Raven
Housing Trust

Annual Review and Consolidated Financial Statements

YEAR ENDED 31 MARCH 2021

Registration Number 30070R

Contents

Board Members, Executives and Advisers

Board Members

Caroline Armitage (Chair)	
John Amans	
Philip Andrew	
Mark Baker	
Heather Bowman	*appointed 6th April 2020*
Paul Edwards	
David Gannicott	
Jonathan Higgs	
Greg Hyatt	*resigned 31st January 2021*
Bryan Ingleby	*appointed 1st February 2021*
Henrietta Irving	
Dawn Kenson	
Nicholas Meinertzhagen	*resigned 31st August 2021*
Andrew Rinaldi	*appointed 1st September 2021*

Executive Officers

Jonathan Higgs	*Chief Executive*
Mark Baker	*Director of Finance and Governance*
Nigel Newman	*Director of Strategy and Growth*
Alison Bennett	*Director of Development*
Amy Cheswick	*Director of Customers and Partners*
Julia Mixter	*Director of People and Transformation*
Joanna Hills	*Director of Assets and Services*
Asantewaa Brenya	*Company Secretary*

Raven is registered under the Co-operative and Community Benefit Societies Act 2014 No. 30070R

Registered Office
Raven House
29 Linkfield Lane
Redhill
Surrey
RH1 1SS

Principal Solicitors
Anthony Collins
134 Edmund Street
Birmingham
B3 2ES

Bankers
Barclays Bank Plc
Social Housing Team
Barclays Commercial Bank
Level 12, 1 Churchill Place
London E14 5HP

Property Valuers
Jones Lang LaSalle
30 Warwick Street
London
W1B 5NH

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

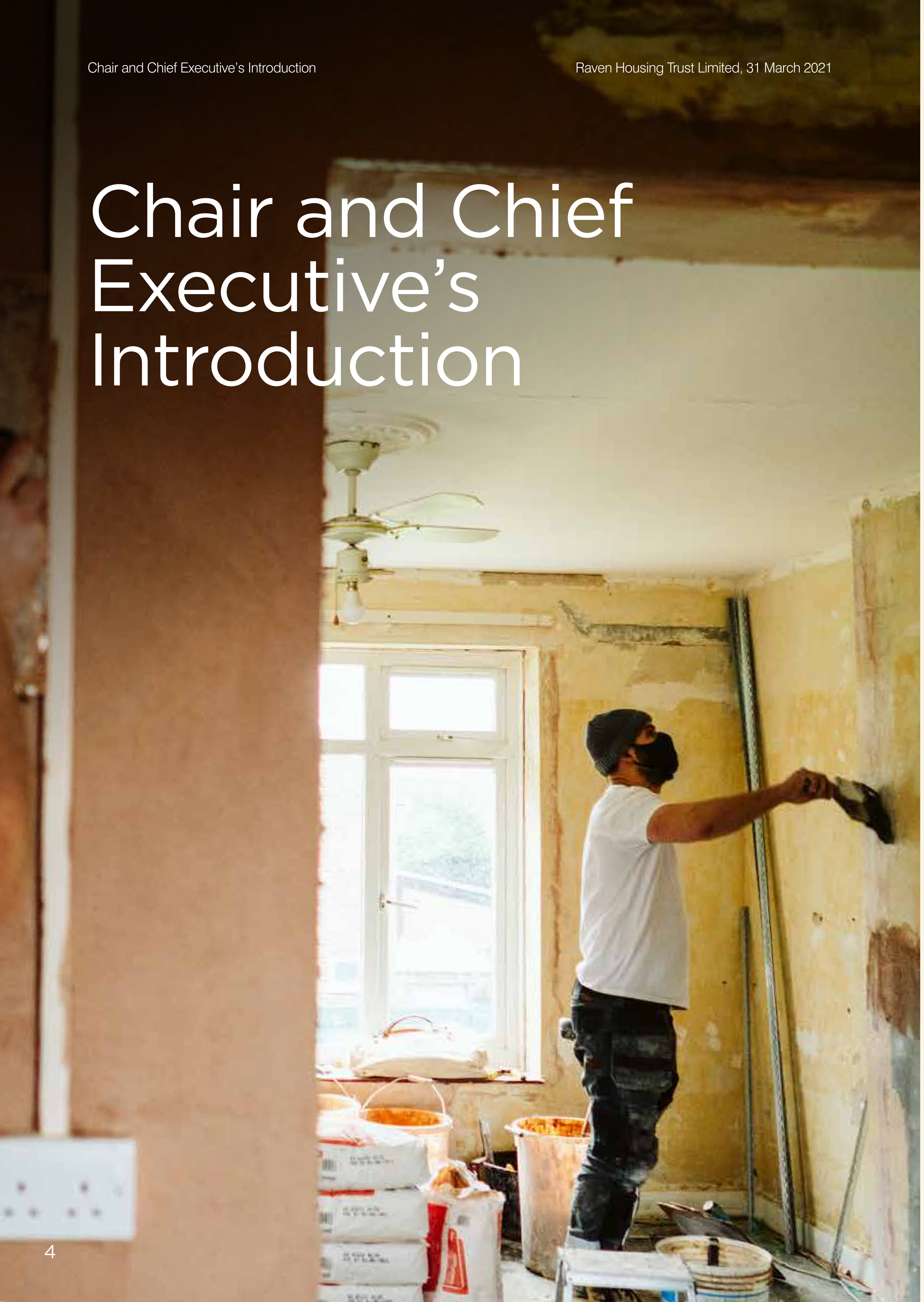
Funder
Barclays Bank Plc
Level 12
1 Churchill Place
London
E14 5HP

Funder
Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

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

Tax Advisers
Mazars
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Chair and Chief Executive's Introduction



Chair and Chief Executive's Introduction

This last year has been like no other and we pause to remember our residents, colleagues, family and friends who have suffered personal loss because of the pandemic.

The pandemic has reminded us just how resilient we are. At Raven we have seen this resilience in the communities we have supported with foodbank deliveries; amongst our residents who have worked with us to keep our essential services running; and amongst our colleagues who have adapted to new ways of working and remained flexible to do what needs to be done. We are all stronger today because of how we have worked together over the last year. We have spent more time listening to the voice of our residents, seeking to empower them at every level, including on our Board. We also remain committed to community investment alongside our local partners, delivering what have proved to be essential services this year, such as our Moneywise service.

And amid this, Raven has delivered a great deal. We have delivered 140 new homes including our first new homes for sale under Raven Homes. We recognise the risk of investing in homes for sale, and that this has resulted in our compliant 'V2' rating from our Regulator, but we believe this is worthwhile to enable us to raise more funds to invest in new homes and our social purpose. We have started our digital transformation, working with our residents to deliver services they value and trust, and we have built on our support for the most vulnerable including those at risk of homelessness and the jobless. Our renewed focus on customer satisfaction has helped improve satisfaction levels from 77% at the start of the year to 86% by its close. We are pleased our efforts have been recognised during the year with reaccreditation under Customer Service Excellence.

We hope we are within sight of the end of pandemic and now face the next global challenge of carbon reduction. At Raven we are treating this as urgent and have spent the year developing our plans. Rising to this challenge offers huge opportunity for Raven, our residents, and our community. We are determined to seize every one.

Jonathan Higgs
Chief Executive

Caroline Armitage
Chair of the Board

Strategic report

1. Highlights

£17m Group operating surplus delivered with a 27% operating margin

£0.4m in subsidiary company profits donated to the group plus £0.4m subsidiary contribution to overheads

84% overall tenant satisfaction with Raven (average over the year)

Customer Service Excellence accreditation retained in 2020

Provided 1,000 customers with benefit and debt advice, helping them to access over £2m of benefits and grants

Supported 900 customers during lockdowns including access to food and medicine

12 Developments that delivered 140 new properties

£15m invested in property repairs and improvements

81% of staff would recommend Raven as a great place to work

IiP Gold Standard accreditation retained in 2020

“Raven is here to ‘Build Homes and Change Lives’.

2. Who we are and what we do

Raven is here to ‘Build Homes and Change Lives’.

Raven Group Structure

Raven Housing Trust (‘the Association’) is the parent company of the Group.

The Association has charitable status and is regulated by the Regulator of Social Housing and complies with the Regulatory Framework for social housing in England, and Regulatory Standards of Governance.

The Group structure is set out below.

- Raven Housing Trust Parent Company 30070R
  - Raven Devco Limited 08948696
  - Raven Repairs Limited 08948872
  - Raven Development Homes Limited 10653135
    - Thanet House Management Limited 12915490
    - Burrstone Garden Management Company Limited 12912671
    - Rosebay Close Cheam Management Company Limited 13478751
  - East Grinstead Tenants Limited 07850148

During the last year the following changes to structure have been made

- property assets of East Grinstead Tenants Limited were transferred to Raven Housing Trust and the company is in the process of being put into liquidation
- two management companies were set up within Raven Development Homes Limited in 2021 to manage communal land for houses and communal areas for flats at the Burrstome Gardens scheme, both companies are now dormant, and ownership will be transferred to home/flat owners in 2021/22 once the scheme is complete;
- a further management company has been set up within Raven Development Homes Limited in 2021 to manage communal land for houses at Rosebay Close scheme, ownership will be transferred to home owners in 2021/22, once the scheme is complete.

In March 2021 the Group Board approved Raven Development Homes to enter into a Joint Venture LLP with Reigate and Banstead Council (RBBC). The Members will “own” the LLP in equal shares (50:50). The LLP is being established to enable Raven and RBBC to work together to facilitate the delivery of new homes in the borough and wider Local Enterprise Partnership area. The new company will be incorporated in the 2021/22 financial year.

The Raven Development Homes Limited Board approved the creation of Rosebay Close Management Company Limited to manage communal land/areas for Cheam scheme. The company will be incorporated and then made dormant and transferred to home owners in the 2021/22 financial year.

Business Objectives

Raven Housing Trust is a social business, investing in homes and lives across Surrey and Sussex to create flourishing communities.

Raven's Values

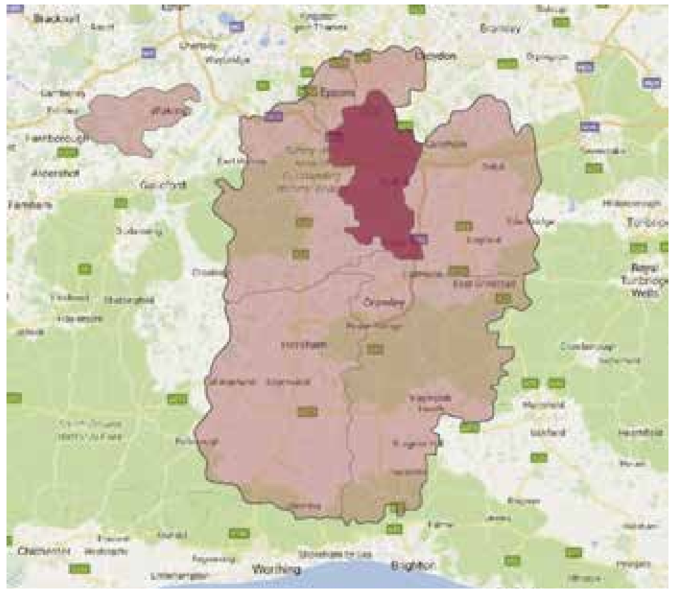
Trust	We earn trust by being open and accountable.
Understanding	We seek to truly understand others' needs before we act.
Collaborate to innovate	We collaborate with colleagues, customers and partners to develop innovative services.
Care	We come to work because we care about providing good quality, affordable homes and services to those that need them. We believe we can make tomorrow better than today.

Our Operating Area

We operate in South East England across the following Local Authority areas:

Local Authority	Number of Properties
Crawley Borough Council	224
Epsom and Ewell Borough Council	46
Horsham District Council	116
Lewes District Council	22
Mid Sussex District Council	499
Mole Valley District Council	41
Reigate and Banstead Borough Council	5169
London Borough of Sutton	29
Tandridge District Council	96
Woking Borough Council	21
Total	6263

Our operating area is outlined by the pink area in the map below:



3. Our World

There are circa. 1,600 registered social housing providers in the UK providing 2.4m homes.

The sector has faced challenging operating conditions during the last year responding to the pandemic. This has had a direct and adverse impact on the delivery of services and programmes of investment in existing properties and building of new social housing.

As we start to move out of the pandemic in 2021, the sector continues to face the challenge of demand in the face of underlying issues with housing market supply and level of homelessness but with on-going economic uncertainty, increased levels of regulation and expectations from customers ranging from building and fire safety, consumer standards, homes standards and net zero carbon.

The housing market continues to face acute supply problems. New build completions were lower in 2020/21 due to pandemic and lockdown restrictions.

The property market experienced a strong rebound from the first national lockdown due to a mixture of pent up and new demand, low borrowing costs and government support schemes. Our shared ownership and market sales were significantly higher than expected at the start of the pandemic. The outlook is uncertain, government policy continues to encourage home ownership, but the underlying health of the economy and the construction industry will be key factors.

The level of homelessness in England is estimated by Shelter to be 280,000; (1 in 200 people). The rate of increase in levels of homelessness over the last four years in the South East is estimated at 26% and levels in Crawley (1 in 226 people) and Reigate and Banstead (1 in 347 people) put these areas in the top 70 of over 300 local authority areas.

Benefit changes and the roll-out of Universal Credit is impacting on our poorest and most vulnerable residents. This has worsened during the pandemic with a 50% increase in the number of Raven residents claiming Universal Credit between April 2020 and March 2021. Affordability remains the number one issue for our residents.

Building and fire safety legislation was passed in 2020 and there are significant new requirements on landlords. The National Housing Federation estimates the sector could have to invest over £10bn to meet these requirements, Raven's business plan includes £10m investment over the next ten years. The funding of remedial works for private and shared ownership leaseholders have not been fully resolved.

The government has set energy standards relating to EPC C ratings for 2030 and the phasing out of gas boilers. The longer term government target for net zero carbon by 2050 may be brought forward. There is uncertainty on how this will be funded and achieved but the sector is assessing requirements and investment, which will be significant and require innovation and collaboration across the sector. Raven has taken a sector-leading role, being one of the first to address the climate crisis by developing plans to reduce energy demand and carbon emissions of our homes.

The final strand of national policy is a focus on consumer standards and protection including new requirements on providers to be more accountable and transparent. Changes to Housing Ombudsman regulations have been introduced and the Social Housing White Paper sets out new requirements for customer engagement and reporting. Delivery of Raven's new Customer Experience Strategy will ensure we can deliver these standards and more.

> "Building Homes, Changing Lives: It's more than just a slogan; it's what we've always done."

4. Our Strategy

Raven's Strategic Plan 2019-24

In the face of turbulent times, Raven's purpose remains clear. Raven doesn't just build houses it builds homes, and in doing so provides the services and support that help change lives.

Everyone at Raven is proud of our purpose 'Building Homes, Changing Lives'.

We believe that having a good quality, affordable home makes a huge difference to people's lives and that creating social value is an important part of our work.

Our strategy – 'Making the Difference' – will seek to do this. It will work to identify what we can do that makes the most significant difference to people's lives and will develop ways to make that happen.

This strategy has been substantially refreshed in 2021 to take into account the huge shifts in our external environment (worldwide pandemic, UK exit from the EU, learnings from the Grenfell tragedy have informed Building Safety expectations, the carbon reduction imperative and Housing White Paper reforms).

The updated strategy includes our bold plans for a step change in investment in Raven's existing assets and a culture shift to new ways of working, and increased customer focus.

We know our vision to give our residents a louder voice, to innovate and to make the best use of new technology, will inspire others and we want them to come and work with us as part of our team or as a partner, so we can do more together than we can alone.

We are Raven and we are proud to put our residents at the heart of everything we do.

Raven's route for the future

Our vision has been developed to better reflect our ambition, a sharper focus on the outcomes our residents value, and the increased investment demanded by the health and safety and carbon reduction agendas.

Raven wants to excel at delivering easy to use, valued, and trusted services to our customers, alongside more high quality, sustainable, and affordable homes in resilient communities.

We believe our investment in our Better Connected transformation programme, in our homes, and in our staff can stand us apart from other landlords.

The delivery of easy to use, valued, and trusted services to our customers has been at the centre of our Better Connected programme for the last 2 years and is rooted in what customers have told us is important to them.

Following two years of research and review, our plans include a major shift of investment towards our existing homes, reflecting both what residents are asking for, but also the evolving regulatory demands required of social housing landlords.

There is a housing crisis which demands more affordable homes. Provision of more homes is central to our purpose although we will no longer necessarily own the homes we build and/or manage.

Providing homes that are affordable is important to us because affordability is the most important thing to our residents.

We share our residents' desire to see their homes part of healthy and flourishing communities. As we emerge from the impact of the pandemic our immediate priority is to help build the resilience of those communities, supporting those that need it most to recover.

"Building Homes, Changing Lives: It's more than just a slogan; it's what we've always done."

Strategic Outcomes

We have six strategic outcomes driven by our Vision. These are the outcomes we seek to deliver and what they mean to us:

To provide easy to use, valued and trusted services

We will put customers at the centre of what we do; their feedback and our own valuable data will inform our decisions and the design of our services. Our customer centric culture, supported by tailored customer communications, is accountable, open, and transparent. Our digital offer will be easy for customers to access services they value and trust, and our attention to individual needs will make sure no one is left behind.

To provide more homes

We will deliver additional affordable homes by working in partnership: developing joint ventures, managing for others, utilising commercial investment and establishing our own development consortium with a tight geographical focus. Our new home programme will meet the range of housing needs in our area. We will make the most of our expertise in helping prevent and address homelessness.

To ensure our homes are high quality, sustainable, and affordable

We will assess the long-term viability of each home to inform investment decisions. We will deliver improved energy and carbon performance of our homes, improving affordability and environmental sustainability. We will deliver more investment in line with resident priorities to improve the quality of our homes and ensure the safety of those who live in them.

To develop resilient communities

We will play our part in developing resilient communities as we emerge from the pandemic through partnerships, targeting community investment to support independence and resilience. Where we are taking action to improve our homes, we will seize opportunities to improve the neighbourhoods of which they are a part. Wherever we work, and with our partners, we will support people to feel safe, secure and part of their community.

To improve value for money

We will deliver services that customers value in the most efficient way we can, continuously improving how we work to make life easy for staff and customers. We will have a rigorous approach to procurement of goods and services, spending every £1 wisely and taking social value into account. We will invest to create value through commercial activity aligned to our expertise. We will be robust and transparent in our accountability for improving value for money.

To create better together

We are committed to creating a working environment where every person enjoys coming to work; each member of staff feels they are known as an individual, valued for who they are and empowered to do interesting work, driven by a commitment to deliver the best experience to Raven's customers. They can do this because they work in a supportive and trusting environment; they have flexibility and enjoy a good work life balance; they are given opportunities for personal development and receive good pay and recognition for a job well done.

How we measure our success

As an organisation with a social purpose our success is not measured through the bottom line alone, but by our impact on people's lives – not just that of our customers but their neighbours and the wider community. We will measure our impact and always seek to improve the value for money that we provide. Our headline measures of success are customer satisfaction, employee engagement and financial return on capital employed.

Raven has developed plans and implemented specific actions to deliver this strategy over the last year as set out in this Annual Report.

How we manage risks to our business

The Group Audit Committee and Board regularly review strategic risks and uses an assurance framework to ensure that risks are adequately managed. The main risks identified during the year and on-going relate to:

- economic downturn from pandemic and Brexit with potential for reductions in rent and sales income, housing market downturn, increase in operating and construction costs plus supplier failure or supply chain risks;
- impact of welfare reform and recession on our residents, with the potential impact of increase in arrears; and
- data protection, cyber security, and health and safety compliance, with potential impact on the protection and well-being of residents and customers.

5. Our Finances

Raven remains financially strong and retains a G1 V2 rating, following a viability assessment undertaken during 2020 by the Regulator. This is the top rating for Governance and is compliant for Financial Viability but is a change from previous rating (V1) due to the impact of new investment in building safety over the next five years and exposure to sales risk. It reflects the Board's ambition to use financial capacity to maximise investment in customer services, our existing properties and building new homes.

Group Financial Performance 2020/21

Managing financial uncertainty in a constantly changing operating environment was the key theme of the year.

The Board approved a revised budget and business plan in May 2020 taking into account changes in our assumptions at the beginning of the pandemic of higher arrears, higher operating costs and lower levels of new home completions and sales. Investment plans and major repairs programmes were reduced and/or rescheduled for future years.

The actual impact of lockdown measures combined with government support meant that arrears, although higher than previous years, were lower than originally expected and the property market performed strongly from June onwards, with sales significantly outstripping expectations. The lockdown did result in fewer new development completions and delays to major works on existing properties due to staffing and material shortages plus some access/work restrictions.

The overall impact was a Group operating surplus (£17m), which exceed our revised plan. The final outturn was close to the level achieved in the previous year for both the Raven Group and Trust (£1m lower than 2020/21). The success of the first market sales development at Burrstone Gardens, Merstham enabled Raven Development Homes Limited to record its first profitable financial year (£0.8m).

	Raven Housing Trust £'m	Raven Development Homes Limited £'m	Raven Devco Limited £'m	Raven Repairs Limited £'m	East Grinstead Tenants Limited £'m	Total £'m
Operating surplus	**16.0**	**0.8**	**0.0**	**-0.1**	**0.4**	**17.3**
Operating margin (%)	30%	7%	0.7%	-127%	74%	27%
Interest and Other Financing Movements	6.9	0.0	0.0	0.0	0.0	7.0
Total Surplus	9.1	0.8	0.0	- 0.1	0.4	10.3

Raven Housing Trust turnover grew in 2020/21 despite the impact of the pandemic as a result of new homes being completed for rent in the previous year plus a strong performance on shared ownership sales. Operating costs also increased due to costs associated with responding to the pandemic and lockdown restrictions plus planned investment in technology and services. The surplus for the year significantly exceeded our revised plans.

Raven Housing Trust Financial Performance 2020/21

	2020/21			2019/20
	Actual £'m	Budget £'m	Variance £'m	Actual £'m
Turnover	52.9	48.6	+4.3	49.3
Cost of sales	5.8	1.9	-3.9	4.1
Operating costs	32.4	34.2	+1.8	30.5
Surplus on disposal of assets	1.3	0.6	+0.7	2.0
Operating surplus	**16.0**	**13.0**	**+3.0**	**16.8**
Operating margin (%)	30%	27%	+3%	34%
Interest and other adjustments	6.9	7.9	+1.0	6.0
Total surplus	9.1	5.1	+4.0	10.8

Development Expenditure and Income 2020/21

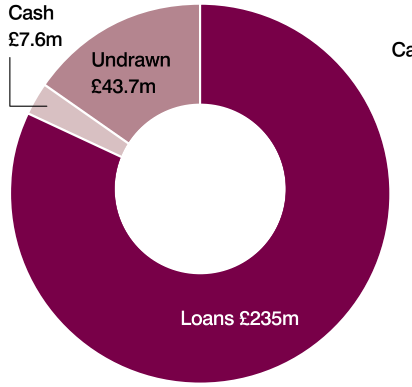
	Raven Housing Trust £'m	Raven Development Homes Limited £'m	Total £'m
Development expenditure (cash)	5.2	8.6	13.8
Shared ownership/market sales	7.2	11.9	19.1
Cost of sales	5.8	10.9	16.7
Surplus on sales	**1.4**	**1.0**	**2.4**
Budget surplus on sales	0.8	0.6	1.4
Variance	0.6	0.4	1.0

Liquidity and Borrowing

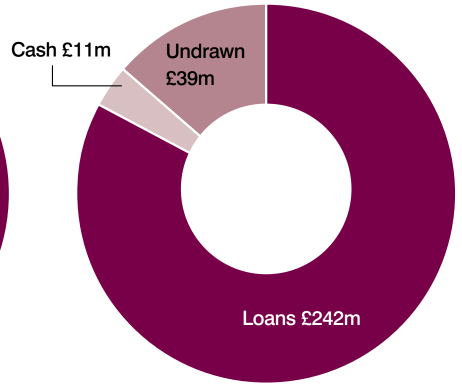
There were no significant changes to our level of borrowing or terms with our three lenders during the year. The combined level of undrawn facilities and cash increased slightly due to strong sales performance and delays in development programme. We repaid £2m of loans and reduced the level of temporary borrowings.

All of the key loan covenants with our lenders (income to cover debt interest, net borrowing per property and asset to borrowing ratio) were met during the year with significant headroom on each of them.

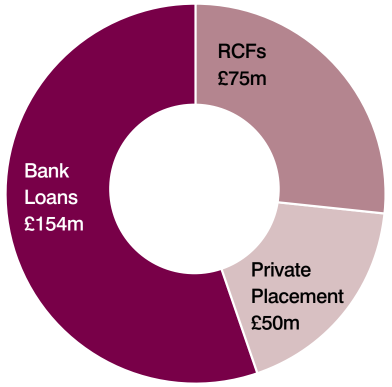
Cash & Borrowing at 31 March 2021 Total £286m

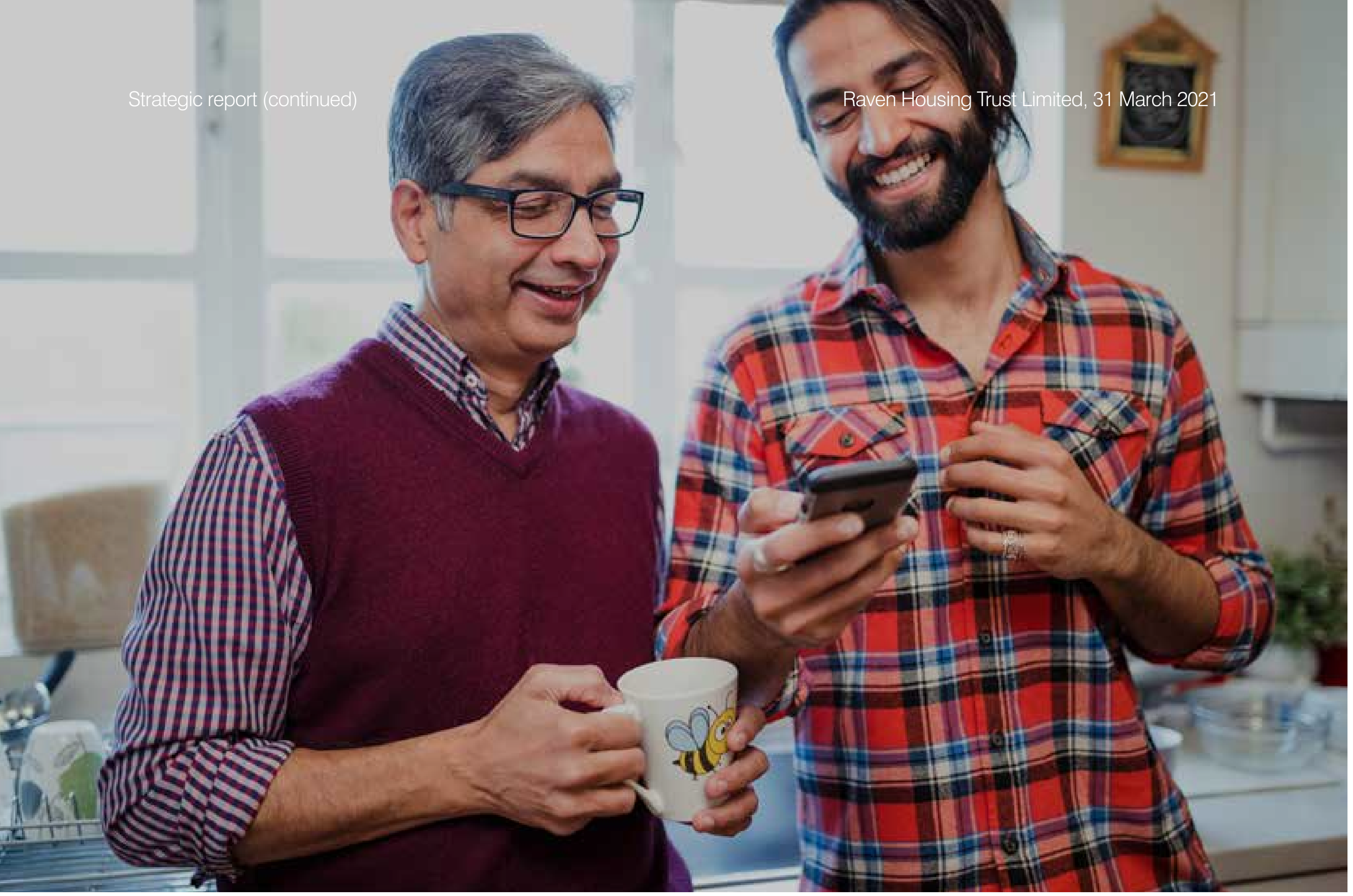


Cash & Borrowing at 31 March 2020 Total £292m



Borrowing Facilities at 31 March 2021 Total £279m





6. Our Customers

We're committed to delivering an excellent experience for our customers, increasing ways to engage with our customers, listening to and understand their needs and priorities. This year, we have focused on developing new ways to engage with customers, continuing to improve customer satisfaction, improving complaint handling and learning from complaints; and increasing the reach of our Community Investment activities by seeking new and additional funding to support more customers.

With dramatic changes to customer need due to Covid 19 we quickly pivoted our services to bring in proactive welfare checks and resulting support for customers. We continued to see an increase in digital transactions with customers, including an increase in online rent transactions, use of digital document signing, video calls and different ways of providing support services.

Customer experience and engagement

Using learnings from a task and finish group comprising Board members, residents, and staff, we designed and tested a new customer charter with customers, seeking feedback on priorities and how we can provide the right information for customers to hold us to account for decisions affecting them. We have developed customer segments and personas, using data to understand the needs, priorities, preferences and values of our customers. Training has been provided to staff to ensure they are used to support service improvements, challenging us to identify where we need to tailor services to meet different customer needs. Customers have been involved with shaping new strategies, our business transformation programme and developing a new approach to customer engagement. We have continued to measure customer promises and share performance with customers

Customer satisfaction

This year saw a fluctuation in satisfaction, from a low of 77% in April 2020 to a high of 89% in February 2021. Since November 2020, satisfaction has steadily increased. Over the course of the year the average level of overall customer satisfaction with Raven was 84%.

Value for money for rent increased to 83% in 2020/21 (previous year 82%) and our Net Promoter score increased to 36 in 2020/21 (previous year 31). We have seen greater fluctuations over the year due to the impact of the pandemic, associated lockdowns and changes to services as a result.

During the year, we have focused on developing a greater understanding of how customers feel about Raven, tracking more closely how far customers trust us to do the right thing and whether our customers feel listened to. We have maintained a very similar position to the year before during a very challenging year.

Measure	2020/21	2019/20
Satisfaction that Raven listens to and acts on resident views	78%	79%
Trust Raven to do what is right	78%	78%

Tenancy Sustainability

The Parashoot homelessness prevention service has continued to provide a lifeline for customers at risk of losing their home. Funded primarily by Surrey County Council, the service was limited to county boundaries but in 2020 we successfully obtained funding from Nationwide to extend the service and can now offer tenancy sustainability support to customers in Sussex.

Following the Voice of the Customer research in 2019, we ran an innovation lab to focus on improving affordability for customers, focusing on the start of tenancy. We have introduced a new settling in service to help customers set up home, access essentials and have a great start with Raven.

Supporting our customers

The pandemic has had a significant impact on our customers. From March 2020, we focused on support, contacting over 900 older and more vulnerable customers to offer emotional support and practical help. We mobilised teams to support foodbanks, take medicine and essentials to isolated older people and increased the number of welfare calls we undertake, increasing the number of sheltered outreach support customers. Our trades teams volunteered to deliver essentials for foodbanks, and we introduced a hardship fund, investing £100K to support individuals and community groups. The hardship fund has supported foodbanks with donations and has bought a van for one to enable deliveries. We have purchased white goods for customers and invested in community projects, e.g. Raven partnered with stakeholders to deliver the 'Level Up' laptop scheme to provide refurbished laptops to many households in the community, particularly children who needed support with learning from home

Impact of Covid 19

The impact of Covid 19 on our customers should not be underestimated. Raven has provided a lifeline for some and continued to keep services running as far as we can. Our customers have told us that our actions have reflected culture and values, with staff going the extra mile to offer support, reduce isolation and ensure customers can access essential goods and services.

Regulatory standards and compliance

We have self-assessed our performance against the Tenancy Standard, ensuring we have let our homes in a clear, fair and open way, promoting moves and mutual exchanges to maximise opportunities for customers to move to a home that suits their needs. We have self-assessed compliance with the Neighbourhood and Community Standard, working in partnership with customers, partners and local authorities to keep our communities clean and safe. We have dealt with over 800 ASB cases, dealing with a significant increase as a result of Covid 19 and taking robust action where needed.

We have also self-assessed compliance with the Tenant Involvement and Empowerment Standard. Following an overhaul in 2019, our new complaints process provides customers with a simpler, faster resolution to complaints, focusing on early intervention to get services back on track. During 2020, we also undertook a self-assessment against the Housing Ombudsman Service Complaint Handling Code, demonstrating compliance within timescale and developing an action plan to track continual improvement.

Learning from complaints

As well as ensuring we comply with the Housing Ombudsman Service Complaint handling code, we have listened to customers and learned from complaints, demonstrating continuous improvement, and feeding back improvements to customers and Board members. Examples include introducing a dedicated complaint handling role so customers have a single point of contact, improving communication regarding ASB cases and improving appointment booking for electrical safety checks.

7. Our Homes

We own and manage over 6,000 homes to meet a range of local housing needs.

Stock Type	At 31 March 2020	Change of Type	Additions	Disposals	At 31 March 2021
General Needs rented homes	5,152	(4)	91	(6)	5,232
Shared Ownership homes	425	0	49	(5)	469
Temporary Accommodation	197	4	-		202
Sheltered Accommodation	360	0	-		360
Total	**6,134**	**0**	**140**	**11**	**6,263**

Development Programme

We continued to deliver new homes in 2020/21 despite restrictions with a further 140 new home completions. This was lower than originally planned but still in line with our latest development strategy, approved in 2020, which aims to build over 900 new homes to March 2026.

We are committed to building high quality, sustainable homes in our target areas for development. Our programme focuses on land-led delivery through site acquisition and investing in our existing assets, although we do have a legacy of s106 sites completing in 2021/22. We deliver homes across a range of tenures. We see the value in delivering in partnership, maximising our return on investment and maximising delivery. Through our land-led developments we are focused on place making and how we build; seeking net zero carbon wherever possible.

Our Existing Homes

As part of taking a sector lead role in tackling climate change a new strategy has been developed to address environmental sustainability and how Raven will meet the government's net zero carbon target by 2050. Importantly, this work will also benefit our residents as their homes will be warmer, with more affordable energy bills. This will be a significant piece of work for Raven for the coming years and delivery begins in earnest next year. Our current business plan includes investment of £25m for energy improvements in the next ten years. The investment approach to meet the 2050 target is being developed for Board approval by March 2022. The Board approved adopting The Sustainability Reporting Standard for Social Housing from April 2021.

A new strategy has been developed to address environmental sustainability and how Raven will meet the government's net zero carbon target by 2050. This will be a significant piece of work for Raven for the coming years and delivery begins in earnest next year.

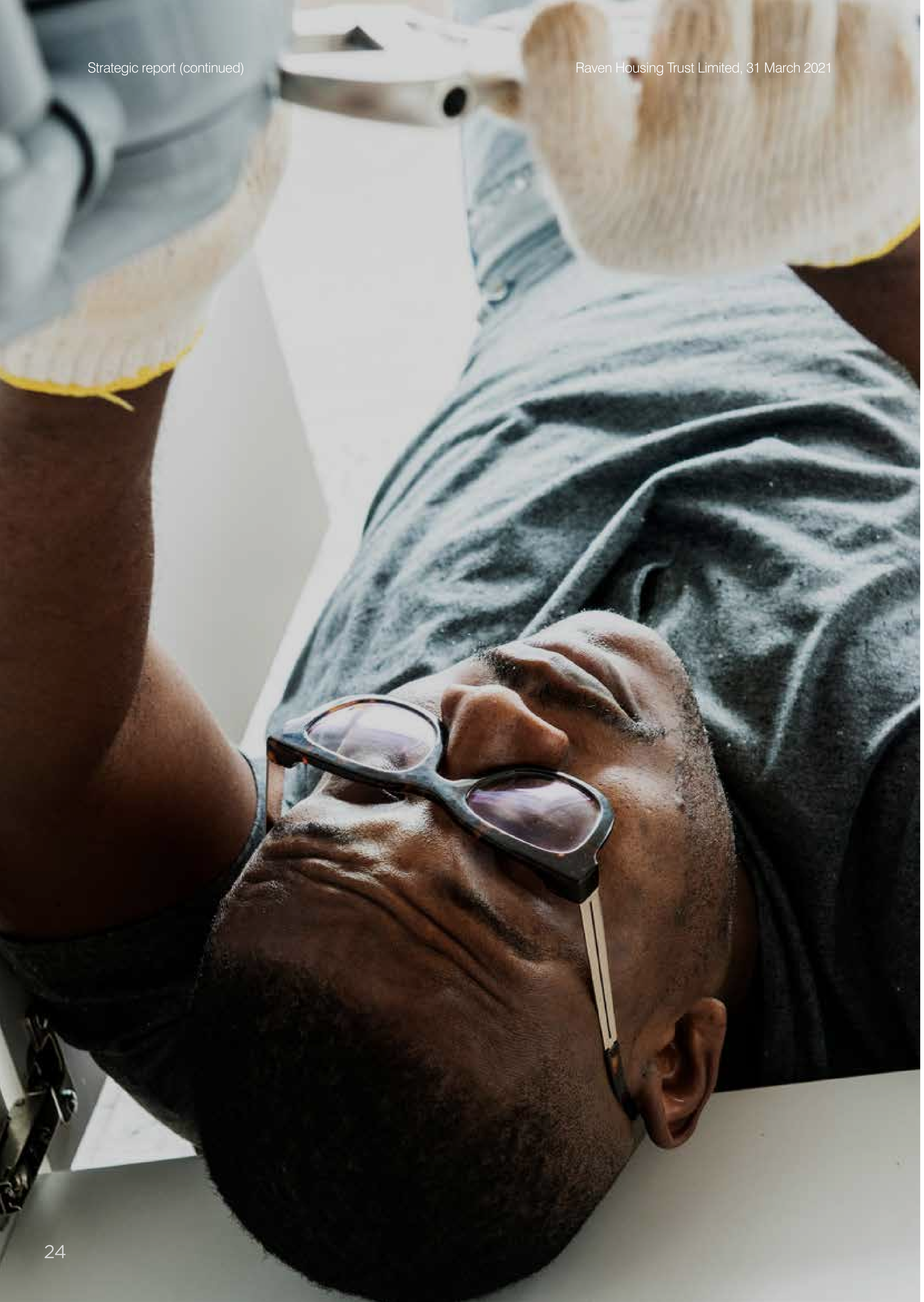
We have developed a strategy to invest £10m over the next 10 years to deliver improvements to building safety across our homes, and health and safety compliance measures. A study has confirmed that there is no dangerous cladding at the Dome, our only high rise building. We have begun work on the building safety case for this building, with survey data now complete.

We remain concerned about the uncertainty facing many of our leaseholders in flats where there is external cladding. This is a national problem. We are working to ensure as little disruption as possible to any planned sales, and where work is required to reduce health and safety risk, we are communicating regularly with those affected.

We began work on our Healthy Homes programme which addresses mould and condensation in our homes through a combination of physical improvements, education/information to residents on how best to manage this in their home and the provision of sensor-based technology to alert residents of issues so they can take action. We identified over 800 homes with concerns and have completed work on over 200 of these since November. We will track ongoing success from a drop in numbers of damp, mould and condensation cases raised.

We consulted customers and identified proposals for a 'hit list' of improvements people would like to see to home standards. The items prioritised by our customers will be incorporated into our standards as part of our future business plan from 2022/23 along with our net zero carbon investment subject to final agreement on funding with our lenders.

The lockdowns due to the pandemic did result in delays of some planned major works in 2020/21 and these have been included as additional works in our budget and programme for 2021/22. The most significant of these are kitchen and bathroom replacements and roofing works. Despite the restrictions we still invested £15m in repairs and improvements to our properties, and a grand total of over £16m in maintaining our homes, estates, trees and garages, including cleaning.



8. Our People

Raven's values shone throughout a year dominated by the pandemic. Care, one of our values, attracts many staff to work at Raven and was ever present in how staff supported not only our customers, particularly the most vulnerable but also in the kindness they showed each other.

Our digital implementation over the previous year meant we were able to switch to remote working almost overnight and staff had the tools and equipment to keep working productively in support of our customers throughout the pandemic. Where productive work wasn't possible those staff helped out with welfare visits, where work genuinely couldn't be found for a small number of staff they were furloughed.

Wellbeing was of primary importance, and we kept a regular health check through a 'Happiness Index'. We moved to regular webinars; online events, Teams calls, and we trained mental health first aiders to ensure everyone was supported. The result was that we maintained high levels of engagement with 81% of staff positively responding to our engagement survey in 2021, to state that Raven is a great place to work.

Despite the pandemic, Raven also made strong progress in both people and technology priorities:

People

- We maintained Investors in People Gold Accreditation;
- New Pay framework launched with competitive benchmark for pay per role, with all staff now paid at or above Real Living Wage;
- Launched comprehensive new suite of HR policies and procedures;
- New competency framework, performance management framework and licence to manage programme implemented in 2020;
- We consulted and launched our new culture to support our transformation programme;
- We developed a digital skills training programme, Accelerate, to support staff with digital upskilling.

Technology

- Raven awarded a place in the top 30 digitally enabled social housing providers;
- Raven's cybersecurity continued to improve with the move to a cloud-based virtual data centre and roll-out of Microsoft Office 365, this allowed productivity from day 1 of the pandemic and enabled us to mobilise customer contact centre staff to home-working overnight;
- Raven's Better Connected transformation programme continued apace with procurement of a new Customer and Housing Management system, a new telephony solution in Raven's contact centre, ***DocuSign*** to enable digital tenancy sign ups, ***Sightcall*** pilot to enable virtual visits to diagnose problems and a customer feedback app so customers receive a text immediately after a repair to ask how we did.

There are many more technical advances we will see in the next 12 months which will lead to ever greater improvements in the customer experience.

In addition, Raven is working with a staff led Equality, Diversity and Inclusion team (EDI) to identify priority areas to be addressed and ultimately to develop a coherent EDI strategy, which will almost certainly start with improving the EDI data we hold so that we can plan our improvements based on data and insight.

Over the next year, like many organisations, Raven will be working with staff to develop a new workforce strategy based on a 'hub, home, roam' model of working which we anticipate will improve both employee choice of how, where and when to work and also improve customer choice about how and when they can access our services.

9. Delivering Value for Money

Raven reports on Value for Money (VfM) in line with the Regulatory standard, assessing our performance on a set of standard metrics against other housing associations plus our locally determined measures and targets.

Value for Money Strategy

The Group Board approved the VfM strategy in March 2020. The strategy reflects the complexity of delivering and measuring value against our strategic objectives.

The objectives that underpin the strategy are:

- we will be open and transparent regarding the value for money we provide;
- we aim to be sector median cost, across all our activities, except for community investment where we have chosen to maintain a higher on-going level of expenditure;
- we expect business as usual operating costs to remain at 2018/19 baseline levels, but total unit costs will be higher over the period of this strategy due to investment in customer satisfaction, process improvement and building safety requirements;
- we aim to be a high performing organisation as measured by customer satisfaction and staff engagement, maintaining these above the sector median;
- we will measure the cost of our carbon emissions and develop plans to reduce the level of emission generated by our activities; and
- where our cost or performance is worse than above, we will understand why, and if it is not reasonable, we will have a plan for improving it.

We can summarise our VfM priorities as follows:

- spending money on the things that are valued by our residents;
- improving customer satisfaction with activities valued by our residents;
- recognising the social value our investment returns;
- maximising the value of our assets;
- improving the efficiency of our processes;
- effective procurement;
- generating additional income; and
- reducing the level of carbon emissions generated by our activities.

Value for Money Metrics

We will monitor our VfM performance through the following metrics:

Financial Performance Measures	Organisational Performance Measures
• Sector Scorecard financial metrics, as set by the Regulator	• Sector Scorecard non-financial metrics, as set by the Regulator
• Return on Capital Employed as measured by • our definition of EBITDA-MRI • our definition of capital employed	• Social value of investment • Overall customer satisfaction • Net Promoter Score • Overall satisfaction with new home • Value for money for rent
• Margin on commercial investment, ensuring our investment decisions perform in line with Development and Commercial appraisal criteria	• Employee engagement • IiP Accreditation

Value for Money Performance

The actual performance against the Value for Money metrics is set out below.

Value for Money Metric	Raven Group Budget 2021/22	Raven Group Actual 2020/21	Raven Group Actual 2019/20	Sector Median 2019/20	Peer Group Median (Group) 2019/20
Reinvestment %	8.3%	4.5%	8.4%	7.2%	8.5%
New Supply Delivered % – Social Housing	1.5%	2.3%	3.9%	1.5%	1.7%
New Supply Delivered % – Non-Social Housing	0.5%	0.4%	0.1%	-	0.1%
Gearing %	63.7%	66%	69%	44%	53%
Earnings before interest, tax, depreciation, and amortisation (EBITDA, Interest Cover) %	124%	204%	164%	170%	178%
Headline Social Housing Cost per Unit £'000 (Group)	5.6	4.3	4.4	3.8	3.7
Operating Margin % *	24%	25%	29%	26%	25%
Operating Margin, Social Housing Lettings %	26%	36%	36%	23%	27%
Return on Capital Employed %	2.7%	4.5%	4.2%	3.4%	4.1%

** operating margin; EBITDA and ROCE all calculated per Value for Money guidelines for comparative purposes but varies to local measures*

Value for Money – Our Finances

The overall financial performance for the year exceeded our targets for the Group and Trust with respect to operating surplus, margin and net surplus, as set out in section 5. The Group continues to generate cash from operating activities to support future investment. The level of loan facilities and cash at year end (£51m) was higher than planned.

Re-Investment and Supply

Completions of new homes were lower in 2020/21 due to the effects of the pandemic but continues to be above sector and peer group benchmarks. This reflects our development strategy and ambition to grow our housing stock. At the time of writing our pipeline of developments has identified 53% of the 933 units in the Development Strategy included in the business plan.

Gearing

A lower level of borrowing reduced our gearing in 2020/21 but we continue to be above median across the sector but more closely aligned to our peer group. This is due to the nature of the local authority transfer of assets and borrowing at the time of inception and will be the same for most of our peer group. Our business plan and corporate strategy set out how Raven can continue to raise finance for future development within our current gearing position.

Financial Operating Performance

We overachieved against our headline financial measures EBITDA and Return on Capital Employed. We use a local EBITDA measure excluding Shared Ownership sales and surplus from other disposals; so that it is a measure of underlying annual performance.

Local Financial Measures	Actual 2020/21 £'m	Target 2020/21 £'m
Raven EBITDA	16.8	12.5
Raven Return on Capital Employed	4.4%	3.1%

Our operating margins were higher and unit cost lower than planned in 2020/21 due a stronger income recovery and lower spending than expected during the pandemic. We are at or above sector and peer benchmark for the range of finance scorecard metrics, except for unit costs.

Our unit costs are higher than sector and peer group benchmarks due to current investment in staffing, technology, asset improvement and building safety works in line with our corporate strategy. This investment will continue at current levels for the next two financial years and realise benefits to achieve the VfM Strategy target of performance at sector median benchmark by 2023/24, we expect sector costs will increase over this time due to cost of building safety requirements. The increase in operating costs will have an impact on margins, EBITDA and Return on Capital Employed over this period.

The main driver of this is unit cost performance as set out below.

	Raven Group Actual 2020/21 £ per unit	Raven Group Actual 2019/20 £ per unit	Sector Median 2019/20 £ per unit	Peer Group Median (Trust) 2019/20 £ per unit
Management costs	0.82	0.81	1.02	0.93
Service charge costs	0.46	0.46	0.42	0.42
Maintenance costs	1.39	1.26	1.08	1.05
Major repairs costs	1.03	1.27	0.83	0.84
Other social housing	0.63	0.66	0.21	0.22
Headline social housing costs	4.33	4.46	3.71	3.68

* Note that the individual lines of the Sector and Peer Group medians do not add to the same as the total as they are based on medians of individual unit cost calculations which are not published.

	Budget 2021/22 £ per unit	Actual 2020/21 £ per unit	Budget 2020/21 £ per unit	Actual 2019/20 £ per unit
Headline social housing costs (RHT entity)	5.64	4.33	4.71	4.46

The actual headline unit cost for 2020/21 was below target and lower than the previous year, the reduced level of major repairs programme due to the pandemic was the main driver for this. Other operating costs were maintained at similar levels to the previous year, but maintenance costs increased due to costs of addressing backlog of works created during the first national lockdown in 2020, with limited access to properties.

We maintained a good financial operating performance with regards to income and lettings during the pandemic with only small movements on arrears and void times despite lockdown restrictions.

	Actual 2020/21	Budget 2019/20
Current tenant arrears (%)	2.4%	2.1%
Re-let times (days)	28.6	22.5
Void losses (%)	1.1%	0.90%
Rent collection (%)	99.9%	99.3%

Value for Money – Delivering Value to Our Customers and Communities

Our VfM Strategy sets out the importance of customer satisfaction and engagement. The level of satisfaction of our residents with the service we are providing and the positive impact we are having on our communities are important measures of the value we are delivering.

Customer satisfaction is our priority, and a number of different indicators are used to assess how our residents feel we are delivering housing and repair services to them. In 2020/21 we focused efforts on actions to improve satisfaction on services most valued by customers during lockdown restrictions. During the year the levels of satisfaction increased across our main indicators and across the year satisfaction was at or above the previous year despite restrictions on services we could provide.

Over the next two years significant further investment is planned in technology and process changes to deliver a transformation in how services are delivered to meet the future needs of all our customers.

KPI	Actual 2020/21	Actual 2019/20
Overall satisfaction (%)	84%	84%
Value for Money with rent satisfaction (%)	84%	82%
Repairs satisfaction (%)	80%	80%
Net Promoter Score	32	31
Overall satisfaction with home (%)	77%	77%
Satisfaction with neighbourhood (%)	81%	81%

Raven has a strong commitment to supporting and making a difference to the communities that we work within. This is reflected in our VfM strategy and demonstrated by the ring-fencing of community investment and higher unit costs for other social housing. During the pandemic we have invested more resources to support our most vulnerable residents and wider community, setting up a hardship fund, providing more financial advice plus, supporting food banks and access to food and medicines.

The annual value of social return (as measured by HACT) has increased over the last year.

Social Return on Investment	Actual 2020/21	Actual 2019/20
Value	£10.3m	£9m
Return for every £1 spent	1:11	1:10

Value for Money - Getting Better Value from our Assets

Raven is focused on understanding asset performance to enable informed investment decisions. Raven's position is that social return on assets is valued as well as the financial return in arriving at an overall return on assets.

Our properties are re-let when they become available, provided that the property remains fit for purpose and has positive asset financial performance and a social return which is within the tolerance levels agreed. We embrace the diversity and benefits brought about by maintaining mixed communities and therefore do not have a policy of selling properties in high value areas. We recognise that our housing assets are valuable and, in many cases, provide affordable homes in areas where many residents want to continue to live, but cannot afford to do so.

The return of capital employed (per sector defined metric) reduced in the last financial year but remains above sector median and in line with peer group benchmarks.

Asset performance for 2020/21 is summarised below:

Portfolio	Turnover £'m	Operating surplus £'m	Operating margin %	Net book value £'m	Operating return on assets %
Total social housing lettings	42.4	15.0	35%	349	4.3%
General needs social housing lettings	35.7	13.9	39%	276	5.0%
Sheltered housing	2.4	0.3	13%		
Shared ownership	2.6	0.6	22%	74	0.8%
Other	1.7	0.3	17%		

Value for Money – Performance against our Future Plans

Raven's Business Plan was revised in May 2020, September 2020 and March 2021 to take into account the changing financial outlook during the pandemic and a better understanding of investment required in our homes (building safety and energy improvement).

The Business Plan is based on a set of assumptions on economic factors and the housing market. It includes investment plans for the next five years to deliver the corporate strategy and VfM Strategy with regards to customer satisfaction and engagement, investment in existing assets and efficiency targets and delivery of our Development Strategy.

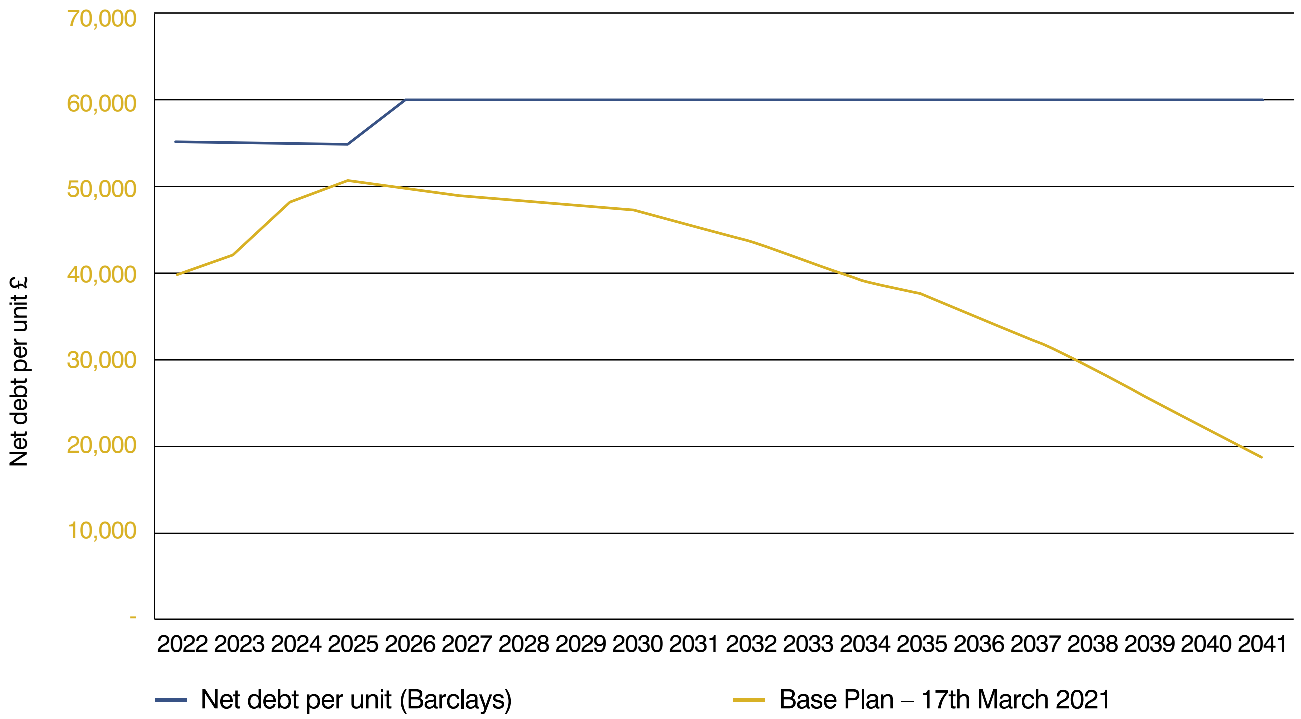
We are investing £10m in building safety over the next five years and £25m in improving energy ratings by 2030. We are developing a business plan and financial strategy to include further development in new homes, significant improvements in home standards and to achieve net zero carbon targets by 2050. We will be seeking further financing in 2021 to support this plan.

The Business Plan is assessed against Raven's Golden Rules. The key tests are:

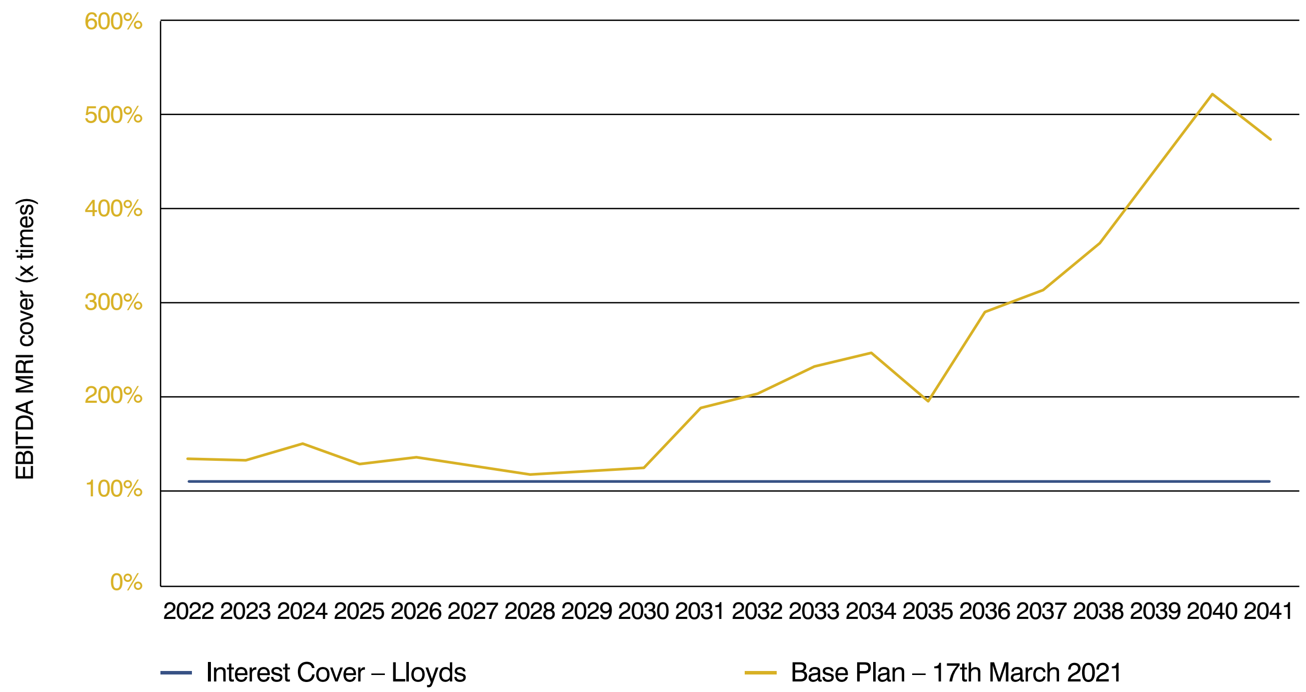
- liquidity and financing (cash generated and facilities available);
- the level of income to cover financing interest (EBITDA-MRI or Interest Cover); and
- level of debt relative to the value of our assets (net debt per unit or asset cover).

These indicators demonstrate Raven's ability to meet future commitments (operating costs and development activity), meet its interest payment requirements from the projected surpluses and maintain debt levels in line with agreements with our lenders. The graphs below show our planned performance in the current approved business plan against the tightest covenants and the level of headroom.

Net debt per unit – Barclays



Interest cover – Lloyds



Mark Baker
Director of Finance and Governance

Report of the Board

1. Corporate governance

The Board exists to set out the strategic direction of Raven and to approve its plans and policies in order to achieve this. The details of the Board membership are set out in the section Board Members, Executives and Advisers. Meetings are held at least six times per year.

The Audit Committee consists of four members and meets at least four times per year. The Committee provides scrutiny and assurance to the Board that the internal controls framework and risk management are appropriate and robust.

The People and Culture Committee meets at least twice a year and considers the reward and remuneration framework for the organisation and specifically for members of the Leadership Team and Board plus development and succession planning for the Board.

Raven has established a Group Investment Committee, which has oversight responsibility for development, sales and commercial activities. The Committee is co-terminus with the three subsidiary boards. The Committee consists of four members plus the Directors of Raven Development Homes Limited, Raven Repairs Limited, Raven Devco Limited and East Grinstead Tenants Limited and meets at least four times a year.

The Association undertakes an annual assessment of compliance with the Governance and Financial Viability Standard. The Association considers it is fully compliant with the provisions of the standard.

Until March 2021, Raven was governed by the National Housing Federation Code of Governance (2015) and was compliant with all areas of the Code. In March 2021, Raven adopted the National Housing Federation Code of Governance (2020) and will undertake its first assessment against the 2020 Code in September 2021.

2. Executive management team

The executive officers of Raven listed in the section Board Members, Executives and Advisers, hold no equity interest and act as executives within the authority delegated by the Board. They scrutinise performance and the development of policy and procedures and meet regularly for these purposes.

The Chief Executive and Director of Finance and Governance are Group Board members and Directors of Raven Development Homes Limited, Raven Repairs Limited and Raven Devco Limited. The Director of Finance and Governance is also a Board member and Director of East Grinstead Tenants Limited, along with the Development Director and Director of Assets and Services.

3. Employees

Raven is accredited with Investors in People gold status. The Association has established 'Connected' which consists of members of staff representatives from the various parts of the business. This group of 'Connectors' enable Raven to consult easily with all members of staff. This year we have focused on increasing the interactions between Connected and the Leadership Team.

4. Equality and diversity

Raven's Respecting Differences strategy was approved by the Board in July 2015. Individual policies and performance against strategy are regularly reviewed. The Leadership team approved updated Dignity at Work and Equality and Diversity Policies in August 2018. Raven is developing an Equality, Diversity, and Inclusion strategy to advance equality of opportunity for customers and staff which will be monitored and reported to the Board in compliance with the National Housing Federation Governance Code (2020).

5. Going concern

After making enquiries, the Group Board has a reasonable expectation that the Raven Housing Group has adequate resources to continue in operational existence for the foreseeable future. Since the introduction of restrictions on the population and economy of the UK in March 2020, Raven Group have re-forecast the 2020/21 budgets and business plans, have implemented low, medium and high impact budget mitigation options and have undertaken further scenario and sensitivity testing on the business plan.

The latest budget and business plan confirm that the Group is financially sound, with good liquidity, headroom across all covenants and all Golden Rules met. The scenario testing highlights where covenant and golden rule pinch points exist and low, medium and high value options have been developed as mitigation plans, if any of the scenarios look likely to materialise.

For this reason, the going concern basis continues to be adopted in the preparation of the Group's financial statements.

.

6. Disclosure of information to the auditors

BDO LLP were appointed as external auditors in November 2016 after undergoing a competitive tender process.

At the date of making this report each of the Association's Directors, as set out in the section Board Members, Executives and Advisers, confirm the following:

- so far as the Directors are aware there is no relevant audit information of which the Association's auditor is unaware; and
- each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

7. Statement on systems of internal control

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal financial control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Raven's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls that are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed.

The Board received and approved the Internal Controls Assurance report from the Chief Executive at the September 2021 meeting which included a review of:

- Board and Audit Committee overview;
- Management Assurance;
- Risk Management Framework;
- Internal and External Audit;
- The Regulatory Compliance; and
- Loan Covenant Compliance.

8. Fraud and impropriety

The Fraud and Bribery Prevention, Detection and Response Policy sets out the Board's current strategy and policy on fraud covering prevention, detection and reporting of fraud, and the recovery of assets.

The Speaking Up policy sets out how Raven staff can speak out against any fraud or impropriety that they may encounter.

9. Conclusion

The Board has reviewed the effectiveness of the systems of internal controls, including a summary of the main policies, which the Board have established. These are designed to provide a summary of the process and key sources of evidence utilised by the Board in reviewing the effectiveness of the internal controls. They also provide confirmation that the Board have reviewed the fraud register, which has been reflected in the information contained within its review. Where problems have been identified, action has been taken to ensure the control environment meets this requirement.

No weaknesses were identified which would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

10. Statement of Board's financial responsibility

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:

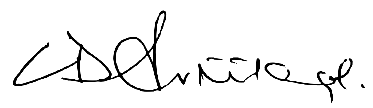
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

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

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

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

On behalf of the Board.



Caroline Armitage
Chair of the Board

Date 01/09/21

Report of the Independent Auditors on the Financial Statements

Independent auditor's report to the members of Raven Housing Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2021 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of Raven Housing Trust "the Trust" and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The board are responsible for the other information. The other information comprises the information included in the annual report, 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 including the Strategic Report and the Report of the Board 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 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

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

- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the net realisable value of properties developed for sale, the defined benefit pension liability and finance lease liabilities;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 Trust, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP.

BDO LLP, Statutory Auditor
Gatwick, UK
Date: 21/09/2021

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

Financial Statements

Consolidated and Trust Statement of Comprehensive Income for the year ended 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Turnover	5	64,775	48,484	52,889	49,259
Cost of sales	5	(16,399)	(4,185)	(5,838)	(4,056)
Operating costs	5	(32,407)	(30,407)	(32,372)	(30,456)
Surplus on disposal of fixed assets	5,13	1,282	2,020	1,282	2,020
Operating surplus	5,8	**17,251**	**15,912**	**15,961**	**16,767**
Interest receivable		6	48	953	703
Interest and financing costs	14	(8,197)	(7,895)	(8,197)	(7,895)
Movement in fair value of financial instruments		322	185	322	185
Change in fair value of investment properties	18	66	254	66	254
Surplus before taxation		9,448	8,504	9,105	10,014
Taxation	9	1,599	53	(5)	1
Surplus for the year	8	**11,047**	**8,557**	**9,100**	**10,015**
Actuarial gain/ (loss) in respect of pension schemes	30	(839)	802	(839)	802
Other Comprehensive Income		-	-	790	-
Total comprehensive income for the year		**10,208**	**9,359**	**9,051**	**10,817**

All amounts derive from continuing activities.

The accompanying notes form part of these financial statements.

Consolidated and Trust Statement of Financial Position as at 31 March 2021

Organisation Number 30070R

	Note	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Fixed assets					
Social housing properties	16	349,197	339,045	349,899	330,602
Other tangible fixed assets	17	3,526	3,340	3,526	3,340
Investment property	18	16,448	16,316	16,448	16,316
Investments - homebuy loans	19	419	419	419	419
Investments in subsidiaries	35	-	-	531	9,914
Goodwill	15	1,238	1,264	-	-
		370,828	360,384	370,823	360,591
Current assets					
Properties for sale	20	13,777	20,734	5,215	6,672
Stock		118	109	118	109
Debtors - receivable within one year	21	3,096	2,605	15,468	17,998
Cash and cash equivalents		7,614	11,130	4,069	10,357
		24,605	34,578	24,870	35,136
Creditors: amounts falling due within one year	22	(11,535)	(16,117)	(10,948)	(14,255)
Net current assets		**13,070**	**18,461**	**13,922**	**20,881**
Total assets less current liabilities		383,898	378,845	384,745	381,472
Creditors: amounts falling due after one year	23	(277,349)	(284,015)	(277,349)	(284,015)
Pension liability	30	(1,329)	(624)	(1,329)	(624)
Provision for other liabilities	29	(183)	-	(183)	-
Net assets		**105,037**	**94,206**	**105,884**	**96,833**
Capital and reserves	31	-	-	-	-
Called up share capital		-	-	-	-
Income and expenditure reserve		105,037	94,206	105,884	96,833
Total Capital and reserves		**105,037**	**94,206**	**105,884**	**96,833**

The financial statements were approved by the Board of Management and authorised for issue on 1/09/21 and signed on their behalf by:

Caroline Armitage
Chair
1/09/21

Mark Baker
Director
1/09/21

Dawn Kenson
Chair of Audit Committee
1/09/21

The accompanying notes form part of these financial statements.

Consolidated and Trust Statement of Changes in Reserves for the year ended 31 March 2021

Group

	Note	Income and expenditure reserve £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2020		94,206	-	94,206
Surplus for the year		11,047	-	11,047
Actuarial loss in respect of pension schemes	30	(839)	-	(839)
Revaluation surplus		-	623	623
Transfer from revaluation reserve		623	(623)	-
Balance at 31 March 2021		**105,253**	**623**	**105,037**
Balance at 1 April 2019		**84,847**	**-**	**84,847**
Surplus for the year		8,557	-	8,557
Actuarial loss in respect of pension schemes	30	802	-	802
Balance at 31 March 2020		**94,206**	**-**	**94,206**

Trust

	Note	Income and expenditure reserve £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2020		96,833	-	96,833
Surplus for the year		9,100	-	9,100
Actuarial loss in respect of pension schemes	30	(839)	-	(839)
Dividend in kind		790	-	790
Transfer to revaluation reserve		-	-	-
Balance at 31 March 2021		**105,884**	**-**	**105,884**
Balance at 1 April 2019		**86,016**	-	**10,015**
Surplus for the year		10,015	-	802
Actuarial loss in respect of pension schemes	30	802	-	96,833
Balance at 31 March 2020		**96,833**	**-**	**96,833**

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Operating surplus for the financial year		**17,251**	**15,912**
Adjustments for:			
Depreciation of fixed assets - housing properties	16	4,544	4,190
Depreciation of fixed assets- other	17	233	252
Amortisation of goodwill	15	26	-
Impairment	16	-	-
Amortised grant	6,25	(463)	(461)
Adjustment for pension funding		(147)	(144)
Surplus on sale of fixed assets - housing	13	(1,282)	(2,020)
Movement in stock		7,041	(5,807)
Movement in trade and other debtors		1,108	25
Movement in trade creditors		(63)	(2,897)
Movement in provisions		183	-
Proceeds from sale of fixed assets		2,390	3,899
Cash from operations		**30,825**	**12,949**
Taxation paid		-	-
Net cash generated from operating activities		**30,825**	**12,949**
Cash flows from investing activities			
Acquisition of subsidiaries	35	-	(9,914)
Purchase of fixed assets - housing properties		(18,403)	(24,912)
Purchase of fixed assets - other		(425)	(219)
Receipt of grant		-	1,099
Interest received		6	48
Net cash used in investing activities		**(18,822)**	**(33,898)**
Cash flow from financing activities			
Cash obtained through acquisition	35	-	1,207
Bank loan drawn down		10,250	36,098
Repayment of borrowings		(16,590)	(8,042)
Interest paid		(9,179)	(8,784)
Loan arrangement fees paid		-	(78)
Net cash generated from financial activities		**(15,519)**	**20,401**
Net (decrease)/ increase in cash and cash equivalents		(3,516)	(548)
Cash and cash equivalents at beginning of period		11,130	11,678
Cash and cash equivalents at end of the period		**7,614**	**11,130**

Reconciliation of Net Debt for the year ended 31 March 2021

Group	Note	1 April 2020 £'000	Cash flows £'000	Non-cash changes £'000	31 March 2021 £'000
Cash and cash equivalents					
Cash at bank and in hand		11,130	(3,516)	-	7,614
		11,130	**(3,516)**	**-**	**7,614**
Borrowings					
Loans due within 1 year	27	1,317	(16,590)	16,855	1,582
Loans due after more than 1 year	27	243,290	10,250	(17,056)	236,484
		244,607	**(6,340)**	**(201)**	**238,066**

Notes to the Financial Statements for the year ended 31 March 2021

1. Legal Status

The Association is registered in England with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 (No. 30070R) and the Regulator of Social Housing as a social housing provider (No. L4334). The Association is a public benefit entity.

Raven Housing Trust is the ultimate parent of the Group. The details of all entities within the Group are outlined in Note 35. All subsidiaries are limited companies incorporated in England and Wales under the Companies Act 2006.

2. Accounting policies

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice), which for Raven Housing Trust includes the Cooperative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers" 2018, and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and certain properties as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent /subsidiary disclosure exemptions

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

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent would be identical;
- no cash flow statement has been presented for the parent; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Raven Housing Trust and its subsidiaries as if they formed a single entity ("the Group"). Intercompany transactions and balances between group companies are therefore eliminated in full. All financial statements are made up to 31 March 2021.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term borrowing facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service debt facilities whilst continuing to comply with lenders' covenants.

The Group has not suffered significant negative financial impact as a result of COVID-19 to date. However, the Group continues to consider in its business plan and forecasts the potential impact of COVID-19 and post Brexit transition. Following stress testing of these plans the Group remains financially sound, with good liquidity, headroom across covenants and all Golden Rules met.

On the 17th November 2020, the Board made a decision to transfer the 70 properties owned by EGTL to RHT. Following this decision, the Board has also decided to liquidate the EGTL company and will aim to appoint the liquidator soon after the 31st March 2021.

On this basis, the Board has a reasonable expectation that the Group (excluding East Grinstead Tenants Limited) has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Turnover

Income is measured at the fair value of the consideration received or receivable. The group generates the following material income streams:

- **Rent:** rental income receivable (after deducting lost rent from void properties available for letting) is recognised from the point when properties under development reach practical completion and are formally let;

- **First tranche shared ownership sales:** income from first tranche sales are recognised at the point of legal completion based on the proportion of equity sold of the property;
- **Service charges:** the Group agrees service charges to its tenants and leaseholders on an annual basis. Expenditure is recorded when a service is provided and charged to the relevant service charge budget or to a sinking fund. Income is recorded based on the estimated amounts chargeable;
- **Revenue grants** (the policy on our treatment of grants is explored in more detail later on);
- **Sale of land and property:** income from land and property sales are recognised at the point of legal completion of the sale;
- **Management fees:** management fees are recognised on a receivable basis as management services are provided;
- **Dividend income:** Dividend income is recognised when the right to receive payment is established; and
- **Other income:** other income is recognised as receivable on the delivery of services provided.

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs

Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

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

Finance costs

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

Pension costs

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

The Group also participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). In accordance with the requirements of FRS 102, the costs are accounted for when committed, regardless of when the benefits are deliverable. The financial statements reflect, at fair value, the assets and liabilities arising from the Group's retirement obligations.

The related finance costs and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise. The attributable assets of the schemes are measured, at their fair value, at the statement of financial position date, and are shown net of attributable scheme liabilities.

Actuarial gains and losses arising from any new valuation, and from updating the latest actuarial valuation to reflect conditions at the statement of financial position date, are recognised in the Statement of Total Other Comprehensive Income for the year.

Holiday pay accrual

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

Qualifying charitable donations

Following the Triennial review of FRS 102 the Association recognise the gift aid as a distribution from the entity to its owners and as such is not accrued unless a legal obligation to make the payment exist at the reporting date.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed, and of equity instruments issued, plus the costs directly attributable to the business combination.

Goodwill is initially recognised and measured as the excess of the cost of a business combination over the fair value of the group's interest in the assets, liabilities and contingent liabilities acquired. Goodwill shall be considered to have a finite useful life and shall be amortised on a systematic basis over its life. The goodwill recognised by the Group will be released into profit and loss over a period of 50 years starting from the first full year after acquisition. The Group will review the goodwill annually for impairment.

However, where the cost of the business combination is less than the fair value of the group's interest in the assets, liabilities and contingent liabilities acquired, negative goodwill arises. Negative goodwill is recognised on the Statement of Financial Position and is released to profit and loss, up to the fair value of non-monetary assets acquired, over the periods in which the non-monetary assets are recovered. Where the amount of negative goodwill is less than the fair value of net assets acquired, any excess over the fair value of non-monetary assets is recognised in the income statement over the period expected to benefit.

Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable).

The Group has taken the transition exemption to record certain property, plant and equipment at their fair value as deemed cost at the transition date. Management have based their estimate of fair value on an external market valuation as at 31 March 2014.

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period, directly attributable administration costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties. Directly attributable administration costs includes capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are held within housing properties and accounted for at cost less depreciation. Commercial elements of mixed developments are held as investment properties.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Property, Plant, Equipment (PPE) and held at cost less any impairment, and are transferred to completed properties when ready for letting. Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets in the Statement of Comprehensive Income.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Land is not depreciated on account of its indefinite useful economic life.

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

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

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight line basis as follows:

Description	Economic useful life
Structure and other	100
Kitchen	30
Bathroom	40
Roofs	50
External doors	40
Boiler	12-15
Electrics	30
External windows	40
Lifts	30
Central heating	30
Photo Voltaic Panels	30
Lighting	15
CCU	30
Electric charging points	30

Any difference between the historical annual depreciation charge and the annual depreciation charge on assets carried at deemed cost is transferred to the revaluation reserve for the asset concerned until that reserve is depleted.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last reporting date in the pattern by which the Group expects to consume an asset's future economic benefit.

Shared ownership properties and staircasing

Under shared ownership arrangements, the Group disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The Buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Shared ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as PPE and included in completed housing property at cost and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sales account in arriving at the surplus or deficit.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Allocation of costs for mixed tenure and shared ownership developments

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

Other tangible fixed assets

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group capitalise costs incurred as a result of staff spending time on capital projects, provided that time can be linked to bringing a specific, separately identifiable asset into working condition, or substantially enhancing the working life of an existing asset.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life
Freehold office buildings	100
Office furniture and equipment	4
Computer equipment and software	3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. They are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income. Rental income from these properties is taken to revenue.

Investment properties held by Raven consist of:

- Raven House - a proportion of Raven House is let to commercial tenants and is shown as an investment property;
- shops;
- freeholds; and
- garages.

Mixed Use Properties

Properties held for more than one purpose are split between asset types. Where part of the property is for business own use it is held within Properties, Plant and Equipment and the part used for commercial purposes is classified as Investment Properties. Costs are allocated to the different areas of the building directly to the appropriate tenure where it is possible to specify which part of the property the expense relates to.

Where it is not possible to relate costs to a specific area of the building, costs are allocated based on floor area.

Impairment of fixed assets

The housing property portfolio for the Group is assessed for indications of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Government grants

Government grants are held in creditors using the accrual model set out in FRS 102. Grant is recognised over the useful life of the asset and amortised to the income statement over a 60 year period for the shared ownership properties or 100 year period for the housing properties. The amount due to be amortised to the Statement of Comprehensive Income in the next year is held within creditors due within one year. The remaining balance is held within creditors due greater than one year.

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

Grants relating to revenue are recognised in income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under 'creditors due after more than one year'. The remainder is disclosed under 'creditors due within one year'.

Disposal Proceeds Fund

Receipts from Right to Acquire (RTA) sales were required to be retained in a ring fenced fund that can only be used for providing replacement housing. Any sales receipts less eligible expenses held within disposal proceeds fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under 'creditors due after more than one year'. The remainder is disclosed under 'creditors due within one year'. Section 92 of the Housing and Planning Act has removed the obligation to account for proceeds from sale of a disposal which occurs after 6 April 2017.

Stock

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

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

An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the Statement of Comprehensive Income.

On disposal, sales proceeds are included in turnover and the costs of sales, including costs incurred in the development of the properties, marketing and other incidental costs are included in operating expenses.

Homebuy

Raven received a grant representing 25% of the purchase price in order to provide a loan to the homebuyer. In the event of the sale of the property, the grant becomes repayable and Raven retains 25% of any surplus sale proceeds less sale costs. Grant received is shown in creditors. The loan by Raven represents a concessionary loan and is accounted for at transaction price and presented within investments in the Statement of Financial Position.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

Rent and service charge agreements

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and short term deposits

All loans, investments and short term deposits held by the Group, are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

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

Leased assets: Lessee

All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Leasehold sinking funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Provision for liabilities

The Group would recognise provisions for liabilities of any uncertain timing or amounts.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

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

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made. A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

The revaluation reserve is created from surpluses on asset revaluation.

3. Judgements in applying accounting policies

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. 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. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- A number of the Group's loan agreements contain clauses which entitle the borrower to compensation in the event that, on cancellation or redemption of a loan, the underlying derivative positions would return a benefit to the lender. In preparing these financial statements, management have judged that the requirements of FRS 102 are unclear as to whether these arrangements result in the affected loans being classified as 'basic' or 'other'. On the basis of this lack of clarity and because it is not the intention of the Group to redeem or actively trade in these borrowings for speculative purposes, management consider that the criteria for classification as basic instruments are met. These amounts are therefore carried at amortised cost. Should management determine that the alternative judgement becomes appropriate or additional clarity is offered by FRS 102 in future that indicates that the instruments are 'other' financial instruments, they would be required to be presented at their fair value in the financial statements with annual fair value movements reported through the Income and Expenditure account.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the Association then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the member's best estimate of sales value based on economic conditions within the area of development.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- Where schemes are mixed tenure, costs are allocated based on area split. The allocation of under construction costs relating to shared ownership schemes between current and fixed assets is determined by looking at the predicted amount to be sold for development schemes within a year.
- Whether the surplus/(deficit) on disposal of housing properties is considered part of our operating activity and therefore the results should be presented within operating surplus. We consider the development and sale of both shared ownership properties, Right to Buy (RTB) and Right to Acquire (RTA) properties (including subsequent staircasing sales) to be part of our core operating activities and therefore appropriate to include within operating surplus.

- Property assets are classified between investment property and property, plant and equipment depending on the intended use of each property. In determining the intended use of each property the following are taken into consideration:
  - whether the asset is held for social benefit;
  - whether the property is operated at below a market rent for the wider benefit of the community;
  - whether Raven is subsidising the property and operating at a loss in order to continue providing a service; and
  - what the purpose for holding the asset is.

4. Key Sources of Estimation Uncertainty

In preparing these financial statements, the key sources of estimation uncertainty are:

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as current use and market are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components. Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself (see note 16 and 17).

In the year ended 31 March 2021, the properties owned by EGTL were transferred to Raven Housing Trust using the most recently available professional valuation from the Group's professional valuation advisers. The distribution of the assets has been treated as a dividend in kind within the financial statements.

Housing property allocation

Where schemes are mixed tenure, cost are allocated based on area split. The allocation of under construction costs relating to shared ownership schemes between current and fixed assets is determined by looking at the predicted amount to be sold for development schemes within a year (see note 16).

Investment property

Investment properties are professionally valued annually.

Assumptions used by experts for valuing investment properties were as follows:

Garages:	discount rate – 7.75%; the average cost per annum - £170;
Leaseholders:	the ground rent capitalisation - 7%;
Commercial properties:	blended yield across all of the commercial investments – c. 7.50%

Housing property and stock recognition of land

Allocation of land costs for mixed tenure developments. Management estimates the proportion of the land cost to allocate to different tenure types for mixed developments based upon actual data, where available, otherwise this is based upon management's estimate of the respective site values.

Rental and other trade receivables (debtors)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed based on age and where practical, on an individual debtor basis to consider whether each debt is recoverable (see note 21).

Measurements for financial instruments

Where FRS 102 requires a variable rate loan to be re-measured, for factors other than change in LIBOR, judgement is required as to the most appropriate method, either re-measurement by changing the effective interest rate or re-measuring the new cash flows at the old effective interest rate. In making their assessment management considers the nature of the changes made that led to the requirement to re-measure. Where these changes predominantly relate to changes in finance costs then the loan is re-measured using the new effective interest rate and the impact of re-measurement spread over the remaining life of the financial instrument. Where the changes predominantly related to the principal amounts the loan is re-measured using the old effective interest rate resulting in a change to the carrying value of the loan (see note 28).

Defined benefit and multi-employer pension schemes

Estimations in relation to financial and actuarial assumptions are based upon best estimates derived from the Group's policies and practices and confirmed with actuaries where these are beyond management expertise. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses. Estimation is also required in respect of the appropriate discount rate for the social housing pension scheme liability. This estimate is calculated by a professionally qualified valuer and primarily derived from externally published market data. The sensitivity analysis has been performed over the estimate (see note 30).

5. Particulars of turnover, cost of sales and operating surplus

Group	Turnover 2021 £'000	Cost of sale 2021 £'000	Operating costs 2021 £'000	Operating surplus/ (deficit) 2021 £'000	Turnover 2020 £'000	Cost of sale 2020 £'000	Operating costs 2020 £'000	Operating surplus/ (deficit) 2020 £'000
Social housing lettings (note 6)								
Social housing lettings	42,424	-	(27,061)	15,363	39,695	-	(25,543)	14,152
	42,424	**-**	**(27,061)**	**15,363**	**39,695**	**-**	**(25,543)**	**14,152**
Other social housing activities								
First tranche low cost home ownership sales	7,177	(5,465)	(1)	1,711	5,397	(4,020)	(2)	1,375
Development activities	2	-	(1,256)	(1,254)	2	-	(889)	(887)
Community investment	130	-	(1,207)	(1,077)	128	-	(1,128)	(1,000)
Floating support	171	-	(408)	(237)	174	-	(404)	(230)
Other	428	-	-	428	349	-	(229)	120
	7,908	(5,465)	(2,872)	(429)	6,050	(4,020)	(2,652)	(622)
Activities other than social housing								
Leasehold	868	-	(783)	85	750	-	(826)	(76)
Garages	1,295	-	(904)	391	1,329	-	(629)	700
Shops	48	-	(8)	40	71	-	(14)	57
Raven House lettings	327	-	(222)	105	298	-	(295)	3
Market sale properties	11,861	(10,894)	(142)	825	-	-	(129)	(129)
Other-repairs	44	(40)	(415)	(411)	291	(165)	(319)	(193)
	14,443	**(10,934)**	**(2,474)**	**1,035**	**2,739**	**(165)**	**(2,212)**	**362**
Surplus on disposal of fixed assets			1,282	1,282	-	-	2,020	2,020
Total	**64,775**	**(16,399)**	**(31,125)**	**17,251**	**48,484**	**(4,185)**	**(28,387)**	**15,912**

Trust	Turnover 2021 £'000	Cost of sale 2021 £'000	Operating costs 2021 £'000	Operating surplus/ (deficit) 2021 £'000	Turnover 2020 £'000	Cost of sale 2020 £'000	Operating costs 2020 £'000	Operating surplus/ (deficit) 2020 £'000
Social housing lettings (note 6)								
Social housing lettings	41,864	-	(26,813)	15,051	39,526	-	(25,412)	14,114
	41,864	**-**	**(26,813)**	**15,051**	**39,526**	**-**	**(25,412)**	**14,114**
Other social housing activities								
First tranche low cost home ownership sales	7,177	(5,838)	(1)	1,338	5,397	(4,056)	(2)	1,339
Development activities	123	-	(1,414)	(1,291)	143	-	(1,021)	(878)
Community investment	130	-	(1,202)	(1,072)	128	-	(1,128)	(1,000)
Floating support	171	-	(406)	(235)	174	-	(404)	(230)
Other	554	-	(135)	419	1,220	-	(299)	921
	8,155	**(5,838)**	**(3,158)**	**(841)**	**7,062**	**(4,056)**	**(2,854)**	**152**
Activities other than social housing								
Leasehold	868	-	(781)	87	750	-	(826)	(76)
Garages	1,295	-	(902)	393	1,329	-	(629)	700
Shops	48	-	(7)	41	71	-	(14)	57
Raven House lettings	327	-	(222)	105	298	-	(295)	3
Market sale properties	257	-	(257)	-	104	-	(104)	-
Other-repairs	75	-	(232)	(157)	119	-	(322)	(203)
	2,870	**-**	**(2,401)**	**469**	**2,671**	**-**	**(2,190)**	**481**
Surplus on disposal of fixed assets	-	-	1,282	1,282	-	-	2,020	2,020
Total	**52,889**	**(5,838)**	**(31,090)**	**15,961**	**49,259**	**(4,056)**	**(28,436)**	**16,767**

6. Income and Expenditure from social housing lettings - Group and Trust

Group	General Needs 2021 £'000	Supported Housing 2021 £'000	Shared Ownership 2021 £'000	Other[1] 2021 £'000	Total 2021 £'000	Total 2020 £'000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	34,035	1,885	2,288	1,363	39,571	36,972
Service income	1,313	452	297	328	2,390	2,262
Amortised Government Grants	386	25	35	17	463	461
Turnover from social housing lettings	**35,734**	**2,362**	**2,620**	**1,708**	**42,424**	**39,695**
Expenditure on social housing lettings						
Management costs	3,857	323	395	328	4,904	4,876
Service charge costs	1,248	664	587	379	2,878	2,741
Routine maintenance	5,869	381	526	249	7,025	5,834
Planned maintenance	1,391	89	125	59	1,665	1,744
Major repairs expenditure	3,819	247	342	162	4,570	4,771
Bad debts	418	31	4	26	479	203
Amounts written off on replacement/demolition	122	8	11	5	146	175
Depreciation of housing properties	4,104	266	-	174	4,544	4,190
Other	761	29	41	19	850	1,009
Operating costs on social housing lettings	**21,589**	**2,038**	**2,031**	**1,401**	**27,061**	**25,543**
Operating surplus on social housing lettings	**14,145**	**324**	**589**	**307**	**15,363**	**14,152**
Void losses	**217**	**41**	**-**	**143**	**401**	**332**

Note 1 – Other includes keyworker and temporary accommodation.

Notes to the Financial Statements for the year ended 31 March 2021 (continued) Raven Housing Trust Limited, 31 March 2021

Trust	General Needs 2021 £'000	Supported Housing 2021 £'000	Shared Ownership 2021 £'000	Other[1] 2021 £'000	Total 2021 £'000	Total 2020 £'000
Turnover from social housing lettings						
Rent receivable net of identifiable service charges	33,475	1,885	2,288	1,363	39,011	36,803
Service income	1,313	452	297	328	2,390	2,262
Amortised Government Grants	386	25	35	17	463	461
Turnover from social housing lettings	**35,174**	**2,362**	**2,620**	**1,708**	**41,864**	**39,526**
Expenditure on social housing lettings						
Management costs	3,929	330	401	333	4,993	4,855
Service charge costs	1,238	664	587	379	2,868	2,741
Routine maintenance	5,819	377	522	248	6,966	5,834
Planned maintenance	1,389	90	124	59	1,662	1,744
Major repairs expenditure	3,815	247	342	162	4,566	4,771
Bad debts	425	31	4	26	486	195
Amounts written off on replacement/demolition	122	8	11	5	146	175
Depreciation of housing properties	4,018	260	-	170	4,448	4,174
Other	595	28	39	18	680	923
Operating costs on social housing lettings	**21,350**	**2,035**	**2,030**	**1,400**	**26,815**	**25,412**
Operating surplus on social housing lettings	**13,824**	**327**	**590**	**308**	**15,049**	**14,114**
Void losses	**217**	**41**	**-**	**143**	**401**	**332**

Note 1 – Other includes keyworker, temporary accommodation and shared ownership.

Notes to the Financial Statements for the year ended 31 March 2021 (continued) Raven Housing Trust Limited, 31 March 2021

7. Units of housing stock

Group

	2021 At start of the period	2021 Developed or newly built units acquired	2021 Units sold / demolished	2021 Other movements	2021 Period end	2020 At start of the period	2020 Developed or newly built units acquired	2020 Units sold / demolished	2020 Other movements	2020 Period end
Social rent general needs	4,094	9	(5)	(3)	4,095	4,062	47	(12)	(3)	4,094
Affordable rent general needs	1,058	82	(1)	(1)	1,138	957	102	(3)	2	1,058
Social rent supported housing and housing for older people	342	-	-	-	342	340	-	-	2	342
Affordable rent supported housing and housing for older people	18	-	-	-	18	18	-	-	-	18
Shared ownership	425	49	(5)	-	469	346	86	(6)	(1)	425
Other social housing	197	-	-	4	201	197	-	-	-	197
Total social housing units owned and / or managed	**6,134**	**140**	**(11)**	**-**	**6,263**	**5,920**	**235**	**(21)**	**-**	**6,134**
Social housing units managed but not owned	-	-	-	-	-	70	-	-	(70)	-
Social housing units owned but not managed	54	-	-	-	54	54	-	-	-	54
Total owned and managed accommodation	**6,080**	**140**	**(11)**	**-**	**6,209**	**5,796**	**235**	**(21)**	**70**	**6,080**
Total leasehold units	**848**	**6**	**-**	**-**	**854**	**837**	**11**	**-**	**-**	**848**
Outright sale units	1	29	(29)	-	1	-	1	-	-	1
Total units owned and / or managed	**6,983**	**175**	**(40)**	**-**	**7,118**	**6,757**	**246**	**(21)**	**-**	**6,983**

Trust

	2021 At start of the period	2021 Developed or newly built units acquired	2021 Units sold / demolished	2021 Other movements	2021 Period end	2020 At start of the period	2020 Developed or newly built units acquired	2020 Units sold / demolished	2020 Other movements	2020 Period end
Social rent general needs	4,094	9	(5)	(3)	4,095	4,062	47	(12)	(3)	4,094
Affordable rent general needs	1,058	82	(1)	1	1,138	957	102	(3)	2	1,058
Social rent supported housing and housing for older people	342	-	-	-	342	340	-	-	2	342
Affordable rent supported housing and housing for older people	18	-	-	-	18	18	-	-	-	18
Shared ownership	425	49	(5)	-	469	346	86	(6)	(1)	425
Other social housing	197	-	-	4	201	197	-	-	-	197
Total social housing units owned and / or managed	**6,134**	**140**	**(11)**	**0**	**6,263**	**5,920**	**235**	**(21)**	**-**	**6,134**
Social housing units managed but not owned	70	-	-	(70)	-	70	-	-	-	70
Social housing units owned but not managed	54	-	-	-	54	54	-	-	-	54
Total owned and managed accommodation	**6,010**	**140**	**(11)**	**70**	**6,209**	**5,796**	**235**	**(21)**	**-**	**6,010**
Total leasehold units	**848**	**6**	**-**	**-**	**854**	**837**	**11**	**-**	**-**	**848**
Outright sale units	-	-	-	-	-	-	-	-	-	-
Total units owned and / or managed	**6,982**	**146**	**(11)**	**0**	**7,117**	**6,757**	**246**	**(21)**	**-**	**6,982**

During 2020/21 the 70 properties owned by East Grinstead Tenants Limited, a subsidiary of Raven Housing Trust, were transferred as a dividend in specie to Raven Housing Trust.

8. Surplus for the year

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
This is arrived after charging:				
Depreciation of housing properties	4,544	4,190	4,448	4,174
Depreciation of other fixed assets	233	252	233	252
External auditors' remuneration (excluding VAT):				
- fees for audit of accounts	54	63	37	45
- fees for other assurance services	12	13	12	13
Operating lease rentals: other	768	1,181	768	1,181

9. Tax on surplus on ordinary activities

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Corporation tax				
UK Corporation tax on income for the year	88	(53)	(6)	-
Deferred tax provision	(1,687)	-	1	(1)
	(1,599)	(53)	(5)	(1)
Factors affecting the tax charge/(credit) for the current period				
Surplus on ordinary activities	9,448	8,504	9,105	10,014
Current tax at 19% (2020: 19%)	1,795	1,616	1,730	1,903
Effects of:				
Charitable surpluses not subject to tax	(1,555)	(1,587)	(1,720)	(1,903)
Qualifying charitable donations	(152)	(153)	-	-
Utilisation of tax losses	(84)	-	-	-
Adjustment to tax charge in respect of previous periods	-	68	-	-
Tax losses not relieved	1	2	-	-
Fixed asset differences	2	5	-	-
Group relief surrendered / (claimed)	-	-	(18)	-
Group relief claimed- brought forward losses	(3)	-	(3)	-
Adjust opening deferred tax to average rate of 19%	-	(4)	-	(1)
Deferred tax released	(1,603)	-	-	-
Total tax (credit)/charge	**(1,599)**	**(53)**	**(11)**	**(1)**

The charitable status of Raven Housing Trust means that no corporation tax is payable on their charitable activities.

Tax is payable on the profits from the activities of the Group's other non-charitable subsidiary companies.

The deferred tax released in the year of £1,603k relates to £1,687k which was initially recognised upon the acquisition of East Grinstead Tenants Limited then released in 2020/21 upon transfer of the properties to Raven Housing Trust (see Note 22 for further details) and the utilisation of £84k of prior year tax losses in Raven Development Homes Limited.

10. Employees information

Group and Trust

The total remuneration (including Executive Management Team) paid was:	2021 £'000	2020 £'000
Wages and salaries	9,699	8,778
Social security costs	1,023	911
Cost of defined contribution scheme	701	650
	11,423	**10,339**

Group and Trust

The average number of full time equivalent employees was: *(calculated based on standard working week of 36 hours)*	2021 No.	2020 No.
Central services	55	50
Customer service	21	19
Development	15	12
Housing operations	166	151
Other	17	17
	274	**249**

The Group participates in the Social Housing Pension Scheme (SHPS).

Further information on each scheme is given in note 30.

Government grants relating to furloughed staff were received of £170k (2020: £Nil).

11. Directors' and senior executives' remuneration

The key management personnel are defined as the members of the Board of Management, the Chief Executive and the Executive Management Team. The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply.

Group and Trust	2021 £'000	2020 £'000
Emoluments (including pension contribution and benefit in kind) paid to directors	823	895
Emoluments (excluding pension contribution) paid to highest paid director	150	150

The remuneration paid to staff (including Executive Management Team) earning £60,000 or above:

Group and Trust	2021 No.	2020 No.
£60,000 - £69,999	9	8
£70,000 - £79,999	4	1
£80,000 - £89,999	1	-
£90,000 - £99,999	2	3
£100,000 - £109,999	1	-
£110,000 - £119,999	2	2
£120,000 - £129,999	1	1
£130,000 - £139,999	-	-
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
	21	**16**

12. Board members

During the year, Board members received emoluments totalling £81k (2020: £72k).

Group and Trust	2021 £'000	2020 £'000
John Amans	5	5
Philip Andrew	7	6
Caroline Armitage	17	17
Heather Bowman	5	-
Patrick Bradley *	3	-
Paul Edwards	5	5
David Gannicott	7	7
Greg Hyatt	4	5
Bryan Ingleby	5	5
Henrietta Irving	7	7
Edith Dawn Kenson	9	9
Kush Rawal *	2	-
Nicholas Meinertzhagen	5	-
Victor O'Brien	-	6
	81	**72**

Chief Executive, Director of Finance and Governance and Director of Development do not receive remuneration in relation to Board members duties.

* Co-Optee

13. Surplus on disposal of fixed assets

Group and Trust	2021 £'000	2020 £'000
Proceeds from disposal of properties - Right to Buy	1,169	2,407
Cost of sales (including selling costs)	(1,133)	(2,325)
Transfer to recycled capital grant fund	-	-
Surplus on Right to Buy sales	**36**	**82**
Proceeds from disposal of properties - Right to Acquire	689	1,558
Cost of sales (including selling costs)	(80)	(254)
Transfer to recycled capital grant fund	-	(61)
Grant abated	-	2
Surplus on Right to Acquire sales	**609**	**1,245**
Income from staircasing	1,367	1,862
Cost of sales (including selling costs)	(843)	(1,185)
Transfer to recycled capital grant fund	(12)	(81)
Grant abated	18	27
Surplus on other sales	**530**	**623**
Income from other assets sales	120	142
Cost of sales (including selling costs)	(13)	(72)
Surplus / (loss) on other sales	**107**	**70**
Total gain on disposal of fixed assets	**1,282**	**2,020**

14. Interest payable and similar charges

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Bank loans and overdrafts	8,834	9,155	8,834	9,155
Recycled capital grant	-	5	-	5
Disposal Proceed Fund	-	1	-	1
Other interest payable	25	36	25	36
Net interest on pension defined benefit liability	**13**	**34**	**13**	**34**
	8,872	9,231	8,872	9,231
Interest capitalised on construction of housing properties	(675)	(1,336)	(675)	(1,336)
	8,197	**7,895**	**8,197**	**7,895**

Interest capitalised in housing properties during 2021 was £675k (2020: £1,336k), interest charged to properties held for sale during 2021 was £93k (2020: £209k).

15. Goodwill on consolidation

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
As at 1 April	1,264	-	-	-
Additions arising from new business combinations	-	1,264	-	-
Amounts released into profit or loss	(26)	-	-	-
As at 31 March	**1,238**	1,264	**-**	**-**

Goodwill arose on the acquisition of East Grinstead Tenants Limited on 17 December 2019. The expected useful life of goodwill is 50 years.

16. Tangible fixed assets - Housing properties

Group	**General needs completed £'000**	**General needs under construction £'000**	**Shared ownership completed £'000**	**Shared ownership under construction £'000**	**Total £'000**
Cost					
At 1 April 2020	301,006	18,187	58,410	8,938	386,541
Additions					
- construction costs	-	5,834	-	7,602	13,436
- transfer from subsidiary	536	-	-	-	536
- replaced components	1,847	-	-	-	1,847
Completed schemes	16,212	(16,212)	8,132	(8,132)	-
Disposals					
- property disposals	(180)	-	-	-	(180)
- replaced components	(486)	-	-	-	(486)
- demolition	-	-	-	-	-
- staircasing sales	-	-	(866)	-	(866)
At 31 March 2021	**318,935**	**7,809**	**65,676**	**8,408**	**400,828**
Depreciation					
At 1 April 2020	(46,766)	-	(539)	-	(47,305)
Charge for the year	(4,544)	-	-	-	(4,544)
Disposals					
- property disposals	51	-	-	-	51
- replaced components	340	-	-	-	340
- staircasing sales	-	-	18	-	18
At 31 March 2021	**(50,919)**	**-**	**(521)**	**-**	**(51,440)**
Impairment					
At 1 April 2020	(191)	-	-	-	(191)
Charge for the year	-	-	-	-	-
At 31 March 2021	**(191)**	**-**	**-**	**-**	**(191)**
Net book value:					
At 31 March 2021	267,825	7,809	65,155	8,408	349,197
At 31 March 2020	254,049	18,187	57,871	8,938	339,045

Trust	**General needs completed £'000**	**General needs under construction £'000**	**Shared ownership completed £'000**	**Shared ownership under construction £'000**	**Total £'000**
Cost					
At 1 April 2020	292,748	18,149	58,264	8,938	378,099
Additions					
- construction costs	-	5,834	-	7,601	13,435
- replaced components	1,836	-	-	-	1,836
- transfer from subsidiary	9,598			-	9,598
Completed schemes	16,195	(16,195)	8,132	(8,132)	-
Disposals					
- property disposals	(180)	-	-	-	(180)
- replaced components	(487)	-	-	-	(487)
- demolition	-	-	-	-	0
- staircasing sales	-	-	(866)	-	(866)
At 31 March 2021	**319,710**	**7,788**	**65,530**	**8,407**	**401,435**
Depreciation					
At 1 April 2020	**(46,767)**	**-**	**(539)**	**-**	**(47,306)**
Charge for the year	(4,448)	-	-	-	(4,448)
Disposals			-		
- property disposals	51	-	-	-	51
- replaced components	340	-	-	-	340
- staircasing sales	-	-	18	-	18
At 31 March 2021	**(50,824)**	**-**	**(521)**	**-**	**(51,345)**
Impairment					
At 1 April 2020	(191)	-	-	-	(191)
Charge for the year	-	-	-	-	-
At 31 March 2021	**(191)**	**-**	**-**	**-**	**(191)**
Net book value:					
At 31 March 2021	268,695	7,788	65,009	8,407	349,899
At 31 March 2020	245,790	18,149	57,725	8,938	330,602

During the year 2020/21, the 70 properties owned by East Grinstead Tenants Limited were transferred to Raven Housing Trust Limited. The value of the properties transferred to Raven Housing Trust were £9,598k.

The net book value of housing properties can be further analysed as:	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Freehold	330,676	309,441	331,401	301,036
Long leasehold	2,304	2,479	2,304	2,479
	332,980	**311,920**	**333,705**	**303,515**

Group and Trust	2021 £'000	2020 £'000
Interest capitalisation in the year	582	1,127
Cumulative interest capitalised	6,736	6,154

Group and Trust	2021	2020
Average rate used for capitalisation	3.1%	3.2%

Works to properties	2021 £'000	2020 £'000
Improvements to existing properties capitalised	1,836	2,885
Major repairs expenditure to income and expenditure account	4,566	4,771
	6,402	**7,656**

Total social housing grant received and receivable as follows:	2021 £'000	2020 £'000
Capital grant - housing properties	40,624	40,300
Capital grant - homebuy investments	419	419
Recycled capital grant fund	285	942
Disposal proceeds fund	-	145
	41,328	**41,806**

Impairment

The group considers individual properties to represent separate cash generating units (CGU's) when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. During the current year, the Group and Association have not recognised any impairment loss (2020: £nil) in respect of general needs housing stock.

Properties held for security

The Association had property with a net book value of £114m pledged as security at 31 March 2021 (2020: £115m).

17. Other fixed assets

Group and Trust	Freehold office building £'000	Non residential properties £'000	Office & computer equipment £'000	Total £'000
Cost				
At 1 April 2020	3,107	13	810	3,930
Additions	-	-	419	419
Disposals	-	-	(148)	(148)
At 31 March 2021	**3,107**	**13**	**1,081**	**4,201**
Depreciation				
At 1 April 2020	(218)	(1)	(371)	(590)
Charge for the year	(35)	(1)	(197)	(233)
Disposals	-	-	148	148
At 31 March 2021	**(253)**	**(2)**	**(420)**	**(675)**
Net book value:				
At 31 March 2021	2,854	11	661	3,526
At 31 March 2020	2,889	12	439	3,340

The Group classifies the rental part of Raven Housing Trust's office building as investment property. The office space is classified as other fixed assets.

18. Investment properties

Group and Trust	2021 £'000	2020 £'000
At 1 April	16,316	15,434
Additions	66	38
Disposals	-	-
Transfer	-	590
Revaluations	66	254
At 31 March	**16,448**	**16,316**

The Group's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyor's Appraisal and Valuation Manual. Garage properties were valued at open market values and commercial properties at fair value.

The surplus on revaluation of investment property arising of £66k (2020: £254k) has been credited to the Statement of Comprehensive Income for the year.

19. Investments - Homebuy loans

Group and Trust	2021 £'000	2020 £'000
At 1 April	419	529
New loans issued	-	-
Loans redeemed	-	(110)
Provision against loans	-	-
At 31 March	**419**	**419**

The investment in Homebuy loans represents an equity stake in third party properties purchased under the schemes.

There is no interest charged on Homebuy loans. Security for the loans is based on the assets to which the loans relate. Terms of repayment for all loans are over an undefined period.

20. Properties for sale

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Work in progress	2,750	3,739	2,750	3,739
Completed properties	2,465	2,933	2,465	2,933
Work in progress for outright market sale	8,129	13,688	-	-
Completed outright sale	433	374	-	-
	13,777	**20,734**	**5,215**	**6,672**

Interest charged to properties held for sale during the year 2021 were £93k (2020: £209k).

21. Debtors

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Due within one year				
Rent and service charges arrears	1,388	1,275	1,388	1,265
Less: Provision for bad and doubtful debts	(1,055)	(658)	(1,055)	(650)
	333	**617**	**333**	**615**
Help to Buy	413	-	-	-
Amounts due from group undertakings	-	-	12,760	15,380
Leasehold debtors	369	230	369	230
Other debtors	490	552	353	309
Prepayments and accrued income	1,491	1,206	1,653	1,464
	3,096	**2,605**	**15,468**	**17,998**

22. Creditors: amount falling due within one year

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Loans and borrowings (Note 27)	1,582	1,317	1,582	1,317
Trade creditors	1,313	337	1,193	337
Rent received in advance	1,720	1,823	1,720	1,820
Taxes and social security costs	304	2,004	304	320
Sinking funds	664	478	660	478
Recycled capital grant (Note 26)	-	471	-	471
Disposal proceeds fund (Note 24)	-	144	-	144
Deferred capital grant Income (Note 25)	463	466	463	466
Recycled Homebuy grant	542	542	542	542
Other creditors, accruals and deferred income	4,947	8,535	4,484	8,360
	11,535	**16,117**	**10,948**	**14,255**

The tax and social security costs include a deferred tax liability of £Nil' (2020: £1,688k). This initially arose as a result of business combination on acquisition of fully owned subsidiary, East Grinstead Tenants Limited. The deferred tax liability was measured using the tax rates that have been enacted or substantively enacted by the reporting date of 19% on a temporary difference of £8.8m and was released in the year following the transfer of East Grinstead Tenant Limited's property assets to the Association (Note 35).

23. Creditors: amount falling due after one year

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Loans and borrowings (Note 27)	236,484	243,290	236,484	243,290
Deferred capital grant (Note 25)	40,161	39,834	40,161	39,834
Disposal proceeds fund (Note 24)	-	1	-	1
Recycled capital grant fund (Note 26)	285	471	285	471
Homebuy grant (Note 19)	419	419	419	419
	277,349	**284,015**	**277,349**	**284,015**

24. Disposal proceeds fund

Funds pertaining to activities within areas covered by Homes England:

Group and Trust	2021 £'000	2020 £'000
At 1 April	145	144
Net sales proceeds recycled	-	-
Interest accrued	1	1
Recycling of grant: new build	(145)	-
At 31 March	**-**	**145**
Amounts falling due within one year	-	144
Amounts falling due after one year	-	1
	-	**145**
Amounts 3 years or older where repayment may be required	-	144

25. Deferred capital grant income fund

Group and Trust	2021 £'000	2020 £'000
At 1 April	40,300	39,795
Grant received in the year	-	1,099
Grant recycled to recycled capital grant fund	(12)	(141)
Grant recycled from the recycled capital grant fund	669	-
Grant recycled from disposal proceeds fund	145	-
Other non-recyclable grant disposal	(18)	(29)
Eliminated on disposal	3	37
Released in the year	(463)	(461)
At 31 March	**40,624**	**40,300**
Amounts falling due within one year	463	466
Amounts falling due after one year	40,161	39,834
	40,624	**40,300**
Amounts 3 years or older where repayment may be required	-	-

26. Recycled capital grant

Funds pertaining to activities within areas covered by Homes England:

Group and Trust	2021 £'000	2020 £'000
At 1 April	942	780
Grant recycled from deferred capital grants	12	141
Less administrative fees	-	16
Grant used	(669)	
Interest accrued	-	5
At 31 March	**285**	**942**
Amounts falling due within one year	-	471
Amounts falling due after one year	285	471
	285	**942**
Amounts 3 years or older where repayment may be required	-	471

27. Loans and borrowings

Borrowings at amortised cost Group and Trust	**2021 £'000**	**2020 £'000**
Due within one year		
Bank loans & other borrowings	1,698	1,438
Less: issue cost	(116)	(121)
	1,582	**1,317**
Due after more than one year		
Bank loans & other borrowings	237,466	244,387
Less: issue cost	(982)	(1,097)
	236,484	**243,290**

Group and Trust	**2021 £'000**	**2020 £'000**
In one year or less	1,582	1,317
In more than one year but no more than two years	20,119	1,577
In more than two years but no more than five years	34,360	43,710
Later than 5 years	182,005	198,003
	238,066	**244,607**

Capital repayment Group and Trust	**2021 £'000**	**2020 £'000**
In one year or less	1,848	1,590
In more than one year but no more than two years	20,378	1,848
In more than two years but no more than five years	34,741	44,402
Later than 5 years	178,327	193,793
	235,294	**241,633**

The Group has drawn down £10.5m (2020: £36m) and repayments totalling £16.8m (2020: £8m) were made during the year. At the year-end there were undrawn facilities for £43.7m (2020: £39m) available for draw down. All loans are secured by way of specific charges on housing properties.

The loans either bear interest at fixed rates ranging from 1.9% to 6.6% (inclusive of margin) or variable rates calculated at a margin averaging between 0.8% and 2.2% above LIBOR

28. Financial instruments

The Group and Trust's financial instruments may be analysed as follows:

Financial assets	**Group 2021 £'000**	**Group 2020 £'000**	**Trust 2021 £'000**	**Trust 2020 £'000**
Financial assets measured at transaction cost:				
Loan due from subsidiary	-	-	12,760	15,380
Financial assets measured at undiscounted amount receivable:				
Debtors	3,181	2,605	2,709	2,618
Cash and cash equivalents	7,614	11,130	4,069	10,357
	10,795	**13,735**	**19,538**	**28,355**

Financial liabilities	**Group 2021 £'000**	**Group 2020 £'000**	**Trust 2021 £'000**	**Trust 2020 £'000**
Financial liabilities measured at amortised cost:				
Loans and borrowings	238,066	244,607	238,065	244,607
Financial liabilities measured at undiscounted amount payable:				
Trade and other creditors	8,944	13,177	8,358	11,315
	247,010	**257,784**	**246,423**	**255,922**

Borrowing facilities

The Group has undrawn committed borrowing facilities. The facilities available at 31 March 2021 in respect of which all conditions precedent had been met were as follows:

	Group 2021 £'000	**Group 2020 £'000**	**Trust 2021 £'000**	**Group 2020 £'000**
Expiring in one year or less	-	-	-	-
Expiring in more than one year but not more than two years	-	-	-	-
Expiring in more than two years	43,650	38,900	43,650	38,900
	43,650	**38,900**	**43,650**	**38,900**

29. Other provisions

Group and Trust	2021 £'000	2020 £'000
At 1 April	-	-
Utilised in year	183	-
At 31 March	183	-

The Group has provided during 2020/21 £183k for a shortfall in contributions to shared ownership sinking funds.

30. Pension scheme

A number of pension schemes were operated by the Group during the year.

Defined benefit obligation breakdown:

Social Housing Pension Scheme

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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 last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association 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.

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Present Values of defined benefit obligation

	2021 £'000	2020 £'000
Fair value of plan assets	5,305	4,595
Present value of defined benefit obligation	6,634	5,219
Deficit in plan	(1,329)	(624)
Defined benefit liability to be recognised	**(1,329)**	**(624)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2021 £'000	2020 £'000
Defined benefit obligation at start of period	5,219	5,904
Expenses	4	4
Interest expense	123	137
Actuarial (gains)/ losses due to scheme experience	(75)	(4)
Actuarial (gains)/ losses due to changes in demographic assumptions	22	(50)
Actuarial (gains)/ losses due to changes in financial assumptions	1,378	(734)
Benefits paid and expenses	(37)	(38)
Defined benefit obligation at end of period	**6,634**	**5,219**

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

	2021 £'000	2020 £'000
Fair value of plan assets at start of period	4,595	4,368
Interest income	110	103
Experience on plan assets (excluding amounts included in interest income) - gain	486	14
Contributions by the employer	151	148
Benefits paid and expenses	(37)	(38)
Fair value of plan assets at end of period	**5,305**	**4,595**

Defined benefit costs recognised in the Statement of Comprehensive Income

	2020 £'000	2020 £'000
Current service cost	-	-
Expenses	4	4
Net interest expense	13	34
Remeasurement - impact of any changes in assumptions	-	-
Defined benefit costs recognised in statement of comprehensive income	**17**	**38**

Defined Benefit Costs recognised in the Other Comprehensive Income

	2021 £'000	2020 £'000
Initial recognition of multi-employer defined benefit scheme		
Derecognition of deficit funding liability	-	-
Initial recognition of multi-employer defined benefit scheme	-	-
	-	**-**
Actuarial gain/ (loss) in respect of pension schemes		
Experience on plan assets (excluding amounts included in net interest cost) - gain	486	14
Experience gains and losses arising on the plan liabilities - gain	75	4
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain / (loss)	(22)	50
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain / (loss)	(1,378)	734
	(839)	**802**
Total amount recognised in other comprehensive income - gain / (loss)	**(839)**	**802**

Assets	2021 £'000	2020 £'000
Absolute return	293	240
Alternative risk premia	200	321
Corporate bond fund	313	262
Credit relative value	167	126
Distressed opportunities	153	89
Emerging markets debt	214	139
Fund of hedge funds	1	3
Global equity	846	672
High yield	159	-
Infrastructure	354	342
Insurance-linked securities	127	141
Liability driven investment	1,348	1,525
Liquid Credit	63	2
Long lease property	104	79
Net current assets	32	20
Opportunistic credit	145	-
Opportunistic illiquid credit	135	111
Private debt	127	93
Property	110	101
Risk sharing	193	155
Secured income	221	174
Total assets	**5,305**	**4,595**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	2021 % per annum	2020 % per annum
Discount rate	2.18%	2.37%
Inflation (RPI)	3.27%	2.60%
Inflation (CPI)	2.87%	1.60%
Salary growth	3.87%	2.60%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

The Association has performed a sensitivity analysis based on the changes to RPI rate and impact on the deficit position of the plan.

Sensitivity analysis of RPI changes	RPI 3.27%	RPI 2.97%	RPI 3.57%
Present value of defined benefit obligation	6,634	6,530	6,741
Deficit in plan	(1,329)	(1,225)	(1,436)

31. Share capital

The share capital of the Association consists of shares with nominal value of £1 each, which carry no right to dividend or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of the Association. Therefore, all shareholdings relate to non-equity interests.

	2021 £	2020 £
At 1 April	22	28
Shares issued in the year	3	-
Shares cancelled in the year	(1)	(6)
At 31 March	**24**	**22**

32. Operating leases

The Group and the Association had minimum lease payments under non-cancellable operating leases set out below:

Group and Trust **Amounts payable as a lessee**	2021 £'000	2020 £'000
No later than 1 year	300	267
Later than 1 year and not later than 5 years	468	914
Later than 5 years	-	-
	768	**1,181**

Raven Housing Trust leases vans and photocopiers.

Amounts receivable as a lessor	2021 £'000	2020 £'000
No later than 1 year	192	190
Later than 1 year and not later than 5 years	247	305
Later than 5 years	267	289
	706	**784**

Raven Housing Trust leased assets include shops and offices.

33. Capital commitments

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Commitments contracted but not provided for	9,145	29,102	7,631	24,120
Commitments approved by the Board but not contracted for	26,931	12,770	15,842	12,770
	36,076	**41,872**	**23,473**	**36,890**

Capital commitments for the group and trust will be funded as follows:

	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Social housing grant	6,213	2,494	2,293	2,494
New loans	-	13,745	5,808	9,537
Sales of properties	23,335	14,503	10,483	14,503
Existing reserves	6,528	11,130	4,889	10,356
	36,076	**41,872**	**23,473**	**36,890**

These are commitments towards fixed assets which have been contracted and predominantly relate to developments where known contracts have been appointed and which have started on site.

34. Related party transactions

The ultimate controlling party of the Group is Raven Housing Trust (RHT) - registered social housing provider, which itself has no ultimate controlling party. The four immediate active subsidiaries are Raven Devco Limited (RDL), Raven Repairs Limited (RRL), Raven Development Homes Limited (RDH) and East Grinstead Tenants Limited (EGTL). Raven Housing Trust retains constitutional control of all subsidiary undertakings.

The objective of Raven Devco Limited is the provision of development services to the parent.

The Association performs a number of functions of an administrative nature on behalf of its subsidiaries. The cost of services provided to RDL and RRL is calculated on a cost basis, with central overheads being apportioned on a headcount or hourly basis.

Raven Housing Trust had performed managed services for EGTL prior to acquiring the company and this charges basis continued up to February 2021 when the property assets were transferred to the Association.

During the year overheads of £116k were charged to RDL (2020: £135k). The Association has received a total of £395k (2020: £305k) value of invoices from RDL related to design and build fees, which included a mark-up of cost.

RRL in the year received overhead charges which amounted to £74k (2020: £45k).

RRL has borrowed an additional £30k of available loan facility. As of 31 March 2021 £330k (2020: £300k) has been drawn down.

During the year overheads of £206k were charged to RDH (2020: £107k). As of 31 March 2021 RDH has drawn £12.43m (2020: £15.08m) of its loan facility.

The following transactions took place between the parent and its associated companies during the year:

Transactions with non-regulated entities

	RRL 2021 £'000	RDL 2021 £'000	RDH 2021 £'000	EGTL 2021 £'000	RRL 2020 £'000	RDL 2020 £'000	RDH 2020 £'000	EGTL 2020 £'000
Net loan movements	30	-	(2,650)	-	60	-	6,715	-
Net sales and purchases of goods and services	49	(285)	219	51	106	(169)	79	73
Net management fees received	16	15	37	43	12	(1)	24	12

The Association provides management services, other services and loans to its subsidiaries. The Association also receives charges from its subsidiaries. The quantum and the basis of those charges is set out below.

Payable to the Trust by the subsidiaries	**Management charges**		**Interest charges**		**Gift Aid**	
	2021 £'000	**2020 £'000**	**2021 £'000**	**2020 £'000**	**2021 £'000**	**2020 £'000**
Raven Devco Limited	33	8	-	-	5	6
Raven Repairs Limited	16	12	15	12	-	-
Raven Development Homes Limited	37	24	933	643	-	-
East Grinstead Tenants Limited	43	12	-	-	417	800
	129	56	948	655	422	806

Payable by the Trust to the subsidiaries	**Management charges**	
	2021 £'000	**2020 £'000**
Raven Devco Limited	18	9

Intra-group management fees are receivable by the Association from subsidiaries to cover the running costs the Association incurs on behalf of managing its subsidiaries. The management fee is calculated on a department basis, with headcount as the method of allocation.

Other intra-group charges

Other intra-group charges that are payable to the Association from subsidiaries relate to staff recharges and gift aid payments. Gift aid was received from subsidiaries in 2021 of £422k (2020: £806k).

During the year, East Grinstead Tenants Limited donated the 70 properties and garages held to Raven Houisng Trust Limited as a dividend in kind. The value of the properties at the date of transfer was £9.6m. These properties are included within Note 16. The garages had a value upon transfer to Raven Housing Trust Limited of £60k. These are held within investment properties in Note 18.

Intra-group interest charges

Intra-group interest is charged by the Association to its subsidiaries at a rate of 4.75% (RRL) and 5.5% (RDH).

Intra-group loans

	Opening Balance £'000	Movement £'000	Closing Balance £'000
Loan from Raven Housing Trust to:			
Raven Repairs Limited	300	30	330
Raven Development Homes Limited	15,080	(2,650)	12,430

The loans from Raven Housing Trust are repayable on demand.

35. Subsidiary undertakings

On 23 February 2021 the 70 properties held by EGTL were transferred to Raven Housing Trust. The impact on investment in subsidiary of the property transfer and gift aid payments by East Grinstead Tenants Limited had the following impact on investment in subsidiary:

	2021 £'000	2020 £'000
As at 1 April	9,914	-
Additions	-	9,914
Transfer of assets to RHT	(9,296)	-
Impairment	(87)	-
As at 31 March	531	9,914

The legal form and the share capital of each subsidiary of Raven Housing Trust is as follows:

Name of subsidiary undertaking	Company Registration Number	Principal Activity	Interest	Legal Status	Issued share capital
Raven Repairs Limited	8948872	To provide commercial repairs and maintenance services.	Wholly owned subsidiary of the Association	Company Limited by Shares	1 x £ 1 ordinary shares
Raven Devco Limited	08948696	To provide development services to the parent	Wholly owned subsidiary of the Association	Company Limited by Shares	1 x £ 1 ordinary shares
Raven Development Homes	10653135	To develop homes for outright sale.	Wholly owned subsidiary of the Association	Company Limited by Shares	1 x £ 1 ordinary shares
East Grinstead Tenants Limited	07850148	To provide housing to the poor and needy of East Grinstead	Wholly owned subsidiary of the Association	Company Limited by Shares	400 x £ 1 ordinary shares
Thanet House Management Limited	12915490	Dormant	Wholly owned subsidiary of Raven Development Homes Limited	Private company limited by guarantee	n/a
Burrstone Gardens Management Company Limited	12912671	Dormant	Wholly owned subsidiary of Raven Development Homes Limited	Private company limited by guarantee	n/a

The Association exercise its functions as parent of the entities listed above through ownership of 100% of the share capital in all Companies Limited by Shares, through the ownership of a parent share with controlling rights as a Co-operative and Community Benefit Society and through a controlling interest as a member of the Companies Limited by Guarantee.

36. Subsequent Events

On 25 June 2021 Rosebay Close Cheam Management Limited (Company registration number 13478751) was set up as the management company for Rosebay Close, Cheam. The Company is a wholly owned dormant subsidiary of Raven Development Homes Limited.

Raven
Housing Trust

www.ravenht.org.uk

@RavenHT

RavenHousingTrust