Committee without officers present on a regular basis. A review of the effectiveness of the internal and external auditors takes place annually.

Going concern

The board and senior management have determined that MTVH has adequate resources to continue in operational existence for the foreseeable future and therefore that the business is a going concern. They have been presented with the possible impacts from numerous multi-variant adverse scenarios and options for mitigation to ensure the business can continue in the short and longer term. Mitigations exist for all scenarios and some have already been partially implemented, as a precaution to ensure compliance with all covenant and regulatory requirements. Periodic updates to the financial business plan, management accounts and internal reporting enable continuous monitoring of the business and pre-determined internal triggers have been set to ensure prompt appropriate mitigating actions are undertaken in a timely manner.

MTVH has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for the next two years. In regards to the longer-term plan and the ability to meet loan agreement obligations, all covenants and liquidity requirements are met throughout the ten-year plan period. Consequently, the Board does not see a requirement to deviate from business as usual, however, will continue to monitor performance closely. The Board therefore has a reasonable expectation that MTVH has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the Group's financial statements.

Statement of responsibilities of the Board

The Board members are responsible for preparing the report of the Board, which for MTVH comprises the Chair's foreword and Chief Executive's introduction, Chief Executive's strategic operational review, Chief Financial Officer's review, Value for Money statement, Section 172 statement, Environment and social value statement, Statement on corporate governance, Board statement on internal control and risk assurance and this Statement of responsibilities of the Board; and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- **Select suitable accounting policies and then apply them consistently;**
- **Make judgements and accounting estimates that are reasonable and prudent;**
- **State whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and**
- **Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Association will continue in business.**

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

They are also responsible for safeguarding the assets of the Group and the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018.

Financial statements are published on the Group and the Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group and the Association's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Provision of information to the auditor

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditor for the purposes of their audit and to establish that the auditors are aware of that information. The board members are not aware of any relevant audit information of which the auditors are unaware.

Signed on behalf of the Board

Althea Efunshile CBE, Chair
4 August 2022

Independent auditor's report to the members of Metropolitan Thames Valley Housing Group

In our opinion, the financial statements for 2021/22:

- **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 Thames Valley Housing Association 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 and Risk committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were initially appointed by the Board to audit the financial statements for the year ending 31 March 2011 and subsequent periods. Following the listing of the debt in 2016 we were re-appointed. The period of total uninterrupted engagement including retenders and reappointments since the listing of debt is 7 years, covering the years ending 31 March 2016 to 31 March 2022 and 12 years in total.

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 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:

- **Consideration of the forecasts prepared by management and challenge of the key assumptions based on our knowledge of the business. As referred to in going concern accounting policy, management has modelled the financial plan against adverse changes in economic conditions.**

- **Assessment of the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast but also to have a high-level understanding of the entity's market, strategy and profile in the customer base.**

- **We challenged management on the suitability of the mitigating actions identified by management in their assessment and the quantum and period ascribed to these mitigating actions. Scenarios modelled by management analysed the impact on covenant compliance in scenarios with multiple adverse conditions. We reviewed the reasonableness of the proposed mitigations and if they mitigations were entirely in the control of management to action.**

- **Obtaining details and assessing the availability of group financing facilities, including the nature of facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations over the period of management's review and confirmed the consistency of such calculations with the ratios stated in the relevant lender agreements.**

- **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 forecasts and stress test scenario.**

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	94.5% (2021: 91.7%) of Group profit before tax 100% (2021: 100%) of Group revenue 98.5% (2021: 98.7%) of Group total assets		
Key audit matters		2022	2021
	The recoverable amount of property developed for sale is materially misstated	3	3
Materiality	*Group financial statements as a whole* £12.2m (2021: £12m) based on 7.5% (2021: 7.5%) of adjusted operating surplus as defined by the entity's lending covenants.		

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.

In establishing the overall approach to the Group audit, we assessed the audit significance of each reporting component in the Group by reference to both its financial significance and other indicators of audit risk, such as the complexity of operations and the degree of estimation and judgement in the financial results.

The significant components for group purposes are the parent entity, Metropolitan Housing Trust Limited and Metropolitan Living Limited. Audit work on all significant components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.

Thames Valley Housing Association Limited (Parent), Metropolitan Housing Trust Limited and Metropolitan Living Limited were identified as significant components due to their size and risk characteristics.

The only components not subject to a full scope audit by BDO UK were the Group's joint ventures which comprise less than 1.5% of the Group's assets and 5.5% of the Group's surplus before tax.

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
The recoverable amount of property developed for sale is materially misstated As explained in the note 16 accounting policies, properties developed for sale, including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and net realisable value resulting in an amount recognised in the balance sheet of £70,853,000.	For completed properties at the balance sheet date, an assessment is needed of an estimated selling price. For properties in development at the balance sheet date, an assessment is needed of an anticipated selling price and a determination for the expected costs to complete. Due to the volume of property developed for sale (both complete and under construction) and the inherent estimation uncertainty in determining both sales proceeds and costs to complete we considered there to be a significant risk that the carrying amount of properties developed for sale is misstated and was therefore a key audit matter.	Our response included the following: • We obtained management's assessment of the net realisable value of properties developed for sale, selecting a sample on which to perform detailed testing. Samples were chosen from the population of items that represented both developments under construction as well as completed developments at year end; • For a sample of expected proceeds, we agree the amounts involved to supporting documentation or compared the expected proceeds to similar developments in the same locality; • For a sample of properties under development, we obtained details of the expected costs to complete from the scheme budget for that development and agreed the budgeted contracted cost of the development to the latest contract documentation. We compared the incurred expenditure to the estimated amount to ensure that the cost to complete estimate reflects actual costs. • For properties sold subsequent to year end, we traced to the sales proceeds and compared to the carrying value as at year end to ensure NRV is not below Cost. • We also assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year. **Key observations:** **Based on the evidence obtained we did not identify any indications that the assessments of the recoverable amount made by management were inappropriate.**

Independent Auditor's Report to the Members of the Metropolitan Thames Valley Housing Group

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		Parent Association financial statements	
	2022 £m	**2021 £m**	**2022 £m**	**2021 £m**
Materiality	12.2	12	1.8	0.9
Basis for determining materiality	7.5% of adjusted operating surplus as defined by the entities lending covenants.			
Rationale for the benchmark applied	Management reports its performance to key stakeholders and monitors the business based on adjusted operating surplus as defined by the loan covenants. Based on the strictest loan covenant definition, depreciation and impairment are added back and surplus on first tranche sales, capitalised major repairs and amortisation of grants are excluded. It is therefore appropriate to adjust materiality in order to respond to the risk of covenant breach.			
Performance materiality	8.6	8.4	1.3	0.7
Basis for determining performance materiality	70% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements.			

Component materiality

A full scope statutory audit was carried out for all significant subsidiaries. We set materiality for each component dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £479 to £11m. In the audit of each component, we further applied performance materiality levels of 70% 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 and Risk Committee that we would report to them all individual audit differences in excess of £490k (2021: £480k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's Report to the Members of the Metropolitan Thames Valley Housing Group

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 and 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 Statement of the Board's financial responsibilities set out on page 64, 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 industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be 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 assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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: those arising from registration with the Regulator for Social Housing, data protection and health and safety legislation.

We have made an assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud may occur.

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

- Discussions with management and those charged with governance, 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, group internal audit reports, reviewing correspondence with the Regulator for Social Housing and HMRC 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 group fraud register for any potential weaknesses in internal control which could result in fraud susceptibility;
- We obtained a complete list of journals and, using information gathered during the audit and our understanding of the group we target tested those journals and adjustments that we considered may be inappropriate or unusual using our data analytics tool;
- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to whether indicators of impairment exist, the useful economic lives of each category of depreciable assets and assumptions used in pensions, investment property and derivative valuations; and
- Where applicable, we performed the above procedures on a Group as well as an individual component level.

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.

Phil Cliftlands
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
Gatwick, UK
Date: 09 August 2022

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

Financial statements

Consolidated Statement of comprehensive income and expenditure for the year ended 31 March 2022

	Note	2022 £'000	2022 Non-Recurring £'000	2022 Total £'000	2021 £'000
Turnover	2	405,924	8,459	414,383	445,767
Cost of sales	2	(48,277)	-	(48,277)	(96,111)
Operating costs	2	(262,387)	(21,352)	(283,739)	(241,549)
Surplus on disposal of fixed assets	2 / 6	37,501	-	37,501	24,548
Share of operating surplus in joint ventures and associates	2 / 31	2,232	-	2,232	5,041
Operating surplus		**134,993**	**12,893**	**122,100**	**137,696**
Loss on disposal of other Investments	31	(1,577)	-	(1,577)	-
Revaluation of investments	34	1,512	-	1,512	2,974
Interest receivable	7	3,522	-	3,522	5,113
Interest and finance costs	8	(78,416)	-	(78,416)	(80,134)
Movement in fair value of financial instruments	7	850	-	850	1,554
Movement in fair value of investment property	12	(7,029)	-	(7,029)	(5,870)
Movement in fair value of financial assets	17	(699)	-	(699)	(707)
Surplus / (loss) before tax		**53,156**	**(12,893)**	**40,263**	**60,626**
Taxation	11	429	-	429	(36)
Surplus / (loss) for the year		**53,585**	**(12,893)**	**40,692**	**60,590**
Actuarial gain/(loss) on defined benefit pension scheme liability	23	21,264	-	21,264	(48,183)
Change in fair value of hedged financial instruments	8	12,071	-	12,071	11,866
Total comprehensive income expenditure / for the year		**86,920**	**(12,893)**	**74,027**	**24,273**

All amounts relate to continuing activities.
The notes on pages 86 to 126 form part of these financial statements.

Association Statement of comprehensive income and expenditure for the year ended 31 March 2022

	Note	Association 2022 £'000	Association 2021 £'000
Turnover	2	61,643	49,599
Cost of sales	2	(52,214)	(29,846)
Operating costs	2	(12,484)	(10,387)
Surplus on disposal of fixed assets	2 / 6	121	60
Operating surplus		**(2,934)**	**9,426**
Interest receivable	7	14,208	2,411
Interest and finance costs	8	(4,873)	(5,143)
Movement in fair value of investment property	12	(1,927)	(64)
Capital Contribution to subsidiaries	31	(16,000)	(10,000)
Surplus / (loss) before tax		**(11,526)**	**(3,370)**
Taxation	11	30	(652)
Surplus / (loss) for the year		**(11,496)**	**(4,022)**
Actuarial gain/(loss) on defined benefit pension scheme liability	23	1,806	(7,289)
Total comprehensive income / expenditure for the year		**(9,690)**	**(11,311)**

All amounts relate to continuing activities.
The notes on pages 86 to 126 form part of these financial statements.

Consolidated and Association statements of financial position as at 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
FIXED ASSETS					
TANGIBLE FIXED ASSETS					
Housing properties	12	4,617,943	4,525,488	97,885	96,572
Investment properties	12	63,381	66,565	3,581	5,508
Other tangible fixed assets	13	38,790	36,035	6,807	8,615
Total tangible fixed assets		**4,720,114**	**4,628,088**	**108,273**	**110,695**
INVESTMENTS					
HomeBuy loans	14	127,446	138,538	-	-
Other investments	15	15,978	20,321	5,500	5,609
Investments in subsidiaries	31	-	-	2,875	2,875
Investments in joint ventures and associates	31	61,027	103,138	-	130
Total fixed assets and investments		**4,924,565**	**4,890,085**	**116,648**	**119,309**
CURRENT ASSETS					
Stock	16	69,477	103,682	55,976	114,005
Debtors	17				
- due within one year		52,792	57,950	49,307	213,480
- due after more than one year		24,812	28,228	10,272	12,600
Cash at bank and in hand		151,557	156,283	7,147	2,846
		298,638	**346,143**	**122,702**	**342,827**
Creditors falling due within one year	**18**	**(315,697)**	**(615,086)**	**(99,232)**	**(307,426)**
Net current (liabilities) / assets		**(17,059)**	**(268,943)**	**23,470**	**35,505**
Total assets less current liabilities		**4,907,506**	**4,621,142**	**140,118**	**154,814**
Creditors falling due after more than one year	19	2,304,855	2,066,702	67,334	69,796
Pension liability	23	49,461	74,357	9,322	11,866
Provision for liabilities	24	213	1,132	-	-
CAPITAL AND RESERVES & INCOME AND EXPENDITURE RESERVE					
General reserve		1,492,986	1,426,270	60,272	69,875
Restricted reserve		19,472	18,098	-	-
Revaluation reserve		1,061,687	1,067,866	3,190	3,277
		2,574,145	**2,512,234**	**63,462**	**73,152**
Cashflow hedge reserve		(21,168)	(33,283)	-	-
Total reserves		**2,552,977**	**2,478,951**	**63,462**	**73,152**
Total funding		**4,907,506**	**4,621,142**	**140,118**	**154,814**

The financial statements were approved and authorised for issue by the Board on 4 August 2022 and were signed on its behalf by:
• Althea Efunshile CBE, Chair • Ian Johnson, Executive Director, Finance • Patricia Etter, Company Secretary
The notes on pages 86 to 126 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 March 2022

	Group 2022 £'000	Group 2021 £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	40,692	60,590
Adjustment for:		
Surplus on disposal of fixed assets	(37,501)	(24,548)
Share of operating surplus in joint ventures	(2,232)	(5,041)
Interest receivable	(3,522)	(5,113)
Interest and finance costs	78,416	80,134
Movement in fair value of financial instruments	(850)	(1,554)
Movement in fair value of investment property	7,029	5,870
Loss on disposal of other investments	1,577	-
Movement in fair value of financial assets	699	707
Revaluation of investments	-	(2,974)
Tax charged / (credited)	(429)	-
Depreciation	45,213	40,393
Amortised grant	(6,316)	(6,184)
Impairment	400	3,236
Decrease in stock	30,953	77,300
(Increase) / decrease in debtors	3,281	(13,440)
Decrease in creditors	(768)	(6,115)
Increase / (decrease) in provisions	(919)	974
Pension costs less contributions payable	(3,632)	(4,891)
Proceeds from sale of properties as operating activities	82,738	49,898
Proceeds from sale of fixed asset investments as operating activities	19,145	15,456
Cash generated from operations	**253,974**	**264,698**
Tax (paid) / refunded	429	-
Net cash from operating activities	**254,403**	**264,698**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of housing properties	(179,454)	(155,895)
Purchase of fixed assets - other	(8,700)	(12,332)
Proceeds from other investments	53,021	4,019
Purchase of fixed asset investments	(10,255)	(5,416)
Interest received	3,522	5,113
Investments transferred to cash	4,343	-
Net capital grants received	23,656	7,960
Net cash used in investing activities	**(113,867)**	**(156,551)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	286,000	314,000
Repayment of borrowings	(342,345)	(285,202)
Capital element of finance lease payments	(34)	(23)
Interest paid	(84,881)	(89,244)
Finance costs	(4,002)	3,160
Interest element of finance lease payments	-	(7)
Net cash used in financing activities	**(145,262)**	**(57,316)**
Net movement in cash and cash equivalents	**(4,726)**	**50,831**
Cash and cash equivalents brought forward	156,283	105,452
Cash and cash equivalents carried forward	**151,557**	**156,283**

The notes on pages 86 to 126 form part of these financial statements.

Consolidated and Association statements of changes in reserves for the year ended 31 March 2022

GROUP	Income and expenditure reserve £'000	Cashflow hedge reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2020	**1,430,178**	**(45,021)**	**15,094**	**1,054,425**	**2,454,676**
Surplus for the year	57,586	-	3,004	-	**60,590**
Actuarial loss on defined benefit pension scheme liability	(48,183)	-	-	-	**(48,183)**
Change in fair value of hedged financial instruments	-	11,866	-	-	**11,866**
Reserves transfers	(13,311)	(128)	-	13,441	**2**
Balance at 31 March 2021	**1,426,270**	**(33,283)**	**18,098**	**1,067,866**	**2,478,951**
Surplus for the year	39,318	-	1,374	-	**40,692**
Actuarial gain on defined benefit pension scheme liability	21,264	-	-	-	**21,264**
Change in fair value of hedged financial instruments	-	12,071	-	-	**12,071**
Revaluation gains released on disposal	6,179			(6,179)	**-**
Reserves transfers	(45)	44	-	-	**(1)**
Balance at 31 March 2022	**1,492,986**	**(21,168)**	**19,472**	**1,061,687**	**2,552,977**

ASSOCIATION	Income and expenditure reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2020	**80,922**	**3,541**	**84,463**
Loss for the year	(3,758)	(264)	**(4,022)**
Actuarial (loss) on defined benefit pension scheme liability	(7,289)	-	**(7,289)**
Balance at 31 March 2021	**69,875**	**3,277**	**73,152**
Loss for the year	(11,496)	-	**(11,496)**
Revaluation of gains released on disposal	87	(87)	**-**
Actuarial gain on defined benefit pension scheme liability	1,806	-	**1,806**
Balance at 31 March 2022	**60,272**	**3,190**	**63,462**

The notes on pages 86 to 126 form part of these financial statements.

1A. ACCOUNTING POLICIES

Legal status
Thames Valley Housing Association ('the Association') is registered in England, under the Co-operative and Community Benefit Societies Act 2014 (Registered Number 17375R), is a registered provider of social housing with the Regulator of Social Housing (Registered Number L0514) and trades in GBP. The Association is the parent entity of the MTVH group which was created from a merger between Thames Valley Housing Association and Metropolitan Housing Trust. The Association and MTVH group are public benefit entities (PBE).

Basis of preparation
These financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including the financial standard applicable in the UK and Republic of Ireland (FRS 102), Housing SORP: 2018 update (Statement of Recommended Practice for registered social housing providers) (2018) and the Accounting Direction for private registered providers of social housing 2019.

The preparation of the financial statements requires the Group management to make 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. It also requires Group management to exercise judgement in applying the Group's accounting policies. The impact that potential variations in these judgements may have on the financial statements are explained in the accounting policies below.

Areas where a degree of significant judgement has been applied are shown in boxes in the accounts.

Segmental reporting
Operating segments: there are publicly traded securities within the group and therefore a requirement to disclose information about Group operating segments under IFRS 8. Segmental information is disclosed in note 2(b) and as part of the analysis in note 12. Information about income, expenditure and assets attributable to material operating segments are based on the nature and function of assets held rather than geography. This is appropriate based on the similarity of the services, nature of risks, type of customer and nature of regulatory environment across all geographical locations in which the Group operates. Operating segments are analysed along the lines of information presented to the Chief Operating Decision Maker who for the purpose of these accounts is determined to be the board.

Going concern
The board and senior management have determined that MTVH has adequate resources to continue in operational existence for the foreseeable future and therefore that the business is a going concern. They have been presented with the possible impacts from numerous multi-variant adverse scenarios and options for mitigation to ensure the business can continue in the short and longer term. Mitigations exist for all scenarios and some have already been partially implemented, as a precaution to ensure compliance with all covenant and regulatory requirements. Periodic updates to the financial business plan, management accounts and internal reporting enable continuous monitoring of the business and pre-determined internal triggers have been set to ensure prompt appropriate mitigating actions are undertaken in a timely manner.

MTVH has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for the next two years. In regards to the longer-term plan and the ability to meet loan agreement obligations, all covenants and liquidity requirements are met throughout the ten-year plan period. Consequently, the Board does not see a requirement to deviate from business as usual, however, will continue to monitor performance closely. The Board therefore has a reasonable expectation that MTVH has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the Group's financial statements.

Basis of consolidation
The consolidated financial statements include TVH and its subsidiaries (together 'the Group').

Non-exchange transactions where there is a clear gift of control are accounted for as business combinations. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiaries are included in the consolidated statement of comprehensive income from the date of their formation or gift in to the Group. All intra-group transactions, balances, surpluses and deficits are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

The Association participates in a number of regeneration partnerships with other Registered Providers. These arrangements involve jointly controlled assets and the Association's share of those jointly controlled assets, any related liabilities and any income or expenditure in relation to those jointly controlled assets are included in the results of the Group, in proportion to its share in those assets.

The Group has entered into a number of contractual arrangements that are classified as jointly controlled entities. Jointly controlled entities are accounted for using the equity method, which reflects the Group's share of the profit or loss, other comprehensive income and equity of the jointly controlled entity.

Notes forming part of the financial statements for the year ended 31 March 2022

Disclosure exemptions
The individual accounts of the Association have adopted the following disclosure exemptions as these are reported as part of the consolidated accounts:

- The exemption from the requirement to present a statement of cash flows and related notes.
- The exemption under FRS 102 33.1(A) to disclosing transactions entered into between the Association and its wholly-owned subsidiaries unless if those entities are unregulated entities.
- The exemptions relating to financial instruments disclosures including of items of income, expenses, gains or losses relating to financial instruments and exposure to and management of financial risks.

Joint ventures, associated and jointly controlled entities
In the Group accounts, interests in joint ventures and associates are accounted for using the equity method. The consolidated statement of comprehensive income includes the Group's share of the joint ventures' and associate's profit after tax for the year. In the consolidated statement of financial position, the investment is initially shown at cost, adjusted each year by the share of retained profits. In the individual association accounts, the Group's loans to joint ventures are disclosed as debtors on the statement of financial position and interest receivable and dividends received are disclosed as interest receivable and turnover respectively in the statement of comprehensive income.

Investments in subsidiaries, joint ventures and associates
In the individual accounts of Thames Valley Housing Association Limited and Metropolitan Housing Trust, investments in subsidiaries, joint ventures, associates and jointly controlled assets are shown at cost (less accumulated impairment).

VAT
The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on expenditure to the extent that it is incurred by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT on overheads arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

Revaluation reserves
On transition to FRS 102 MTVH elected to adopt deemed cost as a proxy for historical costs. The group revalued the social housing assets portfolio to EUV-SH (Existing Use Value – Social Housing), as a result a revaluation reserve was created to account for the difference between the historical costs and deemed costs.

On disposal of properties carried at deemed cost the group releases these reserves from the revaluation reserves to the income and expenditure account. Both the revaluation reserve and the income and expenditure are part of income and expenditure reserves.

Valuation of investment properties
Investment properties are valued on an annual basis, internally and externally. Commercial properties are revalued internally based on the leases agreements and market rental properties revalued internally are based on information from the Office of National Statistics market rent index.

External valuations carried out for investment properties are conducted by qualified RICS Chartered Surveyors. At 31 March 2022 valuations indicated a decrease in value of £8,034k (2021: £3,182k) for commercial properties, an increase of £1,005k (2021: £2,688k decrease) for market rental properties.

1B. KEY JUDGEMENTS AND ESTIMATES IN THE PREPARATION OF THESE ACCOUNTS

Preparation of the financial statements requires management to make significant judgements and estimates about complex transactions or those involving uncertainty about future events. The items in the financial statements where these judgments and estimates and the effect of those judgements might have on the financial statements are discussed below.

i. Significant management judgements

The Group makes certain key judgements about complex transactions or those involving uncertainty about future events while preparing these financial statements. The following are the significant management judgements made in applying the accounting policies that have the most significant effect on the financial statements.

Determining whether an impairment review is required

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date in accordance with FRS 102 27.7. Indicators include changes in government policy, a reduction in the market value of properties where the occupant has the right to acquire, a reduction in the demand for a property, losses from operating that property, obsolescence of a property or contamination of a site. Impairment is tested at income generating unit level which is at scheme level. Indicators for properties under construction include any unforeseen additional costs that do not add value. Where no such indicators of impairment are identified to have occurred at the reporting date, it is assumed that there is no impairment.

Capitalisation of property development costs

Distinguishing the point at which a development scheme is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the developed asset and considers whether any changes indicate existence of impairment and if an impairment charge is required.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. For mixed tenure schemes costs to a specific tenure are allocated on a floor area or unit basis depending on the appropriateness to each development scheme.

Capitalised overhead on developments

Overheads are capitalised up to a maximum of 3.5% of works and acquisitions costs or 100% of development salaries and related overheads.

The Group has adopted a policy of capitalising overheads into the development costs of properties. The management is satisfied that this capitalisation is appropriate as these costs are avoidable costs of bringing these assets into existence and habitable use. The management has made the judgement that overheads are capitalised up to a maximum of 3.5% of works and acquisitions costs or 100% of development salaries and related overheads.

Management is satisfied that the capitalisation of overheads does not lead to carrying these developments in the statement of financial position at above their net realisable values as impairment reviews are undertaken annually to safeguard against overstatement of carrying costs.

ii. Estimation uncertainties

The Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Useful economic life of housing properties structure

The useful economic life of housing structure is estimated to be 125 years and therefore depreciated over that period. If the life was reduced to 100 years, this would increase the charge to £2,520k to the comprehensive income statement. If the life of components excluding land and structure should reduce by 10%, it would lead to £1,800k increase charge to the comprehensive income statement.

Stock

Net realisable value is based on the estimated selling price less selling costs. Estimated selling prices were provided by external valuers and by reference to actual selling prices for completed developments. For schemes under construction the estimated costs to completion are based on approved budgets and forecasts.

Recoverability of trade debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Government grant

Government grant is amortised over the useful economic life (UEL) of the asset apart from grant on shared ownership properties which is amortised over 20 years. If the amortised years were reduced to 15 years, this would increase income in the comprehensive income statement by £955k.

Assumptions made when considering impairment

Assumptions made when considering impairment are disclosed in note 12.

Assumptions in respect of MTVH and Notts LGPS

Assumptions in respect of the Metropolitan Thames Valley Housing (MTVH) pension scheme are disclosed in note 23(a). Assumptions in respect of The Nottinghamshire County Council Pension Fund (Notts LGPS) are disclosed in note 23(b).

Pension figures in these accounts are prepared by independent actuaries. In preparing the figures the actuaries use a number of judgements based on information provided to them by the Institute and Faculty of Actuaries.

Notes forming part of the financial statements for the year ended 31 March 2022

2A. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Turnover comprises rental and service charges income receivable (net of any voids), income from first tranche sales, sales of properties built for sale and other services at the invoiced value (net of VAT where recoverable), income from HomeBuy activities, income from non-social activities from joint ventures and associates, amortisation of deferred capital grants, and other grants receivable.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Care and support income is recognised when the contract condition is fulfilled.

GROUP	Turnover 2022 £'000	Cost of sales 2022 £'000	Operating costs 2022 £'000	Operating results 2022 £'000	Operating results 2021 £'000
SOCIAL HOUSING ACTIVITIES					
Social housing lettings (Note 3)	308,751	-	(218,389)	90,362	**94,335**
OTHER SOCIAL HOUSING ACTIVITIES					
First tranche sales	42,063	(35,554)	(1,370)	5,139	**6,040**
Mortgage rescue	709	-	(260)	449	**468**
Supporting people	13,212	-	(13,532)	(320)	**2,236**
Community investment	515	-	(4,214)	(3,699)	**(3,247)**
Registered care homes	3,974	-	(4,812)	(838)	**609**
Development overhead	-	-	(6,165)	(6,165)	**-**
Other	-	-	(306)	(306)	**2,811**
Total other social housing activities	**60,473**	**(35,554)**	**(30,659)**	**(5,740)**	**3,295**
NON-SOCIAL HOUSING ACTIVITIES					
Development of properties for sale	17,010	(12,723)	(120)	**4,167**	**5,833**
Market renting	5,963	-	(2,468)	**3,495**	**3,865**
Other	13,727	-	(10,751)	**(2,976)**	**779**
Total non-social housing activities	**36,700**	**(12,723)**	**(13,339)**	**10,638**	**10,477**
Total	**405,924**	**(48,277)**	**(262,387)**	**95,260**	**108,107**
Surplus on RTB / RTA				2,773	850
Surplus on staircasing				20,153	16,383
Surplus on homebuy redemptions				8,053	5,835
Surplus on other fixed assets				6,522	1,479
Share of operating surplus in joint ventures and associates				2,232	5,042
Adjusted Operating surplus				**134,993**	**137,696**
Non-Recurring Income				8,459	-
Non-Recurring Costs				(21,352)	-
Operating Surplus				**122,100**	**137,696**

The table below summaries the Non-Recurring Costs:

	Income 2022 £'000	Costs 2022 £'000	Net costs 2022 £'000	Net costs 2021 £'000
Fire remedial costs	3,268	(8,876)	(5,608)	-
Worcester Park fire costs	5,191	(12,476)	(7,285)	-
	8,459	**(21,352)**	**(12,893)**	**-**

2A. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS (cont)

ASSOCIATION	Turnover 2022 £'000	Cost of sales 2022 £'000	Operating Costs 2022 £'000	Operating Results 2022 £'000	Operating Results 2021 £'000
SOCIAL HOUSING ACTIVITIES					
Social housing lettings (Note 3)	12,014	-	(7,653)	**4,361**	**4,995**
OTHER SOCIAL HOUSING ACTIVITIES					
First Tranche Sales	9,885	(8,730)	-	**1,155**	**1,370**
Community investment	-	-	(380)	**(380)**	**-**
Development overhead	-	-	(4,235)	**(4,235)**	**(2,819)**
Total other social housing activities	9,885	(8,730)	(4,615)	(3,460)	(1,449)
NON-SOCIAL HOUSING ACTIVITIES					
Development of properties for sale	38,896	(43,484)	-	**(4,588)**	**(4,392)**
Other	849	-	(217)	632	1,428
Total non-social housing activities	39,745	(43,484)	(217)	(3,956)	5,820
Total	61,644	(52,214)	(12,485)	(3,055)	9,366
Surplus on staircasing				502	60
Loss on other fixed assets disposals				(381)	-
Operating surplus				(2,934)	9,426

2B. GROUP MANAGEMENT SEGMENTAL ANALYSIS

	Asset management & Metworks £'000	Development £'000	Customer services £'000	Central services £'000	Consolidation adjustments £'000	2022 Total £'000	2021 Total £'000
Turnover	25,849	116,248	337,367	521	(74,061)	405,924	445,767
Cost of sales	(14,513)	(94,733)	(1)	(6,697)	67,667	(48,277)	(96,111)
Operating costs	(21,558)	(5,360)	(196,676)	(50,143)	11,350	(262,387)	(241,549)
Surplus on disposal of fixed assets	-	33,660	2,807	(28)	1,062	37,501	24,548
Surplus on joint ventures	-	-	-	-	2,232	2,232	5,041
Adjusted operating (deficit)/surplus	(10,222)	49,815	143,497	(56,347)	8,250	134,993	137,696
Non recurring one-off costs	(5,608)	-	(7,285)	-	-	(12,893)	-
Operating (deficit)/ surplus 31 March	(15,830)	49,815	136,212	(56,347)	8,250	122,100	137,696
Operating (deficit)/ surplus 31 March 2021	(12,162)	29,692	152,683	(48,598)	16,081	137,696	

Notes forming part of the financial statements for the year ended 31 March 2022

3. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS

GROUP	General needs 2022 £'000	Supported housing 2022 £'000	Other housing 2022 £'000	Shared ownership 2022 £'000	Total 2022 £'000	Total 2021 £'000
INCOME FROM LETTING						
Rent receivable net of identifiable service charges	182,806	27,360	13,476	41,751	**265,393**	**258,910**
Service charges receivable	15,132	10,973	390	9,554	**36,049**	**33,257**
Net rental income	197,938	38,333	13,866	51,305	301,442	292,167
Amortised grant	967	60	-	5,286	**6,313**	**6,180**
Management fees	296	-	7	693	**996**	**878**
Total income from lettings	199,201	38,393	13,873	57,284	308,751	299,225
EXPENDITURE ON LETTING ACTIVITIES						
Service charge costs	27,357	11,151	1,917	10,054	**50,479**	**48,476**
Management	39,628	2,905	3,620	12,892	**59,045**	**56,200**
Routine maintenance	28,725	5,303	970	1,536	**36,534**	**32,726**
Planned maintenance	16,227	2,745	824	1,531	**21,327**	**18,037**
Major repairs	860	131	11	92	**1,094**	**2,311**
Bad debts	694	388	22	47	**1,151**	**(1,312)**
Lease charges	2,207	931	-	8	**3,146**	**3,882**
Depreciation	36,469	3,212	3,137	-	**42,818**	**40,394**
Accelerated depreciation	1,795	559	41	-	**2,395**	**940**
Net Impairment Charge	-	-	-	400	**400**	**3,236**
Total expenditure	153,962	27,325	10,542	26,560	218,389	204,890
Surplus on social housing	45,239	11,068	3,331	30,724	90,362	94,335
Rent loss through voids	(1,284)	(2,646)	(573)	(20)	**(4,523)**	**(4,336)**

3. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS (cont)

ASSOCIATION	General needs 2022 £'000	Other housing 2022 £'000	Shared ownership 2022 £'000	Total 2022 £'000	Total 2021 £'000
INCOME FROM LETTING					
Rent receivable net of identifiable service charges	2,661	6,840	1,498	**10,999**	**11,746**
Service charges receivable	228	-	489	**717**	**640**
Net rental income	**2,889**	**6,840**	**1,987**	**11,716**	**12,386**
Amortised grant	-	-	298	**298**	**267**
Total income from lettings	**2,889**	**6,840**	**2,285**	**12,014**	**12,653**
EXPENDITURE ON LETTING ACTIVITIES					
Service charge costs	1,058	989	723	**2,770**	**2,070**
Management	192	164	319	**675**	**1,304**
Routine maintenance	399	539	137	**1,075**	**1,220**
Planned maintenance	289	270	45	**604**	**514**
Major repairs	1	-	-	**1**	**84**
Bad debts	(32)	(5)	(1)	**(38)**	**(23)**
Depreciation	827	1,738	-	**2,565**	**2,489**
Total expenditure	**2,734**	**3,695**	**1,223**	**7,652**	**7,658**
Surplus on social housing	**155**	**3,145**	**1,062**	**4,362**	**4,995**
Rent loss through voids	(8)	(31)	-	**(40)**	**(103)**

Notes forming part of the financial statements for the year ended 31 March 2022

4. MOVEMENT IN HOUSING UNITS – GROUP

	1 April 2021	Units developed or newly built units acquired	Units sold/ demolished	Transfers and acquisitions (to)/from other RPs	Other movements	31 March 2022
General needs rented - Social	27,663	27	(43)	(75)	15	27,587
General needs rented - Affordable	2,043	134	(1)	-	(6)	2,170
Housing for Older People rented	3,232	-	-	(34)	(1)	3,197
Shared Ownership	9,099	165	(284)	31	13	9,024
Supported rented - Social	2,429	-	(30)	66	(5)	2,460
Supported rented - Affordable	28	-	-	-	-	28
Total Social Housing Units	**44,494**	**326**	**(358)**	**(12)**	**(16)**	**44,466**
Intermediate rent	185	-	-	-	5	190
Keyworker accommodation	1,776	-	-	-	(5)	1,771
Rent to HomeBuy	49	-	-	(13)	-	36
Total Social Housing - Other	**2,010**	**-**	**-**	**(13)**	**-**	**1,997**
Market rent	1,188	-	(685)	(10)	-	493
Student accommodation	499	-	(204)	-	-	295
Leaseholders	6,762	-	-	-	206	6,968
HomeBuy / MyChoice - HomeBuy	3,110	-	(237)	-	92	2,965
Total Non-Social Housing	**11,559**	**-**	**(1,126)**	**(10)**	**298**	**10,721**
Total	**58,063**	**326**	**(1,484)**	**(35)**	**314**	**57,184**

	Group Total 2022	Group Total 2021
Units under construction	**1,974**	**1,502**

4. MOVEMENT IN HOUSING UNITS – ASSOCIATION

	1 April 2021	Units developed or newly built units acquired	Units sold/ demolished	Transfers and acquisitions (to)/from other RPs (MHT)	Other movements	31 March 2022
General needs rented - Social	306	-	-	-	-	306
Shared ownership	468	-	(6)	(202)	-	260
Total Social Housing Units	774	-	(6)	(202)	-	566
Intermediate rent	12	-	-	-	-	12
Keyworker accommodation	852	-	-	-	-	852
Total Social Housing - Other	864	-	-	-	-	864
Market rent	682	-	(682)	-	-	-
Leaseholders	59	-	-	-	6	65
Total Non-Social Housing	741	-	(682)	-	6	65
Totals	2,379	-	(688)	(202)	6	1,495

Association Total 2022	Association Total 2021
57	57

5. OPERATING SURPLUS IS STATED AFTER CHARGING/(CREDITING)

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
DEPRECIATION				
Tangible fixed assets - housing properties	35,752	34,543	2,565	2,577
Other fixed assets	7,066	5,850	2,546	2,498
Accelerated depreciation on components - tangible fixed assets	2,395	940	-	-
Impairment charge	1,521	4,023		
Impairment release	(1,121)	(787)	-	-
OPERATING LEASES CHARGES				
Offices	1,753	1,940	661	644
Other buildings non-office	1,109	847	-	-
Leases non-buildings	284	1,125	4	135
AUDITOR'S REMUNERATION (EXCLUDING VAT)				
Audit of financial statements	250	248	-	-
In respect of other services	112	108	-	-

6. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
RTB / RTA				
Disposal proceeds	5,995	2,827	-	-
Cost of sales	(2,477)	(1,435)	-	-
Transfer to RCGF	(745)	(542)	-	-
	2,773	850	-	-
STAIRCASING				
Disposal proceeds	55,755	44,411	1,869	771
Cost of sales	(33,169)	(25,773)	(1,021)	(331)
Transfer to RCGF	(2,433)	(2,254)	(346)	-
	20,153	16,384	502	298
REDEMPTIONS				
HomeBuy redemption income	19,131	15,456	-	-
HomeBuy redemption expense	(11,078)	(9,621)	-	-
	8,053	5,835	-	-
SURPLUS ON OTHER ASSET DISPOSALS				
Disposal proceeds	24,347	10,610	19	32
Cost of sales	(15,882)	(6,940)	(23)	(14)
Transfer to RCGF	(1,943)	(2,191)	(377)	(256)
	6,522	1,479	(381)	(238)
Total surplus on disposal of fixed assets	37,501	24,548	121	60

In line with the Housing SORP 2018 Update all fixed assets sales such as RTB / RTA, staircasing, redemption sales and other sales of operational assets are reported within operating surplus under surplus on disposal of fixed assets section as they are part of our regular business sales activity.

7. INTEREST RECEIVABLE AND RELATED INCOME

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Interest received	898	3,134	438	2
Subsidiary companies	-	-	153	448
Interest receivable from joint ventures	1,848	1,038	1,489	1848
Interest receivable from associates	-	81	-	-
Regeneration partners*	202	189	-	-
Dividend income	574	671	12,128	113
	3,522	5,113	14,208	2,411
Gain on hedged derivative instruments recognised in profit & loss	850	1,554	-	-

* Regeneration partners relates to interest receivable from Canalside Housing Partnership: a partnership between MHT and One Housing Group.
The Group recorded a surplus after tax of £41m (2021: £61m) after net interest costs of £72m (2021: £75m).

8. INTEREST AND FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are recognised as a reduction in the proceeds of the associated capital instrument.

Where a development project is financed by the borrowings of the Group, finance costs are capitalised during the period of construction (see Note 12). Interest is capitalised to developments costs using the weighted average cost of capital of 4.1% (2021: 4.1%). Capitalisation ceases on practical completion.

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Interest on loans repayable	76,575	81,548	2,637	2,567
Net interest on pension fund (Note 24)	1,436	635	228	111
Interest on finance leases	37	1,320	1,553	1,281
Interest on intra group borrowing	-	-	488	3,182
Interest on recycled capital grant fund (RCGF) (Note 21)	281	11	22	12
Less: interest capitalised	(6,184)	(8,999)	(131)	(2,133)
	72,145	**74,615**	**4,797**	**5,020**
Amortised loan fees and commitment fees	6,271	5,519	76	123
Total interest and finance costs	**78,416**	**80,134**	**4,873**	**5,143**
Change in fair value of hedged financial instruments recognised in other comprehensive income	**(12,071)**	**(11,866)**	**-**	**-**

9. EMPLOYEES

Short-term employee benefits are recognised as an expense in the period in which they are incurred. The Group allows a maximum of 5 days annual leave/holiday entitlement to be carried over at the end of the calendar year and an accrual is only raised if it is material. The charge in the year is £1,637k (2020: £1,638k) and was accrued for.

AVERAGE MONTHLY FULL-TIME EQUIVALENT (FTE) NUMBER OF EMPLOYEES

	Group 2022 Number	Group 2021 Number	Association 2022 Number	Association 2021 Number
Senior managers and executives	30	41	6	9
Office staff	1,256	1,197	134	166
Scheme staff	439	420	-	-
In-house contractors	213	224	-	-
	1,938	**1,882**	**140**	**175**

STAFF COSTS (FOR EMPLOYEES ABOVE):	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Wages and salaries	77,286	75,203	7,332	10,593
Social security costs	7,424	6,840	828	1,052
Pension costs	3,856	3,607	460	579
	88,566	**85,650**	**8,620**	**12,224**
Capitalised salaries	(9,895)	(4,879)	(2,232)	(2,007)
Staff costs	**78,671**	**80,771**	**6,388**	**10,217**

NUMBER OF STAFF PAID OVER £60,000 IN THE YEAR (INCLUDING PENSION CONTRIBUTIONS):

	2022 Number	2021 Number
£60,000 - £70,000	61	54
£70,001 - £80,000	34	29
£80,001 - £90,000	35	36
£90,001 - £100,000	17	21
£100,001 - £110,000	9	9
£110,001 - £120,000	6	5
£120,001 - £130,000	6	4
£130,001 - £140,000	5	5
£140,001 - £150,000	4	3
£150,001 - £160,000	1	2
£160,001 - £170,000	1	3
£170,001 - £180,000	3	1
£190,001 - £200,000	-	1
£210,001 - £220,000	2	1
£220,001 - £230,000	-	3
£230,001 - £240,000	1	1
£250,001 - £260,000	1	2
£260,001 - £270,000	2	-
£300,001 - £310,000	-	1
£310,001 - £320,000	1	-
	189	**181**

10. EXECUTIVE DIRECTORS AND BOARD MEMBERS

Executive directors

The executive directors comprised seven posts as outlined on page 3 of the report and financial statements. MTVH does not make any further contribution to an individual pension arrangement for the Chief Executive.

	2022 Gross pay £	2022 Pension £	2022 Total £	2021 Total £
The aggregate emoluments payable to directors	1,447,686	53,049	1,500,735	1,626,417
Highest paid executive director *	316,251	-	316,251	302,736

* The highest paid executive director in the current and prior year is the Chief Executive.

10. EXECUTIVE DIRECTORS AND BOARD MEMBERS (cont)

Board members and other committees
The table below shows salaries paid to non-executive board members, expenses incurred during the discharge of their duties and their attendance during the year:

	2022 Attendance MTVH board		2022 Attendance of other committees		2022 Salary £	2022 Expenses £	2021 Salary £	2021 Expenses £
Jerry Piper	-	-	-	-	-	-	9,375	238
Michael Dunn	8	(100%)	10	(100%)	10,575	1,251	14,000	-
Stuart Beevor	-	-	-	-	-	-	9,625	103
Lesley-Anne Alexander	6	(100%)	10	(100%)	7,151	-	14,000	-
Grainia Long	8	(80%)	6	(100%)	11,250	943	15,000	-
Paul Bridge	-	-	-	-	-	-	6,250	-
Kathryn Davis	-	-	-	-	-	-	10,500	-
Ingrid Reynolds	11	(100%)	14	(100%)	14,167	102	15,375	-
Althea Efunshile	11	(100%)	6	(100%)	30,000	-	32,780	-
Gurpreet Gujral	8	(73%)	9	(100%)	12,500	-	12,500	-
Tania Brisby	10	(91%)	8	(100%)	14,242	-	6,613	-
Davinder Dhillon	11	(100%)	8	(100%)	12,500	177	5,918	-
Nigel Ingram	11	(100%)	12	(100%)	12,500	1,755	7,700	-
Ofei Kwafo-Akoto	11	(100%)	9	(83%)	12,500	-	6,821	-
Dennis Hone	3	(100%)	2	(100%)	4,943	-	-	-
Trevor Moross	3	(100%)	1	(100%)	5,565	-	-	-
Helen Cope	2	(100%)	-	-	1,167	-	-	-
					149,060	**4,323**	**166,457**	**341**

The Board members' remuneration disclosed above is for the full financial year.

11. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The charge for taxation is based on the surplus for the year and takes into account taxation deferred. Deferred tax is provided for on differences between the treatment of certain items for accounting and taxation purposes. It is accounted for to the extent that a liability or asset is expected to be payable or recoverable in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax is not recognised on timing differences arising on revalued properties unless the Group has entered into a binding sale agreement and is not proposing to take advantage of rollover relief.

The recognition of deferred tax assets is limited to the extent that the Group anticipates making sufficient taxable surpluses in the future to absorb the reversal of the underlying timing differences.

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Profit/(loss) for the year	40,263	60,626	(11,526)	(3,370)
Current tax on profits for the year	-	-	490	530
Adjustments in respect of prior periods	(429)	22	(520)	122
Total current tax	**(429)**	**22**	**(30)**	**652**
DEFERRED TAXATION				
Movement in the period	-	-	-	-
Adjustment in respect of previous period	-	14	-	-
Tax on surplus on ordinary activities	**(429)**	**36**	**(30)**	**652**

RECONCILIATION OF CURRENT TAX	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Profit/(loss) on ordinary activities before taxation	40,263	60,626	(11,526)	(3,370)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19%	7,650	11,519	(2,190)	(640)
Expenses not deductible for tax purposes	1,200	492	3,858	491
Income not taxable for tax purposes	(8,074)	(10,018)	(95)	(59)
Chargeable gains	1,327	59	95	59
Difference between accounting and tax adjusted profits from JVs	373	14	(1,557)	608
Gift Aid	(2,657)	(2,147)	-	-
Prior year adjustment	(429)	36	(520)	122
Deferred tax not recognised	397	81	379	71
Use of tax losses brought forward not recognised as deferred tax asset	(216)	-	-	-
Total tax charge/(credit) for the period	**(429)**	**36**	**(30)**	**652**

11. TAX ON SURPLUS ON ORDINARY ACTIVITIES (cont)

Analysis of tax charge/ (credit) on other comprehensive profit/ (loss) before taxation for the period

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Other comprehensive profit/ (loss) before tax for the year	33,730	(35,827)	1,806	(7,289)
UK Corporation tax				
Total current tax charge/ (credit)	-	-	-	-
DEFERRED TAXATION				
Movement in the period	395	406	-	-
Adjustment in respect of previous period	-	84	-	-
Total deferred tax	395	490	-	-
Taxation on loss before taxation	395	490	-	-

Factors impacting the tax charge/ (credit) on other comprehensive profit/ (loss) before taxation for the period

The tax charge/ (credit) is the same (2021: lower) than the standard rate of corporation tax for the UK for the period ended 31 March 2022 of 19% (2021: 19%).

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Other comprehensive profit/(loss) before tax for the year	33,730	(35,827)	1,806	(7,289)
Profit / (loss) on ordinary activities at the standard rate of corporation tax in the UK of 19%	6,409	(6,807)	343	(1,385)
Prior year adjustment	-	84	-	-
Deferred tax not recognised	(343)	1,385	(343)	1,385
Impact of change in tax rate	(390)	(285)	-	-
Surplus covered by charitable exemption	(5,281)	6,113	-	-
Total tax charge/(credit) for the period	395	490	-	-

Finance Act 2021, which received Royal Assent on 10 June 2021, enacted an increase in the main rate of corporation tax from 19% to 25% from 1 April 2023.

Group

The unrecognised deferred tax asset at 31 March 2022 is £3,426k (2021: £2,176k).

Association

The unrecognised deferred tax asset as at 31 March 2022 is £3,171k (2021: £1,972k).

Notes forming part of the financial statements for the year ended 31 March 2022

12. FIXED ASSETS – HOUSING PROPERTIES

Housing properties

Social housing properties are properties held for social benefits purposes in line with the requirements of FRS 102 section 17. These properties include general needs properties, affordable homes and shared ownership properties. Properties not held for social benefit purposes are accounted for in line with FRS 102 section 16 and these include market rented properties.

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

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable costs of acquisition includes capitalised interest calculated, on a proportional basis, using the interest on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, interest cost is only capitalised where construction is ongoing and has not been interrupted or terminated.

If housing properties are being developed on behalf of other associations outside the Group under agency arrangements, the costs concerned are dealt with under current assets as properties held for resale.

Separate disclosure of a valuation of the housing properties based on Existing Use Value for Social Housing (EUV-SH) and Market Value (MV) is also provided.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Freehold land is not depreciated as it is considered to have an indefinite useful economic life.

No depreciation is charged in the period of acquisition and depreciation is charged in the period of disposal.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components which require periodic replacement.

The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Component	Economic useful life in years
Structure	125
Roofs (pitched)	70
Energy efficiency	50
Electrics	40
External windows	40
Bathroom	30
Communal	20
External doors	30
Kitchen	20
Lifts	20
Mechanical systems	20
Roofs (flat)	20
Boiler	15
Outside space	10
Aids and adaptions	5

12. FIXED ASSETS – HOUSING PROPERTIES (cont)

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease, when the lease and building elements are depreciated separately over their expected useful economic lives.

It is the Group's policy to maintain shared ownership accommodation, and it is responsible for keeping its part of the shared ownership in a continuous state of sound repair. The Group considers that the lives of properties are so long, and residual values based on current open market value are so high that any depreciation would be insignificant. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Any difference between the historical annual depreciation charge on revalued assets and the annual depreciation charge on a historical cost basis is transferred from the revaluation reserve for the asset concerned until that reserve is depleted.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify to which tenure the expense relates. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Infrastructure assets

Infrastructure assets are infrastructure for public services, such as roads and bridges. Such expenditure is capitalised within property, plant and equipment (PPE) and is depreciated over 30 years.

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary grant and recognised in the Statement of Financial Position as a liability. Where the donation is from a non-public source the value of the donation is included as income.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value at the statement of comprehensive income date, with changes in fair value recognised in income and expenditure. On recognition of a new investment property, a professional valuation is obtained by appropriately qualified external valuers. The valuation is derived from current market rents and investment property yields for comparable properties, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided on investment properties. Fair value is determined annually through a desk top valuation.

Market rented properties

Market rented properties held as investments are carried at fair value and revalued annually. Changes in fair value are recognised in profit & loss. No depreciation is provided in respect of market rented properties.

Pre-contract costs

Pre-contract costs are recognised as an asset only if they are directly attributable to specific contracts, can be separately identified, measured reliably and when there is virtual certainty that a contract will be obtained and is expected to result in future net cash inflows.

Land

Where land has been acquired it is accounted for either as a fixed asset under property, land and equipment (where land is acquired for social housing purpose) or as an investment property (where land is acquired for other purposes) and measured initially at the cost of the land. For investment property land will be subsequently valued at fair value, with surpluses or deficits recognised in the Statement of Comprehensive Income.

RTB/RTA

Under Right to Buy (RTB) and Right to Acquire (RTA) arrangements the Group sells properties to qualifying tenants. Surpluses and deficits arising are included in the surplus on sale of fixed assets in the Statement of Comprehensive Income.

Government grant

Grants received in relation to assets that were recorded at deemed cost at the date of transition to FRS 102 have been accounted for using the performance model as required by the Housing SORP: 2018 update. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income and expenditure in the year it was receivable and is therefore included within brought forward reserves.

Notes forming part of the financial statements for the year ended 31 March 2022

Grant received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP: 2018 update. Grant is carried as deferred income in the statement of comprehensive income and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP: 2018 update the useful economic life of the housing property structure has been selected.

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

Grants relating to revenue are recognised in income and expenditure once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Housing properties impairment

The housing property portfolio for the Group is assessed for indicators of impairment at each reporting date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options.

The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to the statement of comprehensive income and expenditure.

Impairment for completed housing properties in the year amounted to £1,761k (2021: £2,833k).

Capitalised interest

Additions to housing properties in the course of construction during the year included capitalised interest of £3,760k (2021: £3,839k). The weighted average cost of capital was 4.1% (2021: 4.1%). The aggregate amount capitalised is £126.3m (2021: £120.8m).

Properties held for security

The Group had property with a net book value of £2,799m pledged as security at 31 March 2022 (2021: £2,741m).

Freehold / leasehold

The Group held long leasehold and freehold housing properties at the following net book value.

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Long leasehold	538,477	514,984	67,053	69,552
Finance leases	22,829	23,286	22,829	23,286
Freehold	4,056,637	3,987,218	8,003	3,734
	4,617,943	**4,525,488**	**97,885**	**96,572**

Finance leases

The net carrying amount of assets held under finance leases included in housing properties, for mechanical systems, is £495k (2021: £529k).

There is one significant finance lease which is related to an agreement with EnviroEnergy to supply and install heating and heating equipment as part of the Nottingham district heating scheme. At the end of the lease term the risk and responsibility of the heating equipment will be transferred to the Group. The remaining lease term is 11 years as at 31 March 2022.

12. FIXED ASSETS – HOUSING PROPERTIES (cont)

Group	Housing properties under construction		Completed housing properties				
	Rented properties £'000	Shared ownership £'000	Rented properties £'000	Key worker accom-modation £'000	Shared ownership £'000	Community properties £'000	Total £'000
COST/VALUE							
At 1 April 2021	**207,864**	**94,772**	**3,348,879**	**118,048**	**964,998**	**2,056**	**4,736,617**
Reclassification	2,118	(2,118)	(7,012)	-	-	-	(7,012)
Schemes completed in year	(48,907)	(36,378)	48,907	-	36,378	-	-
New developments	84,956	54,006	-	-	-	-	138,962
Component replacements	-	-	38,621	1,774	-	57	40,452
Other additions	157	-	703	-	985	-	1,845
Property disposals	-	-	(16,257)	(205)	(35,421)	-	(51,883)
At 31 March 2022	246,188	110,282	3,413,841	119,617	966,940	2,113	4,858,981
DEPRECIATION							
At 1 April 2021	-	-	**184,246**	**19,127**	**-**	**152**	**203,525**
Charge for year	-	-	29,465	6,259	-	28	35,752
Eliminated on disposal	-	-	(4,072)	(40)	-	-	(4,112)
At 31 March 2022	-	-	209,639	25,346	-	180	235,165
IMPAIRMENT							
At 1 April 2021	**2,653**	**4,825**	**-**	**-**	**126**	**-**	**7,604**
Impairment to income & expenditure	-	-	1,521	-	-	-	1,521
Released on disposals	(3,252)	-	-	-	-	-	(3,252)
At 31 March 2022	599	4,825	1,521	-	126	-	5,873
NET BOOK VALUE							
At 31 March 2022	246,787	105,457	3,202,681	94,271	966,814	1,933	4,617,943
At 31 March 2021	205,211	89,947	3,164,633	98,921	964,872	1,904	4,525,488

Notes forming part of the financial statements for the year ended 31 March 2022

12. FIXED ASSETS – HOUSING PROPERTIES (cont)

ASSOCIATION

Group	Housing properties under construction	Completed housing properties			
	Shared ownership £'000	Rented properties £'000	Key worker accommodation £'000	Shared ownership £'000	Total £'000
COST/VALUE					
At 1 April 2021	-	**35,552**	**64,721**	**12,466**	**112,739**
Additions					
New developments	4,573	-	-	-	4,573
Component replacements	-	121	36	-	157
Disposals					
Component replacements	-	(2)	(139)	-	(141)
Property disposals	-	-	-	(852)	(852)
At 31 March 2022	4,573	35,671	64,618	11,614	116,476
DEPRECIATION					
At 1 April 2021	-	**3,894**	**12,259**	**14**	**16,167**
Charge for year	-	765	1,800	-	2,565
Eliminated on disposal	-	(2)	(139)	-	(141)
At 31 March 2022	-	4,657	13,920	14	18,591
NET BOOK VALUE					
At 31 March 2022	4,573	31,034	50,678	11,600	97,885
At 31 March 2021	-	31,658	52,462	12,452	96,572

INVESTMENT PROPERTIES

	Group Completed (Valuation) £'000	Group Under Construction £'000	Group Total £'000	Association Completed (Valuation) £'000	Association Under Construction £'000	Association Total £'000
At 1 April 2021	**66,556**	**9**	**66,565**	**5,508**	**-**	**5,508**
Additions	7,012	-	**7,012**	-	-	-
Revaluations	(7,029)	-	**(7,029)**	(1,927)	-	**(1,927)**
Disposals	(3,167)	-	**(3,167)**	-	-	-
At 31 March 2022	63,370	9	63,381	3,581	-	3,581

Investment properties are carried at fair value and valued on an annual basis. Commercial properties are revalued internally after considering any changes on the leases in place for these. Market rental properties are revalued using the Office of National Statistics market rent index.

At 31 March 2022 some valuations were carried out for investment properties by a qualified RICS Chartered Surveyor. These indicated a decrease in value of £8,034k (deficit of £8,103k from external valuation and surplus of £69k from internal valuation) (2021: £3,182k) for commercial properties, an increase of £1,005k (2021: £2,688k decrease) from internal valuation for market rental properties.

13. OTHER FIXED ASSETS

Depreciation is charged on a straight-line basis over the expected useful economic lives of the other fixed assets at the following annual rates:

Furniture and equipment	5 years
Offices	Length of lease
IT equipment (from 01/01/18)	5 years

No depreciation is charged in the period of acquisition and depreciation is charged in the period of disposal. Impairment charged during the year is £nil (2021:£nil).

Group	Offices £'000	Furniture and equipment £'000	IT Equipment £'000	Total £'000
COST				
At 1 April 2021	**25,319**	**6,747**	**52,438**	**84,504**
Additions	2,773	480	5,447	**8,700**
Disposals	-	(212)	-	(212)
At 31 March 2022	28,092	7,015	57,885	92,992
ACCUMULATED DEPRECIATION				
At 1 April 2021	**7,141**	**5,472**	**34,556**	**47,169**
Depreciation charge	1,364	462	5,239	**7,065**
Disposals	-	(212)	-	**(212)**
At 31 March 2022	8,505	5,722	39,795	54,022
IMPAIRMENT				
At 1 April 2021	**1,300**	-	-	**1,300**
Reversal for the year	(1,121)	-	-	**(1,121)**
At 31 March 2022	179	-	-	179
31 March 2022	19,408	1,293	18,090	38,791
31 March 2021	**16,878**	**1,275**	**17,882**	**36,035**

Notes forming part of the financial statements for the year ended 31 March 2022

Association	Offices £'000	Furniture and equipment £'000	Computer £'000	Total £'000
COST				
At 1 April 2021	**5,681**	**1,180**	**27,538**	**34,399**
Additions	70	-	668	**738**
At 31 March 2022	5,751	1,180	28,206	35,137
ACCUMULATED DEPRECIATION				
At 1 April 2021	**3,762**	**1,170**	**20,852**	**25,784**
Depreciation charge	414	6	2,126	**2,546**
At 31 March 2022	4,176	1,176	22,978	28,330
NET BOOK VALUE				
At 31 March 2022	1,575	4	5,228	6,807
At 31 March 2021	**1,919**	**10**	**6,686**	**8,615**

14. HOMEBUY LOANS

HomeBuy
Under the HomeBuy scheme and the Key Worker Living Initiative, the Group received social housing grant (SHG) representing a percentage of the open market purchase price of a property in order to advance interest-free loans to a home buyer. When loans are redeemed the carrying value of the loan is charged to cost of sales and the grant is recycled through the recycled capital grant fund.

MyChoice HomeBuy
Under the MyChoice HomeBuy scheme, the Group has issued interest-bearing loans representing a percentage of the open market purchase price of the properties. Half of these loans are funded from the Group's own resources and the other half funded by SHG. When loans are redeemed the carrying value of the loan and the carrying value of our investment is charged to cost of sales and the grant is recycled through the recycled capital grant fund.

	Group £'000 2022	Group £'000 2021
At 1 April 2021	**138,538**	**147,859**
Redeemed during the year	(11,006)	(9,568)
Loans previously redeemed	(86)	247
At 31 March 2022	127,446	138,538

The Association does not have HomeBuy loans.

HomeBuy loans have been classified as concessionary loans in line with FRS 102 section 34 as TVH is a PBE and carried at transaction price. HomeBuy loans are receivables to the Group and Association.

15. OTHER INVESTMENTS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Bond Securities	2,284	2,281	-	-
Other investments	2,258	2,604	5,500	5,609
Bank deposits	11,436	15,436	-	-
	15,978	20,321	5,500	5,609

Other investments contain loan related sinking funds of £6,178k (2020: £6,684k), amounts placed with bank in relation to margin calls on derivatives £8,500k (2021: £12,500k) and property investment £1,266k (2021: £1,509k). These are held as fixed assets to match the life of the related financial liability.

16. STOCK

Stock represents materials held for use for repairs and maintenance work, construction work in progress and completed properties held for sale, including housing properties developed for transfer to other registered providers; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Assessments are made of recoverability using the same criteria described in the housing properties impairment policy above. There was no impairment charge for the Group, for the period in review, included in Stock (2021: £403k).

The stock figures below includes capitalised interest of £2,425k (2021: £5,160k).

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
MATERIALS	115	91	-	-
PROPERTIES DEVELOPED FOR SALE				
Work in progress, Shared ownership	31,210	31,840	696	670
Completed properties, Shared ownership	16,099	35,024	7,615	15,181
Work in progress, outright sales developments	14,613	23,442	-	-
Completed properties, outright sales	3,940	9,785	-	-
Land held for sale	3,500	3,500	-	-
Work in progress for other Associations	-	-	2,088	6,471
Completed properties other Associations	-	-	45,577	91,683
	69,362	103,591	55,976	114,005
	69,477	103,682	55,976	114,005

None of the stock has been pledged as collateral against borrowing by either the Group or the Association (2021: £nil).

17. DEBTORS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
DUE WITHIN ONE YEAR:				
Rental debtors	29,951	27,200	1,565	673
Less: bad debt impairment	(8,291)	(7,847)	(180)	(233)
Net rental debtors	21,660	19,353	1,385	440
Amounts owed by subsidiary undertakings	-	-	43,554	210,023
SHG receivable	98	2,769	-	-
Prepayments and accrued income	7,035	12,679	424	605
VAT debtor	-	-	298	-
Other debtors	23,999	23,149	3,646	2,412
	52,792	57,950	49,307	213,480
DUE AFTER MORE THAN ONE YEAR:				
Right to receive asset	23,099	24,572	-	-
Staff loans	16	36	-	1
Other debtors	-	1,523	6,622	8,881
Due from subsidiary undertakings	-	-	3,577	3,641
Deferred Tax	1,624	2,020	-	-
Property mortgages	73	77	73	77
	24,812	28,228	10,272	12,600

The right to receive asset represents the present value of receipts relating to the agreement between Evolution (Woking) Ltd and Woking Borough Council dated 15 November 2013. The concession period runs for 25 years from the date of handover of the last housing unit.

An amount of £699k has been recognised in profit and loss in relation to this asset (2021: £707k).

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Debt (Note 22)	42,401	345,623	-	184,959
Derivative financial instruments	2,888	2,230	-	-
Trade creditors	10,220	13,620	230	413
Due to subsidiary undertakings	-	-	89,090	102,163
Amounts owed in respect of housing properties under development	16,724	24,047	3,810	3,737
VAT creditor	621	2,462	-	6
Other taxation and social security	1,977	2,004	-	284
Other creditors	35,706	35,670	2,630	2,826
Obligations under finance leases (Note 28)	35	33	274	274
Accruals and deferred income	66,180	66,254	1,904	1,507
Recycled Capital Grant Fund (Note 21)	115,154	100,452	755	10,990
Rent and service charge paid in advance	17,475	16,507	241	-
Deferred government grant (Note 20)	6,316	6,184	298	267
	315,697	615,086	99,232	307,426

19. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Debt (Note 22)	1,361,869	1,363,187	40,301	39,300
Corporate bond (Note 22)	500,057	255,864	-	-
Derivative financial instruments	43,677	57,650	-	-
Obligations under finance leases (Note 28)	460	496	23,633	24,268
Amounts owed in respect of housing properties under development	3,242	1,824	-	-
Recycled Capital Grant Fund (Note 21)	34,341	36,507	538	559
Deferred government grant (Note 20)	361,209	351,174	2,862	5,669
	2,304,855	**2,066,702**	**67,334**	**69,796**

20. DEFERRED GOVERNMENT GRANT (DGG)

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
At 1 April	**357,358**	**362,219**	**5,936**	**8,508**
Movement in RCGF	(1,354)	(3,702)	370	(3)
Movement in other creditors	-	943	-	-
SHG received/(repaid)	20,597	11,121	-	(2,569)
Utilised on new build	5,925	-	-	-
Transfer to subsidiary undertakings	-	-	(2,848)	-
Amortised in current year	(6,316)	(6,184)	(298)	-
HomeBuy repaid / recycled on redemptions	(8,685)	(7,039)	-	-
At 31 March	**367,525**	**357,358**	**3,160**	**5,936**
Due in one year	6,316	6,184	298	267
Due after one year	361,209	351,174	2,862	5,669
	367,525	**357,358**	**3,160**	**5,936**

21. RECYCLED CAPITAL GRANT FUND (RCGF)

We recognise and recycle capital grant in accordance with guidance from Homes England and Greater London Authority (GLA). As at 31 March 2022, £64.5m (2021: £48.3m) is over three years old and we are in discussion with the GLA about recycling this expired element.

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
At 1 April	**136,959**	**125,437**	**11,549**	**11,392**
Utilised on new build	(5,925)	(4,282)	-	-
GRANTS RECYCLED UPON RELEVANT EVENTS:				
HomeBuy	8,601	7,268	-	-
Recycled from DGG	4,922	3,702	25	3
Recycled from reserves	4,747	4,723	346	142
Repaid to GLA	(90)	-	-	-
Transfer within group	-	-	(10,649)	-
Interest accrued	281	111	22	12
At 31 March	**149,495**	**136,959**	**1,293**	**11,549**
RCGF creditor falling due in one year	115,154	100,452	755	10,990
RCGF creditor falling due after one year	34,341	36,507	538	559
	149,495	**136,959**	**1,293**	**11,549**

22. DEBT ANALYSIS

Loans	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Within one year	42,401	345,623	-	184,959
Between one and two years	74,462	27,636	1,000	-
Between two and five years	181,885	228,942	-	-
In more than five years	1,605,579	1,362,473	39,301	39,300
	1,904,327	**1,964,674**	**40,301**	**224,259**

Security
Loans are predominantly secured by fixed charges on individual properties.

Terms of repayment and interest rates
The debt is repayable in accordance with lender agreed profiles at fixed rates of interest ranging from 0.3% to 11.3% (2021: 0.2% to 12%).

The Group had undrawn loan facilities of £668m (2021: £680m).

Obligations under finance leases are disclosed in Note 28. Further information on financial instruments is given in Note 30.

23. PENSIONS

The Group participates in two funded schemes, the Metropolitan Thames Valley 2019 Pension Scheme (The MTVH Scheme) and the Nottinghamshire County Council Local Government Pension Scheme (Notts LGPS).

During the period, the Group also participated in a defined contribution scheme, the MTVH DC Scheme. Assets were transferred from the Flexible Retirement Plan to the MTVH DC Scheme in April 2021.

Under Defined Benefits Accounting, the current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Management's estimates relating to the defined benefit schemes are based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salaries. Variation in these assumptions may significantly impact the defined benefit obligation and annual expense as shown in this note. These assumptions and calculations are prepared by an independent actuary.

With defined contribution pensions schemes the Group does not have further future obligations other than those disclosed in the statement of financial position within Creditors falling due within one year which are paid a month following deductions on each payroll processing.

The MTVH Scheme

The scheme was established on 26 June 2019 and provides benefits that were originally accrued in the Pensions Trust – Social Housing Pension Scheme (SHPS) which were subsequently transferred to the scheme on 4 October 2019. The scheme is closed to new members and is not open to accrual, although some members retain a salary-link on some of their benefits.

On 28 February 2020 the Scheme completed its 2020 triennial valuation.

The Nottinghamshire County Council Pension Fund (Notts LGPS)

The Notts LGPS is a multi-employer defined benefit pension scheme, and is accounted for using Defined Benefits Accounting. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position.

23A. THE MTVH SCHEME

The liabilities in respect of the Scheme at 31 March 2022 have been calculated using the projected unit method and by rolling forward the results of the 28 February 2020 technical provisions using actuarial techniques, allowing for cashflows and interest over the period, and differences between the assumptions used to set the technical provisions and those selected for accounting under FRS 102.

It is important to note that the estimated liability will not reflect all differences in demographic experience since the triennial valuation date from that assumed. However, we are satisfied that this approach should not introduce any material distortions provided that the actual experience has been broadly in line with the assumptions, and that the structure of the liabilities is not materially different from the triennial valuation date.

This method will not produce identical results to those which would be obtained by performing a full valuation at 31 March 2022. However, FRS 102 allows the use of estimates and actuarial techniques to make a reliable estimate of the liabilities recorded under FRS 102. As a result, we believe this to be an acceptable approach.

Under defined benefit accounting the Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position.
The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period.
Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

The section below outlines the key assumptions underpinning the actuarial valuations, the analysis of the scheme deficit, analysis of the pension obligation and scheme' asset and the subsequent impact to the statement of comprehensive income (SOCI) and the other comprehensive income statement (OCI).

Assumptions	MHT 2022	MHT 2021	TVH 2022	TVH 2021
Discount Rate	2.63%	2.00%	2.62%	2.01%
RPI assumption	2.63%	2.00%	2.62%	2.01%
CPI assumption	3.63%	3.28%	3.59%	3.26%
Salary Growth	3.13%	2.68%	3.09%	2.66%
	3.50%	2.50%	3.50%	2.50%

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

	Years
Male (current age 45)	87.8
Male (current age 65)	86.5
Female (current age 45)	90.0
Female (current age 65)	88.8

23A. THE MTVH SCHEME (cont)

NET PRESENT VALUE OF PENSION LIABILITY

	MHT 2022 £'000	MHT 2021 £'000	TVH 2022 £'000	TVH 2021 £'000	Group 2022 £'000	Group 2021 £'000
Fair value of plan assets	167,212	156,574	39,307	38,216	206,519	194,790
Present value of defined benefit obligation	(202,056)	(213,041)	(48,629)	(50,082)	(250,685)	(263,123)
Deficit in plan	**(34,844)**	**(56,467)**	**(9,322)**	**(11,866)**	**(44,166)**	**(68,333)**

RECONCILIATION OF OPENING AND CLOSING PENSION LIABILITY

	MHT 2022 £000	MHT 2021 £000	TVH 2022 £000	TVH 2021 £000	Group 2022 £000	Group 2021 £000
At 1 April	**213,041**	**160,458**	**50,082**	**39,663**	**263,123**	**200,121**
Interest expense	4,210	3,519	1,002	874	5,212	4,393
Past service cost	-	-	-	-	-	-
Actuarial loss/(gain) due to scheme experience	140	5,693	102	(760)	242	4,933
Actuarial loss/(gain) due to changes in demographic assumptions	(3,025)	3,002	(717)	588	(3,742)	3,590
Actuarial loss/(gain) due to changes in financial assumptions	(7,201)	44,323	(1,324)	10,267	(8,525)	54,590
Benefits paid	(5,109)	(3,954)	(516)	(550)	(5,625)	(4,504)
At 31 March	**202,056**	**213,041**	**48,629**	**50,082**	**250,685**	**263,123**

RECONCILIATION OF OPENING AND CLOSING PENSION ASSETS

	MHT 2022 £000	MHT 2021 £000	TVH 2022 £000	TVH 2021 £000	Group 2022 £000	Group 2021 £000
At 1 April	**156,574**	**139,827**	**38,216**	**34,128**	**194,790**	**173,955**
Interest income	3,122	3,109	773	763	3,895	3,872
Experience on plan assets excluding interest income	8,501	13,214	(133)	2,806	8,368	16,020
Contributions by the employer	4,887	4,645	1,146	1,134	6,033	5,779
Administration expenses	(763)	(267)	(179)	(65)	(942)	(332)
Benefits paid	(5,109)	(3,954)	(516)	(550)	(5,625)	(4,504)
At 31 March	**167,212**	**156,574**	**39,307**	**38,216**	**206,519**	**194,790**
Return on plan assets	**7.4%**	**11.7%**	**1.7%**	**10.5%**	**6.3%**	**11.4%**

23A. THE MTVH SCHEME (cont)

IMPACT ON INCOME & EXPENDITURE

	MHT 2022 £000	MHT 2021 £000	TVH 2022 £000	TVH 2021 £000	GROUP 2022 £000	GROUP 2021 £000
Expenses	763	267	179	65	942	332
Net interest expense	1,088	410	229	111	1,317	521
	1,851	677	408	176	2,259	853

OTHER COMPREHENSIVE INCOME IMPACT

	MHT 2022 £000	MHT 2021 £000	TVH 2022 £000	TVH 2021 £000	Group 2022 £000	Group 2021 £000
Return / (loss) on plan assets in excess of interest income	8,501	13,214	(133)	2,806	8,368	16,020
Actuarial (loss)/gain on experience adjustment	(140)	(5,693)	(102)	760	(242)	(4,933)
Actuarial (loss)/gain on demographic assumptions	3,025	(3,002)	717	(588)	3,742	(3,590)
Actuarial (loss)/gain on financial assumptions	7,201	(44,323)	1,324	(10,267)	8,525	(54,590)
	18,587	(39,804)	1,806	(7,289)	20,393	(47,093)

ASSETS ANALYSIS

	MHT 2022 £000	MHT 2021 £000	TVH 2022 £000	TVH 2021 £000	Group 2022 £000	Group 2021 £000
Diversified growth	42,688	27,355	10,035	6,677	52,723	34,032
Equity linked bonds	-	35,785	-	8,735	-	44,520
LDI equity-linked bond funds	30,019	-	7,057	-	37,076	-
Absolute return	47,048	40,994	11,058	10,006	58,106	51,000
Alternative risk	19,229	16,941	4,521	4,135	23,750	21,076
Liability driven investment	26,630	33,246	6,260	8,115	32,890	41,361
Net current assets	1,598	2,253	376	548	1,974	2,801
Total assets	167,212	156,574	39,307	38,216	206,519	194,790

23B. THE NOTTINGHAMSHIRE COUNTY COUNCIL PENSION FUND (NOTTS LGPS)

The Nottinghamshire County Council Pension Fund, which is administered by Nottinghamshire County Council, is a defined benefits scheme based on final pensionable salary, contributions being charged to the income and expenditure account over employees' working lives with the Group. The Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent valuation of the whole fund was at 31 March 2019. To assess the value of the Employer's liabilities at 31 March 2021, the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2019 have been rolled forward, using financial assumptions that comply with FRS 102.

Notes forming part of the financial statements for the year ended 31 March 2022

23B. THE NOTTINGHAMSHIRE COUNTY COUNCIL PENSION FUND (NOTTS LGPS) (cont)

Assumptions	2022	2021
Discount rate	2.60%	2.00%
Pension increases	3.30%	2.85%
Salary increases	4.30%	3.85%

NET PENSION LIABILITY

	31 March 2022 £'000	31 March 2021 £'000
Present value of defined benefit obligation	13,904	14,287
Fair value of fund assets (bid value)	(8,609)	(8,262)
Net liability in statement of financial position	5,295	6,025

IMPACT ON INCOME AND EXPENDITURE

	2022 £'000	2021 £'000
Service cost	172	118
Net interest on the defined liability	119	113
Administration expenses	4	3
Total	295	234

RE-MEASUREMENT IN OTHER COMPREHENSIVE INCOME

	2022 £'000	2021 £'000
Return on fund assets in excess of interest	455	1,328
Change in financial assumptions	446	(2,714)
Change in demographic assumptions	-	124
Experience gain / (loss) on defined benefit obligation	(30)	172
Re-measurement of defined liability	871	(1,090)

RECONCILIATION OF OPENING AND CLOSING ASSETS

	2022 £'000	2021 £'000
Opening fair value of scheme assets	8,262	6,880
Interest on assets	163	160
Return on assets less interest	455	1,328
Administration expenses	(4)	(3)
Contribution by employer including unfunded benefits	153	146
Contributions by scheme participants	24	23
Estimated total benefits paid (net of transfer in)	(444)	(272)
Fair value of scheme assets at end of period	8,609	8,262

23B. THE NOTTINGHAMSHIRE COUNTY COUNCIL PENSION FUND (NOTTS LGPS) (cont)

RECONCILIATION OF OPENING AND CLOSING OBLIGATIONS

	2022 £'000	2021 £'000
Opening defined benefit obligation	**14,287**	**11,727**
Service cost	150	118
Interest cost	282	273
Change in financial assumptions	(446)	2,714
Change in demographic assumptions	-	(124)
Experience (gain) / loss on defined benefit obligation	30	(172)
Estimated funded benefits paid (net of transfers in)	(444)	(272)
Past service costs, including curtailments	21	-
Contributions by scheme participants	24	23
Closing defined benefit obligation	**13,904**	**14,287**
Return on plan assets	**7.5%**	**21.6%**

Notes forming part of the financial statements for the year ended 31 March 2022

24. PROVISION FOR LIABILITIES

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as finance cost in income and expenditure in the period it arises.

The Group has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on stock transfers and leaseholders, overage for gap funding, and restructuring. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Statement of comprehensive income and expenditure date.

Restructure provision: The provision represents restructures approved by management, not yet been actioned.

Vehicle maintenance provision: The provision relates to company vans leased by in-house contractor company, Metworks.

Group	Restructure provision £'000	Vehicle Maintenance £'000	Total £'000
At 1 April 2021	**919**	**213**	**1,132**
Utilised	(919)	-	(919)
At 31 March 2022	**-**	**213**	**213**

There are no provisions within the Association.

25. SHARE CAPITAL

	2022 Number £	2021 Number £
At 1 April 2021	**26**	**27**
Shares issued during year	3	4
Shares cancelled during year	(6)	(5)
At 31 March 2022	**23**	**26**

The issued shares are £1 each and are fully paid. The nominal value of each share is £1.

26. CAPITAL COMMITMENTS

Group	2022 £'000	2021 £'000
Capital expenditure that has been contracted for	423,409	361,093
Capital expenditure that has been authorised by the Board but has not yet been contracted for	166,678	242,327
	590,087	603,420

THE GROUP EXPECTS TO FINANCE THE ABOVE COMMITMENTS BY:

	£'000	£'000
Social Housing Grant receivable	17,015	20,549
Loan facilities	519,921	518,636
Operating cash flows	53,151	64,235
	590,087	603,420

Association	2022 £'000	2021 £'000
Capital expenditure that has been contracted for	19,351	25,423
	19,351	25,423

THE ASSOCIATION EXPECTS TO FINANCE THE ABOVE COMMITMENTS BY:

	£'000	£'000
Social Housing Grant receivable	-	866
Operating cash flows	19,351	24,557
	19,351	25,423

The amount contracted for at 31 March 2022 will be funded from cash reserves, borrowing, Social Housing Grant and the proceeds of sales. The Board expects the expenditure it has authorised to be fully financed in this way. Under regulations approved by the Board, appropriate officers and employees may authorise expenditure to certain levels, and such authorised expenditure is included above.

The Group has a number of financing options available including undrawn loan facilities, private placements and bank loan financing. At 31 March 2022 the Group had £668m (2021: £680m) in undrawn facilities therefore has sufficient headroom to fund its capital commitments.

Notes forming part of the financial statements for the year ended 31 March 2022

27. CONTINGENT ASSETS/LIABILITIES

The Group receives grant from Homes England and from the Greater London Authority, which is used to fund the acquisition and development of housing properties and their components. The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2022, the value of grant received in respect of these properties that had not been disposed of was £1,255m (2021: £1,258m).

As the timing of any future disposal is uncertain, no provision has been recognised in the financial statements.

Government guarantees that leaseholders will not have to pay for fire remedial works in medium or high-rise properties means it is possible that some or all of the cost of that work will become the responsibility of MTVH as freeholder. MTVH will attempt to recover the cost from the original contractors where possible and, along with other Housing Associations, will be seeking financial support from Government to complete this work.

At this stage, the potential scale and cost of work that will fall to MTVH cannot be quantified.

28. LEASING COMMITMENTS

The Group's future minimum finance lease payments are as follows:

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Within one year	35	33	274	274
Between one to five years	169	157	1,305	1,279
In more than five years	291	339	22,328	22,989
	495	529	23,907	24,542

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income and Expenditure on the accruals basis.

Where assets are financed by leasing agreements that give rights approximating to ownership they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments (or if lower the fair value of the leased asset) and is depreciated in accordance with the Group's normal policy for that class of assets. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability.

The Group's future minimum operating lease payments are as follows:

	2022 Land and buildings £'000	2022 Other £'000	2021 Land and buildings £'000	2021 Other £'000
Less than one year	3,447	925	2,031	839
Between one to five years	13,549	1,252	13,092	965
More than five years	10,464	-	13,656	480
	27,460	2,177	28,779	2,284

28. LEASING COMMITMENTS (cont)

The Group's future minimum operating lease receivables are as follows:

	2022 Shared Ownership £'000	2022 Commercial £'000	2021 Shared Ownership £'000	2021 Commercial £'000
Less than one year	39,763	1,361	38,541	1,361
Between one to five years	140,997	4,497	136,665	4,497
More than five years	407,675	4,684	395,150	4,684
	570,356	10,542	570,356	10,542

29. RELATED PARTIES

Board members and key management personnel are related parties. During the year Thames Valley Housing Association Limited (TVH) conducted no transactions with such related parties.

None of the Board members are either tenants or leaseholders therefore rent received from tenant and leaseholder board members across the Group during the year are £nil (2021: £nil). Rent arrears of the Group's tenant and leaseholder board members as at 31 March 2022 was £nil (2021: £nil).

TVH provides central management services to its subsidiaries including MHT. In addition, MHT also provides services to its own subsidiaries. Since the merger a vertical group was created where MHT's subsidiaries are sub subsidiaries of TVH. Charges are allocated as follows:

MHT provides central management services to its subsidiaries. Charges are allocated as follows:

Department	Allocation basis
Finance	Turnover
Facilities	Headcount
Human resources	Headcount
Board	Headcount / Turnover
Communications	Headcount / Turnover
Executive team	Headcount / Turnover
Health and safety	Headcount / Turnover
Procurement	Headcount / Turnover
Information technology	Number of computers

The quantum of the 2022 charges applied for these services to private subsidiaries is as follows:

	2022 £'000	2021 £'000
EM Property Service Limited (Metworks)	419	411
Metropolitan Development Service Limited (MDLS)	176	-

29. RELATED PARTIES (cont)

MHT has joint regeneration partnerships with the following partners, and the relevant share of ownership is included in the statements:

Joint Regeneration Partnership	Partner	MHP share %
Canalside	One Housing Group	50.00%

MHT provides central management service to its regeneration partnerships, on the same allocation basis as it provides to subsidiaries. The amount of charges to each partnership is as follows:

	2022 £'000	2021 £'000
Canalside	414	414

TVH has provided on lending to intra group entities. These receivables are repayable on demand and no guarantees are in place on either loan. Interest is payable on the loan balances. Below is an analysis of the on lending to intra Group counterparties.

Entity Granting Loan	Entity Receiving Loan	1 April 2021 £'000	Movement £'000	31 March 2022 £'000
TVH	TVH PRS Holdings Limited	26,177	(26,177)	-
TVH	MHT	179,846	(136,308)	43,538
TVH	Evolution (Woking) Holdings Limited	3,641	(64)	3,577
		209,664	(162,549)	47,115

TVH has also received a loan from MHT to fund the development of both properties for sale and properties for renting.

		1 April 2021 £'000	Movement £'000	31 March 2022 £'000
MHT	TVH	99,776	(54,333)	45,443
MF Plc	MHT	257,239	(294)	256,945
		357,015	(54,627)	302,388

During the year ended 31 March 2022, West Bridgford LLP made profit distributions totalling nil (2021: £4,200k). West Bridgford is a Joint Venture between Thames Valley Housing Association and Vistry Group PLC. Thames Valley Housing Association has a 50% share of the Joint Venture.

MHT was charged £10.0m interest by MF Plc for the intercompany loan (2021: £10m). As at 31 March 2021, the loan was £256.9m (2021: £257.2m).

TVHA paid gift aid of £16.3m (2021: £10m) to MHT.

Aggregate emoluments paid to key management personnel of the Group are disclosed in Note 10.

30. FINANCIAL INSTRUMENTS

Under FRS 102 there are three options for accounting for financial instruments and they are: applying the recognition, de-recognition and measurement requirements of IFRS 9 or FRS 102 sections 11 and 12. The group elected to apply FRS 102 sections 11 and 12. On intercompany loans and staff loans the group has applied FRS 102 section 34 as it is a public benefit entity.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price less impairment. Any losses arising from impairment are recognised in the income statement in other operating expenses. Trade debtors are recognised with the revenue, other debtors are recognised when they become receivable. Creditors are recognised when payment becomes probable.

Loans, investments and short-term deposits

Loans, investments and short-term deposits held by the Group, meet the criteria for basic financial instruments as set out in FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the statement of comprehensive income at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

The Group has also identified some investments, which meet the definition of cash and cash equivalents but are restricted in their use; these investments have been classified as restricted cash equivalents.

Derivative instruments and hedge accounting

The Group holds floating rate loans which expose the Group to interest rate risk: to mitigate against this risk the Group uses interest rate swaps. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group has designated each of the swaps against either existing drawn floating rate debt or against highly probable future floating rate debt. To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counterparty credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness and adjustments for our own or counterparty credit risk are recognised in income and expenditure. The effectiveness relationships between a loan and a swap are subject to qualitative tests at designation and should not require any further tests thereafter.

Concessionary loans

Concessionary loans are those loans made or received by the Group that are made:

- To further its public benefit objectives,
- At a rate of interest which is below the prevailing market rate of interest,
- Not to be repayable on demand.

Loans made under HomeBuy are concessionary loans. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

Cash flow hedge (derivative financial instruments)

MTVH uses interest rate swaps to reduce exposure to interest rate risk on its debt portfolio. These hedges consist of swaps with a notional value of £173m at 31 March 2022 (2021: £173m) with interest rates ranging between 2.0% and 5.7% (2021: 2.4% and 5.7%) and maturities between 9 and 26 years (2021: 10 and 27 years).

The swaps represent a liability owing to the counterparty if they were to be closed out at their fair value. The fair value of this liability as at 31 March 2022 was £56.0m (2021: £67.9m). This liability is secured with property charged to the counterparty or with cash deposits. As at 31 March 2022 the Group had £8.5m (2021: £12.5m) in cash lodged to cover this liability with the remaining balance being covered by credit limits or property pledged.

Any future change in the SONIA and / or RPI forward swap curves will result in a change to the fair value of our derivative financial instruments. An adverse movement in the forward swap curves will result in an increase to the current level of liability. An adverse move would also lead to further cash or property being required to be pledged with the derivative counterparties.

The fair values of all of MTVH's standalone swaps are shown on the statement of comprehensive income at their mid-market Mark to Market ("MTM") value (the "mid-market" value is considered to be a close proxy for the "bid" or "offer" value, as appropriate, which are necessarily more subjective). All curves and market data used in the valuations are sourced from Refinitiv and applied in determining the fair value for each class of derivative instrument as follows:

- Interest rate swaps have been valued using the Sterling SONIA swap curve, compounded over 3-month or 6-month periods where relevant. Discounting is on a SONIA swap curve basis.
- LPI Swaps have been valued using the RPI swap curve, LPI option prices and the Sterling SONIA swap curve compounded over 3-month periods. Discounting is also on a SONIA swap curve basis.

30. FINANCIAL INSTRUMENTS (cont)

Restricted cash and cash equivalents

As at 31 March 2022, £48.8m (2021: £45.2m) of cash is classified as restricted cash and cash equivalents due to legal restrictions. Restricted cash is where we hold cash on behalf of a third party or where there are restrictions on how we spend this cash.

FINANCIAL INSTRUMENTS

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Financial liabilities measured at fair value:				
Derivative financial instruments	46,563	59,880	-	-

LIBOR reform

A fundamental reform of major interest rate benchmarks was undertaken globally, including the replacement of GBP LIBOR with an alternative risk free rate, SONIA, (Sterling Overnight Inter Bank Average Rate). The Financial Conduct Authority, (FCA), confirmed all GBP LIBOR settings would cease after 31 December 2021.

The Group negotiated transition agreements with its lenders for all loans and derivatives agreements where pricing was dependent on LIBOR to move to pricing based on SONIA. The FCA published credit spread adjustments, CSAs, based on 5 year historic rate differentials between LIBOR and SONIA on which these transition agreements were based. As at 31 March 2022 the Group had £265m (14%), (£288m (15%), 2021: (£288m (15%) of its drawn debt on variable rates that are now linked to SONIA. As a result of the transition agreements the group has taken advantage of the practical expedient allowed in FRS102 and the replacement of the loans' benchmark interest rate does not result in an immediate gain or loss recorded in profit or loss.

31. JOINT VENTURES, ASSOCIATES AND SUBSIDIARIES

The ultimate parent undertaking within the Metropolitan Thames Valley Housing Group (MTVH) is Thames Valley Housing Association Limited (TVH). MTVH was formed from a merger or partnership between Thames Valley Housing Group and Metropolitan Housing Group (MHT) in October 2018.

The following managed undertakings are subsidiaries by virtue of either ownership of their share capital or the ability of the Association to control the composition of their Board or the strategic direction of these entities. The MTVH Group is a vertical Group as MHT, the subsidiary of TVH has its own subsidiaries. MHT's subsidiaries are also disclosed in this section and they form part of the consolidated accounts of the Group.

TVHA SUBSIDIARIES

Name Of Undertaking	Share Held	Registered In	Principal Activity
Evolution (Woking) Holdings Limited *	100%	England	Investment holding company
Metropolitan Housing Trust Limited	100%	England	Registered provider
TVH PRS Holdings Limited	100%	England	Private letting

*Evolution (Woking) Holdings Limited has its own subsidiary Evolution (Woking) Limited (EVO).

TVH PRS Holdings has other undertakings; PRS Brand Management LLP (dormant), PRS Services Management LLP, PRS Enterprises LLP and TVH PRS 2 Limited.

MHT SUBSIDIARIES

Name of undertaking	Share held	Registered in	Principal activity
EM Property Service Limited	100%	England	Property maintenance
Longsdale Limited	Limited by guarantee	England	Dormant
Metropolitan Development Services Limited	100%	England	Development Services
Metropolitan Funding Plc	100%	England	Financing vehicle
Metropolitan Home Ownership Limited	100%	England	Dormant
Metropolitan Living Limited	100%	England	Property development
Spiritagen Limited	100%	England	Dormant

The MTVH group participates in the following active joint ventures to carry out development projects.

Entity	Partner	Interest	Voting rights
Barratt Metropolitan LLP ('BMM')	Barratt	25%	50%
Bovis Homes Cambourne West LLP (CBW)	Galliford Try	50%	50%
Grange Walk LLP	Galliford Try	50%	50%
Linden (Enfield) LLP	Galliford Try	50%	50%
Opal (Earlsfield) LLP	Galliford Try	50%	50%
Opal (Silvertown) LLP	Galliford Try	50%	50%
Opal (St Bernards) LLP	Galliford Try	50%	50%
Opal Land LLP	Galliford Try	50%	50%
West Bridgford LLP ('WBF')	Galliford Try	50%	50%
Westleigh Cherry Bank LLP ('WCB') (dormant)	Westleigh	50%	50%

31. JOINT VENTURES, ASSOCIATES AND SUBSIDIARIES (cont)

ASSOCIATION: INVESTMENT IN SUBSIDIARY

	2022 £'000	2021 £'000
Evolution (Woking) Holdings Limited	2,875	2,875

Group	BMM 2022 £'000	CBW 2022 £'000	WBF 2022 £'000	Opal 2022	Total joint ventures 2022 £'000	Associates 2022 £'000	Total 2022 £'000
Investment at 1 April 2021	**23,750**	**10,323**	**238**	**32,965**	**67,276**	**35,862**	**103,138**
Additions	2,497	7,758	-	-	10,255	-	10,255
Disposals	-	-	(289)	(18,447)	(18,736)	(35,862)	(54,598)
Share of profits/(losses)	(1,141)	(823)	265	3,931	2,232		2,232
As at 31 March 2022	**25,106**	**17,258**	**214**	**18,449**	**61,027**		**61,027**

In December 2021, the Association entered into Loan Release Deed with TVH PRS Holdings under which £16m of a £30m loan from the Association was forgiven.

The Association makes Qualifying Charitable Donations to its subsidiary, Metropolitan Housing Trust Limited (MHT) to ensure that the entity has sufficient funding for its needs. These payments are treated as an investment by the Association in Metropolitan Housing Trust. As the investment is made with no expectation of return, it is immediately impaired, and the impairment is recorded in the Statement of Comprehensive Income as a "capital contribution in the form of gift aid to subsidiary". Capital contributions in the form of gift aid to subsidiary made during the year is £nil (2021: £10.00m). Capital contributions in the form of loan release to subsidiary during the year is £16m (2021: nil)

Sale of Fizzy Enterprise LLP	2022 £'000
Proceeds	34,862
Associates disposed of (including costs)	(36,439)
Loss on Sale	(1,577)

32. CAPITAL AND RESERVES

The restricted reserve relates to the donated fund of the Migration Foundation. The donor specified the use of the fund. The surplus fund is currently invested, and fair value of the investment is accounted for in the restricted reserve.

There has been an upward revaluation of the assets held in respect of the Migration Foundation of £1,512k (2021: upward revaluation £2,974k). £19.2m (2021: £17.7m) of assets are reported in Cash at bank and in hand, and access to these assets is restricted.

33. GOVERNMENT GRANTS

Government grants included in the Statement of Financial Position:

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
CREDITORS DUE WITHIN ONE YEAR:				
Recycled Capital Grant Fund	115,154	100,452	755	10,990
Deferred government grant	6,316	6,184	298	267
CREDITORS DUE AFTER ONE YEAR:				
Recycled Capital Grant Fund	34,341	36,507	538	559
Deferred government grant	361,209	351,174	2,862	5,669
RESERVES:				
Income and expenditure reserve	1,492,507	1,426,722	60,272	70,248
	1,492,902	**1,921,039**	**64,724**	**87,733**

34. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN DEBT

	Group 2022 £'000	Group 2021 £'000
Change in cash	**(4,726)**	**(50,831)**
Cash flow from debt	60,347	(29,470)
Cash flow from finance leases	33	29
Changes in net debt	**60,380**	**(29,441)**
Net debt at 1 April 2021	(1,808,919)	(1,830,310)
Net debt at 31 March 2022	(1,753,265)	(1,808,920)

ANALYSIS OF NET DEBT	1 April 2021 £'000	Cashflow £'000	Non Cashflow £'000	31 March 2022 £'000
Cash in hand and bank	**156,283**	**(4,726)**		**151,557**
Debt	(1,964,674)	60,347		**(1,904,327)**
Finance leases	(528)	33		**(495)**
	(1,965,202)	**60,380**		**(1,904,822)**
Derivatives financial instruments	(59,880)	-	13,317	**(46,563)**
	(2,025,082)	**55,654**	**13,317**	**(1,951,385)**

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