

Rooftop Housing Association Limited
Annual Report and Financial Statements
Year ended 31 March 2024

Contents

Board, executive and advisors	2
Report of the Board	4
Strategic Report	13
Independent auditor's report	31
Statement of Comprehensive Income	35
Statement of Financial Position	36
Statement of Changes in Reserves	37
Notes to the financial statements	38
Biographies of Board Members	60

Board, executive and advisors

Registered office	70 High Street Evesham WR11 4YD
Board	<ul style="list-style-type: none">- Claire-Elaine Arthurs Payne (Chair)- Myron Hrycyk (Vice Chair)- Jonathan Wallbank- Daisy Halford- Wayne Harris- Lenna Cumberbatch-Nichols
Executive officers	<ul style="list-style-type: none">- Boris Worrall, Group Chief Executive- Sam Morgan, Executive Director - Resources- David Hannon, Executive Director – Investment (retired 31 December 2023)- Rebecca Pitt, Executive Director – Investment (appointed 1 January 2024)- Lisa Nicholls, Executive Director - Operations (resigned 1 July 2024)- Caroline Allen, Secretary
External auditor	BDO LLP Two Snowhill Birmingham B4 6GA
Bankers	Barclays Bank PLC 54 High Street Worcester WR1 2QQ
Internal auditors	Mazars LLP (until 31 March 2024) First Floor, Two Chamberlain Square Birmingham B3 3AX Beever & Struthers (from 1 April 2024) 1 George Leigh Street Manchester M4 5DL
Principal solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Other legal advisors	Trowers & Hamblins LLP 10 Colmore Row Birmingham B3 2QD
Lenders	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW

Lenders

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

Legal and General Investment Management
One Coleman Street
London
EC2R 5AA

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

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

Funding advisors

Savills plc
33 Margaret Street
London
W1G 0JD

Insurance brokers

Zurich Municipal
Zurich House
Ballsbridge Park
Dublin 4
Ireland
D04 E5N4

Taxation advisors

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

Valuers

Savills plc
19/20 City Business Centre
6 Brighton Road
Horsham
West Sussex
RH13 5BB

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 2024.

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. Rooftop Housing Association Limited is a public benefit entity and is a subsidiary of Rooftop Housing Group Limited, 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 of Rooftop Housing Group Limited. 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 of Rooftop Housing Group Limited. RML is registered in England 3569438. This company became dormant from 31 March 2005.

Principal activities

The principal activity of RHA is to provide housing accommodation at below market rents for people in housing need. Additionally, RHA 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 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 for the Group to comply with the regulatory framework and to maintain G1 and VI complaint 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 and this was reconfirmed in January 2024.

From April 2024 a revised inspection regime was implemented by the Regulator which will encompass the new Standards for consumer regulation which were published in February 2024. Registered providers will be assessed against a set of consumer grades from C1 through to C4 and any grade below C1 will be subject to a time specific improvement plan to enable it to achieve the C1 grading. The Group was inspected under the new regime in May 2024, and we are awaiting the outcome of the inspection due later this year.

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 Vision 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 2024 were linked to the RSH's Sector Risk Profile published in October 2023 and informed the Financial Business Plan approved in May 2024.
- Engagement with the Regulator is proactive and a Protocol for this has been approved by the Board and reviewed annually.
- All regulatory returns (Electronic Annual Accounts (EVA), Statistical Data Returns (SDR), Quarterly Surveys (QS), Financial Forecast Returns (FFR), Fraud, Disposals and Fire Safety Remediation Surveys) have been submitted to the Regulator's deadline.
- The updated Treasury Management Policy was approved by the Group Board in September 2023.
- The Vantage tailored Value For Money (VFM) Metric Peer presentation to January 2024 Board meeting gave an independent review and assurance that optimal benefit is being derived from resources and assets.
- The Value for Money Strategy and Value for Money Action Plan was approved in March 2023 and the annual Action Plan update provided in March 2024.
- A revised Rent and Service Charge Setting and Management Policy was approved by the Board in March 2024.
- The Procurement Policy was revised in November 2023 and both this and the Procurement Strategy will be reviewed in line with the Public Procurement Bill 2023 (amended 2024) in September 2024.
- The Group Performance Policy was updated and revised in March 2024.
- RHA is a member of a Cost Sharing Vehicle, which is a cost sharing group for the provision of property maintenance services. This has been the subject of intense scrutiny by the Boards and Executive throughout the year to ensure value for money is achieved.
- At 31 March 2024, the financial forecasts in the Group's Financial Business Plan confirmed RHA will require new funding in December 2028.
- 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 1,700 homes surveyed in 2022/23 and the balance to be completed by March 2025.
- A revised Asset Investment Strategy was approved in July 2023 and the annual Disposal Plan was presented in March 2024 as part of the Group Budget report.
- Underperformance in Voids and Lettings, Responsive Repairs and Complaints continues to be addressed with remedial actions undertaken.
- 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 Customer Strategy and Customer Influencing 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 Tenant surveys; 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 2024.
- 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 for Rooftop over the next few years, and to consult with them on our Annual Plan for 2024 - 2025. We received 572 responses and this will inform future service delivery and planning.
- We also consulted with our customers on changes to improve the repairs service they receive. Following this consultation, which had 784 responses, we simplified the number of repair categories which has improved efficiency in terms of planning and scheduling jobs.
- 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 2023/24 and the 2023/24 final accounts timetable.
 - Reviewed and recommended to the Board multiple policies and significant estimates and judgements, including the Accounting Policy and Going Concern disclosure.

- Risk management process and framework
 - Discussed and recommended for Board approval the risk appetite statements appended to the Risk and Assurance Policy.
 - 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's Sector Risk Profile for 2023 and a six-monthly review against the 2022 Sector 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 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 10 internal audit reports (including compliance and advisory reports) during 2023/24 and noted the level of assurance given by the internal auditors as follows:
 - Substantial assurance (none)
 - Adequate assurance (two): Water Safety Q1, Asbestos Management Q2
 - Needs Improvement (three): Allocations and Lettings Q2, Void Management Q2 and Complaints Handling (Health check) Q3.
 - Limited assurance (none).
 - Data Integrity audit (one) with a range of assurance levels.
 - Compliance audits (three): HR, IT and Financial Controls Q1 with substantial assurance; Safeguarding and Housing Management Q2 and Landlord Health and Safety Q3 both with a range of assurance levels for each audit.
 - The Committee also received a recommendation Follow Up report Q4.

- Compliance, whistleblowing, fraud, anti-bribery, asset and liability registers and stress testing
 - Received confirmation that the Stress Testing scenarios and the Defensive Action Plan (DAP) processes and controls were in place and were robust.
 - Discussed the compliance report and the actions being taken to address areas requiring improvement.
 - 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).
 - Reviewed the Gifts and Hospitality Register and noted that there were no exceptional items.
 - 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 2023-24.
 - 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:
 - Reviewed the update to the Whistleblowing concerns Action Plan.
 - Received updates on the Voids and Lettings improvement plans.
 - Noted the annual self-assessment against the Housing Ombudsman Complaint Handling Code.
 - Received an update on Cyber Risk.
 - Received annual reviews on Data Protection and Safeguarding.
 - Received an update on insurance renewals and claims.
 - Discussed an update on the Damp, Mould and Condensation Housing Health and Safety Rating System.

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

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

Key activities by the Board during 2023/2024 included:

- The Board holds two Strategy Days each year. In June 2023, the Board reviewed the current and future operating model and carried out the annual review of its effectiveness. In October 2023, the annual Risk Workshop was held to set the Board's risk appetite and to consider the strategic risks for the coming year. In conjunction with this, the Board also considered Phase 2 of the organisation's Target Operating Model focussing on efficiency.
- The Board and Committees Skills Matrix and Skills Audit is refreshed annually and prior to any new appointment to the Board.
- A robust Succession Plan is in place and regularly reviewed.
- In 2024 one board member will be required to retire having completed their maximum term of office. Recruitment is underway for their replacement. In addition, an Independent Member will be recruited to join the Audit and Risk Committee.
- The roles and responsibilities of the Board, Chair of RHA, Group Chair, Senior Independent Director, Chair of Committees and Board Representatives were also reviewed in the year.
- 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.

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 2024, the Board of RHA had six members of which three are female and three are male with an average age of 50 years. 5 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 2024, the Executive Team had four members including the Group Chief Executive of which one is male and three are female with an average age of 47 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 Association will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association, and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014 (updated in 2018).

Financial statements are published on the Group's website for the Association 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's website for the Association 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 Association's auditors for the purposes of their audit. The directors are not aware of any relevant audit information of which the auditors are unaware.

Anti-Slavery and Human Trafficking Statement

The Group and the Association 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.

Colleagues

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 age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin, religion or belief, sex, or sexual orientation).

We make every effort to achieve equality of outcomes in all aspects of our employment, including recruitment and selection, learning and development and employment practices.

The Group continues to consult and inform colleagues 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 colleague briefings, formal consultation, departmental and individual meetings.

Equality, Diversity, and Inclusion

We are committed to creating a culture that promotes, celebrates and values equality, diversity, and inclusion.

Some of the examples where we put this into practice include celebrating Pride month through our Inclusion Alliance, being a Disability Confident employer and, signing up to the Armed Forces Covenant. We make every effort to achieve equality of outcomes in all aspects of our employment including recruitment and selection, training and development and employment practices.

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 May 2024 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 and the activities of the Association.

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 2024. This included detailed stress testing with multi-variant scenarios.

The Board previously approved a Financial Business Plan in May 2023 which included a number of stress tests including a perfect storm, which created extreme results. 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 2024/25 was approved by the Group's Board on 20 March 2024. The challenges for the year ahead will remain significant for Rooftop following the recent period of high inflation, ongoing record demand for repairs and the need to invest £15.5 million by 2030 to ensure that all of our homes meet Energy Band C.

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. This cap was lifted for 2024/25 rent increases and it was later confirmed that the existing social housing rent settlement will be rolled over in 2025/26. This offers us some certainty of rental income in the short-term but this could be affected by the change of government in July 2024. Future possible rent caps are stress tested in the Financial Business Plan.

At the end of the financial year, a post-tax surplus of £2,679,000 was achieved.

At 31 March 2024, the Rooftop Housing Association held £7.0 million cash including short-term and long-term investments, of which £5.5 million is available at short notice. In addition, we have £87.3 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.

Approved by the Board on 17 July 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'MH', with a horizontal line extending to the right.

Myron Hrycyk
Vice Chair
2 August 2024

Strategic Report

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 are close to our customers. We manage around 7,000 homes and provide a range of accommodation and support services including for older people and those escaping domestic violence.

Rooftop is also a specialist in providing culturally appropriate homes for the Gypsy, Roma and Traveller (GRT) community at three sites in partnership with Solihull and Bromsgrove Councils. In 2024/25, we plan to develop a new GRT site in partnership with Coventry City Council.

We deliver approximately 100 new homes a year, the majority of which are low carbon and built to the highest energy efficiency rating of 'A' to help to address fuel poverty and climate change.

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

We also work closely with Platform Property Care who provides our responsive repairs service and the majority of our planned investment into existing homes, as well as care providers who support customers in our Extra Care schemes.

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 2024/25 and forms part of our 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:

Here for our customers		
Good quality homes	Reliable landlord services	Support and advice
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.**



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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



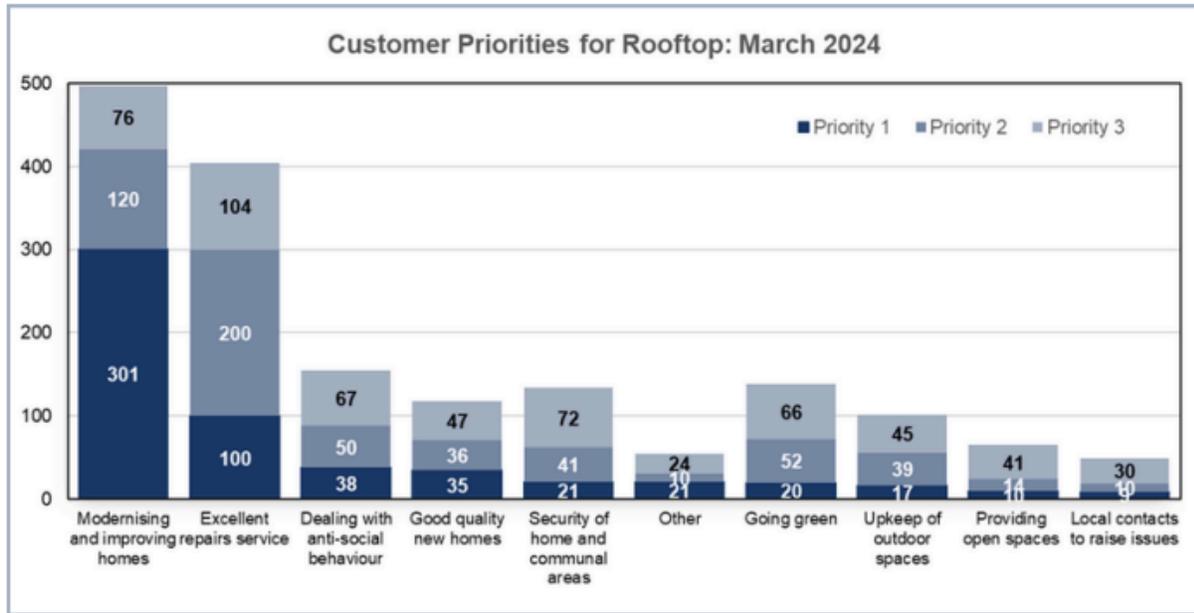
Our Business
Efficient and focused
Professional and skilled
Data and technology driven



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 recently in the 2024 annual survey where we received 572 responses. The top three priorities were modernising and improving homes, an excellent repairs service and dealing with anti-social behaviour. These priorities remain unchanged from last year and continue to be reflected in the annual Business Plan. 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 2024/25.

Reliable Landlord Services

Customer satisfaction in housing and most other areas of life has declined in recent years. Our target is to improve satisfaction for landlord services from 76% to 82% this year and maintain satisfaction with repairs at 85% or better. Ongoing improvements to the repairs service, better complaint handling, and a focus on improving day-to-day customer communication will be key.

We know that we need to improve how we deal with complaints, and a new centralised team to oversee customer complaints was put into place in March. Every month, we will publish the results of the customer surveys we collect, called the Tenant Satisfaction Measures, so that you can see how we are performing, alongside data about complaints and what we are changing in response to your feedback.

We know from customer feedback that Shared Owners and Leaseholders want a more responsive service and we have developed a clear offer for those customers which we will implement this year. We have already reviewed and improved our grounds maintenance and communal cleaning contracts in response to customer feedback.

To ensure our officers understand our customers and communities to provide better services, we have allocated Repairs, Income, and Neighbourhood Officers to our 13 identified neighbourhood patch areas and we will, this year, continue to develop this 'locality' model.

Good Quality Homes

We have budgeted an additional £243,000 to tackle damp, mould and condensation in customers' homes, alongside £3.8 million over the next two years to upgrade the energy efficiency of around 157 of our lowest energy rated properties. In 2024/25, we plan to install around 245 new kitchens, 175 new bathrooms and 288 new heating systems in customers' homes.

We will continue to focus on ensuring that your home is safe with a five year cycle of electrical inspections, ensuring homes have smoke and carbon monoxide detectors and, where gas heating is present, a valid annual certificate.

We have already completed 4,750 stock condition surveys of our homes in the past two years and will continue this programme with the aim of surveying all remaining homes to enable us to develop a revised long-term investment plan for existing homes this year.

In 2024, we will be seeking to secure planning to deliver up to 300 new homes on a brownfield site near 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. This will be achieved by applying the 'Rooftop Living Homes Standard' to the development, including building the new homes to an EPC A rating. Where appropriate we will be using renewable technologies, adopting a fabric first approach in our new homes supplemented by renewable technologies to reduce reliance on fossil fuels and keep utility bills low for our customers. We also recognise the importance of the wider environment and therefore we also seek to incorporate useable open spaces wherever possible to increase biodiversity and to support wildlife. Alongside this, we will continue to develop new and energy efficient affordable homes for local people in the areas where we work, with a target to complete 151 homes this year.

Support and Advice

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

In response to the cost-of-living crisis feedback, we have increased our permanent Money Advice Team from two to three. The team will continue to offer support and advice for customers who are struggling financially as well as financial support via our Emergency Assistance Fund. We will also work in partnership with local authorities to provide further financial support and distribute food vouchers.

In 2024/25, we will also continue our work to ensure that all retirement living scheme alarms are ready to be switched to digital by 2025, and upgraded to ensure that customers have a modern and robust system fit for the future.

Our Business

We will continue to adapt our business and prioritise the issues which customers tell us matter most – investing in existing homes, delivering a reliable repairs service, and providing services to tackle anti-social behaviour. With record demand for repairs and rising costs this will be a challenge; the year ahead will not be easy.

We will continue to drive the digitisation of systems to make our organisation more efficient and effective during 2024/25. We will also focus on improving and expanding the data that we hold on our customers and homes, as well as looking to purchase and implement new Health and Safety Compliance software.

We will work hard to ensure that we meet the new consumer regulation standards for social housing set by Government which came into force from 1 April 2024. Our focus also reflects the wider aims and aspirations of the Social Housing Regulation Bill (2022), the Better Social Housing Review and the 'Together with Tenants' charter. Key to this will be developing systems to ensure that we are aware of customer vulnerabilities and can respond appropriately.

Annual Objectives for 2024/25

	Annual Objectives	Customer Outcome	Corporate Plan
1	Deliver a reliable responsive repairs service achieving 85% customer satisfaction and 80% completion of all routine repairs in 20 working days.	Deliver a reliable repairs service	Reliable Landlord Service
2	Implement our Customer Influencing Framework to provide a range of opportunities to influence services and achieve a Tenant Satisfaction Measure score of 70% for 'listening and responding to views'.	Enable customers to influence what we do	Reliable Landlord Service
3	Improve complaint handling to achieve 85% compliance with timescales and 50% satisfaction with complaint handling.	Deal with customer complaints quickly and effectively	Reliable Landlord Service
4	Implementation of digital forms to support the business.	Deal with customer issues on the spot when out in the community	Reliable Landlord Service
5	Improve data quality to ensure 90% accuracy for property and customer data.	Better understand customers so we can adapt services to meet their needs	Reliable Landlord Service
6	Provide customers with regular updates on the information that they feel matters most.	Enable customers to understand and influence what we do	Reliable Landlord Service
7	Upgrade 125 homes to a minimum of Band C energy performance to reduce fuel poverty.	Reduce fuel bills for customers and improve health and wellbeing	Good Quality Homes
8	Submit planning application for the 300-home St Oswald's Park urban village in Gloucester.	Deliver new affordable homes for local people	Good Quality Homes
9	Deliver 151 new homes to meet local housing need.	Deliver new affordable homes for local people	Good Quality Homes
10	Complete the upgrade to digital of all supported housing alarm systems and review current use of assistive technology.	Use assistive technology to support customers' independence	Support and Advice

New homes

Rooftop is committed to continuing to deliver as many new homes as it can whilst ensuring we continue to improve the quality of our existing homes. The table below sets out the number of homes we aim to deliver over the next four years. Our delivery programme is linked to our funding from Homes England, and these homes will be delivered across South Worcestershire and North Gloucestershire.

Development Programme					
	2024/25	2025/26	2026/27	2027/28	Total
Social Rents	96	79	50	94	319
Shared Ownership	55	41	45	59	200
Total	151	120	95	153	519

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 2023/24, the Group generated a surplus of £2.7 million (2023: £3.1 million). The core purpose of the Group is social housing lettings activity, representing 92% of Rooftop's turnover (2023: 86%). The next most significant elements of the business are shared ownership sales which is 6% of turnover (2023: 12%) and supporting people (1% of turnover; 2023: 2%). Other activities are negligible.

On 31 March 2024, the Group held £7.2 million in cash including long and short term investments (2023: £17.8 million). The decrease in cash held relates to the repayment of fixed loans and expenditure on the existing development programme. Net proceeds from the sale of fixed assets were forecasted but have been delayed, with cash balances in 2024/25 due to increase once these are completed.

Rooftop Housing Association Limited

RHA, the Group's core social housing provider, generated a surplus before taxation of £2.7 million (2023: £3.1 million).

The largest variance relates to additional spend of £2.7 million on responsive maintenance and voids repairs. This is due to a higher average cost per job, owing in part to Rooftop requesting faster turnaround times. 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. The budget set for voids was £1,095k, but the actual results were £2,012k resulting in an adverse variance of £917k 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. Many improvements have been made in Voids and Lettings with the second half of the year reporting steadily decreasing costs, which have continued in early 2024/25.

There was a significant outperformance of the costs budgeted for bad debts, which was £290k less than forecast at just £210k. 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 2023/24 stands at 99.4%.

The surplus on sale of property is £1.0m lower than budget. The main reason was due to the delay in disposal of several properties, including Dorothy Terry House, which was sold on 1 July 2024. These are either outside of our core operating area or required investment to bring up to EPC Band C and/or the Decent Homes Standard.

The sale of 24 Shared Ownership units was less than the target of 39 with the shortfall due to late handovers, pushing completion into 2024/25. Due to lower sales equity sold, the budget surplus was £30k under budget. Staircasing sales are difficult to predict and as a result, we recognised a surplus of £153k over budget in this area with six units completing against four budgeted.

The Defined Benefit pension deficit liability was remeasured and resulted in a loss of £175k in year, compared to a loss in 2022/23 of £165k. 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 £5.5 million (2023: £16.1 million). Much of the decrease relates to the repayment of fixed loans and expenditure on the existing development programme.

Value for Money and Performance Report 2023/24

What we have achieved in 2023/24

In 2023/24 we continued to work towards our Corporate Plan objectives across the following strategic objectives:

Here for our customers

Good quality homes

- 605 homes had improvements including heating, bathrooms and kitchens (at a cost of £3.9 million).
- 86 homes had energy efficiency upgrades.
- 43 new homes were delivered.

Reliable landlord services

- A new Customer Strategy was developed and taken to Board in May 2024, outlining how we will place customer service and consumer rights at the height of our business.
- 76% landlord satisfaction and 87% satisfaction with repairs.
- In line with our objective to deliver high quality neighbourhood management, Service Standards have been developed ready for implementation in 2024/25.

Support and advice

- During 2023/24, we have helped 1,099 customers with money, including signposting to external services and administering food and energy vouchers. We also supported our customers in claiming £590,000 in benefits.

Our business

Efficient and focused

- Covenant renegotiations were completed with three of our funders, resulting in the removal of Major Repairs expenditure from our EBITDA interest cover calculation. This has given us greater headroom, allowing us to maintain financial viability and an interest cover of at least 130%. The out-turn position for our tightest corporate covenant was 169.7% at 31 March 2024.

Professional and skilled

- We are committed to ensuring that all colleagues are fully trained or undertake training to enhance the skills needed for the role. 25 of our colleagues have undertaken formal qualifications during 2023/24.
- The most recent employee survey found that 65.5% of colleagues would recommend Rooftop as an employer (against a target of 80%).

Data and technology driven

- As part of our drive to achieve Level 4 Data Maturity, we have completed over 1,700 Stock Condition Surveys (totalling 4,700 in the last two years). This will ensure that we know more about our homes and identify the investment requirements needed to ensure that all homes meet a minimum Energy Rating Score of Band C by 2030.

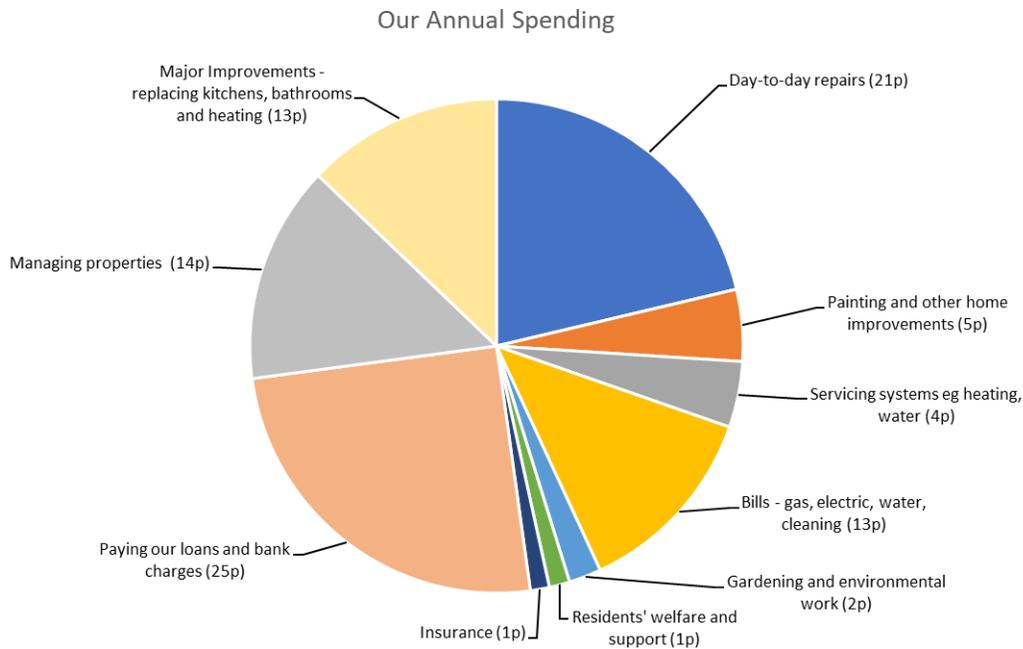
We continued to deliver against our wider 2026 targets around sustainability, supporting people and communities and business improvement during the year.

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 - 2024/25 Budget

The chart below shows a breakdown of every £1 spent. The three largest areas represent 60% 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 2023/24 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 areas were at the heart of our Value for Money Strategy for 2023/24:

- **Customer Journey/Process Improvement**
 The intention for the year was to better understand the customer experience when engaging with Rooftop, enabling a more efficient and digital journey through multiple channels where appropriate. This approach was developed through a series of process improvement projects focusing on both providing excellent customer service and delivering that re-imagined service in the most efficient/automated way. A number of processes were reviewed with improvements implemented and this is now a business as usual activity with Executive Team offering prioritisation for future reviews.
- **Repairs**
 The aim was to reduce the level of repairs outstanding and where possible, the financial cost associated. This continues to be a challenge, with continued high demand resulting in additional spend of £2.7 million in 2023/24. Despite this, we were pleased with the level of customer satisfaction with repairs and repairs completed Right First Time, just above 85% target at 87.7% and 86.9% respectively at the end of the year. Work will continue in 2024/25.
- **Voids**
 The level of void loss at the start of the year was 4.2% and we hoped to reduce this to an overall budgeted figure of 2.38%. Many improvements were realised in the latter half of the year, with a low of 3.2% in December. In 2023/24, we saw an adverse variance of £917k to budget, with further actions identified to be implemented in 2024/25.
- **Income**
 The protection and maximisation of income was a real success in 2023/24 with an out-turn of 2.59% against a target of 3%. The implementation of Caseload Manager allowed us to increase collection of all arrears and were able to recover £259,000 in former tenant arrears, many of which were historic debts previously recognised as a bad debt.

A new Value for Money Action Plan has been created to enable focus for 2024/25. This flags our most strategic risks with actions designed to address the following areas:

- Data Insight development – knowing more about our customers and properties in order to spot trends, performance and foresee requirements.
- Repairs – reducing cost and levels outstanding.
- Voids – Voids and Lettings Improvement project plan designed to reduce from 4.23% to overall 2.5%.
- Damp, Mould & Condensation – reducing the number of cases through quicker remediation, better procurement and proactive works.
- Complaints – increasing the percentage handled within timescales to prevent escalation, further cost and loss of reputation.

Progress made towards these defined outcomes will be reported in the 2024/25 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 2023/24 are set out below, with comparatives from 2022/23 and targets for 2023/24 and 2024/25. The targets are embedded in Rooftop's budget and performance processes.

Performance and future targets

Regulatory metrics	2022/23 Result	2023/24 Target	2023/24 Result	2024/25 Target
Metric 1 - Reinvestment Percentage	6.4%	4.8%	5.3%	6.1%
Metric 2a - New supply delivered (social housing units)	2.6%	1.9%	0.6%	2.3%
Metric 2b - New supply delivered (non-social housing units)	0.0%	0.0%	0.0%	0.0%
Metric 3 - Gearing	54.3%	53.0%	54.8%	54.0%
Metric 4 - EBITDA MRI as a percentage of interest	104.5%	132.0%	108.9%	94.0%
Metric 5 - Headline social housing cost per unit	£4,490	£4,589	£4,914	£5,431
Metric 6a - Operating Margin (overall)	27.5%	29.0%	25.8%	27.0%
Metric 6b - Social Housing Operating Margin	32.2%	34.0%	28.9%	31.0%
Metric 7 - Return on capital employed (ROCE)	3.5%	4.4%	3.4%	4.0%
Other Sector Scorecard metrics				
Overall customer satisfaction	76.4%	82.0%	76.2%	82.0%
Rent arrears as a % of rent debit	2.7%	3.0%	2.6%	3.0%
Overheads as a % of adjusted turnover	12.2%	10.9%	11.0%	10.7%
Void loss as a % of rent debit (all tenures)	4.2%	2.38%	4.23%	2.5%

The Value for Money metrics shows that the **Reinvestment percentage** of 5.3% is slightly above target due to an increase in works to existing properties. The target of 6.1% for 2024/25 reflects the planned development activity and investment in current stock.

Our **New Supply Delivered of Social Housing** at 0.6% is slightly lower than the target of 1.9% due to the timing of handovers. The target of 2.3% for 2024/25 will be achieved by delivering the 151 homes in the development programme.

EBITDA MRI as a percentage of interest is much lower at 108.9% than our target of 132%. A number of factors affected this, including increased repairs and maintenance costs and high voids. A reduced target in 2024/25 reflects an increased budget for repairs and maintenance, including the completion of the SHDF ‘fabric first’ sustainability project and contingency.

Our **Social Housing Operating Margin** of 28.9% is lower than the target of 34%. The sector average in 2022/23 was 21.0% so we accept that this is a pressure within the sector. The target for next year of 31% reflects difficult budgeting decisions made, including an assumed reduction in voids costs.

For **Customer Satisfaction** our year end result was 76.2%, which was 5.8% below our target of 82%. Our analysis indicates that customer communication around repairs and the timely completion of repairs are the main causes of dissatisfaction. This drop appears to be in line with the sector 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 2.6% compared to a target of 3%. 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.

Other Key Metrics – targets for 2023/24	Target 2023/24	Result 2023/24	Achieved? Y/N
Percentage of repairs completed first time	85.0%	86.9%	Y
Emergency repairs completed within 24 hours	100.0%	89.5%	N
Non-emergency repairs completed within 20 days	80.0%	54.4%	N
Stage 1 & 2 complaints dealt with within timescales	90.0%	32.2%	N
Average days to re-let	25.0	119.0	N
Percentage colleague sickness absence	4.5%	3.1%	Y
Customers receiving money advice and support	700	1,099	Y
% of colleague turnover	13.0%	10.3%	Y

All repair time targets were missed in 2023/24, owing to continued increase in demand. Action will be taken in 2024/25, focusing on productivity and the reduction in Work In Progress levels.

Dealing with complaints within timescales has been a challenge, with an ambitious target of 90% not met in the year. At the end of March 2024, a new Complaints Team and associated processes went live, the result of which should be a vast increase in performance in 2024/25.

Our average days to re-let of 119 days is higher than our target for the year. To address this issue, a Voids and Lettings Action Plan was taken to Audit and Risk Committee in April 2024, with a number of high level actions to be completed during 2024/25.

Peer Comparison 2022/23

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 2024. Together, we have identified a peer group based on geographical location, stock size and similarity of offering.

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%	2.6%	0.0%	54.3%	104.5%	£4,490	32.2%	27.5%	3.5%
Thrive Homes Ltd	18.4%	1.0%	0.0%	68.8%	139.6%	£4,792	22.1%	27.1%	4.2%
Two Rivers Housing	11.0%	2.3%	0.0%	56.4%	162.5%	£3,952	18.5%	21.2%	3.2%
Connexus	10.0%	2.0%	0.0%	60.0%	60.0%	£4,627	15.0%	18.0%	2.9%
North Devon Homes Ltd	3.3%	0.3%	0.7%	56.8%	82.2%	£4,300	18.8%	19.4%	3.0%
Westward Housing Group	3.4%	0.9%	0.0%	29.0%	150.7%	£3,892	22.3%	23.0%	3.0%
Selwood Housing	7.2%	2.2%	0.0%	33.6%	260.4%	£4,332	18.9%	18.1%	2.1%
Gloucester City Homes	15.8%	2.1%	0.0%	53.2%	80.2%	£4,645	16.2%	16.8%	3.2%
Trent & Dove Housing	10.1%	1.1%	0.0%	58.0%	115.1%	£4,019	19.9%	19.3%	3.2%
Peer Average	9.9%	1.5%	0.1%	52.0%	131.3%	£4,320	19.0%	20.4%	3.1%
Sector Average	7.9%	1.5%	0.2%	45.8%	111.4%	£5,037	21.0%	19.0%	3.0%

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

In line with our corporate objective to deliver up to 1,000 homes by 2026, we completed 174 new homes in 2022/23, putting us above peer and sector averages.

New supply delivered – Non Social Housing

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

Gearing/EBIDTA

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** which is below the average in the sector.

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.

Electric Vehicles

We are committed to finding innovative ways to improve our sustainability. In 2018/19 we leased our first electric car for colleagues to use for business trips. All colleagues are encouraged to use the electric car as their first port of call instead of using 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 handyman to use.

Social Housing Decarbonisation Fund (SHDF)

As part of a government requirement for all social landlords to improve their existing housing stock up to EPC C by 2030 we successfully bid for SHDF government funding. We are currently improving 157 of our off-grid homes with low carbon heating systems (air source heat pumps), new windows and doors, ventilation, solar panels and cavity wall insulation and loft insulation.

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 ISO 14001 audit in January 2024 which confirmed that there were no major or minor non-conformities, and we retained our accreditation. We continue to make further environmental improvements across the organisation. Rooftop also holds ISO 9001 Quality Management System accreditation, and we are aiming to include ISO 45001 Health and Safety to this in year 2024/2025 audit. All ISOs are merged into one integrated management system (IMS).

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 2023/24 the Board and Executive Team have continued to monitor risks in the context of increased operating costs due to high inflation at the start of the year. This has had a significant impact on maintenance expenditure. Voids and lettings have also continued to present a major challenge to us as a business during the year and has resulted in an adverse variance of £917k in lost income. Recommendations from Internal Audits for the voids and letting service carried out in Q2 have been addressed during the year and the Board has remained sighted on this risk, with specific updates coming to Audit and Risk Committee and the Group Board.

At the end of last financial year there was a recognition that an increasing number of our customers were facing a prolonged period of financial difficulty which could have impacted income collection in 2023/24. Despite the cost-of-living crisis facing our customers income collection performance has continued to exceed targets with steps taken to maximise the support we can offer to our customers and stakeholders. The Group remains in a sound financial position to mitigate these risks.

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 2023/24 and work continues to mitigate risks for customers in their homes, including the continued implementation of our damp, mould and condensation policy.

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

Risk	Cause	Impact	Consequence	Monitoring
I Health and Safety	<ul style="list-style-type: none"> • Landlord Health and Safety compliance declines. • Occupational health and safety disregarded. • Causes of Damp, Mould and Condensation (DMC) are not effectively tackled. 	<ul style="list-style-type: none"> • Increasing failures to meet statutory requirements and regulatory standards: <ul style="list-style-type: none"> ○ Gas / Fire / Electrical / Lift / Water / Asbestos. ○ Increase complaints about DMC. ○ Increase risk of injury / fatality. • Customer and colleague safety compromised. 	<ul style="list-style-type: none"> • Regulatory / Statutory intervention: <ul style="list-style-type: none"> ○ RSH ○ HSE. • Staff Turnover. • Regulatory downgrade. 	<ul style="list-style-type: none"> • Monthly Compliance Report. • Monthly Compliance Panel. • Quarterly Health and Safety Committee. • Quarterly risk update report. • Annual Internal Audits.

<p>2 Data / Cyber Security</p>	<ul style="list-style-type: none"> • Poor data inhibits decision making - customer data/asset data. • Lack of cyber security awareness/culture of unconscious risk taking with data/security of data. 	<ul style="list-style-type: none"> • Sub optimal decision making in relation to customer services/ equality diversity and inclusion / investment. • Mistakes made because of poor data. • Delays in responding due to poor data. • The potential for major cyber security breach increases. • Cyber security breach. 	<ul style="list-style-type: none"> • Systemic data issues are treated as a failure of Governance and could risk a Regulatory downgrade. • Cyber security failures/ victim of a serious cyber security breach can cost a significant amount of time and money (insurance mitigation is in place). • Value for money. • Service delivery impact - slow business recovery. 	<ul style="list-style-type: none"> • Key Performance Indicators. • Monthly Compliance Report. • Quarterly risk update report. • Annual Cyber Security Strategy plan. • Annual Internal Audits.
<p>3 Stock Investment Requirements</p>	<ul style="list-style-type: none"> • Multiple investment requirements crystallising at once: • Damp, Mould and Condensation. • Band C targets (2030). • Fire Regulations 2022. • Building Safety Act 2022. • Decent Homes/stock investment. • Challenge to make the right decisions about tradeoffs between priorities. 	<ul style="list-style-type: none"> • 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"> • Regulator. • Customers. • Stakeholders. • Meeting statutory deadlines may become challenging. • Some investment may be deferred. 	<ul style="list-style-type: none"> • Breach of regulatory requirements – potential self-referral. • Customer satisfaction declines. • Complaints increase. • HO investigations increase. • Disrepair legal cases increase. • Knock on effect on time sensitive investment – for example Damp, Mould and Condensation remedial action is delayed. 	<ul style="list-style-type: none"> • Monthly Compliance Report. • Monthly Compliance Panel. • Bi-monthly Investment overview report. • Annual Investment Strategy action plan. • Annual Objectives. • Damp, Mould and Condensation Project Group. • Band C (Decarbonisation) Project Group. • Internal Audit. • Quarterly Risk Update report.
<p>4 Service Delivery</p>	<ul style="list-style-type: none"> • Colleagues lack capacity to deliver increased workloads. • Complaints are not handled in line with the Housing Ombudsman Code. • Failure to learn from complaints. 	<ul style="list-style-type: none"> • Cross cutting risk which can increase the likelihood of other strategic risks materialising more rapidly as systems of internal control are weakened. • Service delivery declines. 	<ul style="list-style-type: none"> • Customer satisfaction declines. • Complaints increase. • Budget overspends. • Housing Ombudsman maladministration determinations increase. • Regulatory downgrade. 	<ul style="list-style-type: none"> • Key Performance Indicators. • Staff Surveys. • Quarterly risk update report. • Annual Internal Audit. • Target Operating Model.

<p>5 Repairs Service</p>	<ul style="list-style-type: none"> • Repair service/Cost Sharing Vehicle is not fit for purpose. • Poor Contract Management. 	<ul style="list-style-type: none"> • Service delivery / performance declines. • Higher expenditure on repairs service. • We do not meet Consumer Standard expectations. • Increased cost of repair service. • Increase in void times. 	<ul style="list-style-type: none"> • Customer satisfaction declines. • Complaints increase. • Housing Ombudsman maladministration determinations increase. • Regulatory downgrade. • Budget overspends. 	<ul style="list-style-type: none"> • Key Performance Indicators. • Quarterly risk update report. • Annual Repairs Strategy action plan. • Annual Objectives. • Customer Surveys.
<p>6 Financial Viability</p>	<ul style="list-style-type: none"> • Inflation/Cost of repairs increases. • Poor performance on income collection. • Poor performance on voids/allocations. 	<ul style="list-style-type: none"> • Expenditure increases beyond income collection. • Rent arrears increase. • Voids losses increase. • Compounds other strategic risks (1/3/4). 	<ul style="list-style-type: none"> • Financial viability concerns. • Breach of loan covenants. • Reduction in the Development Programme. • Unable to maintain existing stock to decent homes standard. • Regulatory downgrades. 	<ul style="list-style-type: none"> • Key Performance Indicators • Management Accounts • Quarterly risk update report • Annual Internal and External Audit
<p>7 Reputational Risks</p>	<ul style="list-style-type: none"> • Cutting across all strategic risks. • Crystallisation of any of the above risks could result in severe/ catastrophic reputational damage. 	<ul style="list-style-type: none"> • Increased negative publicity regarding serious failures. • Reduced confidence in Rooftop by stakeholders and lenders. • Regulatory engagement. 	<ul style="list-style-type: none"> • Serious reputational damage can have multiple negative consequences: <ul style="list-style-type: none"> ○ Reduction in confidence of lenders making refinancing or new lending more expensive and or more difficult to attract. ○ Loss of opportunities to work with partners and stakeholders. ○ Risk of regulatory intervention. 	<ul style="list-style-type: none"> • Quarterly risk update report. • Bi-monthly GCE overview report. • Annual Communication Strategy plan. • Annual Sector Risk Profile analysis report to Audit and Risk Committee.

Approved by the Board on 17 July 2024 and signed on its behalf by:



Myron Hrycyk
Vice Chair

2 August 2024

Independent Auditor's Report to the Members of Rooftop Housing Association Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of 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 Association Limited ("the Association") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves 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 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 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, 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 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 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 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 Association and the industry in which it operates;
- Discussion with management and those charged with governance including the Audit and Risk Committee; and
- Obtaining an understanding of the Association's policies and procedures regarding compliance with laws and regulations.

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 Association 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 Association'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 areas most susceptible to fraud to be 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. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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Samantha Lifford (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

Date: 02 August 2024

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

Statement of Comprehensive Income

For the year ended 31 March 2024

		2024	2023
	Notes	£'000	£'000
Turnover	2	49,191	47,626
Operating costs	2	(37,269)	(34,517)
Surplus on disposal of property, plant and equipment	4	1,126	644
Impairment of fixed assets	2	-	(284)
Operating surplus		13,048	13,469
Interest receivable	8	670	454
Interest and financing costs	9	(10,988)	(10,558)
Movement in the fair value of investment properties	11	(43)	(224)
Surplus before tax	7	2,687	3,141
Taxation	10	(8)	(12)
Surplus for the year		2,679	3,129
Other comprehensive loss: Remeasurement of Defined Benefit pension scheme liability	21	(175)	(165)
Total comprehensive income for the year		2,504	2,964

The notes on pages 38 to 59 form part of these financial statements.

Statement of Financial Position

At 31 March 2024

	Notes	2024 £'000	2023 £'000
Fixed assets			
Housing properties	11	396,686	382,730
Investment properties	11	2,081	2,050
Investment cash	12	1,490	1,461
		400,257	386,241
Current assets			
Properties held for sale		13,947	13,194
Debtors receivable in one year	13	3,271	3,241
Current asset investment	15	41	41
Cash	14	5,487	16,021
		22,746	32,497
Creditors: Amounts falling due within one year	16	(36,052)	(35,460)
Net current liabilities		(13,306)	(2,963)
Total assets less current liabilities		386,951	383,278
Intercompany creditor – Defined Benefit pension	21	(594)	(544)
Creditors: Amounts falling due after more than one year	17	(297,693)	(296,574)
Provision for liabilities and charges			
Taxation	18	-	-
Net assets		88,664	86,160
Capital and reserves			
Share capital	19	-	-
Revenue reserve		88,664	86,160
Total reserves		88,664	86,160

The notes on pages 38 to 59 form part of these financial statements.

The financial statements were approved by the Board on 17 July 2024 and signed on its behalf on 2 August 2024 by:

Secretary



Board Member



Board Member



Statement of Changes in Reserves

For the year ended 31 March 2024

	Revenue reserve	Total
	£'000	£'000
Balance at 31 March 2022	83,196	83,196
Surplus for the year	3,129	3,129
In year actuarial movement of pension scheme	(165)	(165)
Balance at 31 March 2023	86,160	86,160
Surplus for the year	2,679	2,679
In year actuarial movement of pension scheme	(175)	(175)
At 31 March 2024	88,664	88,664

The notes on pages 38 to 59 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 investment properties 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 2022. RHA 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.

Year end

RHA'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 2024. This included detailed stress testing with multi-variant scenarios.

The Board previously approved a Financial Business Plan in May 2023 which included a number of stress tests including a perfect storm, which created extreme results. 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 2024/25 was approved by the Group's Board on 20 March 2024. The challenges for the year ahead will remain significant for Rooftop following the recent period of high inflation, ongoing record demand for repairs and the need to invest £15.5 million by 2030 to ensure that all of our homes meet Energy Band C.

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. This cap was lifted for 2024/25 rent increases and it was later confirmed that the existing social housing rent settlement will be rolled over in 2025/26. This offers us some certainty of rental income in the short-term but this could be affected by the change of government in July 2024. Future possible rent caps are stress tested in the Financial Business Plan.

At the end of the financial year, a post-tax surplus of £2,679,000 was achieved. The budget surplus for 2024/25 has been set at £6,844,000, an increase of £846,000 from the 2023/24 budget surplus of £5,998,000. The increase in the budget surplus for 2024/25 reflects our plans to address the level of voids and reduce the cost of repairs and maintenance.

At 31 March 2024, the Rooftop Housing Association held £7.0 million cash including short-term and long-term investments, of which £5.5 million is available at short notice. In addition, we have £87.3 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.

Turnover

Turnover represents rental and service charge income, fees, grants receivable, disposal proceeds of shared ownership first tranche sales and outright sales.

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.

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.

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

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 paid by RHG and apportioned to RHA via the Group Membership Agreement.

Employees 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. RHA is a member of a cost sharing group which provides property repair services to the 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

RHA 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

RHA 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

RHA 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 turnover, operating costs & operating surplus

	2024			2023		
	Turnover	Operating costs	Operating surplus/(deficit)	Turnover	Operating costs	Operating surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note 3)	43,948	(31,264)	12,684	39,477	(26,763)	12,714
Other social housing activities						
Shared ownership sales	2,744	(3,068)	(324)	5,503	(4,212)	1,291
Supporting People	554	(909)	(355)	705	(1,187)	(482)
Other	310	(1,041)	(731)	274	(1,196)	(922)
Grant	178	(478)	(300)	153	(580)	(427)
	47,734	(36,760)	10,974	46,112	(33,938)	12,174
Activities other than social housing	1,457	(509)	948	1,514	(579)	935
Total	49,191	(37,269)	11,922	47,626	(34,517)	13,109
Surplus on disposal of property, plant and equipment	-	-	1,126	-	-	644
Impairment of fixed assets	-	-	-	-	-	(284)
Total	49,191	(37,269)	13,048	47,626	(34,517)	13,469

3. Particulars of income and expenditure from social housing lettings

	2024			
	General needs	Supported housing and housing for older people	Other	Total
	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	32,775	3,215	245	36,235
Amortised government grant	675	157	-	832
Service charge income	2,060	4,821	-	6,881
Turnover from social housing lettings	35,510	8,193	245	43,948
Management	6,486	201	4	6,691
Services	2,745	3,393	-	6,138
Routine maintenance	9,614	1,445	16	11,075
Planned maintenance	1,276	264	-	1,540
Rent losses from bad debts	147	56	-	203
Depreciation of housing properties	4,995	622	-	5,617
Operating costs on social housing lettings	25,263	5,981	20	31,264
Operating surplus on social housing lettings	10,247	2,212	225	12,684
Rent losses from voids	939	911	111	1,961
				2023
	General needs	Supported housing and housing for older people	Other	Total
	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	29,184	3,929	244	33,357
Amortised government grant	632	163	-	795
Service charge income	1,529	3,796	-	5,325
Turnover from social housing lettings	31,345	7,888	244	39,477
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
Operating costs on social housing lettings	21,406	5,329	28	26,763
Operating surplus on social housing lettings	9,939	2,559	216	12,714
Rent losses from voids	647	982	102	1,731

4. Surplus on disposal of property, plant and equipment

	2024 £'000	2023 £'000
Disposal of properties		
Receipts from sale of housing property	2,337	2,220
Book value of properties sold	(1,043)	(1,504)
Other operating costs and costs of disposal	(168)	(72)
Surplus on sale of properties	1,126	644

5. Directors' emoluments and expenses

The directors are defined as the members of the Board and the executive officers as given on page 2. The directors are employed and paid by Rooftop Housing Group Limited and these details are presented in RHG's accounts, the parent Association.

6. Employee information

RHA does not directly employ any staff. All Group staff are employed by the parent Rooftop Housing Group Limited. The details are provided in the parent Association's accounts.

7. Surplus before taxation

	2024 £'000	2023 £'000
The surplus before taxation is stated after charging:		
Depreciation	5,674	4,824
External auditor's remuneration (including value added tax)		
- in their capacity as auditor	59	47
- in respect of other services	10	9
Donations	39	32

8. Interest receivable

	2024 £'000	2023 £'000
From banks	670	454
Total	670	454

9. Interest and financing costs

	2024 £'000	2023 £'000
Bank loans and overdrafts	11,651	11,159
Less: interest capitalised	(663)	(601)
Total	10,988	10,558

The rate used to calculate capitalised interest was 4.8% (2023: 4.6%) being the average rate of borrowing. Total 2024 interest payable of £11.7 million includes £16,000 in respect of adjustments for the effective interest rate relating to basic financial instruments.

10. Taxation

	2024 £'000	2023 £'000
Current tax:		
UK corporation tax on surplus for the year	8	-
Adjustment in respect of previous periods	-	12
Total current tax	8	12
Deferred tax:		
Origination and reversal of timing differences	-	-
Effect of tax rate change on opening balance	-	-
Total deferred tax	-	-
Tax on surplus	8	12

Factors affecting tax charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK as explained below:

Surplus before tax	2,687	3,141
Surplus multiplied by the standard rate of corporation tax in the UK 25% (2023: 19%)	672	592
Effects of:		
Adjustment in respect of previous periods	-	12
Amounts not taxable	(664)	(592)
Total tax charge for the year	8	12

11. Tangible fixed assets

	Freehold	Housing Properties for Lettings	Shared Ownership	Investment Properties	Shared Ownership under construction	Properties under construction	Total properties
	Land	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	7,022	401,860	24,065	2,050	4,471	7,685	447,153
Works to existing properties	-	5,547	-	77	-	-	5,624
Additions	1,339	126	399	-	3,442	10,398	15,704
Disposals	-	(582)	(506)	(3)	-	-	(1,091)
Transfer between categories	(973)	6,069	1,096	-	(1,096)	(5,096)	-
Transfer demolitions to land	916	(916)	-	-	-	-	-
Transfer to held for sale	-	(1,187)	-	-	-	-	(1,187)
Impairment	-	-	-	-	-	-	-
Revaluation	-	-	-	(43)	-	-	(43)
At 31 March 2024	8,304	410,917	25,054	2,081	6,817	12,987	466,160
Depreciation							
At 1 April 2023	-	61,231	1,142	-	-	-	62,373
Charge for year	-	5,511	163	-	-	-	5,674
Transfer to held for sale	-	(220)	-	-	-	-	(220)
Transfer between categories	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Disposals	-	(407)	(27)	-	-	-	(434)
At 31 March 2024	-	66,115	1,278	-	-	-	67,393
Net book value at 31 March 2024	8,304	344,802	23,776	2,081	6,817	12,987	398,767
Net book value at 31 March 2023	7,022	340,629	22,923	2,050	4,471	7,685	384,780
Cost or valuation represented by:							
Gross cost	8,304	410,918	25,054	2,065	6,817	12,987	466,145
Revaluation	-	-	-	16	-	-	16
Total	8,304	410,918	25,054	2,081	6,817	12,987	466,161

Investment properties, which are all freehold commercial properties, were valued to fair value at 31 March 2024 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 2024 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 £499.5 million.

Total expenditure on works to existing properties:

	2024	2023
	£'000	£'000
Amounts capitalised:		
Replacement of components	5,624	6,014
Improvements	-	-
	5,624	6,014
Amounts charged to the Statement of Comprehensive Income	1,308	951
Total	6,932	6,965

Gross expenditure on components was £5,624,000 and the net book value of replaced components written off was £585,000.

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 £6,183,000 and the amount held in current assets for shared ownership properties under construction is £7,148,000.

12. Fixed asset investments

	2024	2023
	£'000	£'000
Liquidity Reserve Fund	1,490	1,461
Total	1,490	1,461

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.

13. Debtors

	2024	2023
	£'000	£'000
Amounts receivable within one year		
Rents and service charges	2,065	1,975
Less: provision for doubtful debts	(1,198)	(1,147)
	867	828
Social housing grant receivable	-	-
Amounts due from parent undertaking	-	242
Other debtors	569	547
Prepayment and accrued income	1,835	1,624
	3,271	3,241

14. Cash at bank and in-hand

There were no specific charges on RHA's cash at bank and in-hand as at 31 March 2024 or 31 March 2023.

15. Current asset investments

	2024	2023
	£'000	£'000
95 Day Investment Account	41	41
Total	41	41

The 95 Day Investment Account is a short term investment account for surplus cash.

16. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Housing loan repayable within one year	5,847	5,670
Recycled capital grant fund	181	781
Government grants	15,285	13,965
Trade creditors	6,407	7,233
Right-to-buy sale proceeds due to Wychavon District Council	-	524
Accruals in respect of repairs	821	2,080
Amounts payable on housing development and major repairs	3,166	1,781
Interest payable	640	552
Other taxation and social security	29	26
Corporation tax	8	12
Premium on issue of bonds	354	362
Amounts due to parent undertaking	226	-
Other accruals	3,088	2,474
Total	36,052	35,460

Government grants relating to properties under construction total £15,285,000 (2023: £13,965,000).

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

	2024 £'000	2023 £'000
Housing loans		
Repayable between one and two years	6,033	5,803
Repayable between two and five years	28,574	20,869
Repayable, otherwise than by instalments, in five years or more	183,834	192,996
Total loans repayable	218,441	219,668
Premium on issue of bonds repayable in one year or more	7,558	7,933
Government grants	71,694	68,973
Total	297,693	296,574

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 2024 the agreed facility is £312.9 million of which £225.6 million (2023: £226.3 million) has been drawn down by RHA to date. The final loan is due for repayment by 2054.

The original total value of grant received at 31 March 2024 is £98,042,000 (2023: £93,740,000).

Deferred income – Government grants	2024	2023
	£'000	£'000
At 1 April 2023	82,938	79,152
Grants receivable net of disposals	4,912	4,621
Amortisation to Statement of Comprehensive Income	(871)	(835)
At 31 March 2024	86,979	82,938
Due within one year	15,285	13,965
Due after one year	71,694	68,973

18. Provisions

	2024	2023
	£'000	£'000
Deferred taxation		
At 1 April 2023	-	-
At 31 March 2024	-	-
The deferred taxation provision comprises:		
At 31 March 2024	-	-

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.

19. Share capital

	2024	2023
	£	£
Shares of £1 each issued and fully paid		
At 1 April	6	6
Issued during the year	-	2
Cancelled during the year	-	(2)
At 31 March	6	6

The share capital of RHA 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 RHA. All shareholdings relate to non-equity interests and there are no equity interests in RHA. The Group does not have any reserves in equity other than the revenue reserve.

20. Capital commitments

	2024	2023
	£'000	£'000
Capital expenditure contracted for in respect of development expenditure, but not provided for in the financial statements.	23,796	23,198
Capital expenditure authorised by the Board, but not contracted for in respect of development expenditure.	14,945	25,195
Total	38,741	48,393

RHA expects to finance the above expenditure by:

Social Housing Grant receivable	6,486	6,720
Property sales proceeds	13,325	14,612
Use of cash surplus plus loan funding	18,930	27,061
Total	38,741	48,393

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 included in the Group's financial 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 £27.3 million facility agreed with Lloyds in July 2019 and a further £35 million facility agreed with Lloyds in December 2023.

21. 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 £350,000 (2023: £332,000). This is charged to RHG and apportioned to subsidiaries via the Group Membership Agreement.

SHPS

Rooftop Housing Group 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 the 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.

The results of the full actuarial valuation for 30 September 2023 will be finalised by 31 December 2024. The results of the full actuarial valuation for the scheme for 30 September 2020 remain relevant for these accounts. 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

Tier 1 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)
Tier 2 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)
Tier 3 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)
Tier 4 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

	2024	2023
	£000s	£000s
Fair value of plan assets	2,500	2,510
Present value of defined benefit obligation	3,094	3,054
Deficit in plan	(594)	(544)
Defined benefit liability to be recognised	(594)	(544)

Reconciliation of opening and closing balances of the defined benefit obligation

	2024	2023
	£000s	£000s
Defined benefit obligation at start of period	3,054	4,402
Expenses	6	6
Interest expense	146	122
Actuarial losses due to scheme experience	61	25
Actuarial (gains) due to changes in demographic assumptions	(31)	(6)
Actuarial (gains) due to changes in financial assumptions	(31)	(1,448)

Benefits paid and expenses	(111)	(47)
Defined benefit obligation at end of period	<u>3,094</u>	<u>3,054</u>
	2024	2023
	£000s	£000s
Fair value of plan assets at start of period	2,510	3,896
Interest income	123	110
Experience on plan assets (excluding amounts included in interest income) – (loss)	(176)	(1,594)
Contributions by the employer	154	145
Benefits paid and expenses	(111)	(47)
Fair value of plan assets at end of period	<u>2,500</u>	<u>2,510</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£53,000); 31 March 2023 (£1,484,000).

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

	2024	2023
	£000s	£000s
Expenses	6	6
Net interest expense	23	12
Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)	<u>29</u>	<u>18</u>

Defined benefit costs recognised in other comprehensive income

	2024	2023
	£000s	£000s
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(176)	(1,594)
Experience gains and losses arising on the plan liabilities – (loss)	(61)	(25)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	31	6
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	31	1,448
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – (loss)	<u>(175)</u>	<u>(165)</u>
Total amount recognised in other comprehensive income – (loss)	<u>(175)</u>	<u>(165)</u>

Key assumptions

	2024	2023
	% per annum	% per annum
Discount Rate	4.91%	4.85%
Inflation (RPI)	3.12%	3.18%
Inflation (CPI)	2.79%	2.78%
Salary Growth	3.79%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	2024	2023
	Life expectancy at age 65 years	Life expectancy at age 65 years
Male retiring in 2024; (PY 2023)	20.5	21.0
Female retiring in 2024; (PY 2023)	23.0	23.4
Male retiring in 2044; (PY 2043)	21.8	22.2
Female retiring in 2044; (PY 2043)	24.4	24.9

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

22. Portfolio of Homes

			2024	Movements in year			2023
	Owned and managed	Managed by others	Total	Additions	Disposals	Transfers	Total
Under development at the end of the year							
Units for rent	142	-	142	46	-	(33)	129
Units for shared ownership	77	-	77	12	-	(10)	75
Units for sale	-	-	-	-	-	-	-
Under management at the end of the year	219	-	219	58	-	(43)	204
General needs housing	5,219	-	5,219	34	(24)	5	5,204
Supported housing and housing for older people	659	55	714	-	(33)	(6)	753
Intermediate rent	-	-	-	-	-	-	-
Leasehold properties	129	-	129	-	-	-	129
Low cost home ownership accommodation	372	-	372	10	(5)	-	367
Managed on behalf of another landlord	-	-	-	-	(20)	-	20
Keyworker accommodation	280	5	285	-	-	-	285
Units for rent	6,659	60	6,719	44	(82)	(1)	6,758
Total units social housing	6,878	60	6,938	102	(82)	(44)	6,962
Market renting	34	-	34	-	(2)	-	36
Leasehold properties	1	-	1	-	-	-	1
Total units non-social housing	35	-	35	-	(2)	-	37
Keyworker – leased to Trust	-	88	88	-	-	-	88
Residential care home – leased to Shaw Homes	-	46	46	-	-	-	46
Refugee properties - leased to Spring HA	-	-	-	-	-	-	-
St Oswald's properties – leased by Extra Care	-	86	86	-	-	-	86
20 Cambridge Way – leased to Gloucester CC	-	1	1	-	-	-	1
Total units commercial	-	221	221	-	-	-	221
Total units	6,913	281	7,194	102	(84)	(44)	7,220
Retained freeholds and estate charges	302	-	302	1	-	-	301

23. Contingent liabilities and financial commitments

As part of the transfer agreement with Wychavon District Council, RHA provided various indemnities to the Council in respect of obligations that RHA had assumed on the transfer. In the view of the Board there is little likelihood of any liability arising in respect of these indemnities, and so no provision is reflected in these financial statements. RHA has no other outstanding contingent liabilities or financial commitments.

24. Related party transactions

A management fee of £9,964,000 (2023: £10,082,000) was charged by the immediate parent undertaking, Rooftop Housing Group Limited.

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 £14,868,000 (2023: £9,823,000) and the balance owing at 31 March 2024 was £1,925,000 (2023: £3,716,000). As a result of this arrangement, the Executive Director of Operations for RHG is a Board Member of Platform Property Care Limited.

25. Legislative provisions

Rooftop Housing Association Limited is a wholly owned subsidiary of Rooftop Housing Group Limited. Rooftop Housing Group Limited is a Registered Society registered in England. RHA 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.

26. Events After the End of the Reporting Period

The sale of Dorothy Terry House completed on 1 July 2024; the sales proceeds were £4.35 million.

Biographies of Board Members

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 Rooftop Housing Association and the Board's representative for Repairs and Operations.

Myron Hrycyk – (Independent)

Myron gained an MBA, with honours in 2003 at Birmingham University and is a Chartered IT Professional (CITP).

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. Following seven successful years as a Cabinet Office Crown Representative managing HMG's strategic relationship with three global technology providers, he is now a Government Commissioner.

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 Rooftop Housing Association, 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.

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.

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, 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.

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.

Wayne Harris (Independent)

Wayne brings a wealth of experience in social housing gained in senior roles over the last 32 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 is a member of the Audit and Risk Committee and the Board's representative for Development and Investment.

Lenna Cumberbatch-Nichols (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 and has personal experience of living in social housing.

Lenna is a Non-Executive Director on Ofcom's Communication Consumer Panel & Advisory Committee for Older & Disabled People, Board Trustee and Non-Executive Director for the Grace Eyre Foundation, 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+ STEMinar and the Women of the World (WOW) festival. She keeps up her public speaking skills at her local Toastmasters Club.

With a commitment to social change, Lenna is a Fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce, she holds an MBA and is member of the Chartered Management Institute. She is also a Patron of Switchboard the LGBT+ helpline and a facilitator in schools for anti-bullying charity Diversity Role Models.

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