

Rooftop Housing Group Limited  
Annual Report and Financial Statements  
**2022/23**

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## Board, executive and advisors

<b>Registered office</b>	70 High Street Evesham WR11 4YD
<b>Board</b>	<ul style="list-style-type: none"> <li>- Sally Higham (Chair)</li> <li>- Colum Goodchild (Vice Chair and Senior Independent Director)</li> <li>- Ceri Jones (retired on 15 May 2022)</li> <li>- Paul Spooner (retired on 14 September 2022)</li> <li>- Jonathan Wallbank</li> <li>- Claire-Elaine Arthurs Payne</li> <li>- Myron Hrycyk</li> <li>- Daisy Halford</li> <li>- Tessa Rollings</li> <li>- Wayne Harris (appointed on 14 September 2022)</li> <li>- Lenna Cumberbatch-Nicholls (appointed on 23 November 2022)</li> </ul>
<b>Executive officers</b>	<ul style="list-style-type: none"> <li>- Boris Worrall, Group Chief Executive</li> <li>- Sam Morgan, Executive Director - Resources</li> <li>- David Hannon, Executive Director - Investment</li> <li>- Lisa Nicholls, Executive Director - Operations</li> <li>- Caroline Allen, Secretary</li> </ul>
<b>External auditor</b>	BDO LLP Two Snowhill Birmingham B4 6GA
<b>Bankers</b>	Barclays Bank Plc 54 High Street Worcester WR1 2QQ
<b>Internal auditors</b>	Mazars LLP First Floor, Two Chamberlain Square Birmingham B3 3AX
<b>Principal solicitors</b>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B2 2ES
<b>Rooftop Management Limited (RML) Board details (Dormant company)</b>	- Boris Worrall
<b>Other legal advisors</b>	Trowers & Hamblins 3 Bunhill Row London EC1Y 8YZ

**Lenders**

Nationwide Building Society  
Kings Park Road  
Moulton Park  
Northampton  
NN3 6NW

Lloyds Banking Group  
25 Gresham Street  
London  
EC2V 7HN

Legal and General Assurance Society Limited  
One Coleman Street  
London  
EC2R 5AA

Santander  
Corporate and Commercial Banking  
17 Ulster Terrace  
Regent's Park  
London  
NW1 4PJ

bLEND Funding plc  
3<sup>rd</sup> Floor  
17 St Swithin's Lane  
London  
EC4N 8AL

**Funding advisors**

Centrus  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4AB

**Insurance brokers**

Zurich Municipal  
Ballsbridge Park  
Dublin 4  
Ireland  
D04 E5N4

**Taxation advisors**

RSM UK Tax and Accounting  
10<sup>th</sup> Floor, 103 Colmore Row  
Birmingham  
B3 3AG

The VAT People  
Newby Road Industrial Estate  
Newby Road  
Stockport  
SK7 5DA

**Valuers**

Avison Young (UK) Limited  
3 Brindley Place  
Birmingham  
B1 2JB

**Performance analysis**

Vantage Business Solutions Consulting Limited  
184-200 Pensby Road  
Heswall  
Wirral  
CH60 7RJ

## Report of the Board

The Board is pleased to present the Report of the Board, the Strategic Report and the audited financial statements for the year ended 31 March 2023.

The reports and financial statements are prepared in accordance with the Co-operative and Community Benefit Societies Act 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, and comply with the Statement of Recommended Practice (SORP) for registered social housing providers 2014 (updated in 2018), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The Group is a public benefit entity and Rooftop Housing Group Limited is the Group parent.

### Group structure

Rooftop Housing Group Limited (RHG), the Group parent, is a non-charitable Registered Society (29661R), registered with the Regulator for Social Housing (RSH) (L4404), providing operational and corporate services, including treasury management, information and communication technology, and human resources for the whole Group.

Rooftop Housing Association Limited (RHA) was registered as a Registered Society in May 1993 (27786R) and obtained registration with the RSH in September 1994 (LH4050). RHA provides core social housing that meets charitable criteria.

Rooftop Homes Limited (RHL) is a non-asset holding subsidiary. This company became dormant on 31 March 2020. It was deregistered with the Regulator of Social Housing as a Registered Provider in June 2020.

Rooftop Management Limited (RML) is a wholly owned commercial subsidiary company (Registered in England 3569438). This company became dormant from 31 March 2005.

### Principal activities

The principal activity of the Group is to provide housing accommodation at below market rents for people in housing need. Additionally, the Group provides temporary housing accommodation through:

- supported housing schemes;
- housing for sale -shared ownership
- management of older people schemes in partnership with the ExtraCare Charitable Trust provision of support services primarily to young and older people;
- housing accommodation for keyworkers;
- housing accommodation for market rent and
- a limited amount of commercial property.

### Regulatory framework for social housing

The Board considers it a priority to comply with the regulatory framework and to maintain G1 and V1 ratings from the Regulator of Social Housing under the Governance and Financial Viability Standard. These were formally assessed by the Regulator through the In-Depth Assessment process in January 2020 and re-confirmed in November 2020 and October 2021. In 2022, the Regulator confirmed the G1 rating for governance but regraded the Group to V2 for financial viability in recognition of the prevailing economic pressures on the sector.

A detailed annual self-assessment against the Regulator's Standards is carried out in April each year and approved by the Board. The Board considers that the Group remains compliant with the standards. As part of this, the following key factors were noted:

- A robust, appropriate and prudent framework for business planning, risk and control is in place describing how the Group Corporate Mission and overarching strategic approach is underpinned by annual planning and supported by integrated governance, financial, performance management and risk and assurance frameworks.
- Stress testing in Rooftop is robust. Scenarios taken to Board in March 2023 were linked to the RSH Sector Risk Profile published in October 2022.
- Engagement with the Regulator is proactive and a Protocol for this has been approved by the Board and reviewed annually.
- All regulatory returns (FVA, SDR, Quarterly Returns, FFR, Fraud) have been submitted to the Regulator's deadline.
- The updated Treasury Management Policy was approved by the Group Board in September 2022.
- The Vantage tailored VFM Metric Peer presentation to January 2023 Board meeting gave an independent review and assurance that optimal benefit is being derived from resources and assets.
- The Cost Sharing Vehicle has been the subject of intense scrutiny by the Boards and Executive throughout the year to ensure value for money is achieved.
- A revised Rent and Service Charge Setting and Management Policy was approved by the Board in March 2023.
- At 31 March 2023, RHA has until June 2025 before new funding is required.
- Rooftop recognises the importance of holding comprehensive data on its properties and has commissioned an external consultant to undertake stock condition surveys on homes with 3,000 homes surveyed in 2022/23 and the balance by March 2025.
- We work effectively with local partners and stakeholders to ensure we play an effective role in service delivery and investment within the neighbourhoods and communities that we serve and that they remain safe.
- Our Community Investment Strategy and Customer Engagement Framework outlines the roles of customers and stakeholders in delivery, both of which are published and widely circulated on our website. We provide a range of ways in which our customers can access our services which are identified on our website and social media platforms.
- The Customer Charter is a document that is made up from individual elements which form the basis of what our customers can expect from our staff, services, and core service functions. The elements of the Charter have been developed by incorporating requirements, content and recommendations of the RSH Consumer Standards, Together with Tenants survey, Social Housing White Paper and NHF Code of Governance.
- The Complaints Policy and Procedure has been updated to ensure it remains compliant with the Housing Ombudsman Complaints Handling Code 2022.
- We report to our customers formally on an annual basis to advise of performance against our key performance indicators (KPI) and publish repairs (monthly), complaints and key KPI updates every quarter on our website. The Annual Report to Tenants is published each October.
- We have carried out an extensive survey of our customers to understand their top priorities, how they feel about the repairs service, and also consulted on our business plan. We received 2632 responses and this will inform future service delivery and planning.
- We have also consulted with c200 customers regarding the setting of 12 Tenant Satisfaction Measures.
- A Customer Scrutiny Panel reviews Rooftop's services to its customers through an annual programme of scrutiny areas and reports to each meeting of the Audit and Risk Committee with an annual report to the Group Board.

- The Sector Scorecard is now embedded as our core key performance metrics supported by a range of operational indicators.

## Internal controls

The Group Board is responsible for the overall system of internal control throughout the Group and for reviewing its effectiveness. The Group has delegated initial responsibility for audit and assurance to the Audit and Risk Committee, which comprises Board Members from across the Group. The members of the Audit and Risk Committee are chosen for their appropriate skills, while representing the composition of the Group.

The Audit and Risk Committee has responsibility for reviewing the adequacy of all risk and control related statements prior to endorsement by the relevant Boards and reviewing the effectiveness of internal control systems, including management, financial, operational and risk controls, so that the Group can be reasonably assured that appropriate and effective risk management arrangements are in place.

Work undertaken by the Audit and Risk Committee during the year included:

- Financial reporting, including the integrity and appropriateness of financial statements:
  - Reviewed the statutory accounts and external audit findings.
  - Reviewed the performance of the external auditors (BDO) during 2022/23 and the 2022/23 final accounts timetable.
  - Reviewed and recommended to the Board the Accounting Policies.
- Risk management process and framework:
  - Discussed and recommended for Board approval changes to the risk appetite statements discussed with Board and Executive Team in January 2023.
  - Discussed the quarterly report on significant risks and sought assurance on the accuracy of the assessments and the controls.
  - Discussed the Regulator of Social Housing Risk Profile 2022 and a six monthly review against the 2021 Risk Profile.
- Internal and external audit functions:
  - Recommended the Appointment of the External Auditor to the Board.
  - Approved the Audit and Risk Committee annual reporting cycle for 2022/23.
  - Approved the internal audit strategic plan for 2023/24.
  - Approved the report on the annual review of the Internal Auditor which showed a satisfactory level of performance.
  - Having assessed the scopes of the internal audits each quarter to ensure that the work being undertaken addressed key business risks, the Audit and Risk Committee reviewed 12 internal audit reports (including compliance and advisory reports) during 2022/23 and noted the level of assurance given by the internal auditors as follows:
    - Substantial assurance (four): Development and Defects Management, Gas Safety, Procurement and Data Integrity.
    - Adequate assurance (two): Lift Safety, Equality, Diversity and Inclusion.
    - Needs Improvement (one): Complaints Handling.
    - Limited assurance (none).
    - An Operations KPI advisory report.
    - Compliance audits (three) - Landlord Health and Safety, IT and Financial Controls and HR, Safeguarding and Housing Management - had a range of assurance levels for each audit.
    - The Committee also received a recommendation Follow Up report.
- Compliance, whistleblowing, fraud, anti-bribery, asset and liability registers and stress testing:
  - Discussed the compliance report and the actions being taken to address areas requiring improvement.

- Received confirmation that the Stress Testing scenarios and the Defensive Action Plan (DAP) processes and controls were in place and were robust.
  - Reviewed the Asset and Liability Registers report and noted asset, loan and other liabilities position in the Group.
  - Reviewed the Fraud Registers (tenancy and general) and noted one spear phishing event which resulted in a £6,500 loss.
  - Reviewed the Gifts and Hospitality Register and noted that there were no exceptional items.
  - Received the annual Major Incident Resilience scenario review.
  - Received reports on the Fire Risk Assessment Decision Making Framework, Smoke and Carbon Monoxide Alarm Requirements and Asbestos Management review.
  - Reviewed the work and performance of the Audit and Risk Committee including its terms of reference.
- Customer Scrutiny Panel
    - Approved the Customer Scrutiny Panel's proposed topics for scrutiny reviews 2022-23.
    - Reviewed the Customer Scrutiny Panel's scrutiny reviews action plan and noted progress with the actions.
- Other information reviewed and discussed to gain assurance on the effectiveness of internal controls:
    - Received an update on the Void KPI reporting issue.
    - Received Complaints progress updates and annual self-assessment against the Housing Ombudsman Complaint Handling Code.
    - Received annual reviews on Data Protection and Safeguarding.
    - Received an update on insurance renewals and claims.
    - Received the annual review on Consumer Regulation and Regulatory Judgments including Governance downgrades.

There were no identified weaknesses in internal controls, which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements.

### **General Data Protection Regulation**

The Board recognises the importance our customers and stakeholders place on our use of their personal data and that we are transparent and accountable in the ways we collect, use and safeguard it.

Rooftop is mindful of the requirement to comply with the UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018 and has taken steps to ensure our staff and partners are aware of our obligations, by undertaking mandatory training and increasing awareness at all levels within the organisation. We have ensured our third party partners, who process personal data on our behalf, have security and compliance at the forefront of their work for us by way of legal agreements and audit of their systems.

We have reviewed our own compliance with the UK GDPR and Data Protection Act 2018 and are of the view that there has been no material non-compliance with the legislation following implementation. Notwithstanding, and in line with good practice, Rooftop continues to keep the organisation's compliance under review.

### **Governance**

RHG is governed within the framework set by its rules as a Registered Society. These state that RHG will have a Board and determine its membership. In making appointments to the Board, the Group seeks members with a range of skills that it requires to effectively govern its business.

Key activities by the Board during 2022/2023 included:

- An external review of the Group's governance framework and decision making processes was carried out April to June 2022. The recommendations arising from the review were presented to the Board at

its Strategy Day in June and have now been implemented.

- The Board holds two Strategy Days each year. In June 2022, the Board also reviewed the current Vision and future operating model and attended a workshop on inclusive leadership. In October 2022, the day was focussed on the risks facing the Group during a time of unprecedented economic pressure, the impact of the rent cap and how the new operating model would be shaped to protect our customers, colleagues and the Group's future viability.
- A further Risk Workshop was held in January 2023 to set the Board's risk appetite and to consider the strategic risks for the coming year.
- The Board and Committees Skills Matrix was fundamentally reviewed in 2022 and an audit of individual Members carried out. The Skills Matrix is refreshed annually and prior to any new appointment to the Board.
- A robust Succession Plan is in place and regularly reviewed.
- Two new Board Members were recruited in 2022.
- Individual board member appraisals are held annually. The Board Member Learning and Development Plan captures the outcomes of the appraisals.
- The principles of the NHF Code of Conduct have been enshrined within a revised Code of Conduct for Board Members and Colleagues.
- In March 2023, the Board formally adopted the NHF Merger Code (voluntary).

The Board has three committees: Audit and Risk, Remuneration, Nominations and Performance.

The responsibilities of the Audit and Risk Committee are detailed under Internal Controls.

The Remuneration Committee considers and recommends to the Board all matters of remuneration policy for employees and board members and any change to pension schemes in accordance with the Group's Pay and Reward Policy. It also oversees the terms and conditions of employment for the Group Chief Executive and Executive Team.

The Nominations and Performance Committee leads the process for appointments to the Board and its Committees and ensures plans are in place for the orderly succession to both the Boards and Executive Team. It oversees the process for the annual appraisal of Board Members and for the Group Chief Executive. In addition, it recommends to the Board a policy and procedure setting out how disputes and grievances involving members of the Board can be raised and responded to.

As of 31 March 2023, the Board of RHG had nine members of which five are female and four are male with an average age of 48 years. 8 members are White British, one member is Black Caribbean. Two members are registered disabled. The biographies of the board members are available at the end of these statements.

As of 31 March 2023, the Executive Team had four members including the Group Chief Executive of which two are male and two are female with an average age of 49 years. All members are White British.

### **Code of governance**

The Board has formally assessed its compliance against the National Housing Federation's Code of Governance (2020) and confirms that the organisation is fully compliant.

### **Board Members' responsibilities**

The Board Members are responsible for preparing the report 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 2014 (updated 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 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 association's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 2022. They are also responsible for safeguarding the assets of the group and 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 2014 (updated in 2018).

Financial statements are published on the group'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 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.

### **Auditors**

All current Board Members have taken steps to make themselves aware and provide any information needed by the Group's auditors for the purposes of their audit. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have audited Rooftop Housing Group for six years, with the 2022/23 Financial Statements being the first in a new contract fully tendered in November 2022.

### **Anti-Slavery and Human Trafficking Statement**

The Group aims to promote the highest standards in how our business operates and in employment, tenancy and procurement practices. We support the principles of the Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking. Our annual statement, approved by the Board, summarises our commitment to the Modern Slavery Act 2015 and how this is demonstrated. This is published on our website.

### **Employees**

Within the Group structure, all employees are employed by RHG, the Group parent. Rooftop is a dedicated equal opportunities employer, we treat people fairly, and with dignity, regardless of sex, age, disability, sexuality, race or belief.

We create a culture that promotes equality and diversity in all aspects of employment, including recruitment and selection, training and development and employment practices.

We want to encourage people from under-represented groups to apply for our jobs, so our workforce reflects the profile of the local communities and our residents. We also value the contribution that staff who consider themselves to have a disability make to our workforce.

The Group has continued its practice of consulting and keeping employees informed on matters that affect them and on the progress of the Group. This is carried out in a number of ways including: Your Voice, company-wide briefings, formal consultation, departmental and individual meetings.

### **Equality, Diversity and Inclusion**

We are an organisation that values diversity, champions equality and demonstrates inclusion. We demonstrate this through the activities and the services we provide, and our aim is to achieve positive outcomes for potential and existing customers, our colleagues, and the wider community. We continue to build on our inclusive culture and workplace where difference is accepted and celebrated. We do not tolerate discrimination or prejudicial treatment of any kind and challenge and act on it if required.

Our three-year Equality, Diversity and Inclusion Strategy was approved by the Group Board in November 2021 and a new Inclusion Alliance has launched to assist us in delivering our commitments. In early 2023, we were assessed by the Housing Diversity Network and received its accreditation.

### **Health and safety**

The Board is aware of its responsibilities on all matters relating to health and safety. It reviews its health and safety policy and statement on an annual basis to support compliance. There is Board member representation on the Health and Safety Committee, which meets quarterly. Minutes of meetings are made available to all employees, the Audit and Risk Committee and Board. All staff receive a detailed health and safety induction on commencement and a programme of training on health and safety matters is ongoing.

### **Insurance**

RHG maintains insurance policies for members of the Board and executive directors against liabilities in relation to the Group.

### **Going concern**

The Board considers that it has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the 'going concern' principle in the financial statements.

The Board approved the 40-year Financial Business Plan in May 2023. This included detailed stress testing with multi-variant scenarios.

The Board previously approved a Financial Business Plan in May 2022 which included a number of stress tests including a perfect storm, which created extreme results. The plan also contained a £5 million cash contingency for Development which can be released in adverse circumstances. Based on our Treasury Management Policy, RHA holds minimum cash balances of £5 million or three months' liquid funds, whichever is the greater. When calculating the required cash balance an assumption is made that we will only receive two thirds of property sales in a period. This prudent approach and the available undrawn loan facilities will keep us viable during these difficult times.

The budget for 2023/24 was approved by the Group's Board on 22 March 2023. The challenges for the year ahead will remain significant for Rooftop and its customers as the shockwaves of the pandemic and Brexit continue to have an impact on service delivery.

The labour and skills shortages which limited our ability to consistently deliver a high-quality repairs service for customers are set to continue for some time. Therefore, our top priority for the year is to make improvements and deliver efficiencies in this critical service area.

The government imposed rent cap for social rents in 2023/24 limited our ability to cover costs at a time when inflation was at a record 40 year high. Rising costs and the possibility of another rent cap will present a second major challenge. In 2022/23, we launched a new Target Operating Model which sought to simplify our services and rationalise our assets. In the coming year, we will focus on realising these efficiencies and expand digital platforms by providing more automation, enabling for customers and colleagues to self-serve where they can.

At the end of the financial year, a Group post-tax surplus of £3,142,000 was achieved. The budget surplus for 2023/24 has been set at £6,008,000, an increase of £1,920,000 from the 2022/23 budget. This reflects the plans to align our structures and finances to the new Target Operating Model.

At 31 March 2023, the Group held £17.8 million cash including short-term and long-term investments, of which £16.3 million is available at short notice. In addition, we have £82.3 million of undrawn revolving credit facilities at year end; this will support the current development programme. We are pleased to confirm there is sufficient cash available to support the business and to comply with our funders' covenants.

Given the strength of the statement of financial position and availability and liquidity of undrawn loan facilities, the Board believe that while there may be some uncertainty in the future, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

By order of the Board



**Sally Higham**  
**Chair**

8 September 2023

# Strategic Report

## Who we are

Rooftop is a local housing association which manages around 7,000 homes, mainly in the rural communities of South Worcestershire and North Gloucestershire. We are driven by our values, and close to our customers.

Since 1994, we've helped people in housing need get a safe, secure, and appropriate home. For nearly a quarter of a century we have been at the heart of our communities, serving our customers.

We provide a range of accommodation and support services for older people and people escaping domestic violence. We are also a specialist in providing culturally appropriate homes for the Gypsy and Traveller community at three sites, in partnership with Solihull and Bromsgrove Councils. This year will see a new Gypsy and Traveller site being developed in partnership with Coventry City Council.

We deliver around 114 new homes a year, the majority of which are low-carbon and built to the highest energy efficiency rating of 'A' to address fuel poverty and climate change.

Partnership is critical to our success, and we work closely with the district councils of Wychavon, Malvern, Tewkesbury and Gloucester City. We are delighted to be a strategic partner with Homes England, through the Matrix Housing Partnership.

## Why we exist

Our Vision is based on a simple commitment to be 'Here for Our Customers' – this is why we exist. The annual Business Plan sets out what we will achieve during 2023/24 and forms part of our newly refreshed Corporate Plan 2023 to 2026.

## What we provide

Our corporate objectives to be achieved by April 2026 are to provide good quality homes, reliable landlord services and support and advice:

<b>Here for our customers</b>		
<b>Good quality homes</b>	<b>Reliable landlord services</b>	<b>Support and advice</b>
Invest £20 million to improve 2,500 homes	Deliver 85% customer satisfaction with landlord and responsive repairs services	Help 2,100 customers with money and fuel poverty advice
Upgrade the energy efficiency of 300 homes	Deliver excellent Customer Communication and influence Framework	Implement new service model for supported housing
Deliver 402 new homes, including 90 at St Oswald's urban village phase I	Deliver high quality neighbourhood management	Deliver our Community Investment Strategy

As a business, we will:

Our Business		
Efficient and focused	Professional and skilled	Data and technology driven
Deliver our Value for Money plan for Repairs and Maintenance	Ensure 100% of colleagues are fully trained for their roles or undertaking training to enhance skills for their role	Develop options for our Customer to Self Serve, reducing the number of telephone calls
Maintain Financial Viability and a minimum Interest cover of 130%	Ensure 80% of colleagues recommend Rooftop as an employer	Achieve Level 4 Data maturity.

**How we work**

Everything we do, for our customers and each other, is underpinned by our values:

- We work together,**
- We make things better** and
- We do the right thing.**



**Who we are**  
Rooftop is a local housing association which exists to meet housing need in the communities of South Worcestershire and North Gloucestershire. We are driven by our values, and close to our customers.

**Why we exist**  
Here for our customers.

**What we provide**  
Good quality homes. Reliable landlord services. Support and advice.

**How we work**



**Our Culture**

- Caring and inclusive
- Responsive and respectful
- Proud of our work



**Our Business**

- Efficient and focused
- Professional and skilled
- Data and technology driven



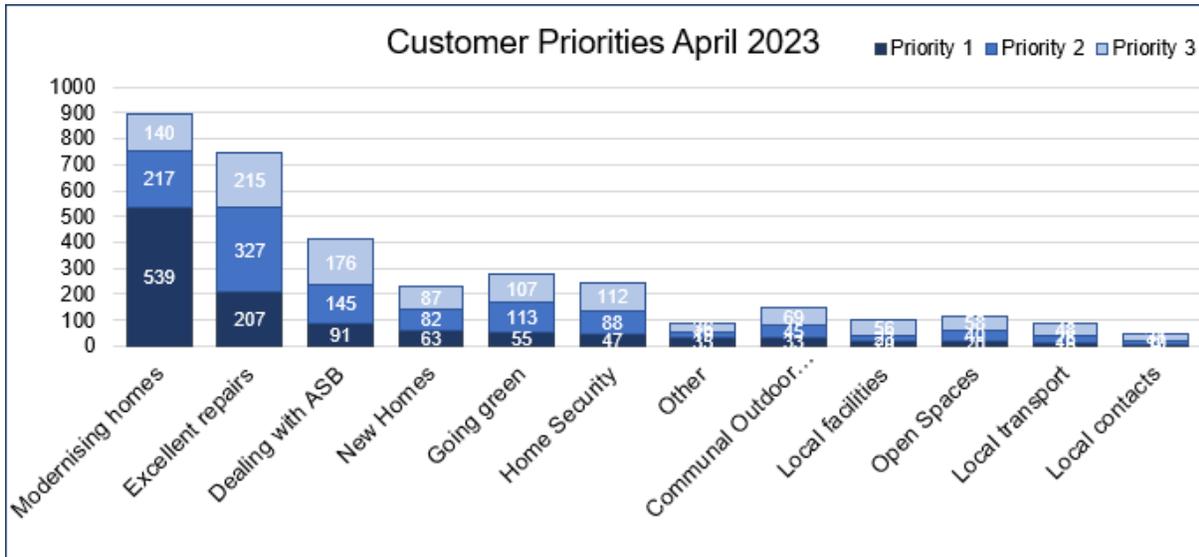
**Our Values**

- Work together
- Make things better
- Do the right thing

### What customers want

Customers have been consistent in telling us what matters to them, most notably in 1,135 responses to our Local Offers survey in spring 2023, 180 responses to our draft Vision in the summer of 2022 and more recently 784 responses to a survey about the repairs service in March 2023.

The top three priorities were investing in existing homes, a reliable repairs service, tackling anti-social behaviour. Customers also told us that being listened to, responded to, respected, and providing support for those who need it was important.



### Our People

We are committed to foster a diverse and inclusive culture that brings equity and inclusion to life, where lived experiences are valued, supporting people to achieve excellence in all they do. We will commit to an environment that gives all colleagues a voice without fear.

We will also build a strong employer brand and reputation which offers competitive colleague rewards and benefits, and opportunities for personal development. We will commit to delivering a great people experience through the full colleague lifecycle with us.

We will seek to lead and develop collaborative, high performing teams who work effectively together with streamlined processes, making it easier to implement new ways of working. We will commit to encouraging innovation and appropriate risk taking.

### What we will deliver

Our plans for the year ahead are summarised below alongside specific Annual Objectives and Key Performance Indicators for 2023/24.

#### Good Quality Homes

This year we plan to spend £6.2 million on new kitchens, bathrooms, heating systems, and other planned works. We also expect to spend around £5 million on an anticipated 18,000 repairs.

We will introduce an enhanced standard for empty properties to ensure that our homes are of a good quality standard when new tenants move in. We will also work hard to tackle issues with damp, mould and condensation.

We have already completed 3,000 surveys of homes in the past year and will continue this programme to enable us to develop a revised long-term investment plan for existing homes this year.

This year we will submit a planning application to deliver up to 300 new homes on a brownfield site next to Gloucester City centre, with around 200 of those homes for rent and Shared Ownership. Our aspiration is to deliver this as a Net Zero Carbon housing development. Alongside this, we will continue to develop affordable homes for local people in the areas where we work with a target to complete 128 homes this year.

#### Reliable Landlord Services

Customer satisfaction in housing and most other areas of life has declined since the pandemic. Our target is to achieve at least 81% satisfaction for landlord services and 85% satisfaction for repairs this year. Ongoing improvements to the repairs service, better complaint handling, and a focus on improving day-to-day customer communication will be key.

We know from customer feedback that Shared Owners and Leaseholders want a more responsive service, and we will develop a clear offer for those customers this year.

We will also continue our work in developing 'promises plus offers' that are neighbourhood focused by responding to local feedback and priorities.

#### Support and Advice

We will aim to support at least 700 customers in the year with money advice and helping them to maintain their tenancy, ensuring they maximise their benefits and claim any grants they are eligible for.

This year we will also develop plans for all retirement living schemes' alarms to be switched to digital by 2025 and upgraded to ensure residents have a modern and robust system fit for the future.

In response to customer feedback, we have a dedicated Anti-Social Behaviour team in place. It will continue to offer support and advice for customers on this important issue and ensure that we take enforcement action where it is needed.

#### Our Business

With Rooftop's overall costs rising higher than inflation in areas such as repairs and maintenance, we will this year continue to drive the digitisation of systems to make our organisation more efficient and effective.

We will also focus on improving and expanding the data that we hold on our customers and homes, and implementing key actions on Equality, Diversity and Inclusion for customers and colleagues.

**Annual Objectives for 2023/24**

	Annual Objective (Project)	Owner	Corporate Plan
1	Deliver Repairs Improvement Plan (P)	HoP	Reliable Landlord Service
2	Deliver Voids and Lettings Improvement Plan	HoP/HoH	Reliable Landlord Service
3	Implement Leaseholder/Shared Owner Offer	HoH	Reliable Landlord Services
4	Deliver Damp and Mould Response Plan	HoP	Good Quality Homes
5	Deliver 128 New Homes for our Customers	HoD	Good Quality Homes
6	Invest £1 million in upgrading 125 homes to a minimum of Band C energy performance (P)	HoAI	Good Quality Homes
7	Deliver long-term Asset Investment plan	HoAI	Good Quality Homes
8	Submit planning for the 300-home St Oswald's urban village in Gloucester (P)	HoD	Good Quality Homes
9	Review, upgrade and digitalisation of supported housing alarm systems to support customers' independence (P)	HoDICT	Support and Advice
10	Strengthen data quality	HoDICT	Our Business
11	Implement Equality, Diversity and Inclusion strategy	EDO	Our Business
12	Secure long-term funding	HoF	Our Business

## New homes

Rooftop is committed to continuing to deliver as many new homes as it can. The refreshed Corporate Plan 2023-26 has reduced the number from 1,000 to 858 in response to financial pressures. The table below sets out the number of homes we aim to deliver over the next five years:

Development Programme			
	2021-23	2023-28	Total
<b>Social Rents</b>	<b>145</b>	<b>359</b>	<b>504</b>
<b>Affordable Rents</b>	<b>67</b>	<b>0</b>	<b>67</b>
<b>Shared Ownership</b>	<b>77</b>	<b>210</b>	<b>287</b>
<b>Total</b>	<b>289</b>	<b>569</b>	<b>858</b>

## Key Activities – Group Performance

The principal activity of the Group is to provide housing accommodation at affordable rents for people in housing need. Rooftop Housing Group Limited is the parent company of the Group and the legal nature of each entity in the Group is disclosed in the Report of the Board.

In 2022/23, the group generated a surplus of £3.1 million (2022: £3.0 million). The core purpose of the group is social housing lettings activity, representing 86% of Rooftop's turnover (2022: 86%). The next most significant elements of the business are shared ownership sales which is 12% of turnover (2022: 9%) and supporting people (2% of turnover; 2022: 2%). Other activities are negligible.

At 31 March 2023, the group held £17.8 million in cash including long and short term investments (2022: £40.0 million). The decrease in cash held relates to the repayment of a fixed loan not required and expenditure on the existing development programme.

### Rooftop Housing Association Limited

RHA, the Group's core social housing provider, generated a surplus before taxation of £3.1 million (2022: £3.0 million). This was £929k less than RHA's budgeted surplus of £4.1 million.

The largest variance relates to a £1.7 million overspend on responsive maintenance and voids repairs. This is due to a higher number of jobs being completed and a higher average cost per job. Labour shortages and an increase in demand have resulted in a greater use of more costly subcontractors and inflationary pressures on materials have also contributed to rising costs.

Voids have presented a major challenge to us as a business and has resulted in an adverse variance of £846k in lost income. Many properties have been returned in poor condition and our capacity to undertake void works has meant that turnaround has been slower than we would like. This has increased void re-let days and thus increased financial loss. A Voids and Lettings service improvement project plan is in place to address this in 2023/24.

There was a significant outperformance of the costs budgeted for bad debts, which was £352k less than forecast at just £71k. The continued dedicated work of the Income Team and investment in digital solutions have resulted in a reduction in arrears and much lower bad debt costs. Overall rent collected for 2022/23 stands at 100.1%.

The surplus on sale of property is £357k lower than budget. The main reason was due to the delay in disposal of Lower Sapey and Airey properties, now due to be sold in early 2023/24. These properties are either outside of our core operating area or required investment to bring up to the Rooftop Living Homes Standard.

The sale of 42 Shared Ownership units was less than the target of 46 with the shortfall due to late handovers, pushing completion into 2023/24. Due to higher average sales values and greater shares sold, the budget surplus was just £611k over budget. Staircasing sales are difficult to predict and as a result, we recognised a surplus of £152k over budget in this area with seven units completing against four budgeted.

The Defined Benefit pension deficit liability was remeasured and resulted in a loss of £165k in year, compared a gain in 2021/22 of £528k. Actuarial gains and losses fluctuate annually and the loss relates to volatility in the market with a reduction in asset values not matched by the fall in liabilities.

RHA's cash balance at year end was £16.1 million (2022: £38.9 million). Much of the decrease relates to the repayment of a fixed loan not required and expenditure on the existing development programme.

## Value for Money and Performance Report 2022/23

### Summary

We set five ambitious targets within our five year 2021 to 2026 Corporate Plan. Those targets aimed to ensure we delivered Value for Money maximising the impact of our resources in delivering our charitable objectives.

In 2022/23 we continued to work towards our Corporate Plan objectives across the three streams of Successful Lives, Great Homes, and being a Better Business. In summary:

- The Money Advice team helped customers and protected our revenues in claiming £2.8 million in benefits.
- We delivered 174 homes against a target of 143.
- We have completed over 3,000 stock surveys in order to identify the investment requirements needed to ensure that all homes meet a minimum Energy Rating Score of Band C by 2030.
- The COVID-19 related repairs backlog was cleared.
- We have invested in new senior roles in the Customer Experience team.
- We continued to invest in digital solutions to improve processes.

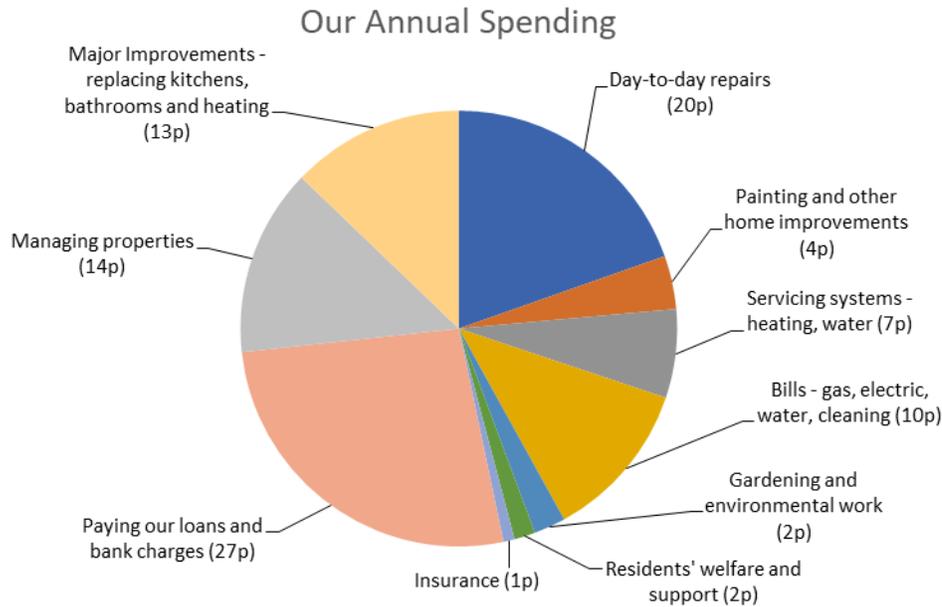
We continued to deliver against our wider 2026 targets around sustainability, supporting people and communities and business improvement during the year.

Ensuring customers and stakeholders are aware of our impact, costs and delivery of our plans is important to us. A copy of our simple published 'VFM and performance' summary is included in this report; it also appears on the Rooftop Housing Group website and in the Rooftop Customer Report. It shows a breakdown of how income is expended during the year to provide transparency.

### How We Will Spend Our Money - 2023/24 Budget

The chart below shows a breakdown of every £1 spent. The three largest areas represent 61% of total expenditure:

- The largest area of expenditure is around servicing our loans. This will increase as we continue to draw down more funding to improve our homes and build new homes for people in housing need.
- The next largest area of spend is on the day-to-day repairs of our homes.
- Managing our properties is the third largest area and includes the cost of housing officers supporting our customers.



### Meeting the Value for Money Standard

We welcomed the simplified approach in the April 2018 Value for Money (VFM) Standard. The Board believes Rooftop has complied with the VFM Standard during 2022/23 and continues to challenge the Executive Team to drive forward this agenda for the future.

The Corporate Plan for 2021 to 2026 (now replaced with the refreshed Corporate Plan 2023 to 2026) is monitored and reported against the targets to Board on a quarterly basis. The Board also monitors an annual Value for Money Action Plan setting out the specific improvements and projects Rooftop aims to deliver each year.

The following strategic projects were at the heart of our Value for Money Strategy for 2022/23:

- **Repairs Efficiency Review**

A joint project with Platform Property Care (PPC) reviewed performance and established efficiencies, including the use of repairs diagnostic technology innovations and realigning resources to increase operative productivity. An independent review was completed, confirming our Cost Sharing Vehicle continued to offer Value For Money.

- **Business Improvement**

In 2022/23, we reviewed our core operating model to ensure that our resources were best aligned to deliver our vision and corporate plan. A new Target Operating Model was implemented following consultation with customers, colleagues and stakeholders. Financial reviews of directorates and schemes resulted in the decision to discontinue the Building Better Opportunities and Younger People Services provisions. Digital solutions such as the new finance system have been implemented to increase self-service and automation. Following establishment of a new Target Operating Model, staff savings of over £200k have been realised and our resources refocused. This work will be furthered in 2023/24 as we look to re-vision the customer journey.

- **Asset Rationalisation**

Managed properties were reviewed, rationalising those outside our core area or with no over-riding business case to retain. This resulted in the decision to sell Dorothy Terry House to another registered provider, with completion expected in early 2023/24. An active programme of disposals (where there is no value to invest) has been built into the Financial Business Plan and an Annual Disposal Plan approved by Board in March 2023. Properties that are suitable for disposal and/or redevelopment continue to be identified with flags on all Standard Assessment Procedure Band F and G properties to be earmarked for disposal upon void.

- **Social Value**

Measurement of social value was fed through into our Environmental, Social and Governance (ESG) report, published in September 2022. In addition, a review of the Supported Housing portfolio was completed to seek clarity over relevant costs and income, ensuring that Social Return on Investment was recognised.

A new Value For Money Action Plan has been created to enable focus for 2023/24. This flags our most strategic risks with actions designed to address the following areas:

- Customer Journey/Process Improvement – building a customer journey map and identifying areas of improvement across the organisation.
- Repairs – reducing cost and levels outstanding.
- Voids – Service Improvement project plan designed to reduce from 4.2% to overall 2.38%.
- Income – protecting and maximising by targeting lettings turnaround days, former tenant arrears and data accuracy.

Progress made towards these defined outcomes will be reported in the 2023/24 Value for Money Statement.

### **Delivering Value for Money**

Rooftop's Financial Statements include an annual self-assessment of how we are achieving Value for Money in delivering our annual and long-term Corporate Plan objectives and complying with the regulatory Value for Money standard. Our assessment is based on the 'Sector Scorecard' metrics, which include key performance indicators covering customer satisfaction, financial security and our effectiveness as a business. This year we will again strengthen our Value for Money strategy and detailed annual Action Plan.

The Sector Scorecard includes the nine metrics specified by the Regulator of Social Housing. The group-wide results for 2022/23 are set out below, with comparatives from 2021/22 and targets for 2022/23 and 2023/24. The targets are embedded in Rooftop's budget and performance processes.

**Performance and future targets**

<b>Regulatory metrics</b>	<b>2021/22 Result</b>	<b>2022/23 Target</b>	<b>2022/23 Result</b>	<b>2023/24 Target</b>
Metric 1 - Reinvestment Percentage	6.4%	12.6%	6.4%	4.8%
Metric 2a - New supply delivered (social housing units)	1.9%	2.7%	2.6%	1.9%
Metric 2b - New supply delivered (non-social housing units)	0.0%	0.0%	0.0%	0.0%
Metric 3 - Gearing	54.7%	56.0%	54.3%	53.0%
Metric 4 - EBITDA MRI as a percentage of interest	122.3%	128.0%	104.5%	132.0%
Metric 5 - Headline social housing cost per unit	£4,083	£4,100	£4,490	£4,589
Metric 6a - Operating Margin (overall)	25.7%	27.4%	27.5%	29.0%
Metric 6b - Social Housing Operating Margin	29.8%	31.7%	32.2%	34.0%
Metric 7 - Return on capital employed (ROCE)	3.4%	3.3%	3.5%	4.4%
<b>Other Sector Scorecard metrics</b>				
Overall customer satisfaction	81.9%	90.0%	76.4%	82.0%
Ratio of responsive repairs to planned maintenance spend	0.68	0.60	0.79	0.57
Rent arrears as a % of rent debit	3.3%	3.2%	2.7%	3.0%
Overheads as a % of adjusted turnover	12.0%	11.8%	12.2%	10.9%
Void loss as a % of rent debit (all tenures)	3.9%	2.2%	4.2%	2.38%

The Value for Money metrics show that the **Reinvestment percentage** of 6.4% is much lower than the target of 12.6% which was set before the 1,000 homes development programme was reduced and pushed out from 2026 to 2028. The target of 4.8% for 2023/24 reflects the planned development activity and investment in current stock.

Our **New Supply Delivered of Social Housing** at 2.6% is slightly lower than the target of 2.7% due to the timing of handovers. The target of 1.9% for 2023/24 will be achieved by delivering the 128 homes in the new development programme.

**EBITDA MRI as a percentage of interest** is much lower at 104.5% than our target of 128%. A number of factors affected this, including increased repairs and maintenance costs and high voids. In addition, interest rate rises in the year pushed up the cost of our variable loans.

Our **Social Housing Operating Margin** of 32.2% is higher than the target of 31.7%. The sector average in 2021/22 was 24.6% so we accept that this is a pressure within the sector. The target for next year of 34.0% reflects the difficult budgeting decisions made but achieving this will be increasingly difficult should inflation continue to rise.

For **Customer Satisfaction** our year end result was 76.4%, which was 13.6% below our ambitious target of 90%. Our analysis indicates that customer communication around repairs and the completion of repairs are the main causes of dissatisfaction. This drop is considered reasonable for other Housing Associations based on evidence available, however hitting the 82% target will be a key focus for the year ahead. Our enhanced Customer Experience team will improve customer communication and complaints handling.

Our **Rent Arrears as a % of rent debit** was 2.7% compared to a target of 3.2%. Considering the cost of living pressures affecting our customers, this is a great result and testament to the proactive measures adopted by our Income Team. This includes the use of the RentSense system which enabled us to further improve our income collection rates through better reporting and prioritisation of cases.

<b>Other Key Metrics – targets for 2022/23</b>	<b>Target 2022/23</b>	<b>Result 2022/23</b>	<b>Achieved? Y/N</b>
Percentage of repairs completed first time	85.0%	90.0%	Y
Average days to complete emergency repairs (24 hours)	100.0%	95.8%	N
Average days to complete urgent repairs (5 working days)	90.0%	43.4%	N
Average days to complete routine repairs (20 working days)	80.0%	42.7%	N
Average days to re-let	21.0	83.4	N
Percentage staff sickness absence	4.5%	3.6%	Y
Benefits realised for tenants by money advice team	£2.5 million	£2.8 million	Y
% of colleague turnover	13.0%	14.5%	N

All repair time targets were missed in 2022/23, owing to increased demand and a catch up on COVID-19 backlog. From April 2023 onwards, the category of ‘urgent’ will be removed and repairs will be classified as ‘emergency’ and ‘non-emergency’. A Repairs service improvement project plan is in place focusing on productivity and the reduction in Work In Progress levels.

Our average days to re-let of 83.4 days (all tenures) is higher than our target for the year. To address this issue, we have implemented a Lettings and Voids service improvement project plan.

## Peer Comparison 2021/22

As part of the Value for Money Standard we must include data around peer comparison and have had a piece of work carried out by Vantage, presented to our Board in January 2023. They have identified the peer group based on geographical location, stock size and similarity.

RP	Reinvestment %	New supply delivered (social) %	New supply delivered (non-social) %	Gearing %	EBITDA %	Headline Social Housing Cost Per unit	SHL Operating Margin %	Overall Operating Margin %	ROCE %
Rooftop Housing Group	6.4%	1.9%	0.0%	54.7%	122.3%	£4,083	29.8%	25.7%	3.4%
Thrive Homes Ltd	15.8%	4.4%	0.3%	73.3%	166.9%	£4,368	27.9%	28.9%	4.1%
Two Rivers Housing	10.2%	2.0%	0.0%	55.9%	158.4%	£3,472	25.1%	25.9%	3.4%
Connexus	7.6%	1.6%	0.0%	53.3%	120.6%	£3,937	21.4%	23.1%	3.9%
North Devon Homes Ltd	1.8%	0.3%	0.3%	57.6%	122.9%	£3,507	22.0%	22.7%	2.9%
Westward Housing Group	4.6%	1.2%	0.0%	29.7%	192.3%	£3,448	25.8%	25.4%	3.3%
Selwood Housing	5.4%	2.3%	0.0%	31.7%	311.3%	£4,363	18.8%	17.1%	1.9%
Gloucester City Homes	18.4%	2.2%	0.0%	54.3%	53.4%	£4,414	21.0%	19.3%	2.8%
Trent & Dove Housing	7.9%	1.9%	0.0%	59.2%	140.6%	£3,813	20.0%	19.4%	4.0%
<b>Peer Average</b>	9.0%	2.0%	0.1%	51.9%	158.3%	£3,915	22.8%	22.7%	3.3%
<b>Sector Average</b>	8.3%	1.6%	0.5%	45.5%	163.4%	£4,364	24.6%	21.6%	3.3%

### Reinvestment

We have a lower % of reinvestment than our peer average and this is also reflected in the lower cost in **Headline Social Housing Cost per Unit** where Rooftop has performed well. This is thought to be due to the profile of our current stock compared to peers. We are also a member of a Cost Sharing Vehicle, which generates efficiency and VAT savings.

### New supply delivered – Social housing

We delivered 116 new homes in 2021/22 which puts us broadly in line with our peers and above sector average.

### New supply delivered – Non Social Housing

The Board has decided not to develop any further homes in this category.

### Gearing/EBITDA

The Board monitors this performance closely but accepts the results are weaker compared to peers. This is due to a large number of legacy debts created at the time of transfer from the Wychavon District Council, and also increased borrowing in recent years to enable Rooftop to achieve its ambitions in the supply of new homes.

### **Operating Margin (Social and Overall)**

This metric is an area we have performed consistently well in and it reflects the commitment to keep our costs low while maximising our income. This is also an area which the Board are focussing on as part of our **Corporate Plan**. This positive results of this can also be seen in the **Headline Social Housing Cost per Unit**.

### **Return on Capital Employed**

In this area we currently rank close to sector and peer averages. We are pleased to be able to maximise the use of our assets.

### **What we have achieved in 2022/23**

#### **Successful Lives**

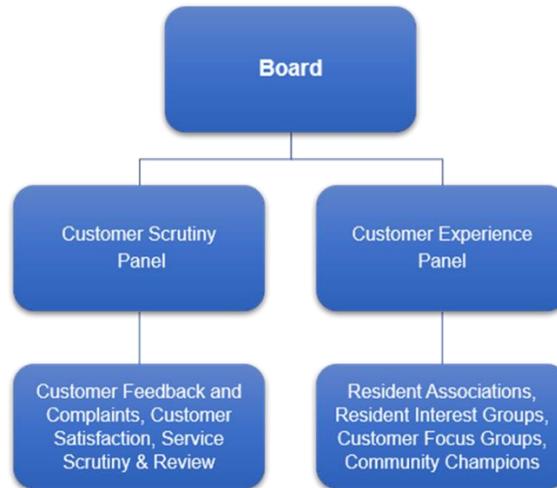
##### Supporting Customers

We recognise that some of our customers are experiencing financial hardship particularly in light of cost of living pressures and we continue to proactively support in the following areas:

- Our Emergency Assistance Fund was increased following a £30k grant from Wychavon District Council and we used this to assist customers by paying for food, white goods and household fuel.
- Our Money Advisors had an exceptional year helping 1,382 customers apply for additional income entitlement of £2.8 million.
- Our Building Better Opportunities job coaches supported customers this year, working closely with Job Centre Plus partners to identify specific training based around upskilling to maximise opportunities in finding employment. This contract ended in March 2023 with a social value of £237k generated in the year.

##### Customer Charter

This year, we began to implement our Customer Charter outlining our Customer Promise, measurable service standards and new Customer Engagement Framework. This Customer Engagement Framework offers a range of ways customers can be involved either on a formal or informal basis, as well as offering a range of focus groups. As part of this work, we will implement a new Customer Experience Panel in 2023/24 that will have direct links to scrutiny, as per below:



## Customer Experience

As part of our commitment to Excellent Customer Service, we have invested further in the Customer Experience Team with a new role of Head of Customer Experience. The key priorities for this area will be the development of a consistent quality approach to customer service, complaints management, customer satisfaction and development of a new Customer Experience Panel. Work is now underway to develop 'First Point Contact Resolution' which will be launched in 2023/24 alongside a complaints triaging system.

## Great Homes

In May 2021, the Board approved a Corporate Plan which included their vision to build up to 1,000 homes. In response to our customers priorities and the financial pressures of rising inflation and costs, we have refocused – through the Target Operating Model – on our key services as a social housing landlord. We have therefore revised this objective and reduced our delivery plan, ensuring that we concentrate on improving our existing homes. The refreshed Corporate Plan 2023-26 has reduced the number from 1,000 to 858 homes, with 569 due to complete in the next five years.

Within the 858 homes are a mixture of social rent, affordable rent and shared ownership. The Development Strategy does allow for the delivery of a small number of homes for outright sale with the proceeds allocated to fund more social homes and to help meet the objectives of the group.

The group successfully completed 174 homes in 2022/23. There are a further 212 new homes currently onsite with 128 homes expected to handover in 2023/24.

We have sold 37 new shared ownership homes during the year in addition to shared ownership staircasing and strategic disposals.

In 2022/23, the development team have delivered 2 of the 43 social rented homes to replace those sold under the Voluntary Right to Buy scheme. The remaining 41 social rented home replacements are currently under construction, we expect a further 28 to be delivered in 2023/24 with the remaining 13 in 2025/26. These homes will utilise the £7.5 million available funding.

## Better Business

The key focus for 2022/23 was the design and implementation of the Target Operating Model, which links to our vision and refreshed Corporate Plan 2023-26. This resulted in the simplification of Supported Housing, the investment in Customer Services and the review of staff structures in all directorates.

In line with our Leadership and Learning Excellence objective, we launched a Leadership and Management Development Programme in September 2021. In 2022/23 we began a programme of upskilling our customer facing staff through the qualifications offered by the Chartered Institute of Housing as part of our professionalisation agenda. The training is based on seven core skill areas, which have also been embedded into the new Performance Management Framework which we launched in April 2023.

In December 2022, we went live with a new cloud-based finance system which replaced software coming to the end of its useful life. This new system will bring about efficiencies and aid decision-making through self-service and enhanced reporting. In 2023/24, we will build more user dashboards and enhance automation in purchase ledger.

We have continued to develop our Housing Management System to ensure it meets the needs to the business, including reviewing and streamlining our processes to make us a leaner organisation, this work is still ongoing. We have worked with our supplier to look at how the system can support remote working and improve our lettings sign up process and developed reports using Power Business Intelligence reports to give us more insight into our data. Particular focus has been given to improving our Health and Safety reporting, complaints processing in our Housing Management System and implementation of a robust Data Governance framework.

### Electric Vehicles

We are committed to finding innovative ways to improve our sustainability. In 2018/19, we leased an electric car for staff to use for business trips and this will be replaced with a new vehicle, due for delivery in July 2023. All staff are encouraged to use the electric car as their first port of call instead of their own petrol or diesel vehicles, thus promoting a healthier environment. During 2019/20 we extended this further and leased an electric van for our handymen to use.

### ISO14001 Certified

We are committed to improving our environmental performance for the group and the people we do business with. This is reflected in a successful ISO14001 audit in March 2022 which confirmed that there were no major or minor-non conformities and that we retain our accreditation. We continue to make further environmental improvements across the organisation. Rooftop also holds ISO9001 Quality Management System accreditation, and it has been decided to merge the two standards into an integrated management system (IMS).

## Performance of our non-social assets

The properties below are all classified as non-social housing and the table details their performance for the last five years:

Scheme	Scheme valuation	2022/23 Net rental yield	2021/22 Net rental yield	2020/21 Net rental yield	2019/20 Net rental yield	2018/19 Net rental yield
Bridge Street	£1,061,103	0.93%	1.54%	1.79%	1.26%	2.45%
Warwick House	£272,169	7.72%	6.86%	3.27%	3.31%	4.17%
The Hawthorns	£3,818,000	8.18%	7.48%	7.40%	7.43%	6.90%

We have shown a positive return on each of the non-social housing schemes however, the return from Bridge Street remains lower. This is a listed building in Worcester which is split into flats that are used for Market Rent. The property has needed an increasing number of repairs which are more expensive due to its listed status. In 2023/24, we will explore disposal options.

### **Principal risks and uncertainties faced**

We have a comprehensive and well-established risk management system, which allows risks to be identified for all parts of the business. Risks are assessed, prioritised and control measures are implemented. The risk process is dynamic with Strategic and Business risk registers being reviewed by Audit and Risk Committee and Board quarterly. During 2022/23, we reviewed our approach to risk appetite with Board extending our appetite statements across 12 risk categories, clearly set out both the target and acceptable risk position in the pursuit of our strategic objectives. The benefits of adopting a comprehensive risk appetite approach include:

- Supporting informed decision-making;
- Reducing uncertainty;
- Improving consistency across governance mechanisms and decision-making;
- Supporting performance improvement;
- Focusing on priority areas within Rooftop and
- Informing spending review and resource prioritisation processes.

The Board and Executive Team have continued to monitor risks in the context of the unprecedented uncertainty caused by record fuel, energy and food price increases during the year, and rapid inflation of the cost of living exacerbated by the Russian invasion of Ukraine in March 2022.

The Group is still in a sound financial position to mitigate these risks and steps have been taken to maximise the support we can offer to residents and stakeholders.

A key risk in 2022/23 was around financial viability, particularly in light of our Regulator of Social Housing regrade. We have responded to this through the implementation of our new Target Operating Model, though we are hampered by our Voids and Lettings position.

Voids have presented a major challenge to us as a business and has resulted in an adverse variance of £846k in lost income. Many properties have been returned in poor condition and our capacity to undertake void works has meant that turnaround has been slower than we would like. This has increased void re-let days and thus increased financial loss. A Voids and Lettings service improvement project plan is in place to address this in 2023/24.

The health and safety of our customers and colleagues remains one of our top risks monitored at every Audit and Risk Committee and Board meeting. We have been working with our partner Platform Property Care to address the backlog of routine repairs during 2022/23, there remains a strong correlation between customer satisfaction with repairs and overall satisfaction. There is a recognition that an increasing number of our customers face a prolonged period of financial difficulty, this could potentially impact income collection in 2023/24. We have initiated a decarbonisation project during the financial year and have a funding strategy in place to meet our 2030 target. In addition, work continues to mitigate risks for customers in their homes, including a new damp, mould and condensation policy and carbon monoxide detector installation plan.

Below we have summarised seven of the strategic risks within our framework:

Risk	Cause	Impact	Consequence	Monitoring
<p style="text-align: center;"><b>1 Health and Safety</b></p>	<ul style="list-style-type: none"> <li>• Landlord Health and Safety compliance declines.</li> <li>• Occupational health and safety disregarded.</li> <li>• Causes of Damp, Mould and Condensation (DMC) are not effectively tackled.</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing failures to meet statutory requirements and regulatory standards:               <ul style="list-style-type: none"> <li>○ Gas/Fire/Electrical/Lift/Water/Asbestos.</li> <li>○ Increase complaints about DMC.</li> <li>○ Increase risk of injury / fatality.</li> </ul> </li> <li>• Colleague safety compromised.</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory / Statutory intervention:               <ul style="list-style-type: none"> <li>○ RSH</li> <li>○ HSE.</li> </ul> </li> <li>• Staff Turnover.</li> <li>• G2 downgrade.</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly Compliance Report</li> <li>• Monthly Compliance Panel</li> <li>• Quarterly Health and Safety Committee</li> <li>• Quarterly risk update report</li> <li>• Annual Internal Audits</li> </ul>
<p style="text-align: center;"><b>2 Stock Investment Requirements</b></p>	<ul style="list-style-type: none"> <li>• Multiple investment requirements crystallising at once:               <ul style="list-style-type: none"> <li>○ Damp, Mould and Condensation.</li> <li>○ Band C targets (2030).</li> <li>○ Smoke and CO detectors.</li> <li>○ New Fire Regulations 2022.</li> <li>○ Building Safety Act 2022.</li> <li>○ Decent Homes/stock investment.</li> </ul> </li> <li>• Challenge to make the right decisions about tradeoffs between priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Investment will have to be aligned to priorities - this will create a timescale which may not meet with expectations:               <ul style="list-style-type: none"> <li>○ Regulator.</li> <li>○ Customers.</li> <li>○ Stakeholders.</li> </ul> </li> <li>• Meeting statutory deadlines may become challenging.</li> <li>• Some investment may be deferred.</li> </ul>	<ul style="list-style-type: none"> <li>• Breach of regulatory requirements – potential self-referral.</li> <li>• Customer satisfaction declines.</li> <li>• Complaints increase.</li> <li>• HO investigations increase.</li> <li>• Disrepair legal cases increase.</li> <li>• Knock on effect on time sensitive investment – for example Damp, Mould and Condensation remedial action is delayed.</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly Compliance Report</li> <li>• Monthly. Compliance Panel.</li> <li>• Bi-monthly Investment overview report.</li> <li>• Annual Investment Strategy action plan.</li> <li>• Annual Objectives.</li> <li>• Damp, Mould and Condensation Project Group.</li> <li>• Band C (Decarbonisation) Project Group.</li> <li>• Internal Audit.</li> <li>• Quarterly Risk. Update report.</li> </ul>
<p style="text-align: center;"><b>3 Financial Viability</b></p>	<ul style="list-style-type: none"> <li>• Inflation/Cost of Living Crisis.</li> <li>• 7% Rent Cap.</li> <li>• Poor performance on income collection.</li> <li>• Poor performance on voids/allocations.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of Income – rent arrears.</li> <li>• Expenditure increases beyond income collection.</li> <li>• Rent arrears increase.</li> <li>• Voids losses increase.</li> <li>• Compounds other strategic risks (1/3/4).</li> </ul>	<ul style="list-style-type: none"> <li>• Financial viability concerns.</li> <li>• Breach of loan covenants.</li> <li>• Reduction in Development Programme.</li> <li>• Unable to maintain existing stock to decent homes standard.</li> <li>• G2/V3 downgrades.</li> </ul>	<ul style="list-style-type: none"> <li>• Key Performance Indicators.</li> <li>• Management Accounts.</li> <li>• Quarterly risk update report.</li> <li>• Annual Internal and External Audit.</li> </ul>

<p style="text-align: center;"><b>4 Data / Cyber Security</b></p>	<ul style="list-style-type: none"> <li>• Poor data inhibits decision making - customer data/asset data.</li> <li>• Lack of cyber security awareness/culture of unconscious risk taking with data/security of data.</li> </ul>	<ul style="list-style-type: none"> <li>• Sub-optimal decision making in relation to customer services/ equality diversity and inclusion/ investment.</li> <li>• Mistakes made because of poor data.</li> <li>• Delays in responding due to poor data.</li> <li>• Potential for major cyber security breach increases.</li> <li>• Cyber security breach.</li> </ul>	<ul style="list-style-type: none"> <li>• Systemic data issues are treated as a failure of Governance and would risk a G2 downgrade.</li> <li>• Cyber security failures/ victim of a serious cyber security breach can cost a significant amount of time and money (insurance is in place to mitigate the cost).</li> <li>• Value for money.</li> <li>• Service delivery impact - slow business recovery.</li> </ul>	<ul style="list-style-type: none"> <li>• Key Performance Indicators.</li> <li>• Monthly Compliance Report.</li> <li>• Quarterly risk update report.</li> <li>• Annual Cyber Security Strategy plan.</li> <li>• Annual Internal Audits.</li> </ul>
<p style="text-align: center;"><b>5 Service Delivery</b></p>	<ul style="list-style-type: none"> <li>• Colleagues lack capacity to deliver increased workloads.</li> </ul>	<ul style="list-style-type: none"> <li>• Cross-cutting risk which can increase the likelihood of other strategic risks materialising more rapidly as systems of internal control are weakened.</li> <li>• Service delivery declines.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction declines.</li> <li>• Complaints increase.</li> <li>• Budget overspends.</li> </ul>	<ul style="list-style-type: none"> <li>• Key Performance Indicators.</li> <li>• Staff Surveys.</li> <li>• Quarterly risk update report.</li> <li>• Annual Internal Audit.</li> </ul>
<p style="text-align: center;"><b>6 Repairs Service</b></p>	<ul style="list-style-type: none"> <li>• Repair service/Cost Sharing Vehicle is not fit for purpose.</li> <li>• Contract renegotiations are unsuccessful.</li> <li>• Poor Platform Property Care Contract Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Service delivery / performance declines.</li> <li>• Higher expenditure on repairs service.</li> <li>• We do not meet consumer standard expectations.</li> <li>• Increased cost of repair service.</li> <li>• Increase in void times.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction declines.</li> <li>• Complaints/HO investigations increase.</li> <li>• G2 downgrade.</li> <li>• Budget overspends.</li> </ul>	<ul style="list-style-type: none"> <li>• Key Performance Indicators.</li> <li>• Quarterly risk update report.</li> <li>• Annual Repairs Strategy action plan.</li> <li>• Annual Objectives.</li> <li>• Customer Surveys.</li> </ul>

<p style="text-align: center;"><b>7 Reputational Risks</b></p>	<ul style="list-style-type: none"> <li>• Cutting across all strategic risks.</li> <li>• Crystallisation of any of the above risks could result in severe/ catastrophic reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased negative publicity regarding serious failures.</li> <li>• Reduced confidence in Rooftop by stakeholders and lenders.</li> <li>• Regulatory engagement.</li> </ul>	<ul style="list-style-type: none"> <li>• Serious reputational damage can have multiple negative consequences:             <ul style="list-style-type: none"> <li>○ Reduction in confidence of lenders making refinancing or new lending more expensive and or more difficult to attract.</li> <li>○ Loss of opportunities to work with partners and stakeholders.</li> </ul> </li> <li>• Risk of regulatory intervention.</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly risk update report.</li> <li>• Bi-monthly GCE overview report.</li> <li>• Annual Communication Strategy plan.</li> <li>• Annual Sector Risk Profile analysis report to Audit and Risk Committee.</li> </ul>
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By order of the Board



**Sally Higham  
Chair**

8 September 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROOFTOP HOUSING GROUP LIMITED**

### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Rooftop Housing Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Financial Position, the Consolidated and Association Statements 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.

#### *Independence*

We remain independent of the Group and 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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's and of the 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.

## Other information

The board are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

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

## Responsibilities of the board

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

In preparing the financial statements, the board are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

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

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

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance including the Audit and Risk Committee;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and

We considered the significant laws and regulations to be Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, the Regulator of Social Housing's Regulatory Standards, data protection, taxation and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Audit & Risk Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the most susceptible areas of the accounting records, where management override could take place, are the posting of journals and the judgements involved in accounting estimates within the financial statements.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- A review of estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias; and
- A review of unadjusted audit differences for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 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.

DocuSigned by:  
  
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Samantha Lifford (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

Date: 08 September 2023

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

# Consolidated Statement of Comprehensive Income

## For the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Turnover</b>	2	<b>47,648</b>	44,691
Operating costs	2	<b>(34,538)</b>	(33,221)
Surplus on disposal of property, plant and equipment	4	<b>644</b>	1,854
Impairment of fixed assets	2	<b>(284)</b>	(48)
<b>Operating surplus</b>		<b>13,470</b>	13,276
Interest receivable	8	<b>471</b>	61
Interest and financing costs	9	<b>(10,564)</b>	(9,834)
Movement in the fair value of investment properties	12	<b>(224)</b>	(468)
<b>Surplus before taxation</b>	7	<b>3,153</b>	3,035
Taxation	10	<b>(12)</b>	7
<b>Surplus for the year</b>		<b>3,142</b>	3,042
<b>Other comprehensive (loss)/income:</b> Remeasurement of Defined Benefit pension scheme liability	22	<b>(165)</b>	528
<b>Total comprehensive income for the year</b>		<b>2,977</b>	3,570

The notes on pages 44 to 73 form part of these financial statements.

# Association Statement of Comprehensive Income

For the year ended 31 March 2023

		<b>2023</b>	2022
	Notes	<b>£'000</b>	£'000
<b>Turnover</b>	2	<b>10,101</b>	9,761
Operating costs	2	<b>(10,101)</b>	(9,744)
<b>Operating surplus</b>	2	-	17
Interest receivable	8	<b>16</b>	-
Interest and financing costs	9	<b>(6)</b>	(5)
<b>Surplus before tax</b>	7	<b>10</b>	12
Taxation	10	-	7
<b>Surplus for the year</b>		<b>10</b>	19
<b>Total comprehensive income for the year</b>		<b>10</b>	19

The notes on pages 44 to 73 form part of these financial statements.

# Consolidated Statement of Financial Position

## At 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Intangible assets	11	408	690
Housing properties	12	382,730	371,191
Investment properties	12	2,050	2,059
Other property, plant and equipment	12	148	208
Investment cash	13	1,461	1,461
		<b>386,797</b>	<b>375,609</b>
<b>Current assets</b>			
Inventories		1	4
Properties held for sale		13,194	6,232
Debtors receivable in one year	14	3,537	3,774
Current asset investment	16	41	11,019
Cash	15	16,297	29,004
		<b>33,070</b>	<b>50,033</b>
<b>Creditors: Amounts falling due within one year</b>	17	<b>(36,092)</b>	<b>(36,147)</b>
<b>Net current (liabilities)/assets</b>		<b>(3,022)</b>	<b>13,886</b>
<b>Total assets less current (liabilities)/assets</b>		<b>383,775</b>	<b>389,495</b>
<b>Creditors: Amounts falling due after more than one year</b>	18	<b>(296,611)</b>	<b>(305,346)</b>
<b>Provision for liabilities and charges</b>			
Taxation	19	-	-
Defined Benefit Pension	22	(544)	(506)
<b>Net assets</b>		<b>86,620</b>	<b>83,643</b>
<b>Capital and reserves</b>			
Called-up share capital	20	-	-
Revenue reserve		86,620	83,643
<b>Total reserves</b>		<b>86,620</b>	<b>83,643</b>

The notes on pages 44 to 73 form part of these financial statements.

The financial statements were approved by the Board on 8 September 2023 and were signed on its behalf by:

**Secretary**



**Board Member**



**Board Member**



# Association Statement of Financial Position

## At 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Intangible assets	11	408	690
Other property, plant and equipment	12	148	208
		<b>556</b>	<b>898</b>
<b>Current assets</b>			
Inventories		1	4
Debtors receivable in one year	14	474	465
Intercompany debtor – Defined Benefit Pension	22	544	506
Cash	15	276	1,095
		<b>1,295</b>	<b>2,070</b>
<b>Creditors: Amounts falling due within one year</b>	17	<b>(810)</b>	<b>(1,958)</b>
<b>Net current assets</b>		<b>485</b>	<b>112</b>
<b>Total assets less current assets</b>		<b>1,041</b>	<b>1,010</b>
<b>Creditors: Amounts falling due after one year</b>	18	<b>(37)</b>	<b>(54)</b>
<b>Provision for liabilities</b>			
Taxation	19	-	-
Defined Benefit Pension	22	(544)	(506)
<b>Net assets</b>		<b>460</b>	<b>450</b>
<b>Capital and reserves</b>			
Share capital	20	-	-
Revenue reserve		460	450
<b>Total reserves</b>		<b>460</b>	<b>450</b>

The notes on pages 44 to 73 form part of these financial statements.

The financial statements were approved by the Board on 8 September 2023 and were signed on its behalf by:

**Secretary**



**Board Member**



**Board Member**



## Consolidated Statement of Changes in Reserves

### For the year ended 31 March 2023

	<b>Revenue reserve</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 31 March 2021	80,073	80,073
Surplus for the year	3,042	3,042
In year actuarial movement of pension scheme	528	528
Balance at 31 March 2022	83,643	83,643
Surplus for the year	3,142	3,142
In year actuarial movement of pension scheme	(165)	(165)
<b>At 31 March 2023</b>	<b>86,620</b>	<b>86,620</b>

The notes on pages 44 to 73 form part of these financial statements.

## Association Statement of Changes in Reserves

For the year ended 31 March 2023

	<b>Revenue reserve</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 31 March 2021	431	431
Surplus for the year	19	19
Balance at 31 March 2022	450	450
Surplus for the year	10	10
<b>At 31 March 2023</b>	<b>460</b>	<b>460</b>

The notes on pages 44 to 73 form part of these financial statements.

# Consolidated Statement of Cash Flows

## For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
<b>Net cash generated from operating activities</b>	28	<b>18,076</b>	<b>16,396</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(24,743)	(24,294)
Purchase of intangible fixed assets		(135)	(82)
Proceeds from sale of tangible fixed assets		2,219	5,618
Grants received		4,963	6,515
Disposal/(Purchase) of current asset investment		10,978	(10,603)
Interest received		470	61
<b>Net cash flows used in investing activities</b>		<b>(6,248)</b>	<b>(22,785)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(10,501)	(10,137)
Premium on loan and arrangement fees		-	3,101
New loans		-	20,000
Repayments of borrowings		(14,019)	(5,871)
New finance lease		-	85
Capital element of finance lease repaid		(15)	(14)
<b>Net cash flows from financing activities</b>		<b>(24,535)</b>	<b>7,164</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(12,707)</b>	<b>775</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>29,004</b>	<b>28,229</b>
<b>Cash and cash equivalents at end of year</b>		<b>16,297</b>	<b>29,004</b>

The notes on pages 44 to 73 form part of these financial statements.

# Notes to the Financial Statements

## 1. Principal accounting policies

### **Basis of accounting**

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice). This includes the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Statement of Recommended Practice (SORP) for registered social housing providers 2014, (updated in 2018) the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The Group is a public benefit entity.

The presentational and functional currency of these financial statements is in sterling.

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

### **Group accounts**

The consolidated financial statements for Rooftop Housing Group Limited incorporate the financial statements of Rooftop Housing Association Limited; a subsidiary within the meaning of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Localism Act 2011.

### **Year end**

The group's ordinary year end date is 31 March.

### **Going concern**

The Board considers that it has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the 'going concern' principle in the financial statements.

The Board approved the 40-year Financial Business Plan in May 2023. This included detailed stress testing with multi-variant scenarios.

The Board previously approved a Financial Business Plan in May 2022 which included a number of stress tests including a perfect storm, which created extreme results. The plan also contained a £5 million cash contingency for Development which can be released in adverse circumstances. Based on our Treasury Management Policy, RHA holds minimum cash balances of £5 million or three months' liquid funds, whichever is the greater. When calculating the required cash balance an assumption is made that we will only receive two thirds of property sales in a period. This prudent approach and the available undrawn loan facilities will keep us viable during these difficult times.

The budget for 2023/24 was approved by the Group's Board on 22 March 2023. The challenges for the year ahead will remain significant for Rooftop and its customers, as the shockwaves of the pandemic, Brexit and continuing higher rates of inflation continue to have an impact on service delivery.

The labour and skills shortages which limited our ability to consistently deliver a high-quality a repairs service for customers are set to continue for some time. Therefore, our top priority for the year is to make improvements and deliver efficiencies in this critical service area.

The government imposed rent cap for social rents in 2023/24 limited our ability to cover costs at a time when inflation was at a record 40 year high. Rising costs and the possibility of another rent cap will present a second major challenge. In 2022/23, we launched a new Target Operating Model which sought to simplify our services and rationalise our assets. In the coming year, we will focus on realising these efficiencies and expand digital platforms by providing more automation, enabling for customers and colleagues to self-serve where they can.

At the end of the financial year, a Group post-tax surplus of £3,142,000 was achieved. The budget surplus for 2023/24 has been set at £6,008,000, an increase of £1,920,000 from the 2022/23 budget. This reflects the plans to align our structures and finances to the new Target Operating Model.

At 31 March 2023, the Group held £17.8 million cash including short and long term investments, of which £16.2 million is available at short notice. In addition, we have £82.3 million of undrawn revolving credit facilities at year end; this will support the current development programme. We are pleased to confirm there is sufficient cash available to support the business and to comply with our funders' covenants, during the going concern assessment period.

Given the strength of the statement of financial position and availability and liquidity of undrawn loan facilities, the Board believe that while there may be some uncertainty in the future, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

## **Turnover**

Turnover represents rental and service charge income, fees, grants receivable, disposal proceeds of shared ownership first tranche sales and outright sales. Turnover for RHG as parent represents charges to the subsidiaries.

Proceeds from the first tranche disposals of shared ownership properties, and outright sales are accounted for in turnover in the Statement of Comprehensive Income in the period in which the disposal occurs. The cost of sales includes the incidental costs of executing the sale and, for shared ownership properties, a proportion of the overall costs of the property determined by the percentage of the property sold under the first tranche sale. The cost of sale for shared ownership properties is adjusted, where necessary, to ensure the surplus on sale is restricted to the overall surplus on the scheme.

## **Service charges**

The Group operates variable and fixed service charges depending on the requirements of the respective tenancy agreements. Where the charge is variable an assessment is made of whether costs have been over or under recovered and an appropriate prepayment or accrual provided for in the accounts.

## **Right to buy income and sales**

Surpluses and deficits arising from the disposal of properties under the Right to Buy legislation are disclosed on the face of the Statement of Comprehensive Income after the operating result and before interest. On the occurrence of a sale a relevant proportion of the proceeds are clawed back by Wychavon District Council. The surplus or deficit is calculated by comparing the net proceeds received by the Group with the carrying value of the property sold.

### Outright sale properties

Properties developed for outright sale are included in current assets.

### Shared ownership properties

Shared ownership properties under construction are proportionally split between current and fixed assets, determined by the percentage of the properties to be sold under the first tranche sales.

### Housing properties

Housing properties including shared ownership properties are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of the properties is their purchase price together with improvement costs and incidental costs of acquisition, including capitalised interest and development administration.

Housing properties during construction are stated at cost and are not depreciated. They are transferred into housing properties when completed.

The market rent properties are investment properties in accordance with FRS 102 and are not depreciated but are measured at fair value annually with any change recognised in surplus or deficit in the Statement of Comprehensive Income.

Freehold land is not depreciated. Land donated or acquired below market value is included in cost at its valuation, with the donation treated as a capital grant when it relates to a specific project.

### Component accounting

Major components of properties are treated as separable assets, and are therefore capitalised. The structure of the properties are also treated as a component. The components are depreciated over their expected useful economic lives or the lives of the properties to which they relate, if shorter, on a straight-line basis. The following annual rates are used:

Structure (general needs, sheltered, supported and shared ownership homes)	100 years
Structure (leasehold properties)	Over the life of the lease
Structure (non-traditional properties)	15 years
Garages (structure)	25 years
Roofs	75 years
Windows	40 years
Doors	40 years
Boilers and air source heat pumps	15 years
Kitchens	20 years
Bathrooms	30 years
Heating	30 years
Electrics	30 years
Lifts	30 years
Solar Panels	30 years
Ventilation systems	15 years
External wall insulation	30 years
Grant for SHDF works	40 years*

\*This is to match the life cycle of windows, which has the longest life of components being funded by the SHDF grant.

The carrying amount of any replacement component is derecognised.

Responsive repairs are not capitalised.

## Impairment

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell.

## Other fixed assets and depreciation

Tangible fixed assets other than Housing Properties are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of those assets at the following annual rates:

Office furniture	25%
Office equipment	4%-33%
IT networking	10%
Computer equipment	20%-33%
Leasehold improvements	Over life of the lease

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

## Intangible assets

Intangible assets are stated at historic cost less accumulated amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	5 years
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A full year's amortisation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

## Social Housing Grant (SHG) and other government grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to assets are recognised in income using the accrual model on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure.

Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised.

## Recycling of capital grant

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

### **Capitalisation of interest**

Interest on the loan financing a development is capitalised from the date of practical completion. The amount takes into account interest earned on SHG received in advance. No interest is capitalised on land purchased for future developments.

### **Supported housing schemes managed by agents**

The Group owns a number of schemes that are run by specialist agencies. The agents carry the financial risk from operating the scheme and, therefore, the Statement of Comprehensive Income only includes the income and expenditure that relates solely to the Group. Any other income and expenditure related to the scheme is excluded from the statement of comprehensive income.

### **Investments**

Any investment by one Group member to another is shown at historical cost.

### **Major and cyclical repairs and maintenance**

The Group only capitalises major repairs expenditure on housing properties where it increases the net rental stream by:

- extending its useful economic life or
- the improvement enables a higher rental income to be charged.

All other major repairs expenditure is charged to the statement of comprehensive income as incurred.

### **Provisions**

The Group only provides for contractual and constructive liabilities where it has a present obligation to transfer economic benefits as a result of past events, it is probable that a transfer of economic benefit will result, and a reliable estimate can be made of the amount of the obligation.

### **Pensions**

The Group has traditionally operated two defined benefit pension schemes, contracted out of the state scheme but were closed in April 2014. From April 2014, the Group only operates one defined contribution scheme. Contributions to pension schemes are determined in accordance with actuarial advice and calculated as a percentage of pensionable salaries.

For the defined contribution scheme, the amount charged to the Statement of Comprehensive Income in respect of pension costs is the contributions payable in the year. This is charged to RHG and apportioned to subsidiaries via the Group Membership Agreement.

There are a limited number of employees who participate in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme to which the Group contributes.

Current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs/income. Actuarial gains and losses are reported in the statement of comprehensive income.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality bond rates. The net deficit is presented separately from other assets on the Statement of Financial Position. A net surplus is recognised only to the extent that it is recoverable by the Group.

### **Leased assets**

Rentals paid under operating leases are charged to the statement of comprehensive income in the period to which they relate.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower the present value of minimum lease payments) at the inception of the lease. The corresponding liability is included in the statement of financial position within long-term creditors. 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. Rental payments are charged as expenses in the periods in which they are incurred.

### **Value Added Tax (VAT)**

The Group is VAT registered but the majority of its income, being housing rents, and right to buy sales, is exempt for VAT purposes and this gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is deducted from lettings expenditure. From October 2013, RHA, RHL and RS&C became members of a cost sharing group which provides property repair services to the Group. RHL and RS&C have now been removed from this group.

### **Deferred taxation**

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the Statement of Financial Position date, unless such provision is not permitted by FRS 102.

Deferred tax is not provided for in respect of gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over, or on revaluation gains on housing properties unless there is a binding agreement to sell them at the Statement of Financial Position date.

### **Financial instruments**

Basic financial instruments which meet the necessary conditions of FRS 102 are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method with interest charges recognised as an expense in the Statement of Comprehensive Income. Financial Instruments classified as non-basic are measured at fair value at the end of each reporting period with gains and losses arising from year to year being recognised in the Statement of Comprehensive Income.

### **Service charge sinking funds**

Unutilised contributions to service charge sinking funds are recognised as a liability in the Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund.

**Bad debt provision**

Former tenant arrears are provided for in full in the bad debt provision. Current tenant arrears are provided for on a percentage basis based on the age of the debt.

**Significant management judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to account estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Significant management judgements**

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

**Impairment of social housing properties**

The Group must make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Management have also considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment.

**Development expenditure**

The Group capitalises development expenditure in accordance with the stated accounting policy. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

**Estimation uncertainty**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Fair value measurement**

Management uses valuation techniques to determine the fair value of non-basic financial instruments. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual price that would be achievable in an arm's length transaction at the reporting date.

**Pension costs**

The defined benefit accounting liability for the SHPS pension scheme has been provided by the scheme administrator, The Pensions Trust (TPT). The accounting liability has been formulated based on a series of assumptions which are set out in Note 21 to the financial statements. TPT provide a standard set of assumptions which it deems are appropriate, however, these are adjustable by individual providers to meet their own circumstances. The standard assumptions have been adopted by the Association as they are judged to be appropriate and reasonable. If the discount rate was lower, and/or the inflation rates and life expectancy rates were higher, then the liability would increase. Conversely, if the discount rate was higher, and/or the inflation rates and life expectancy rates were lower, then the liability would decrease.

The Group has a policy for recognising the movement in the defined benefit pension scheme in Rooftop Housing Association Limited's financial statements as the Association is responsible for settling the deficit despite the pension scheme being in the name of the parent Association, Rooftop Housing Group Limited.

## 2. Particulars of Group turnover, operating costs & operating surplus

	2023			2022		
	Turnover	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Group</b>						
<b>Social housing lettings (Note 3)</b>	<b>39,480</b>	<b>(26,763)</b>	<b>12,717</b>	37,597	(26,396)	11,201
Other Social housing activities						
Shared ownership sales	5,503	(4,212)	1,291	4,384	(3,865)	519
Supporting People	705	(1,187)	(482)	697	(1,227)	(530)
Other	293	(1,218)	(925)	206	(1,219)	(1,013)
Grant	153	(580)	(427)	605	(225)	380
	<b>46,134</b>	<b>(33,960)</b>	<b>12,174</b>	43,489	(32,932)	10,557
Activities other than social housing	1,514	(579)	935	1,202	(289)	913
<b>Total</b>	<b>47,648</b>	<b>(34,538)</b>	<b>13,110</b>	44,691	(33,221)	11,470
Surplus on disposal of property, plant and equipment	-	-	644	-	-	1,854
Impairment of fixed assets	-	-	(284)	-	-	(48)
<b>Total</b>	<b>47,648</b>	<b>(34,538)</b>	<b>13,470</b>	44,691	(33,221)	13,276
<b>Association</b>						
<b>Other social housing activities</b>						
Other	10,101	(10,101)	-	9,761	(9,744)	17
<b>Total</b>	<b>10,101</b>	<b>(10,101)</b>	<b>-</b>	9,761	(9,744)	17

### 3. Particulars of income and expenditure from social housing lettings

	General Needs	Supported Housing	Other	Total
	£'000	£'000	£'000	£'000
<b>Group 2023</b>				
Rent receivable net of identifiable service charges	29,187	3,929	244	33,360
Amortised government grant	632	163	-	795
Service charge income	1,529	3,796	-	5,325
<b>Turnover from social housing lettings</b>	<b>31,348</b>	<b>7,888</b>	<b>244</b>	<b>39,480</b>
Management	5,534	219	5	5,758
Services	2,116	3,053	3	5,172
Routine maintenance	8,781	1,264	20	10,065
Planned maintenance	818	111	-	929
Rent losses from bad debts	57	14	-	71
Depreciation of housing properties	4,100	668	-	4,768
<b>Operating costs on social housing lettings</b>	<b>21,407</b>	<b>5,329</b>	<b>28</b>	<b>26,763</b>
<b>Operating surplus on social housing lettings</b>	<b>9,942</b>	<b>2,559</b>	<b>216</b>	<b>12,717</b>
<b>Rent losses from voids</b>	<b>647</b>	<b>982</b>	<b>102</b>	<b>1,731</b>
<b>Group 2022</b>				
Rent receivable net of identifiable service charges	28,577	2,873	255	31,705
Amortised government grant	628	122	-	750
Service charge income	1,457	3,685	-	5,142
<b>Turnover from social housing lettings</b>	<b>30,662</b>	<b>6,680</b>	<b>255</b>	<b>37,597</b>
Management	6,167	198	2	6,367
Services	2,043	2,741	5	4,789
Routine maintenance	6,100	1,120	19	7,239
Planned maintenance	2,538	165	-	2,703
Rent losses from bad debts	53	(5)	1	49
Depreciation of housing properties	4,721	528	-	5,249
<b>Operating costs on social housing lettings</b>	<b>21,622</b>	<b>4,747</b>	<b>27</b>	<b>26,396</b>
<b>Operating surplus on social housing lettings</b>	<b>9,040</b>	<b>1,933</b>	<b>228</b>	<b>11,201</b>
Rent losses from voids	454	943	112	1,509

## 4. Surplus on disposal of property, plant and equipment

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Sale of housing properties</b>				
Receipts from sale of housing properties	2,220	5,618	-	-
Book value of properties sold	(1,504)	(3,616)	-	-
Other operating costs and costs of disposal	(72)	(148)	-	-
<b>Surplus on sale of properties</b>	<b>644</b>	<b>1,854</b>	<b>-</b>	<b>-</b>

## 5. Directors' emoluments and expenses

The directors are defined as the members of the Board and the executive officers as given on page 3. Board Member allowances paid during the year total £55,539 (2022: £58,325) which equates to 0.12% of turnover (2022: 0.13%).

RHG Board Member allowances were as follows:

	£
C Jones	574
S Higham	12,241
P Spooner	3,992
J Wallbank	4,640
C Goodchild	6,882
C Arthurs Payne	7,912
M Hrycyk	4,640
T Rollings	5,867
D Halford	4,640
W Harris	2,539
L Cumberbatch-Nicholls	1,612
	<b>55,539</b>

The emoluments of the executive officers were as follows:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Salaries and taxable benefits	474	590	474	590
Pension contributions	37	45	37	45
	<b>511</b>	<b>635</b>	<b>511</b>	<b>635</b>

The total amount of severance payments made in the year to executive officers was £nil (2022: £13,500).

The emoluments of the highest paid directors were as follows:

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments excluding pension – B Worrall	<b>147</b>	144	<b>147</b>	144

The Directors are ordinary members of the Social Housing Pension defined contribution scheme.

Directors' emoluments (excluding pension contributions) fell within the ranges:

	<b>2023</b>	2022
	<b>Number</b>	Number
£50,001 - £55,000	-	1
£55,001 - £60,000	-	1
£100,001 - £105,000	-	2
£105,001 - £110,000	<b>2</b>	-
£115,001 - £120,000	<b>1</b>	-
£130,001 - £135,000	-	1
£140,001 - £145,000	-	1
£145,001 - £150,000	<b>1</b>	-

Staff emoluments (excluding pension contributions) in excess of £60,000 fell within the ranges:

	<b>2023</b>	2022
	<b>Number</b>	Number
£60,001 - £70,000	<b>7</b>	5
£70,001 - £80,000	<b>3</b>	-
£80,001 - £90,000	-	-

## 6. Employee information

The number of full-time equivalents (FTE 37 hours week) was:

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>Number</b>	Number	<b>Number</b>	Number
	<b>FTE</b>	FTE	<b>FTE</b>	FTE
Housing, support and care	<b>113.09</b>	113.86	<b>113.09</b>	113.86
Administration and development	<b>60.10</b>	56.62	<b>60.10</b>	56.62
<b>Total at 31 March</b>	<b>173.19</b>	170.48	<b>173.19</b>	170.48
<b>Staff costs (for the above persons):</b>	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Wages and salaries	<b>6,284</b>	6,029	<b>6,284</b>	6,029
Social security costs	<b>677</b>	613	<b>677</b>	613
Pension costs	<b>504</b>	469	<b>504</b>	469
<b>Total</b>	<b>7,465</b>	7,111	<b>7,465</b>	7,111

The total amount of severance and redundancy payments made in the year was £nil (2022: £30,000). In the year, pension costs recharged to RHA were £141,000 (2022: £117,000) which includes a SHPS pension contribution of £141,000 (2022: £117,000).

## 7. Surplus before taxation

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>The surplus before taxation is stated after charging:</b>				
Depreciation	4,893	5,329	69	80
Amortisation of intangible assets	417	481	417	481
External auditor's remuneration (excluding value added tax)				
- in their capacity as auditor	59	38	12	8
- in respect of other services	9	6	-	1
Operating lease rentals – other	7	9	7	9
Operating lease rentals – land and buildings	144	135	144	135
Donations	32	46	-	-

## 8. Interest receivable

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
From banks	471	61	16	-
<b>Total</b>	<b>471</b>	<b>61</b>	<b>16</b>	<b>-</b>

## 9. Interest and financing costs

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	11,165	10,434	6	5
Less: interest capitalised	(601)	(600)	-	-
<b>Total</b>	<b>10,564</b>	<b>9,834</b>	<b>6</b>	<b>5</b>

The rate used to calculate capitalised interest was 4.6% (2022: 4.4%) being the average rate of borrowing. Total interest payable of £11.2 million includes £403,000 in respect of adjustments of basic financial instruments to effective interest rate.

## 10. Taxation - group

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Current tax:</b>		
UK corporation tax on surplus for the year	-	-
Adjustment in respect of previous periods	<b>12</b>	-
<b>Total current tax</b>	<b>12</b>	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	(8)
Adjustment in respect of previous periods	-	-
Effect of changes in tax rate on opening liability	-	1
<b>Total deferred tax</b>	-	(7)
Tax on surplus	<b>12</b>	(7)
<b>Factors affecting tax charge/(credit) for the year</b>		
The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK as explained below:		
<b>Surplus before tax</b>	<b>3,153</b>	3,035
Surplus multiplied by the standard rate of corporation tax in the UK (19%) (2022: 19%)	<b>599</b>	577
Effects of:		
Fixed asset differences	<b>(11)</b>	(18)
Remeasurement of deferred tax for change in tax rates	<b>(2)</b>	(3)
Movement in deferred tax not recognised	<b>11</b>	11
Amounts not taxable	<b>(597)</b>	(574)
Adjustment in respect of previous periods	<b>12</b>	-
<b>Total tax charge/(credit) for the year</b>	<b>12</b>	(7)

## 10. Taxation - association

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Current tax:</b>		
UK corporation tax on surplus for the year	-	-
Adjustment in respect of previous periods	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	(7)
Effect of changes in tax rate on opening liability	-	-
<b>Total deferred tax</b>	<b>-</b>	<b>(7)</b>
Tax on surplus	-	(7)
<b>Factors affecting tax charge for the year</b>		
The tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK as explained below:		
<b>Surplus before tax</b>	<b>10</b>	12
Surplus multiplied by the standard rate of corporation tax in the UK (19%) (2022: 19%)	2	2
<b>Effects of:</b>		
Fixed asset differences	(11)	(18)
Remeasurement of deferred tax for changes in tax rates	(2)	(2)
Movement in deferred tax not recognised	11	11
<b>Total tax charge for the year</b>	<b>-</b>	<b>(7)</b>

## 11. Intangible assets – group and association

	Software £'000	Total £'000
<b>Cost</b>		
At 1 April 2022	2,857	2,857
Additions	135	135
Disposals	-	-
<b>As at 31 March 2023</b>	<b>2,992</b>	<b>2,992</b>
<b>Amortisation</b>		
At 1 April 2022	2,167	2,167
Charge for the year	417	417
Eliminated on disposals	-	-
<b>As at 31 March 2023</b>	<b>2,584</b>	<b>2,584</b>
<b>Net book value</b>		
<b>As at 31 March 2023</b>	<b>408</b>	<b>408</b>
As at 31 March 2022	690	690

## 12. Tangible fixed assets

### Housing properties & land – group

	Freehold Land	Housing Properties for Lettings	Shared Ownership	Investment Properties	Shared Ownership under construction	Properties under construction	Total properties
Cost or valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	8,269	384,854	20,988	2,059	3,300	12,811	432,281
Works to existing properties	-	5,799	-	215	-	-	6,014
Additions	4	29	543	-	4,860	13,276	18,712
Disposals	-	(833)	(1,155)	-	-	(34)	(2,022)
Transfer between categories	(1,251)	19,599	3,689	-	(3,689)	(18,348)	-
Transfer to held for sale	-	(7,115)	-	-	-	-	(7,115)
Impairment	-	(473)	-	-	-	(20)	(493)
Revaluation	-	-	-	(224)	-	-	(224)
<b>At 31 March 2023</b>	<b>7,022</b>	<b>401,860</b>	<b>24,065</b>	<b>2,050</b>	<b>4,471</b>	<b>7,685</b>	<b>447,153</b>
<b>Depreciation</b>							
At 1 April 2022	-	57,983	1,048	-	-	-	59,031
Charge for year	-	5,406	156	-	-	-	5,562
Transfer to held for sale	-	(732)	-	-	-	-	(732)
Transfer between categories	-	-	-	-	-	-	-
Impairment	-	(340)	-	-	-	-	(340)
Disposals	-	(348)	(62)	-	-	-	(410)
Write back of depreciation for assets fully depreciated in previous year	-	(738)	-	-	-	-	(738)
<b>At 31 March 2023</b>	<b>-</b>	<b>61,231</b>	<b>1,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,373</b>
<b>Net book value at 31 March 2023</b>	<b>7,022</b>	<b>340,629</b>	<b>22,923</b>	<b>2,050</b>	<b>4,471</b>	<b>7,685</b>	<b>384,780</b>
Net book value at 31 March 2022	8,269	326,871	19,940	2,059	3,300	12,811	373,250
<b>Cost or valuation represented by:</b>							
Gross cost	7,022	401,860	24,065	1,992	4,471	7,685	447,095
Revaluation	-	-	-	58	-	-	58
<b>Total</b>	<b>7,022</b>	<b>401,860</b>	<b>24,065</b>	<b>2,050</b>	<b>4,471</b>	<b>7,685</b>	<b>447,153</b>

Investment properties, which are all freehold commercial properties, were valued to fair value at 31 March 2023 based on a valuation undertaken by Avison Young, Chartered Surveyors. The valuation was carried out in accordance with the RICS Valuation – Professional Standards manual.

Housing properties for lettings and shared ownership properties are accounted for at historic cost but have been valued for funders' purposes as follows:

Completed housing properties were valued as at 31 March 2023 on the basis of existing use value - social housing (EUV - SH). The existing use value for social housing assesses the dwellings on the basis that they would be managed and owned by an organisation committed to the provision of rented accommodation let at an affordable rent, and that the vacant units would be re-let on similar terms rather than sold into the open market. The total value of properties valued on a EUV-SH basis for funders' purposes is £465.3 million.

The net book value of social housing properties held on a long lease is £3.0 million (2022: £3.0 million).

Total expenditure on works to existing properties:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Amounts capitalised:		
Replacement of components	<b>6,014</b>	3,352
Improvements	-	-
	<b>6,014</b>	3,352
Amounts charged to the Statement of Comprehensive Income	<b>951</b>	2,935
<b>Total</b>	<b>6,965</b>	6,287

Gross expenditure on components was £6,014,000 and the net book value of replaced components written off was £497,000.

The value of environmental grants amortised in year relating to the components above amount to £34,000.

Avison Young, Chartered Surveyors, carried out the EUV - SH valuation in accordance with the RICS Valuation - Professional Standards manual and takes into account the performance standards for Registered Providers published by the Homes and Communities Agency.

The EUV - SH valuation method discounts the cash flows from rental and other income less management, maintenance and repair expenditure to their present value. The main assumptions used were:

- Discount rate 5.25% (real)
- Property sales Forecasts of right-to-buy sales are based on analysis, past experience and current trends.

### Shared ownership properties

Shared ownership properties both completed and under construction are proportionally split between current and fixed assets, determined by the percentage of the properties to be sold under the first tranche sales. The amount held in current assets for completed shared ownership properties and properties held for outright sale is £8,856,000 and the amount held in current assets for shared ownership properties under construction is £4,318,000.

## 12. Tangible fixed assets (continued)

Property, plant and equipment - other – group and association

	Office furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2022	989	363	1,352
Additions	12	7	19
Disposals	-	(50)	(50)
<b>At 31 March 2023</b>	<b>1,001</b>	<b>320</b>	<b>1,321</b>
<b>Depreciation</b>			
At 1 April 2022	869	275	1,144
Disposals	-	(40)	(40)
Charge for year	37	32	69
<b>At 31 March 2023</b>	<b>906</b>	<b>267</b>	<b>1,173</b>
<b>Net book value at 31 March 2023</b>	<b>95</b>	<b>53</b>	<b>148</b>
Net book value at 31 March 2022	120	88	208

## 13. Fixed asset investments

	2023	2022
	£'000	£,000
Liquidity Reserve Fund	1,461	1,461
<b>Total</b>	<b>1,461</b>	<b>1,461</b>

The Liquidity Reserve Fund is a designated interest-bearing account charged in respect of the bLEND facility to cover 12 months' interest. The Association is not able to access the fund. The monies held in the Liquidity Reserve Fund will be repaid to RHA in 2054, when the loan is due to be repaid.

## 14. Debtors

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Amounts receivable within one year</b>				
Rents and service charges	1,975	1,996	-	-
Less: provision for doubtful debts	(1,147)	(1,100)	-	-
	<b>828</b>	<b>896</b>	<b>-</b>	<b>-</b>
Social housing grant receivable	-	109	-	-
Amounts due from subsidiaries	-	-	-	-
Other debtors	685	1,109	74	24
Corporation tax	-	-	-	-
Prepayments and accrued income	2,024	1,660	400	441
	<b>3,537</b>	<b>3,774</b>	<b>474</b>	<b>465</b>

## 15. Cash at bank and in-hand

There were no specific charges on RHG's cash at bank and in-hand as at 31 March 2023 or 31 March 2022.

## 16. Current asset investments

	2023 £'000	2022 £'000
Cash Security Fund	-	1,000
95 Day Investment Account	41	10,019
<b>Total</b>	<b>41</b>	<b>11,019</b>

The Cash Security Fund held in 2021 was a designated cash security account charged in respect of the bLEND facility to provide security against the drawn loan of £30 million. The cash was released in November 2021, when the second tranche of £20 million was drawn down and all loans were fully charged with property security. However, the cash was transferred to RHA's current bank account in 2022 to fund development activities.

The 95 Day Investment Account is a short term investment account to achieve a higher return on surplus cash balances.

## 17. Creditors: amounts falling due within one year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Housing loan repayable in one year	5,670	5,921	-	-
Recycled capital grant fund	781	548	-	-
Government grant	13,965	15,158	-	-
Finance lease repayable in one year	17	15	17	15
Trade creditors	7,298	6,186	65	114
Right-to-buy sale proceeds due to Wychavon District Council	524	243	-	-
Accruals in respect of repairs	2,080	1,138	-	-
Amounts payable on housing development and major repairs	1,781	3,378	-	-
Interest payable	552	651	-	-
Corporation tax	12	-	-	-
Other taxation and social security	180	167	154	145
Amounts due to subsidiaries	-	-	241	1,357
Premium on bonds	362	369	-	-
Other accruals	2,870	2,373	333	327
<b>Total</b>	<b>36,092</b>	<b>36,147</b>	<b>810</b>	<b>1,958</b>

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

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Housing loans</b>				
Repayable between one and two years	5,803	6,065	-	-
Repayable between two and five years	20,869	20,538	-	-
Repayable, otherwise than by instalments, in five years or more	192,996	206,400	-	-
<b>Total loans repayable</b>	<b>219,668</b>	<b>233,003</b>	<b>-</b>	<b>-</b>
Premium on issue of bonds repayable in one year or more	7,933	8,295	-	-
Finance lease	37	54	37	54
Government grants	68,973	63,994	-	-
<b>Total</b>	<b>296,611</b>	<b>305,346</b>	<b>37</b>	<b>54</b>

Housing loans are secured by specific charges on certain of RHA's housing properties. The interest rates are fixed between 2.92% and 6.6% or vary with market rates. As at 31 March 2023 the agreed facility is £308.6 million of which £226.3 million (2022: £240.4 million) has been drawn down by RHA to date. The final loan is due for repayment in 2054.

The Group has one finance lease with Xerox Finance.

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Finance lease</b>				
Repayable between one and two years	18	17	18	17
Repayable between two and five years	19	37	19	37
<b>Total finance lease repayable</b>	<b>37</b>	<b>54</b>	<b>37</b>	<b>54</b>

The Group has one finance lease with Xerox Finance, which was taken out in April 2021.

Government grants relating to properties under construction total £13,964,000 (2022: £15,908,000).

The original total value of grant received at 31 March 2023 is £93,740,000 (2022: £88,805,000).

	2023	2022
	£'000	£'000
<b>Deferred income – Government grants - group</b>		
<b>At 1 April</b>	<b>79,152</b>	<b>74,490</b>
Grants receivable net of disposals	4,621	5,417
Amortisation to statement of comprehensive income	(835)	(755)
<b>At 31 March</b>	<b>82,938</b>	<b>79,152</b>
Due within one year	13,965	15,158
Due after one year	68,973	63,994

## 19. Provisions for liabilities and charges

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Deferred taxation</b>				
At 1 April	-	6	-	6
Effect of tax rate changing on opening balance	-	1	-	1
Charge for the year	-	(7)	-	(7)
<b>At 31 March</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The deferred taxation provision comprises:				
Accelerated capital allowances	-	117	-	117
Other timing differences	-	(117)	-	(117)
<b>At 31 March</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the Statement of Financial Position date, unless such provision is not permitted by FRS 102.

## 20. Share capital

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Shares of £1 each issued and fully paid				
At 1 April	15	22	9	10
Issued during the year	4	2	2	1
Cancelled during the year	(4)	(9)	(2)	(2)
<b>At 31 March</b>	<b>15</b>	<b>15</b>	<b>9</b>	<b>9</b>

The share capital of RHG consists of shares with a nominal value of £1, each of which carries no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. Where a shareholder ceases to be a member that person's share is cancelled, and the amount paid by them then becomes the property of RHG. Therefore, all shareholdings relate to non-equity interests and there are no equity interests in RHG. Subsidiaries and RHG Board Members may be admitted as shareholders in accordance with policies. The group does not have any reserves in equity other than the revenue reserve.

## 21. Capital commitments - group

	2023	2022
	£'000	£'000
Capital expenditure contracted for in respect of development expenditure but not provided for in the financial statements	23,198	42,171
Capital expenditure authorised by the Board but not contracted for in respect of development expenditure	25,195	32,044
<b>Total</b>	<b>48,393</b>	<b>74,215</b>
The Group expects to finance the above expenditure by:		
Social Housing Grant receivable	6,720	14,141
Property sales proceeds	14,612	19,206
Use of cash surplus plus loan funding	27,061	40,868
<b>Total</b>	<b>48,393</b>	<b>74,215</b>

The contracted capital expenditure commitment is based on all developments currently on site. The commitment for capital expenditure authorised but not contracted for is based on all the remaining approved development schemes that are in the business plan. The loan funding available to fund the above expenditure is made up of the current cash surplus, the undrawn loan facilities including £25 million agreed with Santander in May 2017, a £25 million facility agreed with Lloyds in September 2017 and a further £25 million facility agreed with Lloyds in July 2019.

## 22. Pension obligations

The Group has traditionally operated two defined benefit pension schemes, contracted out of the state scheme. These were closed from April 2014. The Group also operated two money purchase defined contribution schemes and a career average revalued earnings defined benefit scheme (CARE), but from April 2014 the Group only operates one defined contribution scheme. Contributions to pension schemes are determined in accordance with actuarial advice and calculated as a percentage of pensionable salaries.

**CARE**

For the defined contribution scheme, the amount charged to the Statement of Comprehensive Income in respect of pension costs is the contributions payable in the year which total £332,000 (2022: £330,000). This is charged to RHG and apportioned to subsidiaries via the Group Membership Agreement.

**SHPS**

Rooftop Housing Group Limited participates in The Pension Trust – Social Housing Pension scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

For the closed SHPS defined benefit schemes there is a contractual agreement between the scheme and the Group that determines how the deficit will be funded. This liability is recognised in the RHA Statement of Financial Position and the resulting expense in the RHA Statement of Comprehensive Income for the present value of the contributions payable that arise from the agreement to the extent that they relate to the deficit.

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

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

In 2018/19, in order to account for the initial recognition of the Scheme as a defined benefit scheme, RHG de-recognised the creditor for past service deficit contributions payable under SHPS as at 31 March 2018 of £650k and recognised a net defined benefit liability as at 1 April 2018 of £1,195k. Due to the group arrangement, an equal and opposite debtor was created in RHG with RHA and therefore no impact on SOCI (Statement of Comprehensive Income) was seen in RHG Association. The impact of this initial recognition was a charge to RHA SOCI of £545k.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation showed assets of £3.971 million, liabilities of £5.099 million and a deficit of £1.128 million. The scheme's previous valuation was certified on 30 September 2019 and showed assets of £3.576 million, liabilities of £4.099 million and a deficit of £0.523 million. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit contributions (Prior year disclosure)**

<b>Tier 1</b> From 1 April 2016 to 30 September 2020:	£40.6 million per annum (payable monthly and increasing by 4.7% each year on 1st April)
<b>Tier 2</b> From 1 April 2016 to 30 September 2023:	£28.6 million per annum (payable monthly and increasing by 4.7% each year on 1st April)
<b>Tier 3</b> From 1 April 2016 to 30 September 2026:	£32.7 million per annum (payable monthly and increasing by 3.0% each year on 1st April)
<b>Tier 4</b> From 1 April 2016 to 30 September 2026:	£31.7 million per annum (payable monthly and increasing by 3.0% each year on 1st April)

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

	31 March 2023	1 April 2022
	£'000	£'000
Fair value of plan assets	2,510	3,896
Present value of defined benefit obligation	3,054	4,402
Deficit in plan	(544)	(506)
Defined benefit liability to be recognised	(544)	(506)

**Reconciliation of opening and closing balances of the defined benefit obligation**

	<b>Period ended 31 March 2023</b>
	<b>£'000</b>
Defined benefit obligation at start of period	4,402
Expenses	6
Interest expense	122
Actuarial losses due to scheme experience	25
Actuarial (gains) due to changes in demographic assumptions	(6)
Actuarial (gains) due to changes in financial assumptions	(1,448)
Benefits paid and expenses	(47)
Defined benefit obligation at end of period	<u>3,054</u>

**Reconciliation of opening and closing balances of the fair value of plan assets**

	<b>Period ended 31 March 2023</b>
	<b>£'000</b>
Fair value of plan assets at start of period	3,896
Interest income	110
Experience on plan assets (excluding amounts included in interest income) – (loss)	(1,594)
Contributions by the employer	145
Benefits paid and expenses	(47)
Fair value of plan assets at end of period	<u>2,510</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£1,484,000).

**Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)**

	<b>Period from 1 April 2022 to 31 March 2023</b>
	<b>£'000</b>
Expenses	6
Net interest expense	12
Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)	<u>18</u>

**Defined benefit costs recognised in other comprehensive income**

	<b>Period ended 31 March 2023</b>
	<b>£'000</b>
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	<b>(1,594)</b>
Experience gains and losses arising on the plan liabilities – (loss)	<b>(25)</b>
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	<b>6</b>
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	<b>1,448</b>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – (loss)	<b>(165)</b>
Total amount recognised in other comprehensive income – (loss)	<b>(165)</b>

**Key assumptions**

	<b>31 March 2023</b>	<b>1 April 2022</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	<b>4.85%</b>	2.79%
Inflation (RPI)	<b>3.18%</b>	3.51%
Inflation (CPI)	<b>2.78%</b>	3.16%
Salary Growth	<b>3.78%</b>	4.16%
Allowance for commutation of pension for cash at retirement	<b>75% of maximum allowance</b>	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	<b>Life expectancy at age 65</b>
	<b>(Years)</b>
Male retiring in 2023	<b>21.0</b>
Female retiring in 2023	<b>23.4</b>
Male retiring in 2043	<b>22.2</b>
Female retiring in 2043	<b>24.9</b>

The Defined Benefit pension liability is initially shown in the RHG Statement of Financial Position and then held as an intercompany debtor. This is because RHG is the member of the scheme, but employment costs are recharged to RHA, where the activity relates.

## 23. Legislative provisions

RHG is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency under the Housing and Regeneration Act 2008.

## 24. Related party transactions

Transactions with tenant Board Members are at arms-length on normal commercial terms and they cannot use their position to their advantage. Rent charged to Board Members in the year was £5,004 (2022: £4,807) and the arrears at 31 March 2023 were £nil (2022: £nil).

The compensation of Directors and Board Members is disclosed in Note 5.

Intra-group management fees are receivable by RHG from subsidiaries to cover the running costs incurred on behalf of managing the subsidiaries. The management fee is calculated on an individual entity basis with varying methods of allocation. The management fees charged to RHA was £10,082,000 (2022: £9,760,000).

In August 2012 RHA became the sole corporate trustee of the Walker Hospital Trust. The Walker Hospital Trust is a charity which owns three properties and is a member of the National Association of Almshouses.

From October 2013 RHA, RHL and RS&C became shareholders in Fortis Property Care Limited, now known as Platform Property Care, which provides property services to the Group including responsive repairs, planned maintenance, grounds maintenance and gas servicing. The services are provided at cost and the amount charged to RHA during the year was £9,823,000 (2022: £9,422,000) and the balance owing at 31 March 2023 was £3,716,000 (2022: £2,316,000). As a result of this arrangement, the Executive Director - Operations of RHG is a Director of Platform Property Care Limited.

The Group is a shareholding member of Worcestershire Telecare Limited, a Co-operative and Community Benefit Society. The Organisation's core purpose is to provide community alarms and related services to people with support needs. RHG paid Worcestershire Telecare £nil (2022: £20,516).

## 25. Portfolio of Homes

			2023	Movements in year			2022
	Owned and managed	Managed by others	Total	Additions	Disposals	Transfers	Total
Under development at the end of the year							
Units for rent	129	-	129	6	-	(126)	249
Units for shared ownership	75	-	75	2	-	(36)	109
Units for sale	-	-	-	-	-	-	-
	<b>204</b>	<b>-</b>	<b>204</b>	<b>8</b>	<b>-</b>	<b>(162)</b>	<b>358</b>
Under management at the end of the year							
General needs housing	5,204	-	5,204	136	(4)	5	5,067
Supported housing and housing for older people	710	43	753	-	(15)	(5)	773
Intermediate rent	-	-	-	-	-	(1)	1
Keyworker accommodation	280	5	285	-	(5)	-	290
Leasehold properties	129	-	129	5	(5)	-	129
Low cost home ownership accommodation	367	-	367	42	(6)	3	328
Managed on behalf of another landlord	20	-	20	-	-	-	20
<b>Units for rent</b>	<b>6,710</b>	<b>48</b>	<b>6,758</b>	<b>183</b>	<b>(35)</b>	<b>2</b>	<b>6,608</b>
<b>Total units social housing</b>	<b>6,914</b>	<b>48</b>	<b>6,962</b>	<b>191</b>	<b>(35)</b>	<b>(160)</b>	<b>6,966</b>
Market renting	36	-	36	1	-	-	35
Leasehold properties	1	-	1	-	-	-	1
<b>Total units non-social housing</b>	<b>37</b>	<b>-</b>	<b>37</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>36</b>
Keyworker – leased to Trust	-	88	88	-	5	-	83
Residential Care Home – leased to Shaw Homes	-	46	46	-	-	-	46
Refugee properties - leased to Spring HA	-	-	-	-	-	(2)	2
St Oswald's properties – leased by Extra Care	-	86	86	-	-	-	86
20 Cambridge Way – leased to Gloucester CC	-	1	1	1	-	-	-
<b>Total units commercial</b>	<b>-</b>	<b>221</b>	<b>221</b>	<b>1</b>	<b>5</b>	<b>(2)</b>	<b>217</b>
<b>Total units</b>	<b>6,951</b>	<b>269</b>	<b>7,220</b>	<b>193</b>	<b>(30)</b>	<b>(162)</b>	<b>7,219</b>
<b>Retained freeholds and estate charges</b>	<b>301</b>	<b>-</b>	<b>301</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>299</b>

## 26. Contingent liabilities and financial commitments

As part of the transfer agreement with Wychavon District Council, Rooftop Housing Association Limited provided various indemnities to the Council in respect of obligations the association assumed upon the transfer.

In the view of the Board there is little likelihood of any liability arising in respect of these indemnities and accordingly no provision is reflected in these financial statements.

<b>Total future minimum lease payments under non-cancellable operating leases are as follows:</b>	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
Payments due:	<b>£'000</b>	£'000	<b>£'000</b>	£'000
- within one year	<b>157</b>	153	<b>157</b>	153
- between one and five years	<b>663</b>	594	<b>663</b>	594
- after five years	<b>1,147</b>	1,147	<b>1,147</b>	1,147
	<b>1,967</b>	1,894	<b>1,967</b>	1,894

## 27. Statement of Cash Flows

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Cash flow from operating activities</b>		
<b>Surplus for the year:</b>	<b>3,142</b>	3,042
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	<b>4,893</b>	5,329
Impairment of fixed assets	<b>407</b>	48
Amortisation of intangible assets	<b>417</b>	481
Taxation expense	-	(7)
(Decrease) / increase in properties held for sale	<b>(6,962)</b>	(207)
Decrease / (increase) in trade & other debtors	<b>128</b>	(124)
Decrease / (increase) in stocks	<b>3</b>	4
Increase / (decrease) in trade & other creditors	<b>1,149</b>	1,012
Decrease / (Increase) in fair value of investment property	<b>224</b>	468
<b>Adjustment for other operating activities:</b>		
Difference between net pension expense and cash contribution	<b>38</b>	(94)
<b>Other financial charges:</b>		
<b>Adjustments for investing or financing activities:</b>		
Government grants utilised in the year	<b>(835)</b>	(738)
(Profit) / loss on sale of fixed assets	<b>5,531</b>	(2,570)
Interest payable	<b>10,399</b>	9,834
Interest received	<b>(470)</b>	(61)
<b>Cash generated by operations</b>	<b>18,064</b>	16,417
Taxation paid	<b>12</b>	(21)
<b>Net cash generated from operating activities</b>	<b>18,076</b>	16,396

## 28. Net Debt Reconciliation

<b>Analysis of changes in net debt</b>	2022	Cash flows	Other non-cash changes	<b>2023</b>
	£'000	£'000	£'000	<b>£'000</b>
<b>Cash and cash equivalents-</b>				
Cash	29,004	(12,707)	-	16,297
	<b>29,004</b>	<b>(12,707)</b>	-	<b>16,297</b>
<b>Borrowings</b>				
Debt due within one year	(6,305)	(126)	382	(6,049)
Debt due after one year	(241,352)	14,145	(431)	(227,638)
	<b>(247,657)</b>	<b>14,019</b>	<b>(49)</b>	<b>(233,687)</b>

## 26. Events After the End of the Reporting Period

There are no events after the end of the reporting period.

## Biographies of Board Members

### **Sally Higham (Independent, Chair of RHG and Chair of Nominations and Performance Committee)**

Sally is a senior business leader with a strong sense of social purpose. She is a strategist committed to supporting start-ups, growth businesses, social housing, education, charities and social enterprises to grow and has significant experience in strategic advisory relationships across public, third and private sector organisations. Sally is an experienced CEO, social housing Group NED Board member (previously at the Aster Group and Bromford Housing) including roles as Chair of Risk Committee and member of Audit and Rem and Noms Committees; recent Chair of the Inspiring Impact Committee (a coalition of several UK charitable organisations and funded by the National Lottery Fund), current Advisory Member to the Growth Impact Fund; ex-charity Chair, previous Guardian Professional writer and a current and active volunteer in multiple community settings.

Sally supports and mentors entrepreneurs, particularly in the tech and social sectors, and is a guest lecturer at Bristol University on entrepreneur business courses, a mentor for the Alacrity Foundation, a regular conference speaker, panellist and 'awards' judge.

She is Group Chair and Chair of the Nominations and Performance Committee.

### **Colum Goodchild (Independent, Vice Chair of RHG, Chair of Remuneration Committee, Vice-Chair of Nominations and Performance Committee and Senior Independent Director)**

Colum began his career as an Environmental Scientist working in the water sector. He progressed through various Operational and Asset Planning roles before becoming Asset Strategy Manager at Northumbrian Water. During this time, he led the development of Northumbria's successful regulatory review in 2014 (PR14), securing support for a £1b investment programme over the next five year period.

From water, Colum moved into the gas sector working with National Grid and Cadent, on asset planning and investment programme management, overseeing around £600 million of investment per annum. He also produced Cadent's five-year, £4 billion, investment plan (RIIO-2), working closely with the regulator Ofgem.

Most recently Colum has moved into consultancy with Aqua, working with asset management organisations to reduce the total cost, carbon and energy impacts of asset ownership.

He has gained extensive experience of customer research and engagement in service design and to support the development of strategic business plans.

Colum took on a non-executive director role at Durham City Homes in 2015 and, following its merge with County Durham Housing Group, became vice chair of their Operations Committee in 2017.

Following his move to the Midlands, Colum joined Rooftop in 2018. He is Vice Chair of RHG, the nominated Senior Independent Director and the appointed Board Lead for Complaints.

### **Claire-Elaine Arthurs Payne (Independent and Chair of RHA)**

Claire-Elaine is a Solicitor who specialises in risk management and resolution of property-related disputes. She is also a Chartered Manager, CEDR Accredited Mediator and dual qualified Business Strategy Consultant.

She has a passion for problem-solving and a long history of working with Social Housing Providers, Developers and Private Landlords. Claire-Elaine holds a BAHons in Cultural Studies and Sociology from the University of Birmingham and undertook her postgraduate GDL and LPC legal training at the University of Law in Birmingham.

She studied Business at Warwick University and the De Broc School of Business and holds an MSc in Strategic Business Management.

Claire-Elaine is currently a Partner with challenger law firm, Gunnercooke LLP. As well as managing a national property dispute resolution team, she supports Executives and Boards in the development of their Leadership and Management skills. She also sits as a Judge in the First-tier Tribunal Property Chamber.

Claire-Elaine is a member of the Audit and Risk Committee and was Chair for two years until September 2022. She is also a member of the Remuneration Committee.

In September 2022 she was appointed Chair of RHA and the Board's representative for Repairs and Operations.

### **Jonathan Wallbank (Independent)**

Jonathan is a qualified accountant and spent a number of years in financial services before moving into corporate finance. Prior to joining a large housing association in 2015, where he is currently Group Finance Director, Jonathan gained experience in both retail and manufacturing sectors. He headed up the European treasury function for the US retailer GAP Inc and, in addition, he was responsible for cash management for both GAP Hong Kong and Taiwan.

He brings a wealth of experience and expertise, including merger implementation, regulatory frameworks, adoption of new accounting standards, robust financial management and management of risk. All of which will support Rooftop as we move forward to build good quality, affordable homes.

Jonathan is a member of the Audit and Risk Committee and became Vice Chair of the Committee in September 2022.

### **Myron Hrycyk (Independent)**

Myron gained an MBA, with honours in 2003 at Birmingham University and is a Chartered Member of the British Computer Society.

Building on a highly successful career as one of the UK's leading FTSE 100 CIO's (Chief Information Officer) and Digital Transformation Executives, Myron founded his own business specialising in driving IT change and digital transformation for large corporate clients. Myron is a Non-Executive Director for a Midlands-based Building Society. He is also a Cabinet Office Crown Representative managing HMG's strategic relationship with three global technology providers to the UK Government.

Myron has held CIO, CDO and senior IT posts for major organisations across a diverse range of business sectors, Financial Services, Publishing, Automotive and Logistics/Supply Chain. He has delivered strategic IT, Digital and business transformation programmes, re-structured corporate IT operating models and delivered multiple ERP solutions. Myron has also held the post of Chief Procurement Officer with a FTSE 100 Utility Business. While in this role he was an active member of the Midlands CBI Council.

Myron is Vice Chair of RHA, a member of the Audit and Risk Committee and continues to be Vice Chair of the Remuneration Committee. He is the Board's representative for Health and Safety and for Digital Transformation.

**Daisy Halford (Tenant)**

Daisy has lived in social housing since 2013 and became a Rooftop resident three years later with her husband and young son. She joined the Resident Excellence Panel (*renamed Customer Scrutiny Panel in 2022*), Rooftop's independent scrutiny group, in 2016 to help shape and improve the services we deliver to our customers. Daisy was Chair of the Panel until she joined the Boards of Rooftop Housing Group and Rooftop Housing Association in September 2020. Passionate about social housing and the rights of residents, Daisy is part of the National Housing Federation's "Together with Tenants" initiative created to support housing associations to play their part in rebalancing the relationship between residents and landlords. She is a member of the Tenant Advisory Panel which is working with the NHF to develop a new 'Together with Tenants Charter' which will set out in clear terms what residents can and should expect from their landlord.

A busy wife and mother, Daisy still manages to maintain an active presence in her community and chairs a local community group.

Daisy is a member of the Nominations and Performance and Remuneration Committees. In 2022 she was appointed the Board's representative for Customer Voice and for Environmental Sustainability.

**Tessa Rollings (Independent)**

Tessa is a fellow with the Institute of Chartered Accountants in England and Wales, qualifying as an accountant with a large accountancy firm. After six years auditing a variety of companies and not for profit organisations, she utilised her gained experience and joined a large, national social housing and care group. Over several years she led the financial reporting function, headed up the finance team of a newly acquired business and was the finance lead for the development and implementation of the group's digital transformation programme.

After a few years working in the charity sector at senior leadership level, Tessa is currently Director of Finance and Operations at the Corinium Education Trust, a multi-academy trust. Tessa's experience includes responsibility for finance, risk management, IT, facilities, HR, governance and project management. She brings expertise in strategy development, financial planning and risk management to the Board.

Tessa was appointed Chair of the Audit and Risk Committee in September 2022.

**Wayne Harris (Independent)**

Wayne brings a wealth of experience in social housing gained in senior roles over the last 30 years and is particularly passionate about sustainable development and the decarbonisation journey for existing homes. He has been invited to speak at a number of conferences on asset management. Wayne also spent eight years as a volunteer outreach worker walking the streets of South Wales providing assistance to people with life controlling problems.

Wayne is a RIBA, CIH qualified architect who spent his early professional career in private practice designing retail centres, industrial / manufacturing sites, schools and private housing before moving into the social housing sector in the early 1990's. Since that time, he has held a number of roles managing assets, repairs and maintenance, delivery of new housing and some care services. Employers have included three councils, a newly formed stock transfer housing association and, in his current role, a traditional housing association called Pobl Group - Wales largest social housing provider. Previous non-executive experience was gained at Accent Housing Group.

Married with two children and living in Gloucestershire he likes walking with his Labrador and in good weather riding a classic 1961 Triumph Bonneville motorcycle.

Wayne joined in September 2022 and is a member of the Audit and Risk Committee and the Board's representative for Development and Investment.

### **Lenna Cumberbatch-Nicholls (Independent)**

Lenna is a non-executive director, senior adviser, and consultant with national and international experience across healthcare, media, technology, and higher education. With specific expertise in diversity and inclusion strategic change, Lenna has worked and volunteered in roles across the diversity spectrum.

Lenna is Trustee (Equality, Diversity & Inclusion) for the British Pharmacological Society and Non-executive Director (Diversity, Inclusion & Respect) at recruitment firm Goodman Masson. For the Research Executive Agency at the European Commission Lenna audits, reviews and monitors multi-million Euro grant applications and projects as one of their team of experts. She has held roles at the Royal Society, the Wellcome Trust, and the University of Cambridge. Lenna's speaking engagements have included BBC Scotland, LGBTQ+ Seminar and the Women of the World (WOW) festival. She keeps up her public speaking skills at her local Toastmasters Club. Her MBA with honours included a dissertation on Appraisal and she is member of the Chartered Management Institute.

With a commitment to social change, Lenna is a Fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce. She is also a Patron of Switchboard the LGBT+ helpline, a facilitator in schools for anti-bullying charity Diversity Role Models and recently enjoyed following the England women's football team up and down the country on their journey to winning the women's 2022 Euros competition.

Lenna joined in November 2022 and is a member of the Nominations and Performance Committee and the Board's representative for People, Culture and Diversity.