Riverside

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

The Riverside Group Limited

CONTENTS

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

AT A GLANCE

In 2023/24 we achieved the following:

Homes for the future

1,479

New homes built

Last year: 1,016

Places to thrive in

£287M

Reinvestment

Last year: £324M

People at our heart

61.4%

Overall customer satisfaction

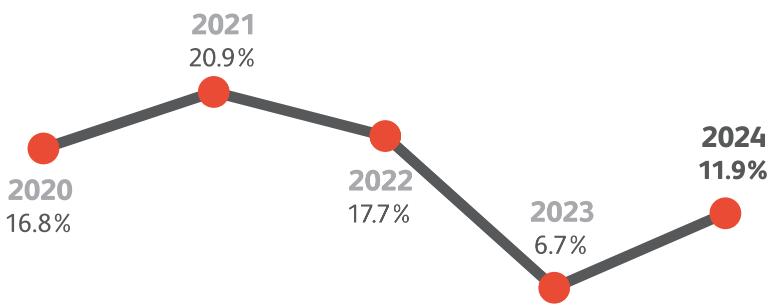
01.
Five year summary of financial highlights

For the year ended 31 March Group		2020	2021	2022	2023 Restated	**2024**
Statement of comprehensive income						
Turnover	£'000	355,654	374,258	448,141	625,405	**656,312**
Operating surplus	£'000	59,593	78,203	79,201	41,619	**77,987**
Operating surplus as a percentage of turnover	%	16.8	20.9	17.7	6.7	**11.9**
Surplus/(loss) on ordinary activities before tax	£'000	28,850	49,112	702,718	(12,841)	**(6,042)**
Surplus/(loss) as a percentage of turnover	%	8.1	13.1	156.8	(2.1)	**(0.9)**
Statement of balance sheet						
Tangible and intangible assets	£'000	2,185,540	2,250,314	3,957,801	4,173,458	**4,370,078**
Loans repayable after more than one year	£'000	976,960	957,135	2,114,345	2,177,105	**2,395,154**
Reserves	£'000	575,487	608,452	1,332,014	1,348,749	**1,328,488**
Accommodation figures						
Total housing stock owned and managed	Units	58,360	58,671	76,675	76,648	**75,626**
New homes built	Units	894	766	1,227	1,016	**1,479**
Key ratios						
Voids and bad debts – Group (as % of net rental income)	%	2.5	3.0	2.9	3.0	**3.7**
Rent and service charge arrears – Group (as a % of net rent and service charge receivable)	%	4.4	4.4	9.3	4.1	**4.2**
Interest cover – Association (operating surplus plus surplus on sale of property, property depreciation, amortisation and grant divided by net interest payable)		2.4	3.9	3.4	3.03	**1.93**
Gearing – Association (loans as % of historic cost of properties)	%	36.7	35.1	44.3	52.8	**52.2**

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

Operating surplus as a percentage of turnover

Riverside reported an overall operating margin of 11.9% compared to 6.7% the previous year. The improvement in the margin was attributable to the increase in surplus on social housing lettings and the gain on sale of fixed assets.



02.
The Board, Executives and Advisors

The Board is responsible for Riverside's overall policy and strategy and is committed to integrity and accountability in the stewardship of the Group's affairs.

Group Board

Terrie Alafat CBE
Group Chair

Sandy Murray
Group Vice Chair

Paul Dolan
Co-Optee
(Appointed 1 May 2024)

Fenella Edge
(Appointed 1 January 2024)

Kel-Retta Farrell
(Appointed 1 December 2023)

Pauline Ford
(Appointed 1 May 2024)

Nigel Holland

Olwen Lintott

Erfana Mahmood

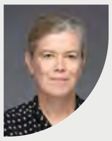
Sam Scott

Mona Shah
(Appointed 27 November 2023)

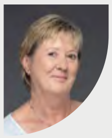
Richard Williams
(Appointed 1 April 2024)

Movements during the year

Pauline Davis
Group Vice Chair
(Resigned 15 October 2023)



Caroline Corby
Group Vice Chair
(Resigned 31 March 2024)



Ingrid Fife
(Resigned 30 April 2024)

Carlos Gregorio Ashmore
(Resigned 31 December 2023)

Carol Matthews CBE
Co-Optee
(Resigned 30 April 2024)

(Not pictured)

Rommel Pereira
(Resigned 20 April 2023)

Brian Chiyama
Customer Board Observer
(Resigned 28 April 2023)

Keith Harkness
Customer Board Observer
(Appointed 13 July 2023, Resigned 13 July 2024)

Jules Jackson
Customer Board Observer
(Appointed 14 July 2024)

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

Executive Directors

(Standing – left to right)

Tony Blows
Chief Information Officer

John Glenton
Executive Director, Care and Support

Paul Dolan,
Group Chief Executive
(Appointed 1 May 2024)

Patrick New
Executive Director, Customer Service

Cris McGuinness
Chief Financial Officer

Sara Shanab
Executive Director, Corporate Services and General Counsel
(Appointed 1 July 2024)

(Seated – left to right)

Ian Gregg
Executive Director, Asset Services

Jehan Weerasinghe
Managing Director
(Appointed 4 September 2023)

Movements during the year

Carol Matthews CBE
Group Chief Executive
(Resigned 30 April 2024)

Richard Hill
Chief Executive, One Housing Group
(Resigned 30 April 2023)

Registered auditors

BDO LLP
Eden Building
Irwell Street
Salford
Manchester
M3 5EN

Principal bankers

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

Secretary and Registered Office

Sara Shanab
2 Estuary Boulevard
Estuary Commerce Park
Liverpool
L24 8RF

Registered Numbers

Co-operative and Community Benefit Society
Registered Number: 30938R

Regulator of Social Housing
Registered Number: L4552

03. Group Chair's introduction

Welcome to Riverside's Financial Statements for the year 2023/4. This is the second year we have presented our results at a 'whole Group' level following the legal integration of One Housing through a transfer of engagements. This enables a true year on year comparison for the first time.

Taking an overview, it is clear that Riverside's financial strength and capacity have continued to grow. We are now one of the country's leading housing association groups, with over 75,000 homes and operating in every English region as well as South-West Scotland. We have an annual financial turnover of £656m and assets worth £5.1b, representing annual growth of around 5%. With loans of over £2.4b, primarily secured to fund our housebuilding programme, our reserves currently stand at just over £1.3b, largely tied up in the value of our homes.

This core long-term strength is critical, in that it enables us to manage the short-term financial pressures we face and which we always anticipated following our 2021 merger with One Housing Group. We inherited a unique set of challenges, particularly relating to the cost of keeping our customers safe through an extensive cladding remediation programme, the imperative to exit loss-making activities such as the Baycroft care business and the consequences of a number of historic development decisions which have required us to write-down the value of some of our inherited assets. On top of this, has been the planned cost of the system integration and operational restructuring which normally follow a large-scale merger, but which will enable us to operate as a more effective and efficient business going forward.

Whilst our due diligence meant that we were able to plan for these temporary challenges, our financial performance has also been held back by historically difficult operating conditions. These have seen demand for our services rise sharply, a government imposed cap reduce our expected rental income and our interest costs balloon by more than 20% as rates have reached 16-year highs. Our customers continue to face a generational cost of living crisis, giving them less income to meet their housing and wider living costs - with reduced Government support through the benefit system. This has forced them to turn to us for higher levels of support through the services we offer, which we fund to the tune of £3m per annum through the Riverside Foundation. This is the right thing to do, however it comes at a cost.

Overall, the combined impact of these factors, both expected and unexpected, means that we are posting a net deficit for the second year running. Fortunately, we know that many of these headwinds will be short-lived; we have now completely withdrawn from running the loss-making Baycroft, our cladding programme will be completed within the next three years and a well-planned integration programme is on course to deliver over £10m of recurring annual savings. Indeed, our operating performance is already steadily improving, with our margin increasing by over 5 percentage points in the last year. However, we also know that our operating environment remains highly volatile, and going forward, we will build sufficient headroom into our budget and business plan to ensure that we remain resilient.

In our experience, the best way to deal with an uncertain future is to have a well-evidenced long-term plan – albeit one with inbuilt flexibility. Just over a year ago we launched "Forward Together", our new three-year Corporate Plan, setting out a clear set of strategic priorities and targets to invest in the quality of our existing homes, improve our customer services and build new homes, using our development activity to improve the liveability of some of our most disadvantaged communities. As this report demonstrates, we have achieved a lot over the last year. We have continued to improve the energy efficiency of our homes, tackle damp

and mould with a data led approach and continue our cladding replacement programme. We have also helped over 1 in 8 of our customers with some form of additional support, whether it is advice on maximising their income, helping them find work, or providing direct funding to tackle an immediate crisis. At the same time, we have built nearly 1,500 new homes across all tenures, starting nearly 1,000 more, although we are now having to slow our development and regeneration programmes to reflect difficult economic circumstances and long-term uncertainty relating to rents and grant. We are seeing the fruits of this investment as customer satisfaction begins to slowly rise.

The year culminated with the Regulator of Social Housing undertaking a scheduled In-Depth Assessment (IDA), our first since the merger, when our governance rating had been automatically downgraded to G2 to reflect One Housing's historic position. If I'm honest, at first sight coming under intense scrutiny at a time of financial pressure, increased media interest and reputational risk felt like the last thing Riverside needed. However, in retrospect, rather than deflecting us off course, the IDA couldn't have come at a better time - giving us the opportunity to show that it's not the difficulties we face that define us as an organisation, but rather how we plan for, recognise and deal with them, the ultimate test of great governance.

I am delighted to report that we have regained our G1 governance rating and I am immensely proud of how the Board and Executive Team, supported by colleagues from across the whole organisation, accounted for the organisation in a professional, honest and transparent way, something that was recognised by the Regulator. I would like to thank Riverside's entire governance community for their support, whilst still recognising that there remains a lot to do. We now need to live up to these high standards and continue to improve the assurance and controls which will enable us to navigate the very real risks we face. And of course, in terms of viability, we still remain at V2, a compliant grade, but one that reflects the need to create the greater resilience I have already commented on.

I would like to sign off by acknowledging the unique contribution made by two people. Carol Matthews, our former Chief Executive, retired at the end of April 2024 after 12 years at the helm. Carol's contribution has been immense and her legacy will not only be the growth that she drove, but also the lives she touched through her commitment to the values of Riverside as an organisation, where customers always come first; and where the wellbeing and development of colleagues are seen as strategic priorities.

I would also like to pay tribute to Caroline Corby. Caroline was the former chair of One Housing, who bravely steered an organisation which faced significant challenges in tackling their stock investment and regeneration challenges into The Riverside Group. She then became my very able and trusted Vice-chair. Caroline has now taken up the Chair of Peabody and I look forward to continuing to collaborate with her through our mutual membership of the G15.

Finally, I am delighted to welcome Paul Dolan, our new Group Chief Executive, who will add a few short words of introduction. Paul comes with excellent sector experience and a great reputation and I am looking forward to working with him on the next step of the Riverside journey.

Terrie Alafat CBE
Group Chair

04. Group Chief Executive's statement

As recently appointed Group Chief Executive, I'd like to add my welcome to this year's Financial Statements. Thank you for taking the time to read them.

The statements cover a period which pre-dates my time at Riverside and demonstrate both the inherent financial strength and strategic focus of Riverside, two of the reasons I was attracted to work for this great organisation. This underlying strength will ensure we have a robust foundation to continue to deliver our valuable work for customers and communities into the future.

My first priority is delivering our current plans: ensuring that we do better for our customers, invest in their homes and help the country address the ongoing housing crisis. But to do that, the organisation has to be in the right shape. For me that means completing the integration process we have started, which will help drive efficiency and create further financial capacity and resilience to deliver tangible benefits for customers and communities. We can't have one without the other.

Whilst the IDA result was a great endorsement of the progress made since the merger, we've already been reminded that our viability grading is still V2 for reasons that are very clear in these statements. We have a lot of work to do to deliver our ambitious plans for the future and to work through the short-term challenges, which we must, if we are to emerge as an organisation that will continue to deliver great homes and service for our current and future customers.

Our effective management of resources is essential, however, our ability to flourish also depends on our standing with key stakeholders – Government (local and national), regulators, other associations, private sector partners and our customers. Credibility is important. The whole sector's reputation has been under question over the past few years and at Riverside we have had to endure our fair share of criticism in the press and social media. I am determined to tackle this too, firstly by ensuring that we improve our services and remain transparent and accountable, facing up to things when they

go wrong. But we also need to maintain and build Riverside's voice in the sector. If we are to thrive in a tough climate, we must not passively accept our fate, but rather actively shape our future, engaging with Government over the things they control, to secure greater certainty in our operating environment over issues such as rents, subsidy and benefit rules. I will make it a priority to do just that.

None of this is possible without a great team and in my first few months I have spent time talking to colleagues at all levels and in every corner of the country. I have encountered a very impressive group of colleagues and would like to thank them for their warm welcome and ongoing support.

Paul Dolan
Group Chief Executive

05.
Strategic report

We seek to transform the lives of individuals by providing quality services and better opportunities, whilst revitalising the places where they live through investing in building more new homes and leading regeneration.

Overview of the business

The Riverside Group Limited (TRGL) is an exempt charity registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and as a Registered Society with the Regulator of Social Housing as a Private Registered Provider. It is the parent organisation of a group of complementary businesses driven by a clear social purpose, with a charitable housing association at its core.

We provide in England and Scotland:

- affordable homes to rent for singles, couples and families;
- care and support for older people, those who are homeless or at risk of homelessness, veterans and other people who are vulnerable and / or facing significant challenges in life;
- affordable homes for sale to shared owners and leaseholders;
- extra services to help sustain tenancies including money advice, employment support and affordable warmth advice; and
- market homes for sale to generate profits to reinvest in our core social business (through commercial subsidiaries and joint ventures).

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

Evolve Facility Services Limited	Delivers repairs and maintenance services to Riverside properties.
Prospect (GB) Limited	Builds new homes for sale, the profit from which is reinvested back into Riverside to be used to deliver its charitable objectives.
Irvine Housing Association Limited (trading as Riverside Scotland)	A Registered Provider in Scotland, providing social housing and homes for affordable rent in Irvine and overseeing Riverside's growth strategy in Scotland.
Riverside Estuary Limited	Operates three extra care schemes in Hull.
Riverside Regeneration Limited	Invests on Riverside's behalf in a joint venture partnership with Vistry to deliver new homes in Stanton Cross, Northamptonshire.
Riverside Regeneration (Lambeth) Limited	Invests on Riverside's behalf in a joint venture with Bellway Homes to deliver regeneration in Lambeth, London.
Riverside Regeneration (London) Limited	A vehicle to deliver the building of new homes on land owned by Riverside.
Riverside Regeneration (Bromley) Limited	Invests on Riverside's behalf in a joint venture with Countryside Properties (UK) Limited to deliver regeneration in Bromley, London.
Riverside Regeneration (Southwark) Limited	Invests on Riverside's behalf in a joint venture with Mount Anvil to deliver regeneration in Southwark, London.
CHA Ventures Limited	Invests on Riverside's behalf in a joint venture with Mulalley & Co. Limited to deliver regeneration in London.
Citystyle Living (Victoria Quarter) Limited	Invests on Riverside's behalf in a joint venture with Fairview New Homes Limited to deliver regeneration in London.
One Housing Investment	Invests on Riverside's behalf in a joint venture with Countryside Properties (UK) Limited to deliver regeneration in London.
Citystyle Living Limited	Investment in residential market rent properties.
Riverside Finance Plc	Enables funding to be secured from capital markets through the issuing of bonds listed on the London Stock Exchange, the proceeds from which TRGL uses to meet its core social purpose.
Riverside Consultancy Services Limited	Provides construction services to The Riverside Group Limited.

In addition to these Group companies, Riverside Foundation is a charity closely associated with Riverside which promotes charitable purposes in and around England and Scotland, with an emphasis on areas where Riverside operates. Riverside is the primary donor to the charity and supports the work of its trustee board.

More detail of the Group's structure and its activities is set out in note 12 of the financial statements.

Our Strategy

Our vision is 'transforming lives, revitalising neighbourhoods'.

We seek to transform the lives of individuals by providing quality services and better opportunities, whilst revitalising the places they live through investing in building more new homes and leading regeneration. Riverside's strategic planning is managed on a three-year cycle and we have just completed the first year of our 'Forward Together 2023-26' Corporate Plan.

Context

'Forward Together' is the first three-year strategy for the Group following the 2021 merger with One Housing setting out the ways in which we will deliver a series of pledges to provide better homes, services and outcomes for our customers.

Our objectives

Our activities over the next three years will support the delivery of five clear objectives;

Warm and safe, decent homes

— Removing potentially dangerous cladding from our tall buildings.

— Identifying and addressing damp and mould issues.

— Bringing more homes up to a minimum Energy Performance Certificate (EPC) C rating.

— Delivering planned maintenance and improvement works to customers' homes.

Trusted customer services

— Listening and acting to expand engagement opportunities for customers and increase accountability.

— Keeping our promises to deliver better outcomes for our customers through high quality, locally tailored services.

— Improving our customers' experience, making it easier for queries to be resolved and getting more repairs right first time.

Supporting our customers through the cost-of-living crisis

— Preventing evictions and homelessness through proactive tenancy sustainment support that includes an annual £500k emergency grants fund.

— Delivering specialist advice and support services that help people to improve their lives, with Foundation-funded activity focusing on reducing food and fuel poverty.

— Promoting community resilience and empowerment through new and existing voluntary groups that identify and deliver a wide range of local initiatives.

Leadership in care and support

— Maintaining our position as a leading provider of supported housing and care.

— Creating a focused and high performing business building on the best of what we do.

— Exiting services where we're not able to provide best value or achieve viability.

New homes, better places

- Building new homes to help address the housing need and replace existing stock through regeneration.
- Providing a choice of homes through a range of tenures, with an emphasis on affordability.
- Building high-quality homes that create better places and help reduce our carbon emissions.

The way in which we work is also important and the plan is underpinned by four cross-cutting themes:

- **Value for money/efficiency** – driving down costs to achieve our objectives with the least amount of expenditure on resource, minimising wasted time, money and effort.
- **Equality, Diversity and Inclusion (EDI)** – identified as a new organisational value ('We are inclusive'), promoting a culture in which both customers and colleagues are treated fairly with dignity and respect, ensuring that we are transparent and honest.
- **People** – improving our colleague experience, becoming an attractive employer of choice, where people feel valued and empowered to perform at their best and where they have the appropriate professional qualifications to comply with regulatory requirements.
- **Data and Information** – improving the definition, capture, quality, integration and analysis of the data we hold through well-governed processes. This will inform better decision making through advanced techniques such as artificial intelligence and predictive analytics.

The plan is the starting point for all activity across the Group and is accompanied by nine supporting strategies that unpack the detail and will continue to drive delivery up to 2026 and beyond.

Forward Together – Year 1 (2023/24) review

The first year of our 'Forward Together' Corporate Plan represents a period in which significant activity continued as part of our integration journey with One Housing to bring together key operations, systems, and services. At the same time, the Group was also highly focused on preparing for the new regulatory regime that came into effect on 1st April 2024, bringing into force a revised set of consumer standards. Whilst this required considerable time and resource, it did not distract us from taking the first steps in achieving our Corporate Plan priorities and a strong start has been made, with delivery being driven through nine supporting strategies that were launched in the year. The following sections provide a high-level summary of progress, set out under each of our objectives:

Warm and safe, decent homes

Over the past year we have progressed one of our key priorities under this objective to embed a new Building Safety Framework that will enable the Group to deliver a risk-based approach to building safety management, supported by effective systems and processes. The number of high-rise buildings registered with the Building Safety Regulator (BSR) has increased and we have reduced the backlog of buildings with potentially dangerous cladding as part of our ongoing remediation programme. Positive steps have been taken to identify properties that are potentially vulnerable to damp and mould issues, with more than 2,500 remote sensory devices operational within our homes providing live-time property performance data. More effective predictive modelling capability has also been helping to target where energy-efficiency upgrade works should be delivered to bring more homes up to a minimum Energy Performance Certificate (EPC) rating of C, and the first tranche of properties have undergone upgrade works though the Social Housing Decarbonisation Fund (SHDF), as we work to achieve this level for all properties by 2030.

Trusted customer services

A range of action has been taken to improve our customers' experience as part of an ongoing review of our service delivery model to ensure that it considers the differing needs and aspirations of our customer base. We have continued to enhance our digital offer, increasing the number of queries that can be self-served by customers that choose to do so and have also implemented a more effective customer engagement framework that promotes local, regional, digital, strategic and specialist involvement opportunities. A central Complaint Dispute & Resolution (CDR) team has also been established and is delivering an action plan to drive up standards in complaint handling and customer satisfaction. Our repairs service in the South & Central region was successfully brought in house and is delivering improved customer perception scores. For customers calling our Customer Service Centre (CSC), wait times have improved significantly throughout the year and over the past six months have averaged less than two minutes. Whilst there is some way to go, such activity has helped us to achieve improvement in overall customer satisfaction with our services.

Support through cost of living crisis

We also remain committed to supporting the livelihoods of people during such challenging times, helping to prevent evictions and homelessness and promoting community resilience and empowerment. A wide range of activity has been delivered as part of this, including identifying and supporting people who are migrating to Universal Credit (a time in which the risk of falling into arrears increases), with dedicated officers in post helping to raise customer awareness around the process. Our 'Helping Hand' fund has continued to provide vital assistance to customers in crisis, with c£500k of financial support administered in the form of vouchers, white goods and furniture and 1,400 people have been supported through our extensive tenancy sustainment service for people facing the immediate risk of eviction, with an extremely positive (almost 100%) outcome in terms of those that have maintained their tenancy. Further initiatives have been delivered through our 'Community Fund' that has seen more than 60 successful applications, generating £325k investment with 88,000 beneficiaries, and through our Foundation overall, we have invested more than £3m to provide support for people in our communities.

Leadership in Care and Support

We have maintained a clear focus on ensuring that we remain one of the country's leading providers of supported housing and care, consolidating and rationalising services based on financial viability and what we do well as part of a wider contracts oversight and commissioning strategy. Through our ongoing influencing work, we have showcased an award-winning families service in Sefton with the Shadow Minister for Levelling Up, Housing, Communities and Local Government, demonstrating positive outcomes for families that can settle into a potentially permanent home with all the support they need around them. In March 2024 in partnership with Homeless Link, Riverside held a parliamentary lobbying event entitled 'Ending Homelessness Together'. Over 180 professionals and politicians attended the event where we made it clear that homelessness needs to be a priority for this and future governments. A project to develop and enhance our approach to working with customers to shape the design and delivery of our Care and Support services has already commenced and insight generated through satisfaction surveys continues to inform our strategy and improvement action plans.

New homes, better places

Although the wider economic climate, particularly interest rates, inflation and the costs of materials and labour has impacted the scale of our growth ambitions over the longer-term, we developed a total of 1,479 new homes in the year across a range of tenures. More than 85% of these were affordable units (i.e. non-market sale) as we continue to build a range of quality homes to meet need and customer satisfaction has remained high (above 90%) throughout the year. Whilst the overall level of new homes started in the year has fallen short of our original assumptions, impacted by delays to several schemes (particularly in London), this was anticipated to some degree in our 'Forward Together' plan where it is stated that we will continuously review our capacity and 'temper our targets' accordingly. In relation to our regeneration activity, we have secured planning consent to commence the first phase of works in Runcorn as part of a long-term neighbourhood renewal initiative that will ultimately deliver more than 400 homes. In London we have nine schemes for which we have continued to secure resident support and planning consent to replace unsuitable homes and widen the choice of tenure over a ten-year period, with work already underway at number of sites.

Our progress in delivering the Corporate Plan is monitored against 30 metrics, a sample of which are included in addition to the mandatory VfM measures in the 'Business Effectiveness: Value for Money' section (see page 28).

Our business environment

The following paragraphs explain the environment in which Riverside operates.

Risk management
Risk management is well established and 'live' within our business. Riverside conducts its business in a prudent manner and we take all necessary steps to protect social housing assets against undue risk.

Risk appetite
Group Board has agreed a set of risk appetite statements. In particular, Riverside calibrates its appetite for risks which threaten its financial viability, by setting a series of business 'Golden Rules' covering gearing, interest cover, liquidity and operating margin. In addition, the Investment Policy sets out the maximum proportion of reserves which can be invested in commercial activities.

Risk oversight
The risk register is a standing item at every meeting of Group Board and Group Audit Committee. The risk register gives a clear line of sight between risk, mitigation and assurance. Board sub-Committees oversee risk registers focused in their own areas of responsibility. A summary of the strategic risks is set out below:

Risk	Key mitigations
1 Finance resilience The uncertain economic environment poses a continuing challenge to delivering our ambitions.	The business plan is robustly stress tested against a range of adverse scenarios. The Treasury Policy and Strategy are updated annually. Finance Business Partners facilitate a robust challenge on budget holders. Value for Money is a cross cutting theme in our 2023-26 Corporate Plan and we continue to drive down costs. We are making good progress in delivering the integration savings.
2 Customers trust We acknowledge there are gaps in our delivery of consistent services that customers trust. We want to respond positively to rising customer expectations heightened by tighter legislative and regulatory requirements and Ombudsman scrutiny. We don't always get things right first time, but we will always seek to put things right at the earliest opportunity.	Customer KPIs are scrutinised by the Care & Support and Customer Experience Committees. A range of improvement plans are in place including customer satisfaction, complaint handling and service charges. The 2023-26 Corporate Plan includes enhancements to the 'My Riverside' offer, AI driven content solutions and additional digital channels. We have invested in a central complaints and dispute resolution team. In particular we ensure that lessons from complaints and Ombudsman determination are captured, and improvements delivered.

Risk	Key mitigations
3 **Building safety** We have an extensive range of responsibilities to keep customers safe including asbestos, gas, electrics, fire, legionella, lifts, lighting, door entry systems, play areas and the external landscape. We have no appetite for harm to customers, colleagues and others. The merger with One Housing Group brought a number of tall and complex buildings including those with cladding issues.	Boards and Committees set ambitious compliance targets and robustly scrutinise performance. A compliance framework has been implemented including skills, technology, data quality, national supply chain and external quality assurance. A programme of routine inspections is in place for schemes and communal areas. Changes to the building safety operating model have been made in relation to the management of high risk and complex residential buildings in line with the new regulatory requirements for fire.
4 **Quality and sustainability of homes** There is considerable national awareness and interest in social housing property conditions. For customers, the quality of the home is not just about the components but also shared spaces and the external environment. In our tall buildings, stock condition is especially important where issues like leaks, utility outages and component failure (even if not attributable to Riverside) can quickly escalate into a major incident.	We are committed to preserving the long-term viability of our homes and the Corporate Plan for 2023-26 includes £600m investment in planned maintenance and improvement. Our Climate Strategy 2022-26 sets out how the Group will retrofit existing stock as well as meeting the tougher standards for new builds. A rolling survey programme is underway to ensure we prioritise stock investment in the right areas. We have a strategic stock rationalisation programme focusing on geographic outliers and financially unviable homes.
5 **Development and regeneration** We will explore innovative schemes and delivery mechanisms in order to achieve our development ambitions, whilst striving to maintain our operating margin. However, we will not tolerate a level of exposure which could threaten the Business Golden rules or trigger a downgrade by either Moody's or the Regulator. We are seeing some signs of stabilisation in the housing market and that recent cost pressures are easing.	Group Development Committee oversees the Group's development and regeneration programme. All schemes are approved at a series of five gates by the Development and Investment Appraisal Panel. Contractor financial health is monitored and a risk mitigation strategy is in place in the event of contractor bankruptcy. Our Corporate Plan for 2023-26 recognises the challenging outlook for housebuilding. This means we will need to temper our aspirations while regeneration will play an increasingly central role.
6 **Changing regulation** We seek to comply with all regulatory requirements, not least because it protects our customers and others from risk. We maintain an open and transparent relationship with our regulators and have no appetite for breach in our regulatory requirements. The social housing sector is within the remit of an increasing number of regulators and the multiplicity of regulation poses a risk that organisations focus on the regulators rather than their customers.	Comprehensive preparations were made ahead on the new consumer regulatory framework which started on 1 April 2024. A matrix of all legal and regulatory requirements is maintained and kept up to date by external challenge from our legal advisors. The corporate compliance team adopt a business partnering approach to challenge the executives on the assurance and evidence. The Group maintains an influencing strategy and uses its networks with other stakeholders, so it has early warning of policy changes and external threats.

Risk	Key mitigations
7 Data and Cyber Security We have no appetite for data leakage which could cause harm to customers or colleagues. As cyber attackers become more sophisticated, we will continue to invest to ensure our security keeps up with evolving best practice. We have taken tentative, controlled and risk-based steps to explore the use of artificial intelligence and predictive analysis especially to enhance efficiency. We will continue to carefully explore the opportunities and risks associated with this technology ensuring that all ethical and legal considerations are agreed via an upfront structured governance process.	A range of technical security solutions are in place which are overseen by the Cyber Security Steering and Working Groups. Periodic external penetration tests are carried out. Our Digital strategy aims to deliver an agile experience which meets industry best practice standards for availability, security and resilience. We are rolling out an Information Governance Strategy which will ensure high quality data, one version of the truth and compliance with data privacy regulations enabling Riverside to be an information and insights led organisation. Business continuity arrangements continue to mature following the lessons learnt from the pandemic.
8 Care & Support We acknowledge and accept that a degree of risk is inherent in our services which are both a safety net and springboard for customers. We support customers that present with or develop higher degrees of risk including ageing, ill-health, addictions, homelessness or the threat and experience of violence and abuse. Commissioners seeking to make savings on the cost of care and support contracts is leading to downward pressure on margin.	A scheme quality framework is in place including policies, procedures, self-assessments, quality audits and the ongoing work of the Quality & Compliance team. A model to measure scheme profitability has been developed with the output having visibility at Care & Support Committee. We have transferred the management of the Baycroft care homes to Country Court Care through an underlease and are focussed on establishing the right governance and contract management arrangements and removing the overheads previously associated with Baycroft.
9 People management As we seek to embed our new values framework our appetite for inconsistency and silo working has reduced. We are building a customer focussed culture. Behaviour and attitude are the second highest underlying reason for complaints across the sector. We operate in a competitive market for staff and we have limited appetite for skills gaps or the disruption caused by rapid turnover. This is especially relevant in London where the integration is leading to colleague uncertainty. We will tolerate some temporary disruption to business as usual during the integration of One Housing Group as long as clear recovery plans are in place. We have little appetite for delays in delivering the planned financial savings or the pledges to customers.	People metrics are scrutinised by Boards and Committee and include sickness, attrition, diversity and inclusion. Our People Plan sets out how we will become an employer of choice where colleagues feel valued and empowered. Periodic colleague surveys take place. Results are cascaded to leaders and the People Services Business Partners facilitate the development of improvement plans. A merger integration plan is in place. All projects are managed using Riverside's well established change methodology and overseen by the Portfolio Steering Group.

Being a responsible business

The Group's vision to transform lives and revitalise neighbourhoods ensures that being a responsible business is at the heart of everything we do. Our Riverside Way summarises our values, our strong sense of social responsibility and accountability to customers; We Care, We are Inclusive and We are Trusted. We pride ourselves in doing business in an ethical way, whilst benefiting the environment.

Environmental, Social and Governance (ESG) reporting is becoming more common across the sector as organisations respond to the increasing scrutiny from stakeholders. We continue to use the Sustainability Reporting Standard as a framework, as we know it allows comparability across the sector.

We are committed to investing in added-value activities for individuals and broader communities, whilst delivering measurable positive outcomes.

We are inherently committed to being ethical and social. Through the Riverside Foundation we deliver a range of initiatives and outcomes which ultimately improve the lives of people or households.

During 2023/24, Riverside Foundation enabled Riverside to deliver projects which:

- provided 459 customers with employment and training advice, with 157 job starts.
- supported Riverside to deliver projects which delivered £3.1m in cash gains to people through Money Advice, Affordable Warmth and Affordability Services.
- provided support to 1,000 customers to help them to sustain their tenancy.

Through the Helping Hand Fund over 4,000 awards were made to customers totalling over £500k providing support with one off purchases, such as fuel top up vouchers, white goods and interview clothes. The Riverside Foundation Community Fund supported 66 applications in 2023/24 providing just over £280k of funding to local community and voluntary groups. Through the Community Fund a wide range of activities were provided within communities including community events, warm hubs, environmental projects and initiatives for young people.

2023/24 marked the largest commitment for the Foundation to date, with just under £1m over three years allocated to supporting Riverside's partnership with Can Cook to roll out its successful Well-Fed project to Riverside neighbourhoods in Langley (Greater Manchester) and Colshaw Farm (Cheshire East) with the aim of providing access to affordable fresh meals and help to develop a sustainable approach to solving food inequality.

We work with our supply chain to support social value and responsible business. Our Group Procurement Policy commits to the creation of economic, social and environmental benefits for local communities. Our procurement activities are in line with the requirements of the Public Services (Social Value) Act, as well as the forthcoming Procurement Bill which is due be given royal assent and become law in 2024. We encourage our supply chain to provide employment opportunities, work experience, training, volunteering and apprenticeship programmes. We also welcome contributions to the Riverside Foundation.

Our business performance

The 2024 financial performance is the second year we have presented our results at a 'whole Group' level following the legal integration of One Housing through a transfer of engagements. This enables a true year on year comparison for the first time.

Riverside continues to invest in housing supply and improvements to existing stock. The Group balance sheet remains strong and healthy. The 2024 financial performance reports a net loss for the year largely due to an increase in interest costs. However, operating performance has improved, with the margin increasing by over 5 percentage points in the last year.

Statement of comprehensive income

The detailed results for the year are set out in the consolidated statement of comprehensive income on page 62 and the notes to the financial statements on pages 70 to 152. The following table provides a summary of the Group's results:

For the year ended 31 March	**2024**	Restated 2023
	£m	£m
Group turnover	**656.3**	625.4
Operating costs	**(599.6)**	(593.6)
Surplus on sale of property	**21.3**	9.8
Operating surplus	**78.0**	41.6
Net interest payable	**(93.5)**	(62.7)
Share of operating profit/(loss) in joint ventures	**7.8**	(4.0)
Other movements	**1.7**	12.3
Deficit for the year before tax	**(6.0)**	(12.8)
Other comprehensive income/(loss) and tax	**(14.2)**	10.7
Total comprehensive (expenditure)/income	**(20.3)**	(2.1)
Operating margin %	**11.9%**	6.7%

The operating surplus increased from £41.6m to £78.0m.

Turnover from social housing lettings continues to comprise the majority of the Group's turnover and increased by £19.7m. For the financial year 2024 a rent increase of 7% has been implemented in line with the sector rent cap. Surplus from sale of property increased from £9.8m to £21.3m due to a focus on strategic disposals.

Turnover from social housing lettings accounted for 79.3% of turnover, development for outright sale 2.6%, income from the sale of shared ownership properties 6.5% of turnover and income from other social housing activities 11.6%.

The increase in turnover from net rental income of £24.5m was the largest year on year favourable variance. Gain on sale of fixed assets increased by £11.5m compared to 2023. Combined spend on routine, major and planned repairs reduced by £11.6m during the year.

Surplus on ordinary activities before tax reduced from a loss of £12.8m to a loss of £6.0m. There was a positive movement of £2.1m in the fair value of financial instruments and negative movement of £0.39m in the fair value of investment property. Net interest payable was £93.46m which represented an increase on the previous year due to increased borrowing and higher interest rates.

Statement of cash flows

The consolidated statement of cash flows is provided on page 66 and supporting details can be found in the notes to the financial statements on pages 70 to 152. The following table provides a summary of the key elements:

For the year ended 31 March	**2024**	2023
	£m	£m
Net cash inflow from operating activities before interest and tax	**103.5**	118.0
Net cash generated from operating activities	**(11.4)**	31.9
Net cash outflow from investing activities	**(156.7)**	(239.8)
Net cash inflow from financing	**183.9**	170.1
Increase / (Decrease) in cash	**15.8**	(37.8)
Opening cash	**32.0**	69.8
Closing cash	**47.8**	32.0

The cash generated from operating activities, property sales, disposal of fixed assets and grants has been invested in the supply of new housing, other fixed assets and improvements to existing properties. Net cash outflow from investing activities was £156.7m with £164.7m cash paid for housing construction being the largest element. Gross investing expenditure was offset by grant income of £82.8m. The cost of servicing of the Group's debt increased compared to 2023 due to an increase in borrowing and higher interest rates.

There was a net cash inflow from financing as new loans raised of £514m exceeded loan principal repayments of £330m.

The cash holding at year end stood at £47.8m, an increase of £15.8m on last year. The available cash will be used to fund further investment in new and existing housing stock.

Statement of balance sheet

The consolidated balance sheet is provided on pages 63 to 64 and supporting details can be found in the notes to the financial statements on pages 70 to 152. The following table provides a summary of the key elements:

For the year ended 31 March	2024	Restated 2023
	£m	£m
Fixed assets and investments	**4,670.4**	4,452.3
Current assets	**449.0**	389.0
Total assets	**5,119.4**	4,841.3
Creditors	**(3,760.5)**	(3,470)
Provisions	**(30.4)**	(22.6)
Reserves	**1,328.5**	1,348.7
Debt per unit (£'000)	**33.4**	30.7

The balance sheet remains strong. Group gearing has increased from 52.2% to 52.8%. The Group continues to invest in housing supply and improvements to stock. Total assets of £5.1b include the net book value of housing properties held by the Group which stands at over £4.3b.

The value of investment in joint ventures and value of investment properties have increased from 2022/23.

There has been an overall increase of £60.0m in the value of current assets, resulting from an increase in cash held which was discussed in more detail in the statement of cash flows (£15.8m) and properties held for sale (£26.1m). These movements were partially offset by a reduction in debtors' receivable for more than one year.

Our borrowing structure and interest costs

As at 31 March 2024, the Group had committed funding of £2,730m (2023: £2,850m) of which £2,395m (2023: £2,195m) was drawn. In addition to loan facilities, as at 31 March 2024 the Group also had available £47.8m (2022: £32.0m) of cash and cash equivalents, making total availability as at 31 March 2024 £382.8m (2022: £687.0m).

During the course of the year, Riverside continued with its plans to rationalise the loan portfolio following the acquisition of One Housing Group. Loans with Barclays and Lloyds Banking Group were restated, the tenor of some long term debt was shortened and some was repaid as a part of the consent conditions for the transfer of engagements that brought One Housing Group into The Riverside Group in 2023. Riverside elected to exit lending agreements with a number of non core banks as part of the strategy to move financial covenant wording to a more uniform level and consolidate the debt portfolio with core lenders. Further work of a similar vein will be carried out across the financial year ending 31 March 2025.

The key transaction that took place in the year was the issue of £365.0m of notes via a private placement with a mix of tenors from 10 - 40 years with five investors, three of whom are new investors to The Riverside Group. The Group's treasury policy aims to minimise refinancing risk and the Group has to repay £746.9m (2023: £875m) of loans over the next five years.

This represents 31.2% (2023: 40.0%) of drawn debt. At the report date, the Treasury team were in discussions to raise an additional tranche of long term fixed rate debt for issue in the first half of the financial year before considering a larger fixed rate funding exercise before the end of the financial year. Market conditions and interest rate sentiment will be monitored before Riverside considers the most appropriate mix of term loan, private placement, bond or other funding options.

Net interest costs are £93.5m (2023: £62.7m). Break costs incurred during the year totalled £3.5m which resulted from the conditions subsequent requirement under transfer of engagements consents to repay some debt tranches and from the decision to exit the relationship with the Nationwide Building Society.

The weighted average cost of drawn debt, inclusive of margins and hedging activities was 5.13% (2023: 4.56%). The last financial year saw the Bank of England hike rates on three occasions to 5.25% at the report date, so the full impact of this has been mitigated to some degree by a reasonable proportion of fixed rate debt in the Group.

Fixed rates are provided via a combination of fixed rate debt, embedded and standalone swaps. As at 31 March 2024, 80% of the Group's drawn debt was fixed. This would have fallen to 70% if all available facilities were drawn.

As at 31 March 2024, the Group had a standalone interest rate swap exposure of £7.5m based on fixed rate interest swaps with a notional value of £236.6m (£286.6m including a forward starting swap that commences September 2025 (2023: £191.9m). The weighted duration of the swaps is 5.0 years.

A loss was incurred on cashflow hedges of £4.8m (2023: £8.5m gain).

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

Supply Volume Summary

	1 April 2023						31 March 2024	
	Opening Unsold Units	Affordable Homes for Riverside	Affordable Homes for other RP's	Shared Ownership Homes	Market Sale Homes	Section 106	Closing Unsold Units	**Total Delivered**
Riverside	–	657		600	–		–	**1,257**
Prospect	–	–	6	–	30		4	**40**
Compendium	–	–		–	27		5	**32**
Stanton Cross	(16)	–		–	148	17	1	**150**
Total	**(16)**	**657**	**6**	**600**	**205**	**17**	**10**	**1,479**

New supply delivered – social housing units (VfM mandatory metric 2a)	**1,257**
New supply delivered – non-social housing units (VfM mandatory metric 2b)[2]	**34**
Other	**188**
Total	**1,479**

Our development

As set out in our current 'Forward Together' Corporate Plan, building decent, affordable homes is fundamental to our purpose, not only in helping to address the shortage of housing across the country, but also in creating better places for people to live. Whilst the scale at which we can do this will be determined by factors including costs, inflation and wider budget challenges linked to building safety and decarbonising existing homes, building new homes remains a key priority for the Group. This is something we will do increasingly as part of our long-term regeneration programmes in Runcorn and London, where plans are progressing to improve neighbourhoods through schemes that will take up to ten years to complete.

Over the past year we have delivered 1,479 units as per the table above.

During 2023/24, there were 1,257 homes developed by Riverside for affordable rent and shared ownership which was broadly in line with the budget.

Of these, handover of 53 homes in Scotland for Riverside subsidiary Irvine were achieved.

Prospect, a Riverside subsidiary, sold 36 homes and handed over 19 new affordable homes to Riverside.

During 2023/24, Compendium Living (one of our joint venture companies) focused sales activity on two key sites at Ings in Hull and Castleward where 10 sales were achieved in the year and there are 16 forward sales agreed. Work has commenced on the next phases of Castleward and Ings with 76 open market sales budgeted for 2024/25.

Riverside entered into a joint venture agreement with Vistry Group in 2019 for a large mixed tenure development at Stanton Cross, Wellingborough. Sales in 2023/24, the fourth year of the development have progressed well with a further 140 sales added to the 345 sales achieved in previous years.

The Riverside London Regeneration team completed one of the six sites identified at the start of the regeneration and work continues on another four sites. Although there has been some marked progress this has been hampered by planning delays.

The development at Geoffrey Close, Lambeth is now on site and will develop 441 homes. In conjunction with our joint venture partner Bellway, we submitted a planning application for consideration which received approval in August 2021.

The development at Pike Close, Bromley is now on site and will deliver 170 homes, in conjunction with our joint venture partner Countryside Partnerships.

The development at Calverley Close, Bromley is now on site and will deliver 275 homes, in conjunction with our joint venture partner Countryside Partnerships.

The site at Gillan Court, Lewisham is now complete.

We are now in joint venture with partner Mount Anvil on Friars Close in Southwark, where we have submitted a planning application and expect a decision in July 2024.

The joint ventures with Mulalley & Co at Granville and Ladderswood are continuing and will deliver at least 649 homes. Final handovers are forecast to be received by the end of 2025 on Granville and 2027 on Ladderswood.

The development at Victoria Quarter is now on site and will deliver 449 homes, in conjunction with our joint venture partner Fairview New Homes. The affordable homes on this scheme will be purchased by Sovereign Network Group.

The development at Camden Goods Yard will deliver up to 456 homes. In conjunction with our joint venture partner Countryside Partnerships, we are targeting the submission of planning permission in September 2024.

We are now in contract with our joint venture partner Mount Anvil in relation to the Tiller Road scheme which could deliver up to 336 new homes. Financial viability and scheme design is currently being worked through in advance of a planning application which we target to achieve in the coming financial year.

Business Effectiveness: Value for Money (VfM)

Our approach

Riverside's approach to Value for Money utilises the three key components of 'value for money' as set out in the Regulator of Social Housing's (RSH) VfM Code of Practice 2018. These are:

Economy: this is about minimising the cost of resources, whilst ensuring the desired level of quality is maintained. For Riverside this is fundamentally about procurement and workforce related costs.

Efficiency: this is about processes and how efficient they are in achieving the desired outcomes from both a cost and quality perspective. This is fundamentally about how the workforce is organised, the processes and systems they use and how these are improved over time to create better products and services at minimum costs. For Riverside, this is about the way we structure the business, organise our teams, the systems and processes we deploy and how we improve them.

Effectiveness: this is about the outcomes we achieve. How good the final products and services we deliver are and whether they satisfy our customers – both in terms of the benefits they deliver and the costs. In addition, this is about defining our outcomes and planning how we achieve them. For Riverside, this is about our planning and performance management frameworks and then the actual outcomes we achieve as demonstrated by the RSH's value for money metrics.

We take an approach to improving value for money that is fully integrated into the way we run the organisation. Our corporate, business planning and performance management frameworks clearly set out and measure what we want to achieve for our customers, prospective customers and communities. We have adopted a blend of metrics that combine physical outputs, customer and colleague sentiment and financial performance and manage and optimise our people, financial resources and processes required to achieve these goals. This is the Riverside definition of achieving true value for money.

Our Corporate Plan focus is on driving value adding activity, as opposed to cost reduction, to deliver the best outcome for customers. We do, however, have targets against each of the mandatory VfM metrics set by the Regulator for Social Housing. The targets are calculated using the Riverside Business Plan.

The metrics

To demonstrate the progress we are making, here we report performance against the seven VfM metrics defined by The Regulator of Social Housing. This transparent approach enables:

- Measurement against the targets we have set ourselves and our previous year's (2022/23) performance to show direction of travel.
- Comparison against sector norms. We use this type of measurement to drive activity we set out through our action plans.

The Regulator's mandatory metrics are finance and supply based and do not cover the breadth of our objectives, in particular those focusing on outcomes for customers and communities.

To address this, we have supplemented them with additional measures, drawn from the Group's Corporate Plan to review progress against our objectives for the period to 2024.

Commentary on metrics

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

Value for money mandatory metrics	Group 2023/24 Result	Group 2023/24 Target	Group 2022/23 Result	Group 2022/23 Benchmark	Group 2024/25 Target
Efficiency					
Reinvestment %	**6.7**	9.8	8.0	7.0	7.0
New supply delivered (social housing units) %	**1.7**	2.0	1.2	1.7	0.8
New supply delivered (non-social housing units) %	**0.05**	0.1	0.1	0.07	0.1
Gearing %	**58.0**	55.0	57.3	46.6	60.7
Headline social housing cost per unit (CPU)	**£7,574**	£7,542	£7,330	£4,627	£8,792
EBITDA MRI Interest cover %(1)	**52**	51	42	118	15
Operating margin (social housing lettings) %	**7.7**	6.8	5.3	23.1	3.7
Operating margin (overall) %(2)	**8.6**	12.2	5.1	16.9	12.0
Return on capital employed %	**1.8**	2.5	1.2	2.7	2.3

Value for money additional metrics (Riverside only)	2023/24 Result	2023/24 Target	2022/23 Result	2024/25 Target
Warm and safe, decent homes				
Customer satisfaction that the home is well-maintained %	**61.5**	60.9	N/A	62.6
Trusted customer services				
Overall customer satisfaction %	**61.4**	61.9	N/A	65.9
Support through cost-of -living crisis				
Number of customers supported through all advice and support services	**10,792**	N/A	N/A	N/A
Leadership in Care and Support				
Customer satisfaction with Care and Support services %	**72.8**	72.0	N/A	75.6
New homes, better places				
Number of new homes started	**964**	1,580	N/A	1,233

Figures reported in this section are based on the Regulator's VfM metric definitions.

1) EBITDA MRI Interest Cover % – Excluding £87m capitalised major repairs from the calculation of the 2023/24 outcome would increase interest cover to 138%.
2) Operating margin % – The operating margin reported in this section excludes profit from sale of fixed assets. Group operating margin reported in other areas of the financial statements includes profit from sale of fixed assets.

The Mandatory Metrics

We have benchmarked our performance using The Regular of Social Housing 2023 Benchmarking tool. The benchmarking population includes Housing Associations with greater than 20,000 units and at least 4% of stock being supported housing. The benchmark applied is the median for this group. The benchmark data is for 2022/23. However, this is the latest information available.

Reinvestment

Riverside is generating substantial surpluses which strengthen our balance sheet and enable us to re-invest in new and improve existing homes. In 2023/24, Riverside reinvested 6.7% of the total value of our housing assets in this way. During 2023/24 we spent £200m on development of new properties and a further £87m was spent on reinvestment in our existing housing stock. Whilst reinvestment has reduced compared to the previous year, it is broadly in line with the previous year's reinvestment rate for our comparator peer Group.

Performance Improvement:
Investment spend is planned to increase marginally to 7.0% of the value of our housing assets for 2024/25. Investment includes spend to maintain our stock, to ensure we meet all regulatory compliance requirements and complete our Retirement Living Investment programme. The programme includes significant investments on fire safety works on our tall buildings.

Whilst not part of the reinvestment metric, spend is also planned for responsive repairs, void works and cyclical repairs. We will also continue with a five year £25m programme of major improvements to our larger supported housing schemes and complete a longstanding programme of improvements to our retirement living housing.

In the medium term the merger with One Housing Group will enhance the financial strength of the Group and this will be a vehicle that will deliver continued high levels of investment both in new supply and our existing stock.

Target for 2024/25: 7.0%

New supply delivered

Because of the regulatory definition, our overall supply figure is under reported by nearly 200 homes, as it excludes the output of our JV's and affordable homes built by Prospect for other registered providers.

During the year, we delivered 1,257 social housing homes including 228 properties developed for shared ownership. This is in line with our benchmark group. Of the total, 620 units were delivered under the GLA Affordable Homes Programme as we continued to focus our investment in core areas.

During the 2023-26 Corporate Plan, we will continue to develop homes for outright sale to enable cross subsidy, which balances the risks and ensures the development programme remains financially sustainable. During the year there were 199 'non-social' home completions, which was an increase from the previous year's figure of 152. Of the total, only the 34 homes that were developed for market sale by our commercial house building subsidiary, Prospect, are included in the non-social housing unit supply figure, the remainder being delivered by our Joint Ventures. Whilst our non-social housing programme seems broadly in line with our benchmark group, adding back the homes delivered by Joint Ventures take us significantly above the benchmark group.

Performance Improvement:
In 2023-26 we will continue to be a significant housebuilder to meet local needs, but due to adverse economic factors and the increasing cost of stock reinvestment, this will be at a smaller scale than originally planned – at least in the short-term. We had already anticipated this possibility in the Corporate Plan, signalling the need for constant review of the scale of our programme. Our focus will also change, as increasingly our programme prioritises the reprovision of existing homes in order to build better places through large scale regeneration. The homes we build will be more energy efficient and fit for the future.

This 2023-26 plan includes homes that broadly fall into three categories:

- Those we are contracted to deliver via Homes England and Greater London Authority strategic partnerships,
- Regeneration plans where we have made promises to customers; and
- Obligations via Joint Ventures, alongside Prospect.

Target for 2024/25:
Social housing 0.8% / 543 homes
Non-social housing 0.1% / 68 homes

Gearing %

Riverside's gearing has understandably increased from historic Riverside levels achieved prior to the recent merger and currently stands at 58.0%. Long term debt is currently £2.4bn. Short term loans stand at a little over £100m. The balance of cash held stands at a little under £50m. The NBV of housing properties is £4.3b. Whilst in line with the previous year figure, gearing is higher than historic levels due to the loan portfolio and debt levels inherited at the time of the merger with One Housing. It was anticipated that gearing would increase as a result of the merger and is expected to remain higher than the premerger levels in the short term, whilst the size of the borrowing portfolio is righted. Riverside still has a strong balance sheet that puts us in a good position to fund our revised development plans as well as investment in existing stock. What has not changed is the collaborative way in which we work with our lenders and investors to assure them that Riverside continues to have significant financial strength and stability, underpinned by our 30-year Business Plan.

Performance Improvement:

- As a result of the Transfer of Engagements from One Housing Group Limited to The Riverside Group Limited on 31 March 2023, gearing performance for the Association has been impacted on the balance sheet date as the debt portfolio has been consolidated into a single entity. Part of the Treasury Strategy over the next few years will be to right-size the debt portfolio to the needs of the Group. However, this will need to be achieved over time, especially as in the short- term funding is still required to complete the fire safety works on tall buildings in London. New debt will therefore need to be issued in the capital markets to both consolidate some of the existing portfolio but also to fund these works. Timing of this issuance will in part be guided by the wider economic environment and the cost of locking into long term debt whilst inflation and interest rates whilst currently reducing, remain higher than in previous periods.

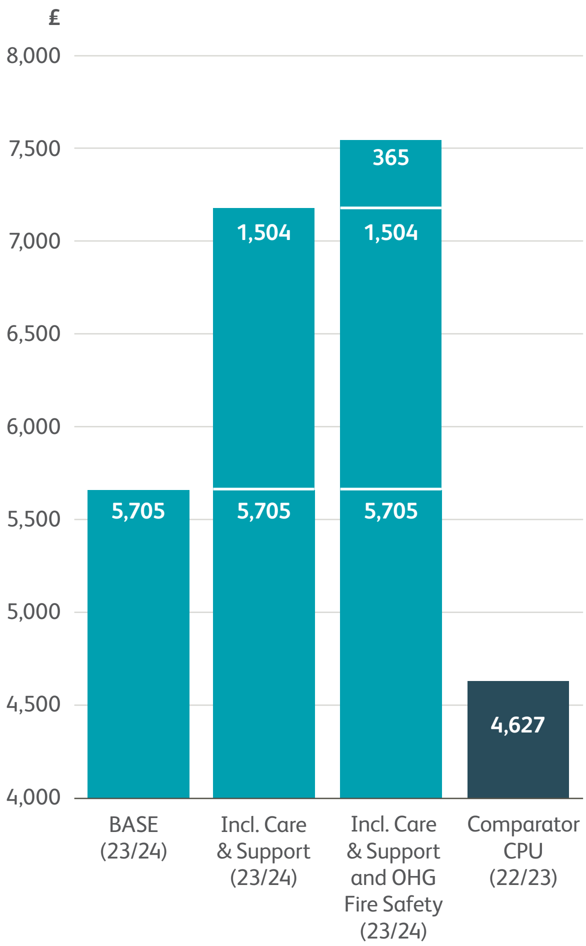
Target for 2024/25: 60.7%

Headline Social Housing CPU

Riverside's headline social housing cost per home has increased compared to 2022/23. However, this was close to the target for the year.

The overall repair cost includes significant fire safety expenditure on tall buildings within the One Housing Group stock portfolio. Additionally, the relatively high level of Service Charge cost reflects Riverside's significant presence in the Care and Support sector. Excluding One Housing Group Fire Safety cost reduces CPU to a little over £7,000 whilst excluding Care and Support cost reduces CPU by approximately a further £1,500 close to £5,700. The 2022/23 CPU for an appropriate comparator group was £4,627, although this was for the previous year and costs are likely to have risen sharply. It is difficult to benchmark Riverside's CPU inclusive of service charge cost as there are very few providers with a similar proportion of supported housing and housing for older people.

Social housing cost per unit analysis (£/unit)



The increase in the 2024/25 target reflects our continued commitment to investing money in our housing stock for the benefit of current and future customers.

Performance Improvement:

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

Target for 2024/25: £8,792

Interest cover (EBITDA MRI) %

Our EBITDA MRI has increased from 42% to 52% and was also close to target. There were two significant factors that combined to cause the change in the metric. The Group operating surplus excluding the gain from sale of fixed assets increased significantly, however, this was offset by an increase in interest payable and financing cost due to an increase in borrowing and higher interest rates.

Our EBITDA MRI is influenced by higher costs and the lower operating margins associated with our labour-intensive care and support business. Our typical level of EBITDA MRI is also the product of a relatively low rent base, especially in the North West of England.

Performance Improvement:

— Reduced management and overhead costs delivered through an ongoing focus on optimising our organisational structure and reducing operational costs. This includes leveraging cost efficiencies gained through the merger. This will be partly offset by increasing interest costs.

— Delivery of the asset management programme which will see a gradual shift in asset values through our development and acquisitions programme and the disposal of lower value assets.

Target for 2024/25: 15.0%

Operating Margin

Riverside reported an overall group-level surplus (excluding contribution from disposal of fixed assets) of £56.7m. This represented an increase in the overall margin to 8.6%.

The group level operating surplus from social housing lettings increased to £40.0m which resulted in the margin increasing to 7.7%. The increase in the surplus generated from social housing was the main reason for the improvement in the overall operating margin. Profit from sale of shared ownership properties contributed £8.5m to the overall margin and other social housing activities a further £10.5m.

There was a small loss from non-social housing activities which was the result of a loss of £11m on nursing homes. This was partly offset by turnover from non-social housing letting.

As referred to previously within our social housing business, neighbourhood services (general needs rent and shared ownership) have a margin which is much higher than the level generated by our care and support business stream, which significantly suppresses our operating margin on social housing lettings. Care and support have a very different business model being resource intensive and where contracted income and service charge income account for a large proportion of turnover.

Performance improvement:

— Improved commercial sales performance and profit margins, from both Prospect's and our joint venture enterprises.

— Other cost reduction measures as per commentary on interest cover.

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

Overall Target 2024/25: 12.0%
Social Housing Target for 2024/25: 3.7%

Return on Capital Employed

Our Return on Capital Employed increased to 1.8.% The increase in the overall operating surplus was the biggest reason for the improvement. Total assets less current liabilities increased slightly and are valued at £4.7b.

Performance Improvement:

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

Target for 2024/25: 2.3%

Our Additional Value for Money Metrics

Satisfaction that the home is well-maintained

Improving the overall quality of our customers' homes is a long-standing priority for the Group and we have committed to invest c£500m in planned maintenance and improvement works over the period of the current Corporate Plan. However, we must also ensure that alongside this we are providing the best possible repairs service, identified as the key driver of performance against this measure. Whilst we have finished above target (deliberately set at a realistic level based on our position at the start of the year), there is clearly much more to do to drive improvement, particularly reducing both the time taken to complete repairs and the level of outstanding jobs.

Work is already underway in these areas and an important step was taken to in-source the repairs contractor in our South & Central region, something that is enabling us to deliver more consistent levels of service, with satisfaction scores beginning to increase in that region. In terms of our transactional repairs survey (based on customers' latest repair), the position is more positive, with reported outcomes above 80% throughout the year. A range of improvement action will continue as we seek to make further progress during the coming year.

Overall customer satisfaction

Another key objective within our Corporate Plan is to deliver improvement across all services that we provide, and we are working to ensure that this is reflected in increased overall customer satisfaction levels over the course of the plan. Although progress has been made in the first year, we have not quite achieved our target (which was again set based upon our starting position) and there is a long way to reach the standards our customers expect. This will take time, particularly as we continue to bring together services and overcome operational challenges as part of the integration journey with One Housing.

A huge amount of activity has been delivered to establish the platform from which we can improve as part of a dedicated 'Customer Experience' strategy, including around repairs (as above), the way we respond and deal with complaints (with a dedicated dispute and resolution team now in place) and a more effective customer engagement framework that has seen a new 'have your say' webpage launched to promote local, regional, digital and specialist involvement opportunities. We are also continuing to enhance our digital offer to increase the number of queries that can be self-served by customers, with a view ultimately of ensuring that the standard of service provided via online, automated routes is equivalent to that which can be accessed via telephone or face-to-face contact. Positive changes have been implemented

in our Customer Service Centre. We have acted to improve our approach to service charge management following a review, all as part of a co-ordinated process to deliver better outcomes for customers.

Number of customers supported through all advice and support services

Riverside provides a wide range of services to support the livelihood of our customers and work continues to develop our approach to help alleviate poverty and promote resilience and empowerment within the communities in which we work. This includes expanding our health and wellbeing offer through a range of community initiatives, supporting customers with money and affordable warmth advice and helping people to secure employment/training opportunities. In addition to this, we have a dedicated housing sustainment service and 'Helping Hand' fund that provides financial support for those in crisis.

Through each of these services (backed by our expanded Foundation), we have been able to provide support for nearly 11,000 customers in the first year of our current Corporate Plan and aim to build on this year on year. It remains a key priority to do what we can to deliver positive outcomes for our customers and communities and our activity will continue to be driven through a comprehensive 'Communities and Livelihoods' strategy.

Customer satisfaction with Care and Support services

Significant progress has been made in the year to consolidate our Care and Support functions, with fully integrated teams now in place helping us to achieve our overall satisfaction target. This has been supported by a dedicated 'Customer' delivery group that has been established to review customer feedback and generate insight that will enable us to develop appropriate improvement plans on an ongoing basis. As part of this, an additional bespoke survey was carried out in the year that reflected an overall satisfaction rate of c90%, with positive change noted around repairs and maintenance and complaints handling, which had previously been some of the lower scoring areas.

Further analysis will be carried out in areas for which our performance is weaker and/or where a decline has been reported, to identify steps that will be taken over the coming year as we aim to deliver further improvement against a stretching target. An important change project has already been initiated, with a dedicated steering group in place to implement a new case management system, that once operational will enable our colleagues to manage relationships with customers more effectively, with plans also in place to enhance wider engagement processes.

Number of new homes started

Whilst the mandatory VfM metrics show that our development programme has continued to deliver strong outcomes in terms of the new homes we have completed, we are beginning to see a significant reduction in the new homes we have started, compared to our own ambitious target. Given economic and housing market conditions, we signalled this possibility in our Corporate Plan at the start of the year. This has now been borne out, as our capacity has been constrained by escalating costs across the business and sharp rises in borrowing costs, compounded by significant delays to a number of larger schemes.

Despite this, we started over 900 new homes across all tenures, although this represents around 60% of our original target, as we have rephased our development programme, focusing on sites where we are in contract and regeneration schemes where we have made firm commitments to residents. This is a trend that is likely to continue across our three year plan and will ultimately feed through to our completions.

How are we doing?

In summary, these metrics tell an authentic story of an organisation which is focused on delivering the 2023-26 Corporate Plan, tackling the twin challenges of investing in our existing homes and communities and building new homes to help tackle the ongoing housing crisis. They are also a direct reflection of the short-term impact of our merger with One Housing, which has resulted in an immediate decline in the majority of our financially based VfM metrics. The merger has brought in significant additional costs relating to fire safety, historic commercial decisions and the alignment of accounting practices. Whilst these were expected, they have been exacerbated by the unfavourable economic conditions experienced across the whole sector, including unprecedented levels of cost inflation and steady increases to interest rates. The overall impact has been marked; however, it is expected to be short-term. Riverside is an organisation that:

- Is focused on improving outcomes for customers through front-line services supported by online options and ensuring that customers receive high quality products and services. Services are being transformed through digital excellence and this process has been accelerated by the merger. We are beginning to see modest gains in customer satisfaction, although there is still a long way to go to reach the levels our customers deserve;
- Has delivered nearly 1,500 new homes in the financial year ending 31 March 2024;
- Remains totally committed to its values and charitable purpose, supporting some of those in the greatest need living in many of the country's most deprived neighbourhoods and fully understands the financial consequences of doing so. In 2023/4 around one in eight customers benefitted from the additional support services we offer funded through the Riverside Foundation;
- Has retained and grown a large, supported housing business which has an adverse impact on costs and margin, albeit one we fully understand and are working hard to make more efficient. Following the merger with One Housing Group we have now created a housing association which provides accommodation for over 12,000 customers in the care and support sector;
- Has significant financial capacity and is working hard to optimise it by improving its margin through a culture of continuous improvement that will deliver substantial and sustainable annual savings. The recent merger will improve the long-term financial strength of the Group by delivering real value for money benefits.;
- Looks to deliver further efficiency by a systematic approach to integration following the merger, driving down costs through better working practices and effective procurement without compromising on service standards or quality and by maximising income. In the short-term there are cost challenges linked to the merger that will be reflected in our results over the next few years, but in the longer term we are on course to deliver the savings planned in our original merger business case; and
- Manages its financial capacity to ensure long term viability but seeks to leverage its capacity as it pursues ambitious and substantial investment in improved homes across a range of tenures. Part of this commitment is tackling significant building safety works to higher blocks.

Our future

Like many of our peers, the year ended 31st March 2024 has undoubtedly been challenging from a financial perspective. This was expected following the merger with One Housing Group – there is no doubt that whilst, initially, the merger has changed the shape of our financial metrics, we remain confident that these short term challenges will lead to medium and longer term benefits as we complete the integration and the Fire Safety Programme.

During 2024/25, we will continue to deliver the aspirations of Forward Together, our Corporate Plan for 2023 – 2026 .

We have delivered over £7.5m of integration savings and plan to double this over the next five years.

Riverside remains a strong and robust organisation. The board has a reasonable expectation that, based on forecasts and current expectations of future sector conditions, the Group and the Association have adequate resources to continue in operational existence for the foreseeable future.

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

Statement of compliance

The form and content of the strategic report review has been prepared in line with the Statement of Recommended Practice for registered Social Housing Providers 2018. The statement has also been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing 2022.

The strategic report was approved by the Board on 3 September 2024 and signed on its behalf by:

Cris McGuinness
Chief Financial Officer

06.
Report of the Board

The Board is pleased to present its report and the audited consolidated financial statements for the year ended 31 March 2024.

Principal activity

The principal activity of The Riverside Group Limited is the provision of affordable homes for rent and shared ownership, together with housing support and associated services for vulnerable and elderly residents.

The Riverside Group comprises several companies with a common, shared purpose. The Riverside Group Limited is the ultimate parent within this Group and is led by a Board of Directors. The Riverside Group Limited has a number of Shareholders drawn from members of its Board, details of whom are given on pages 4 to 5 of these financial statements.

The Group's objectives are carried out for the public benefit as set out in the financial statements. The Board considers legal advice and regulatory guidance when determining the activities that the Group undertakes to deliver these objectives.

In December 2021, One Housing became part of The Riverside Group and in November 2022 the intention to accelerate the legal integration, through a process known as a Transfer of Engagements, was announced. Following consultation with One Housing residents and approval from the One Housing and Riverside Boards and One Housing shareholders, the Transfer of Engagements completed on 31 March 2023.

As of 1st April 2023, Riverside became the legal landlord of previous One Housing customers and the legal employer of staff at One Housing, with all assets and liabilities having transferred to Riverside. However, for the time being, the name 'One Housing, part of Riverside' will continue to be used as a trading name. This was a major milestone on the integration journey which is bringing the organisation together over the next few years. This will mean that together Riverside can deliver better, more cost-effective services to customers with common standards and processes.

Events after the end of the reporting period

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

The Board of The Riverside Group Limited

The Board members of TRGL holding office during the period 1 April 2023 to 31 March 2024 are detailed below:

- Terrie Alafat CBE
- Carlos Gregorio Ashmore (resigned 31 December 2023)
- Caroline Corby (resigned 31 March 2024)
- Pauline Davis (resigned 15 October 2023)
- Paul Dolan (co-opted member, appointed 1 May 2024)
- Fenella Edge (appointed 1 January 2024)
- Kel-Retta Farrell (appointed 1 December 2023)
- Ingrid Fife (resigned 30 April 2024)
- Pauline Ford (appointed 1 May 2024)
- Keith Harkness (appointed 13 July 2023, resigned 13 July 2024)
- Nigel Holland
- Jules Jackson (appointed 14 July 2024)
- Olwen Lintott
- Erfana Mahmood
- Carol Matthews CBE (co-opted member, resigned 30 April 2024)
- Sandy Murray
- Rommel Pereira (resigned 20 April 2023)
- Sam Scott
- Mona Shah (appointed 27 November 2023)
- Richard Williams (appointed 1 April 2024)

The Board is comprised of 11 non-executives, one of whom is a customer member, and the Group Chief Executive, who is a co-optee. A customer is also invited to attend Board meetings as an observer.

This appointment is for one year and was filled by Keith Harkness until 13 July 2024, when Jules Jackson was appointed as the Group Board Observer. Also in attendance at Board meetings are the Executive Directors and the Company Secretary.

Membership of the Board comprises 83% women, (2023: 64%), which compares to 51% in the wider population. Board members declaring themselves to have a disability is lower than the wider population and those declaring themselves as having ethnic minority backgrounds is lower than the wider population.

During the year payments made to Board members were £168k (2023: £180k), which represented 0.026% (2023: 0.029%) of annual turnover. Payment of the Group Chair and Group Board members is calculated by taking into account the size of the Group and industry norms. An independent review of Board member remuneration was carried out in 2024, using independent benchmarking data.

The Board (and its committees and subsidiary boards) carry out an annual appraisal of performance and effectiveness in accordance with the adopted Code of Governance. Every three years an independent, external provider is engaged to support the appraisal and bring an objective perspective. An independent specialist facilitated an appraisal of the Board in 2021 which involved customer feedback. Outcomes of the appraisal exercise were used as the basis for an action plan to enhance effectiveness. A further independent appraisal has been commissioned and will report later in 2024.

In 2023, individual appraisals were also carried out to support Board and Committee members in reflecting on their individual performance and identifying opportunities for improvement. Each Board member (excluding the co-optees) is appointed for a fixed term of office of up to three years. Having adopted the NHF Code of Governance 2020, reappointment is now possible for up to a maximum of one additional three year term. Further extensions are only granted by exception and where there is clear business need.

Role of the Board and Committees

The Board leads the organisation and guards its mission through establishing a culture, values, policy and strategy to deliver Riverside's objectives. It monitors performance against agreed targets within a clearly defined framework of delegation and system of control. It has ultimate responsibility for ensuring that the Group operates in compliance with all relevant law and regulation.

The Board determines what matters should be delegated to the Executive Team or a Committee of the Board and what matters it will reserve for its own consideration and decision. Board members act in the interest of the Riverside Group and not on behalf of any other interest group.

Board members are drawn from diverse backgrounds and are selected to ensure that they bring relevant experience, skills and understanding to the work of the Board. The Group aims to have Boards and Committees which are representative of the wider population in the areas where it works and it is committed to fairness and equality of opportunity.

The majority of Group subsidiaries have their own Board of Directors appointed for their skills, knowledge and experience. These can be both Executive and Non-Executive Directors. The Board has a schedule of six meetings each year for regular business and meets annually to discuss strategy. It also convenes if decisions are required for urgent matters between meetings.

The Riverside Group Limited rules allow attendance by telephone and video conference which facilitates efficient and effective governance. In-person meetings are also held which facilitate rapport that is good for boards and committees, both between members and between officers and members. The Chair also has authority to take decisions on behalf of the Board where a meeting cannot be organised and a timely decision is required.

The Board has established Committees to oversee specific areas of the Group's work. The Board sets the responsibilities and scope of authority of each Committee. Board delegation may allow decision making for certain matters or require that the Committee consider issues and provide advice and assurance to support Board decision-making.

The Committees of the Board are the Governance and Remuneration Committee, the Group Audit Committee, the Group Treasury Committee, the Customer Experience Committee, the Care and Support Committee and the Group Development Committee, all of which are composed of non-executive members and chaired by a member of Group Board. Where it is considered that a direct link is required between Committees, an individual may be appointed to more than one Group. Each Committee obtains independent external advice to support its work where it is appropriate to do so. There are over twenty customers actively involved in Riverside's governance through their roles on Board and Committees and Riverside Customer Voice Executive members.

From 1 January 2024, the Customer Experience Committees and Care and Support Committees of Riverside and One Housing were combined into integrated Customer Experience and Care and Support Committees. Representatives from both sides of the business were appointed to the integrated Committees following an interview process to ensure both the right balance of skills and experience were present and that each side of the business was represented.

Further information on the Committees and their membership is provided below.

Committee	Role	Members	Meetings
Customer Experience	To scrutinise delivery of social housing and home ownership customer services to ensure that Riverside delivers safe, decent homes in a good state of repair, lets homes in a fair and transparent way and keeps wider areas clean and safe, promoting wellbeing and tackling antisocial behaviour. The Committee also oversees how customers are involved and empowered through engagement with Riverside. From January 2024 the Committee was integrated into a single committee covering both Riverside and One Housing areas.	Sam Scott (Chair) Olwen Lintott Paula Simpson Gillian Singh Jim Strang Tracy Thomas Steven Begley (resigned 20 February 2024)	Met two times in the year
Customer Experience (Riverside)	Until January 2024 the Committee was responsible for the Riverside area only.	Sam Scott (Chair) Wayne Booth Jackie Grannell Olwen Lintott Gillian Singh Jim Strang Margi Kelly (resigned 6 October 2023)	Met four times in the year
Customer Service (One Housing)	Until January 2024 the Committee was responsible for the One Housing area only.	Yvonne Arrowsmith (Chair) Steven Begley Julie Price Tracy Thomas	Met three times in the year

Committee	Role	Members	Meetings
Care and Support	The Committee carries out the same role as the Customer Experience Committee but with a focus on those customers within our Care & Support business area; Supported Housing, Retirement Living, and Extra Care Schemes. From January 2024 the Committee was integrated into a single committee covering both Riverside and One Housing areas.	Pauline Ford (Chair, appointed 1 May 2024) Sara Beamand Pamela Davies Pauline Ford John Glenton Michele Scattergood Wendy Wallace Ingrid Fife (Chair, resigned 30 April 2024)	Met two times in the year
Care and Support (Riverside)	Until January 2024 the Committee was responsible for the Riverside area only.	Ingrid Fife (Chair) Sara Beamand Ian Campbell Pamela Davies Pauline Ford Michele Scattergood Victor Andrews (resigned 17 October 2023)	Met three times in the year
Care and Support (One Housing)	Until January 2024 the Committee was responsible for the One Housing area only.	Yvonne Arrowsmith (Chair) Pauline Ford Alison Rose-Quirie Wendy Wallace	Met three times in the year
Governance & Remuneration	To provide assurance and advice to the Group Board (and relevant subsidiary Boards) on the effectiveness of Group governance arrangements and compliance against the adopted Code of Governance, all relevant law and regulation and Group governing instruments. The Committee considers nominations and appointments to Group Boards and Committees and approves or recommends approval of such to Group Board. The Committee is also responsible for matters of remuneration relating to staff, senior leadership and Non-Executive Directors and Committee Members.	Sandy Murray (Chair, appointed 1 April 2024) Terrie Alafat CBE Caroline Corby (Chair, appointed 16 October 2023, resigned 31 March 2024) Pauline Davis (Chair, resigned 15 October 2023)	Met eleven times in the year

Committee	Role	Members	Meetings
Group Audit	To provide assurance and advice to the Group Board (and relevant subsidiary Boards) on the effectiveness of risk management arrangements, the internal control framework, compliance with all legal, statutory and regulatory requirements and the integrity of the annual financial statements. The Committee also advises the Group Board on the appointment and effectiveness of the external auditor for the Riverside Group.	Mona Shah (Chair, appointed 27 November 2023) Pauline Ford Lee Gibson Suki Jandu Erfana Mahmood Maria Hallows (resigned 30 June 2024) Sandy Murray (Vice Chair, Interim Chair 21 April 2023, resigned 26 November 2023) Rommel Pereira (Chair, resigned 20 April 2023)	Met four times in the year
Group Treasury	To advise the Board on significant technical or complex treasury issues. To assist the Board in understanding the implications of treasury risk for the Group and ensuring that such risks are adequately mitigated. To make decisions on behalf of the Board with regards to day-to-day operational treasury matters that require higher level approvals, in accordance with the Delegated Authorities provided by the Board to the Committee for such activities.	Fenella Edge (appointed 4 October 2023, Chair from 1 January 2024) Phil Elvy (appointed 4 October 2023) Nigel Perryman Devan Bala (resigned, 3 October 2023) Carlos Gregorio Ashmore (Chair, resigned 31 December 2023)	Met three times in the year
Group Development	To assist the Group Board in approving certain development activities and in monitoring the performance of the Group's development, regeneration and sales programmes. This includes where this activity is via Joint Ventures or Special Project Vehicles.	Nigel Holland (Chair) Stewart Davenport John Feeney Dale Meredith Richard Williams (appointed 14 February 2024) Pauline Davis (resigned 15 October 2023) Paul Newbold (resigned 3 October 2023) Richard Nichols (resigned 10 October 2023)	Met nine times in the year

Executive Directors

Whilst the Board is responsible for the Group's overall policy and strategy, management of the business is delegated to the Group Chief Executive.

A team of Executive Directors assist the Chief Executive in delivering the Board's vision and aims.

The Chief Executive is responsible to the Board and only acts within the authority delegated by it. The Executive Team meets on a monthly basis to consider all major management issues including performance across the Group.

The Executive Directors also form the membership of the Development and Investment Appraisal Panel. Its purpose is to assess the viability of investment proposals such as new projects and initiatives to ensure that they generate value for the Group and its stakeholders and contribute to delivering Riverside's goals. The Panel oversees projects at key stages of development to ensure that they are effectively delivered and remain financially viable.

The Executive Directors hold no beneficial interest in the share capital of any member of the Group.

Corporate governance

The Board is committed to integrity and accountability in the stewardship of the Group's affairs. The annual assessment of compliance against Riverside's adopted Code of Governance (which for the financial year 2023/24 was the NHF Code of Governance 2020) has been completed. The Group complies with its Code of Governance, with the following exceptions:

- Two Group Board Members (Pauline Davis and Ingrid Fife) exceeded the six-year maximum tenure rule, but have subsequently resigned. In addition, Dale Meredith (Group Development Committee), Jackie Grannell (Customer Experience Committee), and Nigel Perryman (Group Treasury Committee) have served in excess of six years. The Code allows for extension where there is a clear business need, it is considered that the business need has been established in each of the three instances given that the retention of these skills, knowledge and experience was vital to Riverside maintaining strong governance leadership and customer insight in light of regulatory change and the recent merger.
- The Board of Irvine Housing Association has retained a nine-year maximum Board Member tenure and a retirement rotation system as set out in its Rules. It has also retained those Rules which set out the minimum and maximum Board Membership which differ from the Code of Governance.
- The Board of Evolve Facility Services Limited is comprised of two Executive Directors whose terms of office are coterminous with their appointment as Executive Directors.

Riverside is content that these exceptions do not compromise the governance of this organisation.

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

- Recruitment of Paul Dolan as the new Chief Executive Officer following the retirement of Carol Matthews CBE in May 2024.
- Overseen planning for the In-Depth Assessment conducted by the Regulator who upgraded the regulatory assessment to G1/V2 and noted there was assurance that Riverside's governance arrangements enable it to adequately control the merged organisation and to continue meeting its objectives.
- The Succession Plan for Board and Committee members has advanced with significant recruitment made throughout the year, strengthening the membership of Board and Committees through the recruitment of skilled and experienced members.
- Streamlining of the Corporate Structure has continued.

Internal controls assurance

The Board is the ultimate governing body and is responsible for the Group's system of internal control. The Board, advised by the Group Audit Committee has reviewed the effectiveness of the system of internal control for the year ended 31 March 2024 and to the date of approval of these financial statements. For the year ended 31 March 2024, the Board makes the following statements:

- The system of internal control is designed to provide the Board with reasonable but not absolute assurance that risks are identified on a timely basis and dealt with appropriately; that assets are safeguarded; that proper accounting records are maintained; and that the financial information used within the business or for publication is reliable.
- Control is exercised through an organisational structure with clearly defined levels of authority, responsibility and accountability. Any business development involving significant risk is subject to Board approval.
- The Group maintains a culture of risk awareness, based on a sound control environment with high regard for integrity and ethical values. Regular reviews of the external landscape and risk mitigations are carried out.
- The framework of internal control is subject to a regular programme of review. In particular, the Group maintains a fully resourced Internal Audit team led by an appropriately qualified Director reporting directly to the Group Audit Committee.
- Service delivery risk is monitored through the service improvement framework, quality self-assessment and tenant scrutiny processes.
- The Board and its sub-Committees scrutinise a comprehensive suite of performance metrics.
- The Group is committed to sound financial management in all aspects of its business. It has a robust business planning process and all parts of the Group have detailed annual budgets and longer-term business plans.
- The Group maintains a suite of policies covering the main elements of its business. The policies are subject to a rolling programme of review to confirm their continued appropriateness with all Group policies approved by the Board.
- The anti-fraud policy sets out the commitment to preventing fraud. Confidential reporting arrangements are in place to allow staff to voice their concerns and know that they will be properly investigated. The anti-bribery and corruption policy sets out guidelines for all staff to ensure the highest standards of conduct in business dealings and this has been adopted throughout the Group.
- In reviewing the effectiveness of the Group's system of internal control, the Board has considered a range of sources of assurance including:
  - management reports;
  - key performance indicators;
  - audit reports;
  - quality management systems; and
  - external regulator reports.
- During the year there were no weaknesses in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in these financial statements.

Equality and Diversity: Board, Committee and workforce composition

Riverside has adopted an equality, diversity and inclusion (ED&I) policy.

To help deliver our policy objectives we launched our first ED&I Strategy last year, which sets out the steps we will take over three years to further embed our long-term commitment. This reflects our recently refreshed organisational values, which now include the value “We are inclusive”.

We have made significant progress over the year, with notable achievements including:

- Our approach to ED&I being highly visible in the sector, through our early endorsement of the National Housing Federation’s Chairs’ Challenge (a public commitment to achieving greater diversity and inclusion at Board level) and our active involvement in various sector bodies and initiatives such as the Housing Diversity Network, the National Housing Federation’s ED&I leads network and the Greater Manchester Housing Provider’s ED&I Group.
- ED&I being a high priority for our governance community, who actively monitor our strategy, undergo training and have changed their own recruitment practices to attract a more diverse field of candidates.
- Recent appointments to our Boards and Committees have resulted in a significant shift in the ethnic composition of the governance community, to better reflect the diversity of the customers we serve.

It is important that Riverside understands the composition of its Board and Committees, Leadership Group and wider workforce by the key protected characteristics, comparing this data with the profile of the population living in the communities we serve. We remain committed to being open and transparent by publishing this data and the charts below show this comparison by gender, ethnicity, disability, sexual orientation, age and religion or belief. A more detailed review of our ED&I activities is set out in our Annual ED&I report.

Our strategic objectives and metrics provide a framework to drive improvement and reaffirm our commitment to improving the diversity of Riverside’s leadership and governance, by establishing appropriate benchmarks for Board and Committee composition. We will use these to influence our recruitment processes, exploring opportunities to attract a more diverse range of candidates for vacancies and implementing support measures to upskill ‘board ready’ candidates for future vacancies that may arise in our governance structures.

This approach will also support the Group’s continued compliance with the National Housing Federation’s Code of Governance.

Gender – Our governance community and wider workforce has a higher representation of females compared to the wider population. However, women are currently underrepresented on our leadership group of senior managers (a change from last year). WiSH, our new colleague network for women and those identifying as women, is actively working with us to consider how we can develop more opportunities for women to access senior positions.

Ethnicity – Compared to the wider population, overall, our workforce has an equal proportion of colleagues identifying as ethnically diverse, although there are variations between different ethnic groups. Our governance community is less ethnically diverse; however, we are working hard to improve this and have seen a notable positive shift in the composition of Group Board following changes to our recruitment practices. The ethnic diversity of our leadership group of senior managers has declined and is significantly out of line with the wider population. This is primarily a result of the integration of our central teams following recent merger activity and the change of roles that are no longer required to be based in London where ethnic diversity representation is higher than nationally. This is a reversal of recent trends and something we will continue to address through our recruitment practices and targeted mentoring schemes.

Disability – We have a significantly lower proportion of disabled people in our workforce, Leadership Group and governance community compared to the wider working age population, with proportions identifying a disability being closely associated to the age profile of the group. We continue to run campaigns to encourage colleagues to share their protected characteristics data, including disability and long-term health conditions.

Sexual orientation – Our overall workforce, governance community and leadership group have a higher proportion of lesbian, gay and bisexual people than the wider population, with a particularly high representation amongst our senior leaders. We continue to encourage colleagues to share data relating to this protected characteristic and promote a supportive culture where colleagues can be themselves in the work environment.

Age – Over wider workforce is evenly spread across the age groups (for working aged people), except for under 25s where representation is significantly lower than that in the wider population. Our leadership group has a more mature profile, with 87% aged over 45 years. Our governance community has an older profile again, with 93% being 45 or over and only 7% below the age of 45.

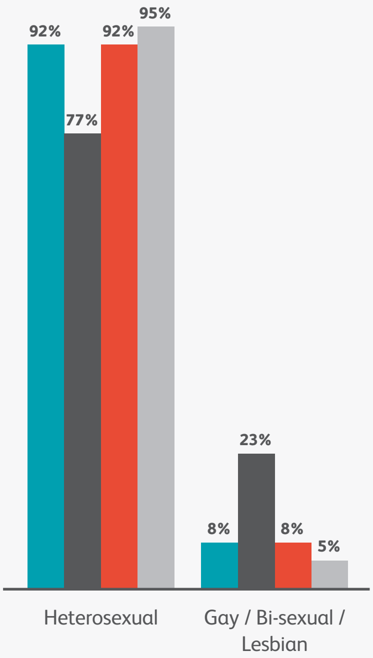
Religion or belief – Our workforce shares a similar profile to the wider population we serve in terms of their religious adherence and belief, with a slight over-representation of those identifying as Christian and under-representation of Muslims. Our governance community is less diverse, with a higher proportion identifying as Christian and our leadership group has a more significant proportion of its members identifying as having no religion compared to the wider population.

Key Equality and Diversity Metrics

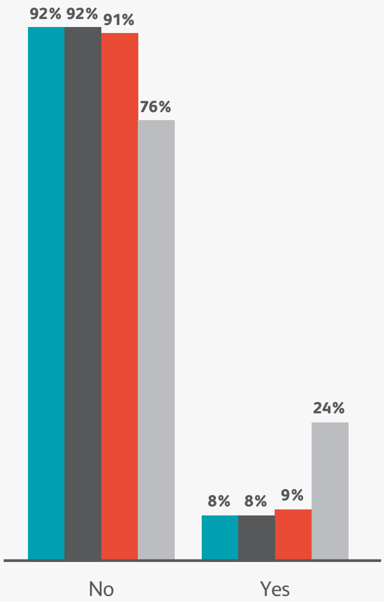
Legend

Board & Committees · Leadership Group · Wider workforce · Wider population

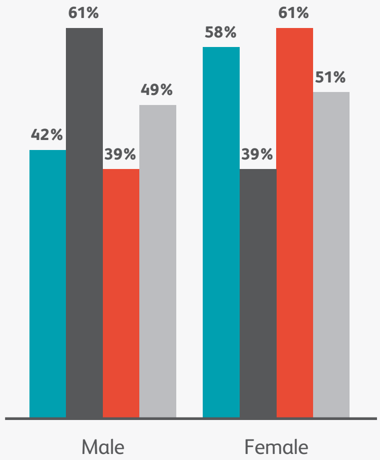
Sexual orientation



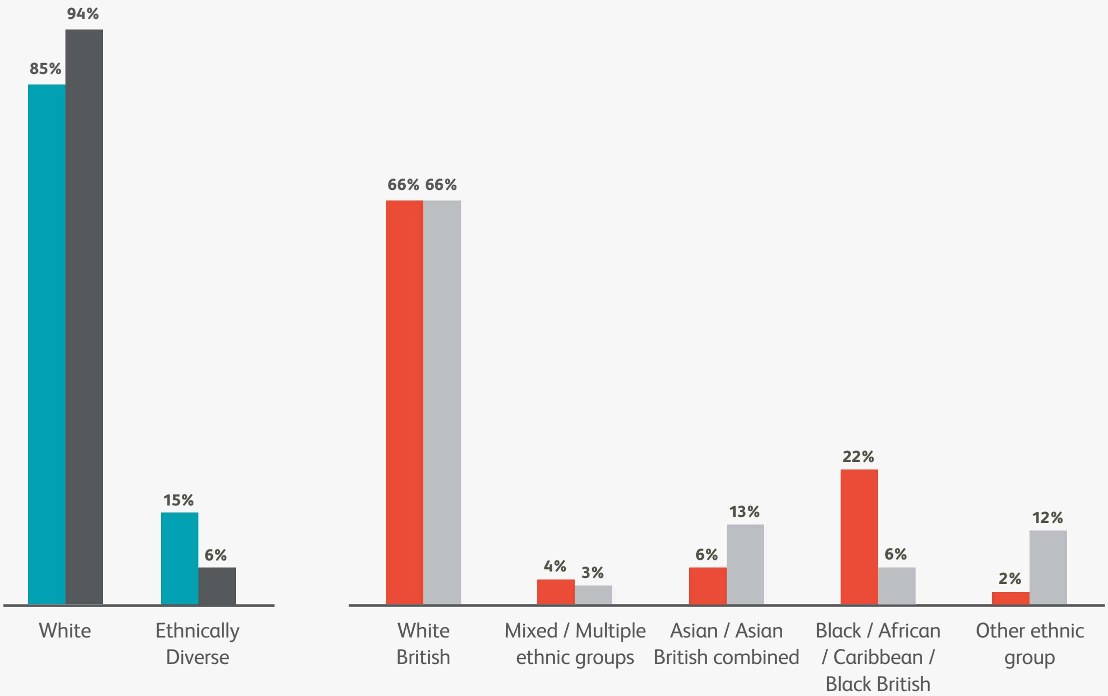
Disability



Gender

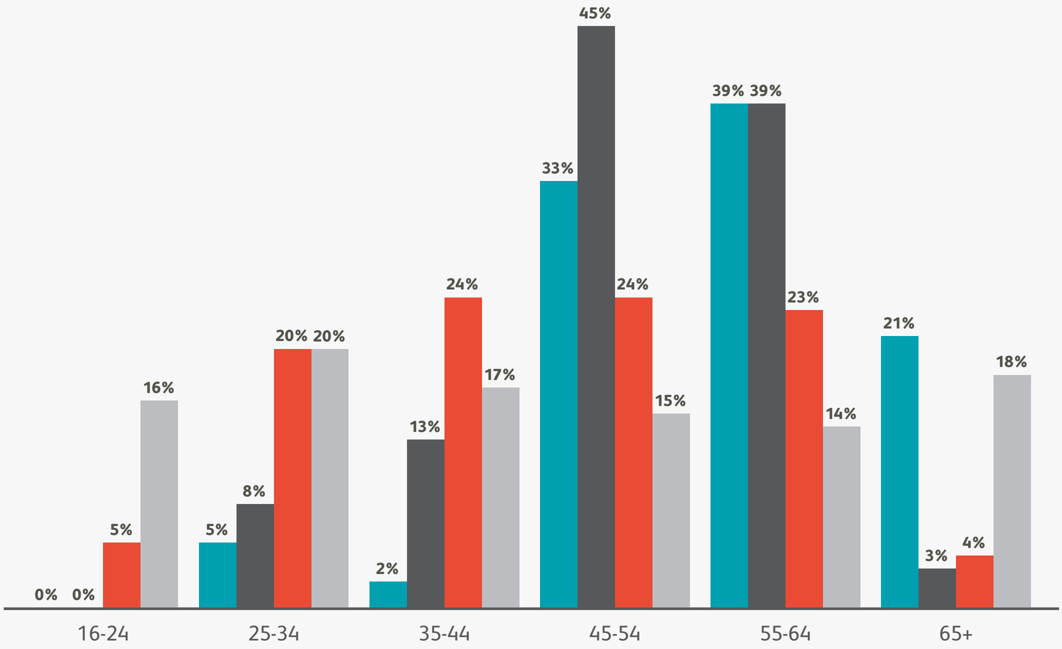


Ethnicity[1]

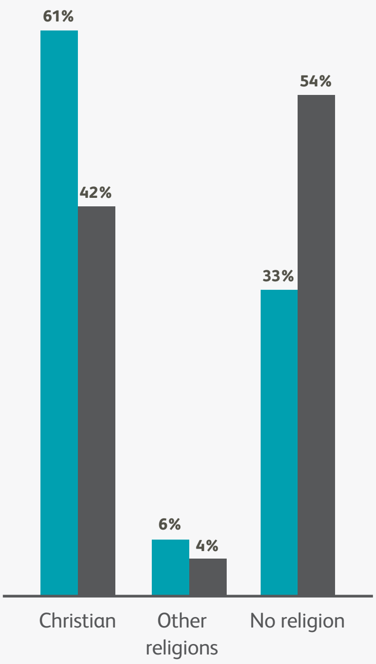


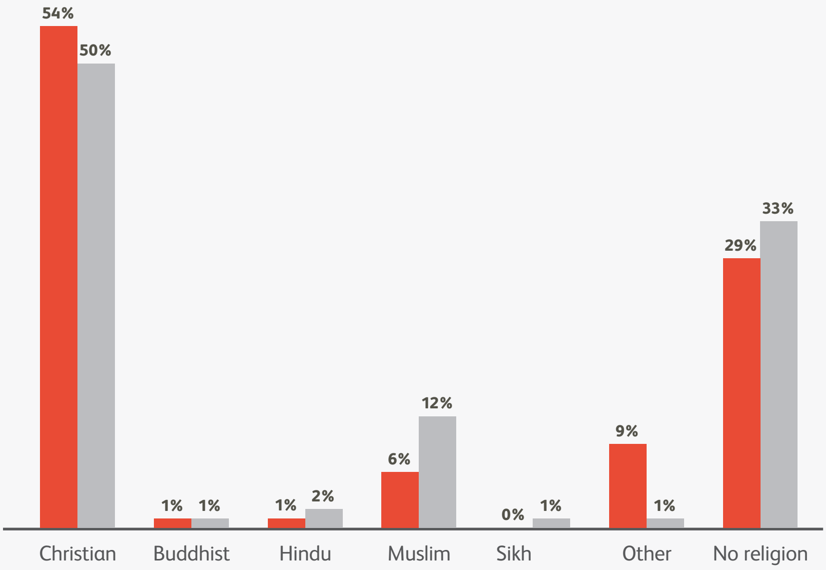
[1] The data has been aggregated to protect the privacy and confidentiality of individuals information. The changes impact two protected characteristics, Ethnicity and Religion, only.

Age



Religion[1]





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

Ethnicity and Gender Pay Gap

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

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

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

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

Our pay gap reporting includes Riverside Group, but excludes our subsidiaries, Prospect, Riverside Scotland and Evolve. Evolve report separately as a subsidiary and employer with more than 250 employees.

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

During the 2023/24 financial year, our organisation went through a significant period of change as our central services within One Housing and Riverside integrated. In addition, we transferred our One Housing Baycroft care home service to another company and with that a number of our colleagues transferred their employment under TUPE (Transfer of Undertakings Protection of Employment Rights). This has meant that our structure and role location has changed significantly over the period, which in turn has impacted the make-up of our workforce, pay gap and representation. During 2024/25 we will embark on another year of integration and change, therefore it will be sometime before the makeup of our workforce stabilises.

Gender Pay Gap 2024

At Riverside our mean gender pay gap is 11.3 % and shows a median rate of 10.6 %. The mean has increased from 10.7 % and the median has increased from 9.8 % in 2023. We have very few people who will have received a bonus during the year. Our mean bonus is -24 % and has decreased significantly from 30 %, the median bonus has no pay gap and is 0 % increasing from -14.3 % in 2023.

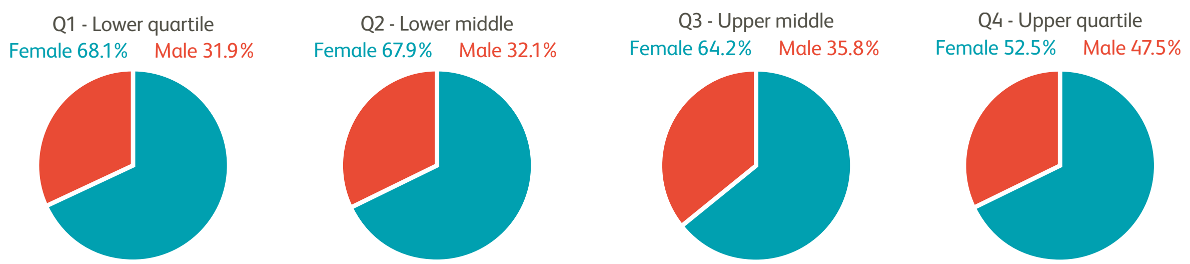
When looking at the representation of female colleagues, our split was 2,367 female (61.1 %) and 1,504 male (38.9 %). Overall, our headcount has reduced during the period with the bigger reduction being amongst our female colleagues from 64 % in 2023. Although we have a much higher female representation when compared to ONS, this is typical of our industry.

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

We will continue to focus on:

- Celebrating our female role models through our WiSH (Women in Social Housing) group to further support female confidence, removing any barriers to progression that we will drive through our EDI and People Strategies.
- Promotion of flexible working practices, development opportunities and vacancies for all.
- Advertising all roles and promoting fairly any opportunities to grow, develop and progress within our organisation.

Pay quartile split by gender



- Exploring and understanding our gender pay gap results and ensure that areas such as reward and benefits packages, family friendly paid leave, flexible working and recruitment practices enable and do not prevent progression.
- Promoting flexible working practices through our Smart Working Policy and developing a new Riverside Deal for all colleagues that, when developed, we will promote consistently and fairly.

Ethnicity Pay Gap 2024

Our mean ethnicity pay gap is 16.7 % which has increased from 13 % in 2023. The median is 15.1 % and has reduced from 18.5 % in 2023. We have very few people who will have received a bonus during the year. Our mean bonus is 45.4 % and has decreased from 60.5 %, whilst the median has no pay gap and is 0 % decreasing from 12.5 % in 2023.

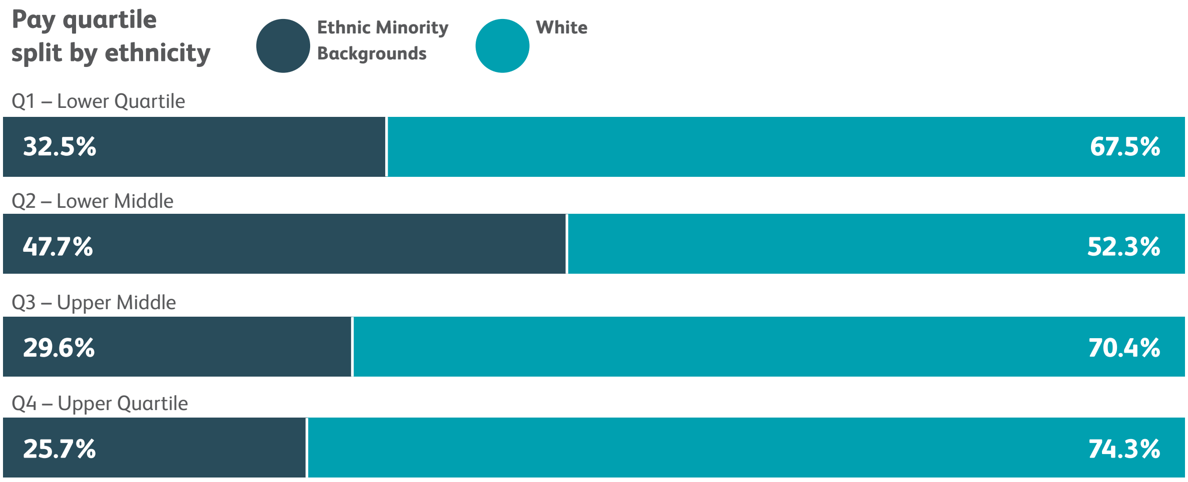
When looking at the representation of our ethnically diverse colleagues, for those who have disclosed their ethnicity, our split was 2,314 white (68.8 %) and 1,048 ethnically diverse (31.2 %) and has reduced by 2.8 % when compared to 2023. Representation decreased in our upper quartile to 18.7 %, reducing from 25.7 % in 2023.

Similar to gender, our ethnicity pay gap is not as a result of different rates of pay, but a high proportion of ethnically diverse colleagues in our lower quartile roles in Care & Support and an under representation within our upper quartile roles.

Our representation and pay gap have been compounded by the integration of our central teams during the financial year and the change of roles that no longer are required to be based in London where ethnic diversity is representation is higher than nationally. The impact on our pay gap and representation has been mitigated to some extent by maintaining and protecting London salaries for our impacted colleagues as we integrate, but has still had an adverse impact.

We will continue to focus on:

- Listening to our colleagues, improving experience and providing opportunities for mentoring, growth and progression, working in partnership across housing and with our colleague group EMPower to drive cultural change through our EDI and People Strategies.
- Continuing to run our guaranteed interview scheme for all roles over £35k if the minimum criteria for the role is met, along with our GEM graduate programme and to ringfence a number of opportunities for our ethnically diverse colleagues.
- Celebrating our ethnically diverse role models through our EMPower colleague group to further support ethnically diverse confidence and progression.
- Our involvement with the Housing Diversity Network's mentoring scheme; the Greater Manchester Housing Provider's Boost and G15 Programmes aimed at driving cultural change and improving progression and representation in more senior roles within housing.
- Advertise our roles internally to ensure that there is equal access for all job opportunities, promoting fairly any opportunities to develop and progress within our organisation.



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

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 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 2022. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Equality and diversity

The Group's policies reflect its strong commitment to equality and the value it places on diversity in all aspects of its work.

Political donations

No donations for political purposes were made during the year.

Policy on payment of creditors

In the absence of any dispute, the Group's policy is to pay non-development invoices within 30 days of the date of the invoice. Development creditors, paid under certificate, are settled within 21 days of the valuation date.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 11 to the financial statements.

Investment power

The Group's Rules permit investment of monies not immediately required to carry out its objectives as it determines and is permitted by law.

Annual General Meeting

The Groups rules were updated in 2022, (registered with the FCA on 16th September 2022), one of the amendments made was to remove the requirement to hold an AGM each year.

Auditors

BDO were appointed auditors following a competitive tender exercise and are in year three of a maximum five year term.

Statement of compliance

The Board confirms that the strategic report and Board report have been prepared in accordance with principles set out in the 2018 SORP for Registered Social Housing Providers. The Board certifies that as a registered provider, TRGL complies with the Regulator of Social Housing's Governance and Financial Viability Standard.

Disclosure of information to auditor

At the date of making this report each of the Group's members, as set out on page 4 to 5, confirm the following:

- So far as each member is aware, there is no relevant information needed by the Group's auditors in connection with preparing their report of which the Group's auditors are unaware.
- Each member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

The report of the board was approved by the Board on 3 September 2024 and signed on its behalf by:

Sara Shanab
Secretary

07.
Independent auditor's report
to The Riverside Group Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's and the Association's deficit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of The Riverside Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2024 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 statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the Audit Committee, we were appointed by the Board on 15 November 2021 to audit the financial statements for the year ending 31 March 2022 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 3 years, covering the years ending 31 March 2022 to 31 March 2024.

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

Conclusions relating to going concern

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

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

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

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

Overview

Coverage	100% (2023: 100%) of Group surplus before tax 100% (2023: 100%) of Group revenue 100% (2023: 100%) of Group total assets		
Key audit matters		2024	2023
	The recoverable amount of property developed for sale is materially misstated	✓	✓
Materiality	*Group financial statements as a whole* £69.5m (2023: £5.8m) based on 1.5% of total assets (2023: 6% of adjusted operating surplus). £11.4m Specific Materiality based on £1.75% of revenue (2023: 6% of adjusted operating surplus).		

An overview of the scope of our audit

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

Audit work on all components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes. All components were subject to a full scope audit. We identified two components which, in our view required an audit of their complete financial information due to their size or risk characteristics and were therefore considered to be significant components. The two significant components were the Association itself and Riverside Finance plc.

Our involvement with component auditors

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

We worked closely with our BDO UK LLP component auditors, ensuring they attended all of the critical planning, execution and clearance meetings. We had regular dialogue with the component team through out the audit in particular agreeing the approach to testing of significant balances and discussing any key findings before conclusion.

Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter

The recoverable amount of property developed for sale is materially misstated
 	
As explained in the accounting policies, properties developed for sale (note 14), including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and net realisable value resulting in an amount recognised in the balance sheet of £123,058k
	For completed properties at the balance sheet date, an assessment is needed of an expected selling price. For properties in development at the balance sheet date, an assessment is needed of the expected selling price and costs to complete and sell.
	
	Due to the volume of property developed for sale (both complete and under construction) and the inherent estimation uncertainty in determining both sales proceeds and costs to complete we considered there to be a moderate risk that the carrying amount of properties developed for sale is misstated and was therefore a key audit matter.
		Our responses included the following:
		
		— We obtained management's assessment of net realisable value of all the properties held for sale including both completed and under construction properties to perform detailed testing on.
		— We tested the reasonableness of expected proceeds with reference to market data related to the prevailing sales prices in the same locality.
		— For a properties sold subsequent to the year end, we traced to the sales proceeds and compared to the carrying value as at year end to ensure net realisable value is not below cost.
		— For a properties under construction, for a sample of cost incurred to date, we agree the amount involved with underlying source documents.
		— For a properties under construction, we tested the reasonableness of cost to complete by:
		  — Comparing the expected margin with actual margins on properties sold during the current year and post year end.
		  — Agreeing the cost to complete with approved budgets approved by the development committee.
		
		Key observations:
		
		We noted no material exceptions through performing these procedures.

Our application of materiality

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

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

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

	Group financial statements		Parent Association financial statements	
	2024 £m	2023 £m	2024 £m	2023 £m
Financial Statement materiality				
Materiality	£69.5m	£5.8m	£65m	£4.6m
Basis for determining materiality	1.5% of total assets	6% of adjusted operating surplus	1.5% of total assets	6% of adjusted operating surplus
Performance materiality	£45.1m	£3.8m	£42.2m	£3.0m
Basis for determining performance materiality	65% of materiality	65% of materiality	65% of materiality	65% of materiality
Specific materiality				
Specific materiality	£11.4m	N/A	£10.5m	N/A
Basis for determining materiality	1.75% of revenue	N/A	1.75% of revenue	N/A
Specific performance materiality	£7.4m	N/A	£6.8m	N/A
Basis for determining specific performance materiality	65% of materiality	N/A	65% of materiality	N/A

Rationale for the benchmarks applied

The materiality benchmark in the previous year was adjusted operating surplus. We have reflected on our approach to materiality and concluded that for housing associations, key stakeholders are primarily focused on the value of the stable rented asset portfolio, as their debt is secured on these assets.Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and rent arrears that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using Revenue as the benchmark to these balances and transactions. Revenue is considered to be a more stable metric to use for this purpose than adjusted operating surplus and is also more transparent and more easily understood by the users of the financial statements.

We have determined that 65% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by some areas of the financial statements subject to significant estimation uncertainty.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Association whose materiality is set out above, of which there was only one based on a percentage of 33% (2023: 44%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. The component materiality (other than parent) was £3.8m (2023: £2.6m). In the audit of each component, we further applied performance materiality levels of 65% (2023: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Group Audit Committee that we would report to them all individual audit differences in excess of £1.4m (2023: £116k) in relation to financial statement materiality and £228k in relation to specific materiality (2023: N/A). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance witrh laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance, the Group Audit Committee and Internal Audit;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Review of Financial Conduct Authority Regulatory Permissions.

We considered the significant laws and regulations to be FRS 102, Co-operative and Community Benefit Societies Act 2014, Accounting Direction for Private Registered Providers of Social Housing 2022, UK tax legislation and the Financial Services and Markets Act 2000 (FSMA).

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be data protection, Financial Conduct Authority Regulatory Permissions and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Consideration of audited entity compliance with the building safety act; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

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

- Enquiry with management and those charged with governance and internal auditor regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;

- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management's incentives and opportunities for fraudulent manipulation in relation to posting inappropriate journal entries to revenue or capitalised major expenditure.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to challenge our risk assessment and the assumptions we were making over the areas fraud would most likely be perpetrated;
- Assessing significant estimates made by management for bias in particular around pension assumptions and impairment; and
- Considering the IT controls around the journal posting and the impact control limitations could have on the validity of data available and the testing conducted.

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

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

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

Use of our report

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

BDO LLP
Statutory Auditor
Liverpool

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

08.
Group and Association statements

£

Consolidated statement of comprehensive income

for the year ended 31 March 2024

	Notes	**2024 £'000**	**Restated 2023 £'000**
Turnover	2	656,312	625,405
Operating costs	2	(599,629)	(593,608)
Surplus on disposal of housing property	6	21,304	9,822
Operating surplus	2	**77,987**	**41,619**
Share of operating profit/(loss) in joint ventures	12	7,760	(4,029)
Interest receivable and other income	7	6,923	6,410
Interest payable and similar charges	8	(100,384)	(69,120)
Movement in fair value of financial instruments	31	2,057	16,132
Movement in fair value of investment properties	12	(385)	(3,364)
Gain on disposal of a subsidiary		—	(489)
(Deficit) on ordinary activities before tax	9	**(6,042)**	**(12,841)**
Taxation	10	(357)	3,530
(Deficit) for the year after tax		**(6,399)**	**(9,311)**
Other comprehensive income/(deficit)			
(Loss)/gain recognised on cashflow hedges	31	(4,816)	8,514
Actuarial (loss) on pension schemes	25	(9,045)	(1,317)
Total comprehensive (deficit) for the year		**(20,260)**	**(2,114)**
Total comprehensive (deficit) for the year attributable to			
Owners of the parent		(20,259)	(2,113)
Non-controlling interest		(1)	(1)
		(20,260)	**(2,114)**

All of the above results derive from continuing operations. The notes on pages 70 to 152 form an integral part of the financial statements.

The 2023 results contain a prior year restatement and have been adjusted for comparatives due to a change in accounting policy. See note 32 on pages 150 to 152.

Consolidated balance sheet

as at 31 March 2024

	Notes	2024 £'000	Restated 2023 £'000
Fixed assets:			
Housing properties	11	4,259,140	4,065,462
Other tangible fixed assets	11	69,010	62,068
Intangible assets	11	41,928	45,928
		4,370,078	**4,173,458**
Investments			
Investment in joint ventures	12	104,810	82,982
Investment properties	12	191,705	192,090
Other investments	12	2,487	2,395
Homebuy equity loans	12	1,305	1,346
		300,307	**278,813**
Current assets			
Investments	12	79,367	67,796
Debtors: amounts receivable within one year	13	130,867	107,175
Debtors: amounts receivable after more than one year	13	67,896	84,995
Properties for sale	14	123,058	96,951
Cash and cash equivalents		47,824	32,037
		449,012	**388,954**
Current liabilities			
Creditors: amounts falling due within one year	15	(361,604)	(366,534)
Net current assets		**87,408**	**22,420**
Total assets less current liabilities		**4,757,793**	**4,474,691**
Non current liabilities			
Creditors: amounts falling due after more than one year	16	(3,398,713)	(3,102,998)
Deferred income	19	(201)	(347)
Provisions for liabilities			
Pension provision - deficit funding liability	27	(20,507)	(18,362)
Other provisions	27	(9,884)	(4,235)
		(3,429,305)	**(3,125,942)**
Total net assets		**1,328,488**	**1,348,749**
Capital and reserves			
Share capital	20	—	—
Cashflow hedge reserve		(275)	4,541
Income and expenditure reserve (see statement of reserves)		1,328,763	1,344,208
		1,328,488	**1,348,749**

Consolidated statement of balance sheet – continued

as at 31 March 2024

	2024 £'000	Restated 2023 £'000
Equity attributable to		
Owners of the parent	1,328,385	1,348,645
Non-controlling interest (see statement of reserves)	103	104
Total Equity	**1,328,488**	**1,348,749**

The 2023 position contains a prior year restatement. See note 32 on pages 150 to 152.

The notes on pages 70 to 152 form an integral part of the financial statements.

The financial statements were approved by the Board and authorised for issue on 3 September 2024 and were signed on its behalf by:

Terrie Alafat CBE, Group Chair   Sandy Murray, Board Member   Sara Shanab, Secretary

Consolidated statement of changes in reserves

	Cash flow hedge reserve £'000	Income expenditure reserve £'000	Minority interest £'000	Total reserves £'000
Balance as at 1 April 2023 - Restated	4,541	1,335,435	104	1,340,080
Prior period adjustment (note 32)	—	8,669	—	8,669
Balance as at 31 March 2023 as restated	4,541	1,344,104	104	1,348,749
(Deficit) for the year	—	(6,399)	—	(6,399)
Other comprehensive losses				
Effective position of changes in fair value of cash flow hedges	(4,816)	—	—	(4,816)
Actuarial losses on pension schemes	—	(9,045)	—	(9,045)
Non-controlling interest	—	—	(1)	(1)
At 31 March 2024	**(275)**	**1,328,660**	**103**	**1,328,488**

	Cash flow hedge reserve £'000	Income expenditure reserve £'000	Minority interest £'000	Total reserves £'000
Balance as at 1 April 2022	(3,973)	1,335,882	105	1,332,014
Prior period adjustment (note 32)	—	18,849	—	18,849
Balance as at 31 March 2022 as restated	(3,973)	1,354,731	105	1,350,863
(Deficit) for the year	—	(9,311)	—	(9,311)
Other comprehensive income/(losses)				
Effective position of changes in fair value of cash flow hedges	8,514	—	—	8,514
Actuarial losses on pension schemes	—	(1,317)	—	(1,317)
Non-controlling interest	—	1	(1)	—
At 31 March 2023 - Restated	**4,541**	**1,344,104**	**104**	**1,348,749**

The 2023 results contain a prior year restatement. See note 32 on pages 150 to 152.

Consolidated statement of cash flows

for the year ended 31 March 2024

	2024 £'000	2023 £'000
Net inflow from operating activities before tax and interest (note 21)	**103,485**	**117,979**
Tax paid	(357)	—
Interest paid	(114,500)	(86,071)
Net cash generated from operating activities	**(11,372)**	**31,908**
Cashflow from investing activities		
Interest received	6,734	5,973
Cash received for disposal of fixed assets	49,419	88,246
Cash paid for housing construction of fixed assets	(164,690)	(260,822)
Cash paid for fixed assets	(25,272)	(32,124)
Cash flow for fixed asset investments	—	7
Expenditure on capitalised improvements	(79,993)	(93,462)
Social Housing Grant received	82,823	80,283
Investment in joint ventures	(21,840)	(7,062)
Joint venture investments redeemed	7,401	—
Homebuy loans redeemed	41	—
Proceeds from sale of investment properties	210	—
Increase in short term deposits	(11,571)	(20,724)
Net cash outflow from investing activities	**(156,738)**	**(239,685)**
Financing activities		
Loans raised	514,000	286,824
Loan principal repayments	(330,103)	(116,775)
Finance lease	—	10
Net cash inflow from financing	**183,897**	**170,059**
Increase/(decrease) in cash	**15,787**	**(37,718)**
Opening cash balance	32,037	69,755
Movement in cash/cash equivalents	15,787	(37,718)
Closing cash balance	**47,824**	**32,037**

The notes on pages 70 to 152 form an integral part of the financial statements.

Association statement of comprehensive income

for the year ended 31 March 2024	Notes	2024 £'000	Restated 2023 £'000
Turnover	2	612,009	367,475
Operating costs	2	(563,268)	(312,597)
Surplus on disposal of housing property	6	21,304	4,557
Operating surplus	2	**70,045**	**59,435**
Interest receivable and other income	7	5,770	3,106
Interest payable and similar charges	8	(97,635)	(42,794)
Movement in fair value of financial instruments	31	2,057	(1,354)
Movement in fair value of investment properties	12	(2,202)	—
Gift aid	30	5,871	4,062
(Deficit)/surplus on ordinary activities before tax	9	**(16,094)**	**22,455**
Taxation	10	—	—
(Deficit)/surplus for the year after tax		**(16,094)**	**22,455**
Other comprehensive (losses)/income			
(Loss)/gain recognised on cash flow hedges	31	(4,816)	8,514
Actuarial (loss) on pension schemes	25	(9,045)	(526)
Total comprehensive (expenditure)/income for the year		**(29,955)**	**30,443**

All of the above results derive from continuing operations. The notes on pages 70 to 152 form an integral part of the financial statements.

The 2023 results contain a prior year restatement and have been adjusted for comparatives due to a change in accounting policy. See note 32 on pages 150 to 152.

Association balance sheet

as at ended 31 March 2024

	Notes	2024 £'000	Restated 2023 £'000
Fixed assets:			
Housing properties	11	4,153,681	3,962,226
Other tangible fixed assets	11	68,513	61,512
Intangible assets	11	41,928	45,928
		4,264,122	**4,069,666**
Investments			
Investments in joint ventures	12	3,475	1,285
Investment properties	12	54,657	56,859
Other investments	12	247,948	238,872
Homebuy equity loans	12	164	204
		306,244	**297,220**
Current assets			
Investments	12	76,486	65,471
Debtors: amounts receivable within one year	13	110,321	78,460
Debtors: amounts receivable after more than one year	13	41,631	52,960
Properties for sale	14	76,394	65,769
Cash and cash equivalents		37,665	23,762
		342,497	**286,422**
Current liabilities			
Creditors: amounts falling due within one year	15	(370,495)	(390,475)
Net current (liabilities)		**(27,988)**	**(104,053)**
Total assets less current liabilities		**4,542,368**	**4,262,833**
Non current liabilities			
Creditors: amounts falling due after more than one year	16	(3,200,062)	(2,898,366)
Provisions for liabilities:			
Pension provision - deficit funding liability	27	(20,507)	(18,362)
Other provisions	27	(9,884)	(4,235)
		(3,230,453)	**(2,920,963)**
Total net assets		**1,311,915**	**1,341,870**

Association balance sheet – continued

	Notes	2024 £'000	2023 £'000
Capital and reserves			
Share capital	20	—	—
Cashflow hedge reserve		(275)	4,541
Income and expenditure reserve (see statement of reserves)		1,312,190	1,337,329
		1,311,915	**1,341,870**

The 2023 position contains a prior year restatement. See note 32 on pages 150 to 152.

The notes on pages 70 to 152 form an integral part of the financial statements.

The financial statements were approved by the Board and authorised for issue on 3 September 2024 and were signed on its behalf by:

Terrie Alafat CBE, Group Chair

Sandy Murray, Board Member

Sara Shanab, Secretary

Association statement of changes in reserves

	Cash flow hedge reserve £'000	Income expenditure reserve £'000	Total reserves £'000
Balance as at 1 April 2023 - Restated	4,541	1,321,763	1,326,304
Prior period adjustment (note 32)	—	15,566	15,566
Balance as at 31 March 2023 as restated	4,541	1,337,329	1,341,870
Deficit for the year	—	(16,094)	(16,094)
Other comprehensive losses			
Effective position of changes in fair value of cash flow hedges	(4,816)	—	(4,816)
Actuarial losses on pension schemes	—	(9,045)	(9,045)
At 31 March 2024	**(275)**	**1,312,190**	**1,311,915**

	Cash flow hedge reserve £'000	Income expenditure reserve £'000	Total reserves £'000
Balance as at 1 April 2022	(3,973)	639,431	635,458
Prior period adjustment (note 32)	—	18,849	18,849
Balance as at 31 March 2022 as restated	(3,973)	658,280	654,307
Surplus for the year	—	22,455	22,455
Group reconstruction	—	657,120	657,120
Other comprehensive losses			
Effective position of changes in fair value of cash flow hedges	8,514	—	8,514
Actuarial losses on pension schemes	—	(526)	(526)
At 31 March 2023 - Restated	**4,541**	**1,337,329**	**1,341,870**

The 2023 results contain a prior year restatement. See note 32 on pages 150 to 152.

09. Notes to the financial statements

Year ended 31 March 2024
The Riverside Group Limited

1 Principal accounting policies

The financial statements are Group statements which consolidate the financial statements of The Riverside Group Limited and its subsidiary undertakings.

Legal status

The parent association, The Riverside Group Limited, is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator for Social Housing as a Private Registered Provider of Social Housing.

Basis of accounting

These financial statements have been prepared in accordance with applicable law and UK accounting standards which includes the Co-operative and Community Benefit Societies Act 2014, 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 the Accounting Direction for Private Registered Providers of Social Housing 2022.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed on page 71.

Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments and investment properties which are shown at fair value as specified in the accounting policies below.

Parent association disclosure exemptions

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

- No cash flow statement or net debt reconciliation has been presented for the association;
- Disclosures in respect of the association company's financial instruments have not been presented as equivalent disclosures and have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is the same as the totals for the Group as a whole.

Basis of consolidation

The consolidated financial statements present the results of The Riverside Group Limited and its subsidiary undertakings. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Details of subsidiaries are shown in note 12 to the financial statements.

The Riverside Group Limited's investment in joint ventures is accounted for using the equity method as shown in note 12.

Going concern

The financial statements have been prepared on a going concern basis. The directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

The Group prepares a business plan which is updated and approved on an annual basis. The most recent business plan was approved in March 2024 by the board. As well as considering the impact of a number of scenarios the Group business plan is rigorously stress tested through matrix single variant stress testing and multi-variant stress testing scenarios.

Included within the multi-variant stress testing are a number of specific scenarios that test the Group's resilience to continue to cope with the impact of the Russia/Ukraine crisis, inflationary and deflationary scenarios and a complete market collapse amongst others. In these scenarios as part of Riverside's risk management approach, a number of mitigations would be implemented to ensure compliance with all loan covenants. The Group has five tiers of mitigations ranging from those that have an immediate impact, through to those that would take up to two years to implement.

The Board, after reviewing the Group budget for 2025 and the Group's medium-term position as detailed in the business plan including changes arising from the scenarios above, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue in business for the foreseeable future.

The Board believe the Group and Association has sufficient funding in place and expect the Group to be compliant with its debt covenants even in severe but plausible downside scenarios. Consequently, the directors are confident that the Group and Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

- **The categorisation of housing properties**
  In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.
- **Tangible fixed assets**
  Other than investment properties, tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The estimates of useful life for the different component types and assets are detailed on page 75.
- **Impairment of non-financial assets**
  An impairment review of the Group's land, properties and investments is undertaken when an impairment indicator is believed to have been triggered. The impact of the 2023/24 impairment review is disclosed in note 9.
- **Pension and other post-employment benefits**
  The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries. Further details of the assumptions made are provided in note 25.
- **Leaseholder Fire Safety**
  Management are required to decide if a constructive or legal obligation exists at the reporting date that requires a provision. The impact of the 2023/24 assessment is disclosed in note 27 and concludes that a constructive obligation exists at the reporting date where work has stated on site but incomplete at the year end.

Business Combinations

Where there is a business combination that is in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the statement of comprehensive income, below operating surplus.

The gain represents the gift of the value of one entity to another and shall be recognised as income. Where the fair value of the liabilities exceeds the fair value of the assets, the loss represents the net obligation assumed and shall be recognised as an expense in the statement of comprehensive income, below operating surplus.

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

On 31st of March 2023 Riverside Group conducted a transfer of engagement to subsume the assets and liabilities of One Housing Group and TPHA Limited. This transaction was within the Group boundary with no change in ultimate control of the transferring business, therefore merger accounting principles were applied such that the assets and liabilities of the business are transferred at the book values. The credit reflecting the book value of the assets transferred of £657.1m is shown directly to reserves. Further comparative financial information was not restated with the group reconstruction taking effect from the transfer of engagement date.

Supported housing

In addition to its own directly managed supported housing schemes, The Riverside Group owns a number of schemes that are run by outside agencies. Where The Riverside Group carries the financial risk, income and expenditure is included in the statement of comprehensive income. Where the agency carries the financial risk only the income and expenditure which relates solely to The Riverside Group is included. Other income and expenditure of schemes in this category is excluded from the statement of comprehensive income.

Supporting People contract income

Supporting People (SP) contract income received from Administering Authorities is accounted for as income for support services in turnover in note 3 to the financial statements. The monies received in the period as well as costs incurred by the Group in the provision of support services have been included in the statement of comprehensive income. The related support costs are matched against the income and are accounted for on an accruals basis with invoices being raised after the period has ended. Any excess of cost over the grant received is borne by the Group where it is not recoverable from tenants.

Service charges

The Group operates both fixed and variable service methods for calculating and charging service charges to its tenants and leaseholders. Charges are calculated on a scheme-by-scheme basis in full consultation with tenants.

Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable. Service charge income and costs are recognised on an accruals basis.

Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held accordingly as a creditor or debtor in the statement of balance sheet.

Sinking funds are monies held on behalf of leaseholders for future major repairs; they are recorded in creditors in the balance sheet and the monies are held in separate bank accounts.

Turnover

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

- rental income receivable (net of void loss from properties available to let).
- service charge income receivable.
- first tranche sales of low-cost home ownership properties developed for sale.
- revenue grants from local authorities, Homes England, and the Greater London Authority.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Income from first tranche and open market sales is recognised at the point of legal completion of the sale. First tranche sales and open market sales are sales of inventory and are recognised in the

Statement of Comprehensive Income in the period to which they relate.

Turnover from grants is recognised when the conditions for receipt of agreed grant funding have been met, either in full or amortised over its useful life.

Operating segments

As we have publicly traded securities within the Group, we are required to disclose information about our operating segments under IFRS 8.

Segmental information is disclosed in notes 2 and 3 and as part of the analysis of housing properties in note 11.

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group rather than geographical location. As permitted by IFRS 8 this is appropriate on the basis of the similarity of the service provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The Board does not routinely receive segmental information disaggregated by geographical location.

Principal pension accounting policies

The assets of the defined benefit pension schemes are measured using market values. The liabilities are measured using the projected unit method discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities.

The surpluses of the defined benefit pension schemes (to the extent that they are recoverable) or deficits are recognised in full. The movements in the schemes' surpluses/deficits are included the statement of comprehensive income as a cost within surplus on ordinary activities before tax and under the heading actuarial gains and losses on pension schemes. Contributions from the employer are recorded through the cash flow statement and as a contribution to scheme assets.

The Group also contributes to two defined contribution pension schemes. Contributions are being invested in a master trust provided by Legal & General, through the Our Riverside Retirement Plan. Under a defined contribution plan the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Riverside also makes contributions into SHPS.

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

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

Holiday pay accrual

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

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the normal value of the shares issued together with the fair value of any additional consideration.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to fair value at each balance sheet date.

Gains and losses on re-measurement are recognised in the statement of comprehensive income for the period.

Investments in listed company shares, which have been classified as current asset investments, are re-measured to fair value at each balance sheet date. Gain and losses on re-measurement are recognised in the statement of comprehensive income for the period.

Joint ventures

An entity is treated as a joint venture where the Group or Association holds an interest and shares control under a contractual arrangement with one or more parties external to the Group.

In the Group accounts, joint ventures are accounted for using the equity method of accounting. The investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the Group's share of the profit or loss, other comprehensive income and equity of the joint venture.

The consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements applying accounting policies consistent with those of the group.

In the consolidated balance sheet, the investment in joint ventures are shown as the Group's share of the identifiable net assets attributable.

In the association financial statements, investments in joint ventures are stated at cost less impairment.

Intangible assets

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

Costs relating to development of IT systems are capitalised only to the extent that they are directly attributable to the development process and in bringing the system to their intended use. Capitalised costs are written off over the useful economic life of the asset.

Other tangible fixed assets

Other tangible fixed assets relate to leased offices, fixtures and fittings and IT equipment and are stated at cost less accumulated depreciation.

Depreciation of other tangible fixed assets

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

Asset	Useful Economic Life (years)
Freehold and long leasehold offices	15 to residual value
Office fixtures and fittings	5 - 10
Care and support scheme fixtures and fittings	3 - 30
IT equipment	3 - 5
Leasehold improvements	Over the term of the lease

Housing property

Housing properties are principally properties available for rent. Cost includes the cost of acquiring the land and buildings, capitalised interest, development costs and expenditure incurred in respect of improvements.

Interest payable on borrowing which has been drawn in order to finance the relevant construction or acquisition is capitalised. 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.

Properties acquired in stock transfers are recognised at fair value.

Costs relating to development of properties are capitalised only to the extent that they are directly attributable to the development process and in bringing the properties to their intended use. Capitalised costs are written off over the useful economic life of the asset.

Improvement to property

Expenditure incurred on general repairs to housing properties is charged to the statement of comprehensive income in the year in which it is incurred. Expenditure on refurbishment or replacement of identified housing property components is capitalised. Non-component works to existing housing properties are capitalised where they relate to an improvement which is defined as an increase in the net rental stream or the life of a property.

Depreciation of housing property

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated on a straight-line basis over its individual useful economic life. The estimated individual useful economic life of the components are as follows:

Component	Useful Economic Life (years)
Structure – new build	100 – 125
Structure – rehabilitated	up to 50
Kitchens	20
Bathrooms	30
Roofs	60 – 80
Commercial boilers	40
Individual boilers	15
Full heating system	30 – 40
Windows and doors	25 – 40
Lift	25 – 30
Electrical wiring	30 – 45
External wall render	20
Cladding	50
Common parts	50

Assets in the course of construction are held at cost and are not depreciated until reclassified as housing properties completed.

Properties for sale

Completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour, capitalised interest and direct development overheads.

Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Impairment of non-financial assets

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

The carrying amount of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash Generating Unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of consolidated income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

First tranche shared ownership sales

Shared ownership properties are split proportionally between current and fixed assets based on the first tranche proportion. First tranche proportions are accounted for as current assets and the related sales proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset so that any subsequent sale is treated as a part disposal of a fixed asset.

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to the statement of comprehensive income over the term of the lease.

HomeBuy

Investments in Homebuy equity loans represent an equity stake in third party properties purchased under the Homebuy scheme. The Group operates this scheme by lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property.

Homebuy loans are accounted for as concessionary loans as a fixed asset investment in the balance sheet. Initially recognised as the amount paid to the purchaser they are reviewed annually for impairment. Any impairment loss is charged to income and expenditure as part of operating costs. On sale of the property, a fixed percentage of the proceeds are repaid.

Homebuy grant from the government is provided to fund the loan provided to the purchaser of the property. Upon receipt of the initial homebuy grant, this is treated as grant received in advance and recognised within deferred income in the balance sheet up until the point that the associated homebuy loan is redeemed. When the homebuy loan is redeemed, the associated grant is reclassified to recycled capital grant liability and can be used by the Group to develop new qualifying assets.

Arrears

Debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and is recognised in Turnover over the estimated useful life of the associated asset, under the accruals model. Social Housing Grant (SHG) received for items of cost written off in the statement of comprehensive income is included as part of Turnover.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met.

If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Recycling of Capital Grant

Where SHG is recycled, as described above, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

Non-monetary government grant

On disposal of assets for which non-monetary government grants are held as deferred income in the balance sheet, the unamortised amount in creditors is derecognised and recognised as income in the statement of comprehensive income.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is shown as deferred income until the conditions are met and then it is recognised as Turnover.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Current asset investments

Current asset investments include cash on deposit in the money market invested for periods of generally greater than three months and charged accounts which are illiquid. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

Value Added Tax

The Riverside Group is partially exempt in relation to Value Added Tax (VAT) and accordingly is able to recover from HM Revenue & Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the balance sheet. Irrecoverable VAT is accounted for in the statement of comprehensive income.

Taxation

The charge for taxation is based on the surplus or deficit for the year. It takes into account deferred taxation arising from timing differences between the treatment of certain items for taxation and accounting purposes to the extent that a liability or asset is expected to be payable or receivable in the foreseeable future.

Loan issue costs and interest payable

The cost of raising loans is amortised over the period of the loan.

Loans are stated in the balance sheet at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year any redemption penalty and any connected loan finance issue costs are recognised in the statement of comprehensive income in the year in which the redemption took place.

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Interest payable on borrowing which has been drawn in order to finance the relevant construction or acquisition is capitalised on the balance sheet as part of housing property or stock. 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.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured without any deduction for transaction costs the entity may incur on sale or other disposal as follows:

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method unless a quoted price is available, in which case they are held at fair value.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- The best evidence of fair value is a quoted price in an active market.
- When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Hedging

Interest rate swaps relate to fixing variable rate interest and are therefore designated as cash flow hedges. A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable transaction, which could affect profit or loss. They are measured at fair value at each reporting date.

Gains and losses on cash flow hedges which are highly effective are recognised in other comprehensive income. Any ineffective portion of a gain or loss on cash flow hedges is recognised in profit or loss.

In order to apply hedge accounting, an economic relationship must exist between the hedged item and the hedging instrument. The Group must formally designate and document the hedging relationship at inception so that the risk being hedged, the hedged item and the hedging instrument are clearly identified and the risk management objective for undertaking the hedge. It is also required to determine and document the causes of hedge ineffectiveness.

In a cash flow hedge, if the hedged future cash flows are no longer expected to occur, the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to profit or loss immediately.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the consolidated statement of comprehensive income immediately.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

PFI service concession arrangements

Service concession arrangements The Group's Private Finance Initiatives (PFI) contracts with Sandwell Metropolitan Borough Council and Hull City Council meet the conditions of a service concession arrangement. For service concession arrangements entered into after the date of transition to FRS 102 the service concession arrangements will be accounted for using the financial asset model whereby costs incurred in constructing the PFI assets are initially recognised as a financial asset at the fair value of the construction costs. Thereafter accounting is in accordance with FRS 102 section 11 “Basic Financial Instruments”.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Current asset investments are held for a period greater than three months and are therefore excluded from the cash and cash equivalents in the consolidated statement of cash flows.

2 Turnover, cost of sales, operating expenditure and operating surplus

	Group 2024			
	Turnover £'000	**Cost of sales £'000**	**Operating expenditure £'000**	**Operating surplus £'000**
Social housing activities				
Lettings (note 3)	520,091	—	(480,124)	39,967
Other social housing activities				
First tranche low-cost home ownership	42,603	(34,130)	—	8,473
Management services	24,357	—	(24,732)	(375)
Other	22,056	—	(11,231)	10,825
	609,107	**(34,130)**	**(516,087)**	**58,890**
Non-social housing activities				
Turnover from non social-housing lettings	13,550	—	(4,205)	9,345
Non-social housing property built for sale	17,274	(17,700)	—	(426)
Nursing homes	16,381	—	(27,507)	(11,126)
	47,205	**(17,700)**	**(31,712)**	**(2,207)**
Total	**656,312**	**(51,830)**	**(547,799)**	**56,683**
Surplus on disposal of housing property (see note 6)				21,304
Operating surplus				**77,987**

Cost of sales and operating expenditure are combined as operating expenditure as disclosed in the statement of comprehensive income.

Nursing homes represent Baycroft care homes, within the year they made a loss of £11.1m (2023: £10.9m). During the year the Group has withdrawn from the nursing homes known as Baycroft.

Turnover from other social housing activities 'other' includes £12m of PFI income, £3m of other property related income net of voids including bed spaces, office rent and room hire, £2m of income donated from associated entity The Riverside Foundation to support community benefit programs and £5m of other income. Other operating expenditure includes the cost of services rendered in providing other housing related activities including guest rooms and bed spaces. Expenditure relating to PFI services are included within maintenance costs.

2 Turnover, cost of sales, operating expenditure and operating surplus – continued

	Group 2023			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Restated Operating surplus £'000
Social housing activities				
Lettings (note 3)	500,422	—	(474,002)	26,420
Other social housing activities				
First tranche low-cost home ownership	19,437	(18,198)	—	1,239
Management services	9,764	—	(17,084)	(7,320)
Other	21,113	—	(9,807)	11,306
	550,736	**(18,198)**	**(500,893)**	**31,645**
Non-social housing activities				
Turnover from non social-housing lettings	12,702	—	(5,318)	7,384
Non-social housing property built for sale	48,866	(45,201)	—	3,665
Nursing homes	13,101	—	(23,998)	(10,897)
	74,669	**(45,201)**	**(29,316)**	**152**
Total	**625,405**	**(63,399)**	**(530,209)**	**31,797**
Surplus on disposal of housing property (restated) (see note 6)				9,822
Operating surplus (restated)				**41,619**

Cost of sales and operating expenditure are combined as operating expenditure as disclosed in the statement of comprehensive income.

The 2023 'operating surplus' contains a prior year restatement. See note 32 on pages 150 to 152.

2 Turnover, cost of sales, operating expenditure and operating surplus

	Association 2024			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Restated Operating surplus £'000
Social housing activities				
Lettings (note 3)	505,190	—	(469,388)	35,802
Other social housing activities				
First tranche low-cost home ownership	42,603	(31,896)	—	10,707
Management services	24,357	—	(23,962)	395
Other	17,305	—	(8,402)	8,903
	589,455	**(31,896)**	**(501,752)**	**55,807**
Non-social housing activities				
Turnover from non social housing lettings	6,173	—	(2,113)	4,060
Nursing homes	16,381	—	(27,507)	(11,126)
	22,554	**—**	**(29,620)**	**(7,066)**
Total	**612,009**	**(31,896)**	**(531,372)**	**48,741**
Surplus on disposal of housing property (restated) (see note 6)				21,304
Operating surplus (restated)				**70,045**

Cost of sales and operating expenditure are combined as operating expenditure as disclosed in the statement of comprehensive income.

Nursing homes represent Baycroft care homes, within the year they made a loss of £11.1m (2023: £10.9m). During the year the Association has withdrawn from the nursing homes known as Baycroft.

The 2023 'operating surplus' contains a prior year restatement. See note 32 on pages 150 to 152.

Turnover from other social housing activities 'other' includes £9m of PFI income, £3m of other property related income net of voids including bed spaces, office rent and room hire, £2m of income donated from associated entity The Riverside Foundation to support community benefit programs and £3m of other income. Other operating expenditure includes the cost of services rendered in providing other housing related activities including guest rooms and bed spaces. Expenditure relating to PFI services are included within maintenance costs.

2 Turnover, cost of sales, operating expenditure and operating surplus – continued

	Association 2023			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing activities				
Lettings (note 3)	332,869	—	(296,531)	36,338
Other social housing activities				
First tranche low-cost home ownership	14,807	(13,368)	—	1,439
Management services	845	—	(351)	494
Other	16,014	—	(1,422)	14,592
	364,535	**(13,368)**	**(298,304)**	**52,863**
Non-social housing activities				
Turnover from non social housing lettings	2,940	—	(925)	2,015
	2,940	**—**	**(925)**	**2,015**
Total	**367,475**	**(13,368)**	**(299,229)**	**54,878**
Surplus on disposal of housing property (see note 6)				4,557
Operating surplus				**59,435**

Cost of sales and operating expenditure are combined as operating expenditure as disclosed in the statement of comprehensive income.

The 2023 Association figures above do not include One Housing Group turnover and operating expenditure as they were reported in the Group in 2022/23. Following the transfer of engagements on 31 March 2023, One Housing Group ceased to exist as a separate legal entity and became part of the Association. Financial year 2023/24 is the first where their results are reported in the Association and year on year the data is not comparable.

3 Turnover and operating expenditure from social housing lettings

	Group					
	General needs housing £'000	Supported housing £'000	Shared ownership £'000	Other £'000	2024 Total £'000	2023 Total £'000
Income						
Rent receivable net of identifiable service charges	287,366	54,980	24,254	4,051	370,651	346,118
Income for support services	3,793	54,062	—	—	57,855	50,421
Service charge income	15,062	54,867	5,981	71	75,981	71,205
Net rental income	**306,221**	**163,909**	**30,235**	**4,122**	**504,487**	**467,744**
Other revenue grants	138	—	3,773	—	3,911	20,930
Amortised government grants	7,644	3,606	443	—	11,693	11,748
Turnover from social housing lettings	**314,003**	**167,515**	**34,451**	**4,122**	**520,091**	**500,422**
Operating expenditure						
Management	(40,920)	(34,590)	(1,117)	(179)	(76,806)	(70,458)
Service charge costs and support services	(54,900)	(107,959)	(5,195)	(327)	(168,381)	(153,773)
Routine maintenance	(53,405)	(17,385)	(2,899)	(280)	(73,969)	(65,141)
Planned maintenance	(32,438)	(5,201)	(525)	(243)	(38,407)	(37,281)
Major repairs expenditure	(30,713)	(3,130)	(9,041)	(68)	(42,952)	(64,529)
Bad debts	(3,119)	(3,772)	(298)	(83)	(7,272)	(6,386)
Depreciation	(56,179)	(14,419)	(1,442)	(631)	(72,671)	(71,658)
Impairment of housing properties	—	—	—	—	—	(4,545)
Lease costs	(99)	476	(43)	—	334	(231)
Operating costs on lettings	**(271,773)**	**(185,980)**	**(20,560)**	**(1,811)**	**(480,124)**	**(474,002)**
Operating surplus on social housing lettings	**42,230**	**(18,465)**	**21,423**	**2,311**	**47,499**	**26,420**
Void loss	(3,573)	(7,839)	(49)	—	(11,461)	(7,701)

The operating expenditure within this disclosure includes an apportionment for overheads.

3 Turnover and operating expenditure from social housing lettings – continued

	Association					
	General needs housing £'000	**Supported housing £'000**	**Shared ownership £'000**	**Other £'000**	**2024 Total £'000**	**2023 Total £'000**
Income						
Rent receivable net of identifiable service charges	272,753	58,256	24,261	4,050	359,320	243,716
Income for support services	4,322	47,131	—	—	51,453	31,465
Service charge income	14,287	58,471	6,272	71	79,101	46,271
Net rental income	**291,362**	**163,858**	**30,533**	**4,121**	**489,874**	**321,452**
Other revenue grants	—	3	3,923	—	3,926	—
Amortisation of government grants	7,341	3,606	443	—	11,390	11,417
Turnover from social housing lettings	**298,703**	**167,467**	**34,899**	**4,121**	**505,190**	**332,869**
Operating expenditure						
Management	(39,979)	(34,435)	(1,181)	(168)	(75,763)	(33,926)
Service charge costs and support services	(53,965)	(106,166)	(5,198)	(325)	(165,654)	(115,659)
Routine maintenance	(71,706)	(17,131)	(3,190)	(279)	(92,306)	(63,493)
Planned maintenance	(20,113)	(5,114)	(542)	(243)	(26,012)	(20,868)
Major repairs expenditure	(20,526)	(2,535)	(8,449)	(68)	(31,578)	(12,995)
Bad debts	(3,073)	(3,772)	(312)	(83)	(7,240)	(4,797)
Depreciation	(54,612)	(14,408)	(1,442)	(631)	(71,093)	(44,793)
Impairment of housing properties	—	—	—	—	—	—
Lease costs	376	—	(116)	(2)	258	—
Operating costs on lettings	**(263,598)**	**(183,561)**	**(20,430)**	**(1,799)**	**(469,388)**	**(296,531)**
Operating surplus on social housing lettings	**35,105**	**(16,094)**	**22,001**	**2,322**	**43,334**	**36,338**
Void loss	(3,170)	(7,838)	(49)	—	(11,057)	(7,612)

The operating expenditure within this disclosure includes an apportionment for overheads.

3a Fire related income and expenditure

	Group	
	2024 Total £'000	2023 Total £'000
Grant income claimed for leaseholder properties	15,846	20,653
Total fire related income	**15,846**	**20,653**
Fire related revenue expenditure	(9,806)	(7,693)
Leaseholders cladding and fire expenditure	(21,892)	(32,181)
Waking watch	(2,611)	(4,909)
Total fire related revenue expenditure	**(34,309)**	**(44,783)**
Net expenditure after grant income	**(18,463)**	**(24,130)**
Fire related capital expenditure	(19,790)	(27,556)

	Association	
	2024 Total £'000	2023 Total £'000
Grant income claimed for leaseholder properties	15,846	—
Total fire related income	**15,846**	**—**
Fire related revenue expenditure	(9,737)	(1,881)
Leaseholders cladding and fire expenditure	(21,817)	—
Waking watch	(2,511)	(4,62)
Total fire related revenue expenditure	**(34,065)**	**(2,343)**
Net expenditure after grant income	**(18,219)**	**(2,343)**
Fire related capital expenditure	(19,790)	(27,556)

Fire safety remediation works include fire risk assessment of external walls (FRAEW), cladding remediation and a range of fire safety mitigation measures which include waking watch and installation of fire safety equipment. Works to Riverside owned properties are recognised as capital expenditure where permitted by accounting policy. For leaseholder properties Riverside intend to seek recovery through appropriate legal channels, including but not limited to developers and maximising claims from the Building Safety Fund. During the year Riverside recognised £15.8m of Building Safety Grant (2023: £20.7m). Riverside complies with all legislation for fire safety including but not limited to The Building Safety Act 2022, The Regulatory Reform (Fire Safety) Order 2005, The Fire Safety Act 2021. The Fire Safety (England) Regulations 2022.

4 Directors' and senior staff emoluments

The Directors are defined for the purpose of this note as the members of the Board and Executive Directors of The Riverside Group Limited. Directors appointed after the end of the financial year are not included in the disclosure. This satisfies the definition included in the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Executive Directors do not receive any chargeable benefits in kind other than company cars. The emoluments of the Directors are set out below. There are eight (2023: seven) Executive Directors included within the total below.

	Group	
	2024 £'000	**2023 £'000**
Emoluments (including pension contributions and benefits in kind)	1,790	1,868
Highest paid Director – Group Chief Executive Emoluments (excluding pension contributions)	344	296
Expenses reimbursed to Directors not chargeable to income tax	4	3

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

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

Executive Directors	**2024 £'000**	**2023 £'000**
Carol Matthews CBE	344	296
Richard Hill	18	275
Cris McGuinness	300	259
Tony Blows	210	214
Patrick New	190	177
Ian Gregg	188	177
John Glenton	183	156
Jehan Weerasinghe	109	—

The emoluments above exclude the following pension payments:
Six of the Directors received pensions payments totalling £80k (2023: £52k) and three of them received cash in lieu of pension payments totalling £68k (2023: £82k). The Group Board approved a policy for payment in lieu of pension payments at a rate which does not involve the Group incurring any greater cost than that of the individual's pension membership.

4 Directors' and senior staff emoluments – continued

Non-Executive Directors	2024 £'000	2023 £'000
Terrie Alafat CBE	33	32
Ingrid Fife	18	18
Sandy Murray	15	15
Sam Scott	15	15
Nigel Holland	15	—
Pauline Davis	12	23
Erfana Mahmood	12	12
Olwen Lintott	12	12
Caroline Corby	8	23
Rommel Pereira	5	15
Fenella Edge	5	—
Pauline Ford	5	—
Mona Shah	5	—
Kei-Retta Farrell	4	—
Richard Williams	4	—
Carlos Gregorio Ashmore	—	15

The number of staff whose remuneration is £60,000 or more (including pension contributions) is disclosed below:

	2024	2023
£60,001 — £70,000	121	124
£70,001 — £80,000	66	81
£80,001 — £90,000	52	50
£90,001 — £100,000	24	13
£100,001 — £110,000	14	9
£110,001 — £120,000	9	9
£120,001 — £130,000	7	7
£130,001 — £140,000	3	6
£140,001 — £150,000	3	2
£150,001 — £160,000	4	2
£160,001 — £170,000	—	3
£170,001 — £180,000	2	2
£180,001 — £190,000	1	1
£190,001 — £200,000	1	1
£200,001 — £210,000	—	1
£210,001 — £220,000	1	1
£220,001 — £230,000	2	1
	310	**313**

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

5 Employee information

Staff numbers
The average number of persons (including the Executive Directors) employed during the year (based on 35-37.5 hours) was:

	Group 2024 Number	Group 2023 Number
Full time equivalent	4,965	4,121

	2024 £'000	2023 £'000
Staff costs (for the above persons)		
Wages and salaries	175,104	156,752
Social security costs	14,984	15,870
Other pension costs	9,005	9,252
	199,093	**181,874**

Staff costs and numbers referred to above all relate to staff employed by The Riverside Group, but exclude staff costs and numbers employed by the managing agents at supported housing schemes.

The total amount of severance and redundancy payments made during the year was £1.7m (2023: £1.5m).

	Association 2024 Number	Association 2023 Number
Full time equivalent	4,137	2,093

	2024 £'000	2023 £'000
Staff costs (for the above persons)		
Wages and salaries	146,574	81,408
Social security costs	12,149	8,229
Other pension costs	7,654	5,378
	166,376	**95,015**

The total amount of severance and redundancy payments made during the year was £1.3m (2023: £0.8m).

The 2023 Association figures above do not include One Housing Group FTE's and employee costs as they were reported in the Group in 2022/23. Following the transfer of engagements on 31 March 2023, One Housing Group ceased to exist as a separate legal entity and became part of the Association. Financial year 2023/24 is the first where their results are reported in the Association and year on year the data is not comparable.

6 Surplus on disposal of housing property

	Group			
	Proceeds £'000	Cost of disposal £'000	Surplus 2024 £'000	Restated Surplus 2023 £'000
Affordable and low cost shared ownership staircasing	16,217	(10,979)	5,238	6,645
Right to buy sales	1,830	(841)	989	2,809
Right to acquire sales	1,567	(224)	1,343	2,885
Housing property sales to other registered providers	—	—	—	(601)
Other housing property sales	28,921	(15,187)	13,734	(1,916)
Surplus on disposal of housing property	**48,535**	**(27,231)**	**21,304**	**9,822**

	Association			
	Proceeds £'000	Cost of disposal £'000	Surplus 2024 £'000	Restated Surplus 2023 £'000
Affordable and low cost shared ownership staircasing	16,217	(10,979)	5,238	1,447
Right to buy sales	1,830	(841)	989	1,411
Right to acquire sales	1,567	(224)	1,343	2,885
Housing property sales to other registered providers	—	—	—	—
Other housing property sales	28,921	(15,187)	13,734	(1,186)
Surplus on disposal of housing property	**48,535**	**(27,231)**	**21,304**	**4,557**

The 2023 'surplus on disposal of housing property' has been restated and reduced by £7.63m to recognise grant that should have been recycled upon disposal of housing property assets in the prior year. Affordable and low cost shared ownership £0.7m, other housing property £6.7m, right to acquire £0.06m, right to buy £0.17m. See note 32 on pages 150 to 152.

7 Interest receivable and other income

	Group 2024 £'000	Group Restated 2023 £'000
Bank and other interest receivable	6,880	6,525
Income from fixed asset investments	43	(115)
	6,923	**6,410**

	Association 2024 £'000	Association Restated 2023 £'000
Bank and other interest receivable	4,710	2,212
Income from fixed asset investments	—	(109)
Intercompany interest from subsidiaries	1,060	1,003
	5,770	**3,106**

8 Interest payable and similar charges

	Group	
		Restated
	2024	2023
	£'000	£'000
Bank loans and overdrafts	94,789	51,320
Break costs	3,509	—
Other loans	14,821	22,843
Other interest payable	(492)	2,317
Pension costs	668	613
Finance costs	954	1,779
Recycled Capital Grant Fund	1,201	346
	115,450	79,218
Interest capitalised on the construction of housing property	(15,066)	(10,098)
	100,384	**69,120**

The 2023 'bank loans and overdrafts' has been adjusted for comparatives due to a change in accounting policy approved by Board during the year. Riverside adopted a policy to capitalise interest on the construction of housing property and amounts are disclosed separately above.

In addition interest shown on RCGF has been disclosed separately, this was shown within 'other interest payable' in the prior year and has been restated.

Interest capitalised on the construction of housing property £15,066k was calculated using the Group's weighted average cost of borrowing 4.09 % (2023 £10,098k 3.56 %).

	Association	
		Restated
	2024	2023
	£'000	£'000
Bank loans and overdrafts	92,352	27,509
Break costs	3,509	—
Other loans	12,733	20,580
Other interest payable	1,452	2,302
Pension costs	668	459
Finance costs	786	1,696
Recycled Capital Grant Fund	1,201	346
	112,701	52,892
Interest capitalised on the construction of housing property	(15,066)	(10,098)
	97,635	**42,794**

The 2023 'bank loans and overdrafts' has been adjusted for comparatives due to a change in accounting policy approved by Board during the year. Riverside adopted a policy to capitalise interest on the construction of housing property and amounts are disclosed separately above.

Interest capitalised on the construction of housing property £15,066k was calculated using the Association's weighted average cost of borrowing 4.09 % (2023 £10,098k 3.56 %).

9 Deficit on ordinary activities

	Group 2024 £'000	Group 2023 £'000
Deficit on ordinary activities is stated after charging/(crediting):		
Depreciation for the year		
Housing properties (note 11)	66,823	66,700
Other tangible fixed assets (note 11)	7,218	8,871
Amortisation of government grant (note 16)	(11,619)	(11,956)
Amortisation of intangibles (note 11)	12,936	13,569
Impairment charge/(credit) for the year		
Housing properties (note 11)	—	4,545
Investment properties and properties awaiting sale	—	120
Impairment of investment in subsidiary	—	418
Impairment of joint ventures	(2,190)	9,130
Auditors' remuneration		
For audit services	714	515
For non-audit services		
— other	5	6
Operating lease rentals		
Land and buildings	7,045	7,601
Other	43	1,223

	Association 2024 £'000	Association 2023 £'000
(Deficit)/surplus on ordinary activities is stated after charging/(crediting):		
Depreciation for the year		
Housing properties (note 11)	64,972	41,797
Other tangible fixed assets (note 11)	6,952	4,803
Amortisation of government grant (note 16)	(11,317)	(11,653)
Amortisation of intangibles (note 11)	12,936	13,569
Impairment (credit)/charge for the year		
Investment properties and properties awaiting sale	—	—
Impairment of joint ventures	(2,190)	—
Auditors' remuneration		
For audit services	225	135
For non-audit services		
— other	5	6
Operating lease rentals		
Land and buildings	6,301	7,046
Other	534	1,214

The Association's investment in Citystyle Fairview VQ LLP has increased by £2.19m in the year due to the reversal of a previous impairment charge.

10 Tax on surplus on ordinary activities

	Group 2024 £'000	Restated 2023 £'000
Analysis of charge in period		
Current tax charge	12	(1,914)
Deferred tax charge	345	(1,616)
Total tax charge/(credit)	**357**	**(3,530)**

Factors affecting tax charge for period
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19 %. The differences are explained below:

	2024 £'000	2023 £'000
(Deficit)/surplus on ordinary activities before tax	(6,042)	(12,841)
(Deficit)/surplus on ordinary activities at standard rate of corporation tax in the UK of 25 % (2023: 19 %)	(1,511)	(2,440)
Expenses not deductible for tax purposes	168,051	79,199
Loss exempt from tax due to charitable exemption	(165,040)	(76,095)
Movements in fair value on acquisition of subsidiary	—	—
Gains/revaluations	—	(1,566)
Adjustments to prior year	12	5,230
Prior year deferred tax	—	—
Deferred tax not provided	1,035	—
Movements in fair value of financial instruments	—	—
Movement in investment properties	—	—
(Creation)/use losses and group reliefs	—	2
Gift aid	(2,848)	—
Affect on profit from Joint Ventures	—	(535)
Rate change	(56)	(265)
Total charge	**(357)**	**3,530**

Deferred taxation
The movement in the year is as follows:

	2024 £'000	2023 £'000
At the beginning of the year	(352)	1,347
Charge for the year	(357)	3,530
Movements in deferred tax treatment	12	(5,230)
At the end of the year	**(697)**	**(352)**

10 Tax on surplus on ordinary activities – continued

Factors affecting tax charge for period
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 25 %. The differences are explained below:

£'000	Association 2024 £'000	2023
(Loss)/profit on ordinary activities before tax	(16,094)	22,455
(Loss)/profit on ordinary activities at standard rate of corporation tax in the UK of 25 % (2023: 19 %)	(4,024)	4,266
Profits exempt from tax as a result of charitable exemption	4,024	(4,266)
Current tax	—	—

11 Fixed assets

Housing properties

	Group				
	Social housing properties held for letting £'000	Social housing properties under construction £'000	Completed shared ownership properties £'000	Shared ownership properties under construction £'000	Total properties £'000
Cost					
At 1 April 2023 - restated	3,880,072	235,815	419,639	125,637	4,661,163
Schemes completed	150,821	(150,821)	121,313	(121,313)	—
Additions	1,093	124,029	127	74,924	200,173
Improvements to existing properties	86,566	—	—	—	86,566
Disposals	(23,694)	—	(12,099)	—	(35,793)
Accelerated replacement of components	(4,006)	—	—	—	(4,006)
At 31 March 2024	**4,090,852**	**209,023**	**528,980**	**79,248**	**4,908,103**
Depreciation and impairment					
At 1 April 2023	586,088	—	9,613	—	595,701
Charge for the year	65,302	—	1,521	—	66,823
Eliminated in respect of disposals and components	(7,204)	—	(155)	—	(7,359)
Impairment charge	—	—	—	—	—
Impairment released on disposal	(6,202)	—	—	—	(6,202)
At 31 March 2024	**637,984**	**—**	**10,979**	**—**	**648,963**
Net book value at 31 March 2024	**3,452,868**	**209,023**	**518,001**	**79,248**	**4,259,140**
Net book value at 31 March 2023 - Restated	3,293,984	235,815	410,026	125,637	4,065,462

Impairment and depreciation

The housing property portfolio for the Group is assessed for indicators of impairment at each reporting date. Where indicators are identified, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated with the recoverable amounts. The carrying amount is taken to be cost less accumulated depreciation, net of amortised grant. The recoverable amount is taken to be the higher of fair value less costs to sell or value in use in respect of their service potential. For social housing assets, EUV-SH is used as a measure for fair value and depreciated replacement cost is an appropriate measure of value in use. An impairment loss is recognised in the Statement of Comprehensive Income. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income. The Riverside Group Limited considers that both property and location of housing property assets represent separate 'Cash Generating Units' (CGU) when assessing for impairment in accordance with the requirements of FRS102 and SORP 2018. CGU's are distinguishable at cost centre level.

No impairment was recognised in the year. Brought forward balances include £17.5m of cumulative impairment of housing property assets.

Depreciation is charged on a straight line basis. Useful lives are shown in note 1 accounting policies.

The 'net book value at 31 March 2023' and the 'cost at 1 April 2023' have been adjusted for comparatives due to a voluntary change in accounting policy and now include interest capitalised on the construction of housing property. See note 32 on pages 150 to 152.

Finance leases

The net book value of housing properties includes an amount of £1.11m (2023: £1.13m) in respect of assets held under finance leases. Such assets are classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

11 Fixed assets – continued

Other tangible fixed assets	Group			Restated
	Scheme fixtures and fittings £'000	Freehold and long leasehold offices £'000	Fixtures vehicles and computer equipment £'000	Total other fixed assets £'000
Cost				
At 1 April 2023	62,407	12,302	4,029	78,738
Additions	13,594	696	1,256	15,546
Disposals	(8,534)	(2,272)	(2,685)	(13,491)
At 31 March 2024	**67,467**	**10,726**	**2,600**	**80,793**
Depreciation and impairment				
At 1 April 2023	6,016	7,039	3,615	16,670
Charge for the year	6,389	212	617	7,218
Eliminated in respect of disposals	(8,576)	(711)	(2,818)	(12,105)
At 31 March 2024	**3,829**	**6,540**	**1,414**	**11,783**
Net book value at 31 March 2024	**63,569**	**4,220**	**1,221**	**69,010**
Net book value at 31 March 2023	56,391	5,263	414	62,068

No impairment losses were recognised in the year.

Depreciation is charged on a straight line basis. Useful lives are shown in note 1 accounting policies.

11 Fixed assets – continued

Intangible fixed assets – Group and Association

	Completed £000	2024 Work in Progress £000	Totals £'000
Cost			
At 1 April 2023	57,027	17,027	74,054
Additions	1,631	8,573	10,204
Disposals	(3,600)	—	(3,600)
Reclassification	2,004	(2,004)	—
Projects completed	12,445	(12,445)	—
At 31 March 2024	**69,507**	**11,151**	**80,658**
Amortisation			
At 1 April 2023	28,126	—	28,126
Charge for the year	12,936	—	12,936
Eliminated in respect of disposals	(2,332)	—	(2,332)
At 31 March 2024	**38,730**	**—**	**38,730**
Net book value at 31 March 2024	**30,777**	**11,151**	**41,928**
Net book value at 31 March 2023	28,901	17,027	45,928

Amortisation is charged on a straight line basis. Useful lives are shown in Note 1 accounting policies.

11 Fixed assets – continued

Housing properties	Association				
	Social housing properties held for letting £'000	Social housing properties under construction £'000	Completed shared ownership properties £'000	Shared ownership properties under construction £'000	Total properties £'000
Cost					
At 1 April 2023 - Restated	3,749,477	212,405	438,532	136,590	4,537,004
Schemes completed	129,940	(129,940)	121,313	(121,313)	—
Additions	891	122,401	127	74,924	198,343
Improvements to existing properties	84,315	—	—	—	84,315
Disposal of properties	(23,694)	—	(12,100)	—	(35,794)
Accelerated replacement of components	(3,957)	—	—	—	(3,957)
At 31 March 2024	**3,936,972**	**204,866**	**547,872**	**90,201**	**4,779,911**
Depreciation and impairment					
At 1 April 2023	566,520	—	8,258	—	574,778
Charge for the year	63,451	—	1,521	—	64,972
Eliminated in respect of disposals and components	(7,163)	—	(155)	—	(7,318)
Impairment released on disposal	(6,202)	—	—	—	(6,202)
At 31 March 2024	**616,606**	**—**	**9,624**	**—**	**626,230**
Net book value at 31 March 2024	**3,320,366**	**204,866**	**538,248**	**90,201**	**4,153,681**
Net book value at 31 March 2023 - Restated	3,182,957	212,405	430,274	136,590	3,962,226

Impairment and depreciation

The housing property portfolio for the Association is assessed for indicators of impairment at each reporting date. Where indicators are identified, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated with the recoverable amounts. The carrying amount is taken to be cost less accumulated depreciation, net of amortised grant. The recoverable amount is taken to be the higher of fair value less costs to sell or value in use in respect of their service potential. For social housing assets, EUV-SH is used as a measure for fair value and depreciated replacement cost is an appropriate measure of value in use. An impairment loss is recognised in the Statement of Comprehensive Income. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income. The Riverside Group Limited considers that both property and location of housing property assets represent separate 'Cash Generating Units' (CGU) when assessing for impairment in accordance with the requirements of FRS102 and SORP 2018. CGU's are distinguishable at cost centre level.

No impairment was recognised in the year. Brought forward balances include £17.5m of cumulative impairment of housing property assets.

Depreciation is charged on a straight line basis. Useful lives are shown in Note 1 accounting policies.

The 'net book value at 31 March 2023' and the 'cost at 1 April 2023' have been adjusted for comparatives due to a voluntray change in accounting policy and now include interest capitalised on the construction of housing property. See note 32 on pages 150 to 152.

Finance leases

The net book value of housing properties includes an amount of £1.11m (2023: £1.13m) in respect of assets held under finance leases. Such assets are classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and the Association has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

11 Fixed assets – continued

Other tangible fixed assets

	Association			
	Scheme fixtures and fittings £'000	**Freehold and long leasehold offices £'000**	**Fixtures vehicles and computer equipment £'000**	**Total other fixed assets £'000**
Cost				
At 1 April 2023	79,227	11,371	4,015	94,613
Additions	13,589	696	1,236	15,521
Disposals	(8,534)	(2,272)	(2,682)	(13,488)
At 31 March 2024	**84,282**	**9,795**	**2,569**	**96,646**
Depreciation and impairment				
At 1 April 2023	23,422	6,075	3,604	33,101
Charge for the year	6,313	212	427	6,952
Eliminated in respect of disposals	(8,576)	(711)	(2,633)	(11,920)
At 31 March 2024	**21,159**	**5,576**	**1,398**	**28,133**
Net book value at 31 March 2024	**63,123**	**4,219**	**1,171**	**68,513**
Net book value at 31 March 2023	55,805	5,296	411	61,512

No impairment was recognised in the year.

Depreciation is charged on a straight line basis. Useful lives are shown in note 1 accounting policies.

11 Fixed assets – continued

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

	Group 2024 £'000	Group Restated 2023 £'000
Housing Properties		
Freehold	4,259,131	4,070,962
Long leasehold	9	9
	4,259,140	**4,070,971**
Offices		
Freehold	3,169	3,897
Long leasehold	1,051	1,400
	4,220	**5,297**

	Association 2024 £'000	Association Restated 2023 £'000
Housing Properties		
Freehold	4,153,672	3,967,726
Long leasehold	9	9
	4,153,681	**3,967,735**
Offices		
Freehold	3,133	3,897
Long leasehold	1,086	1,399
	4,219	**5,296**

The 2023 'freehold housing properties' have been adjusted for comparatives due to a change in accounting policy and now include interest capitalised on the construction of housing property. See note 32 on pages 150 to 152.

12 Investments

A. Fixed assets - Investments in subsidiaries

Name of undertaking	Nature of undertaking	Principal activity
Donald Bates Charity	Charitable Trust	Management of sheltered housing
ECHG (Harrow) Homes Limited	Private company limited by shares under the Companies Act 2006	Property investment
ECHG (Kensington & Chelsea) Homes Limited	Private company limited by shares under the Companies Act 2006	Property investment
Eleanor Godfrey Crittall Charity	Charitable Trust	Management of sheltered housing
Eventide Homes Trust	Charitable Trust	Management of supported housing
Evolve Facility Services Limited	Private company limited by shares under the Companies Act 2006	Property maintenance
Irvine Housing Association Limited	Registered Society and Scottish Registered Charity under the Co-operative and Community Benefits Societies Act 2014	Registered provider of social housing
Prospect (GB) Limited	Company incorporated and limited by shares under the Companies Act 2006	Property development and investment
Riverside Consultancy Services Limited	Company incorporated and limited by shares under the Companies Act 2006	Design and build services
Riverside Finance plc	Public Limited Company incorporated under the Companies Act 2006	Bond issuance
Riverside Estuary Limited	Private charitable company limited by shares under the Companies Act 2006	Construction and management of Extra Care homes
Riverside Regeneration Limited	Company incorporated and limited by shares under the Companies Act 2006	Investment in Stanton Cross LLP
Riverside Regeneration (Lambeth) Limited	Company incorporated and limited by shares under the Companies Act 2006	Urban regeneration initiatives
Riverside Regeneration (Bromley) Limited	Company incorporated and limited by shares under the Companies Act 2006	Urban regeneration initiatives
Riverside Regeneration (London) Limited	Company incorporated and limited by shares under the Companies Act 2006	Urban regeneration initiatives
Riverside Regeneration (Southwark) Limited	Company incorporated and limited by shares under the Companies Act 2006	Urban regeneration initiatives
Citystyle Living Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Nunhead Lane) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Close) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (St Ann's) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Kidwells THA) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration

12 Investments – continued

Name of undertaking	Nature of undertaking	Principal activity
Citystyle Living (Wenlock Road) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (High Road Haringey 624 THA) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Acton Town Hall) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Victoria Quarter) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Belmont) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (North End Farm) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Goldhawk) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Citystyle Living (Bangor Wharf) Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
CHA Ventures Limited	Private company limited by shares under the Companies Act 2006	Design and build services
One Housing Foundation	Company limited by guarantee and a charity registered with the Charity Commission	Charitable foundation
One Housing Investment Limited	Private company limited by shares under the Companies Act 2006	Strategic urban regeneration
Renovo Facilities and Services Limited[1]	Private company limited by shares under the Companies Act 2006	Property Maintenance

Key to numbering

1 Entity is owned 51% by The Riverside Group Limited.

All other undertakings are 100% owned by The Riverside Group Limited.

12 Investments – continued

	Group 2024 £'000	Group Restated 2023 £'000
Fixed assets		
Investment in joint ventures (see (i) below)	104,810	82,982
Investment properties (see (ii) below)	191,705	192,090
Other (see (iii) below)	2,487	2,395
Homebuy equity loans (see (iv) below)	1,305	1,346
Total fixed assets	**300,307**	**278,813**

	Association 2024 £'000	Association 2023 £'000
Fixed assets		
Investment in joint ventures	3,475	1,285
Investment properties (see (ii) below)	54,657	56,859
Investment in subsidiaries	245,812	236,664
Other (see (iii) below)	2,136	2,208
Homebuy equity loans (see (iv) below)	164	204
Total fixed assets	**306,244**	**297,220**

	Group 2024 £'000	Group Restated 2023 £'000
(i) Group share of net assets and liabilities of joint ventures		
Compendium Group Limited	4,108	3,968
Stanton Cross Developments LLP	48,123	42,176
Regeneration Lambeth LLP	(19)	(16)
Regeneration Bromley (Pike Close) LLP	302	(111)
Regeneration Bromley (Calverley Close) LLP	76	(111)
Friars Close Regeneration LLP	1,615	1,125
New Ladderswood LLP	24,345	13,435
New Granville LLP	23,774	21,139
Citystyle Fairview VQ LLP	2,585	1,377
Camden Development Partnership LLP	(99)	—
	104,810	**82,982**

The 2023 'investment in joint ventures' has been restated for a prior period correction, see note 32 on pages 150 to 152.

12 Investments – continued

Name of investing entity	Proportion of voting rights	JV Partner	Joint venture entity
The Riverside Group Limited	50	Lovell Partnerships Limited	Compendium Group Limited
Riverside Regeneration Limited	50	Vistry Limited	Stanton Cross Developments LLP
Riverside Regeneration Lambeth Limited	50	Bellway Homes Limited	Lambeth Regeneration LLP
Riverside Regeneration Bromley Limited	50	Countryside Properties (UK) Limited	Regeneration Bromley (Pike Close) LLP
Riverside Regeneration Bromley Limited	50	Countryside Properties (UK) Limited	Regeneration Bromley (Calverley Close) LLP
Riverside Regeneration Southwark Limited	50	Mount Anvil Limited	Friars Close Regeneration LLP
CHA Ventures Limited	50	Mullally & Co Limited	New Ladderswood LLP
CHA Ventures Limited	50	Mullally & Co Limited	New Granville LLP
Citystyle Living Victoria Quarter Limited	50	Fairview New Homes Limited	Citystyle Fairview VQ LLP
One Housing Investment Limited	50	Countryside Partnerships Limited	Camden Development Partnership LLP

	Group share of profit/(loss) in joint ventures 2024 £'000	Group share of profit/(loss) in joint ventures 2023 £'000
Name of joint venture entity		
Compendium Group Limited	140	525
Stanton Cross Developments LLP	8,800	5,876
Lambeth Regeneration LLP	(3)	(6)
Regeneration Bromley LLP (Pike Close)	414	(34)
Regeneration Bromley LLP (Calverley Close)	187	(37)
Regeneration Southwark	(11)	—
New Ladderswood LLP	109	(236)
New Granville LLP	(1,165)	(489)
Citystyle Fairview VQ LLP	(613)	(9,645)
Camden Development Partnership LLP	(98)	17
	7,760	**(4,029)**

12 Investments – continued

	Group		
	Market Rent £'000	Commercial £'000	2024 Total £'000
(ii) Investment properties			
Valuation at 1 April 2023 - Restated	141,059	51,031	192,090
Revaluation	4,458	(4,633)	(175)
Reclassification	88	(88)	—
Disposals	—	(210)	(210)
Valuation at 31 March 2024	**145,605**	**46,100**	**191,705**

	Association		
	Market Rent £'000	Commercial £'000	2024 Total £'000
(ii) Investment properties			
Valuation at 1 April 2023	7,718	49,141	56,859
Revaluation	750	(2,742)	(1,992)
Reclassification	88	(88)	—
Disposals	—	(210)	(210)
Valuation at 31 March 2024	**8,556**	**46,101**	**54,657**

The Group and Association 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 Surveyors' Appraisal and Valuation Manual.

In valuing investment properties, a discounted cash flow methodology was adopted with the following key assumptions:
Discount rate 7.00 % - 7.40 %
Annual inflation rate - Inflation was implicit in the cashflow methodology.
Level of long-term annual rent increase 2.50 % (from year 6 onwards).

The surplus on revaluation of investment property including movements on disposal of investments properties of Group £385k (Association: £2.2m) has been debited from the Statement of Comprehensive Income for the year.

12 Investments – continued

	Group 2024 £'000	Group 2023 £'000
(iii) Other investments		
At 1 April	2,395	2,338
Additions	—	—
Revaluations	92	57
Disposals	—	—
At 31 March	**2,487**	**2,395**

At 31 March 2024, investments measured at fair value through profit and loss comprise the market value of 7.90% secured bonds £2.11m (2023: £2.18m) in connection with a loan. The loan matures in 2033 at which point the loan will be repaid and the value of the stock will be realised. Additional investment in The Charities Investment Fund (COIF) £354k (2023: £312k). The COIF fund is an investment fund designed exclusively for charitable funds in England and Wales. The fund is promoted as a socially responsible fund. The fair value is determined by reference to their market price.

	Association 2024 £'000	Association 2023 £'000
(iii) Other investments		
At 1 April	2,208	1,989
Additions	—	—
Revaluations	(72)	219
Disposals	—	—
At 31 March	**2,136**	**2,208**

At 31 March 2024, investments measured at fair value through profit and loss comprise the market value of 7.90% secured bonds £2.11m (2023: £2.18m) in connection with a loan. The loan matures in 2033 at which point the loan will be repaid and the value of the stock will be realised. The fair value is determined by reference to their market price.

12 Investments – continued

	Group	
	2024 £'000	2023 £'000
(iv) Homebuy equity loans		
At 1 April	1,346	1,346
New loans issued	—	—
Loans redeemed	(41)	—
Provisions against loans	—	—
At 31 March	**1,305**	**1,346**

	Association	
	2024 £'000	2023 £'000
(iv) Homebuy equity loans		
At 1 April	204	204
New loans issued	—	—
Loans redeemed	(40)	—
Provisions against loans	—	—
At 31 March	**164**	**204**

Investments in Homebuy loans represent an equity stake in third party properties purchased under the Homebuy scheme. The loans are interest free and repayable only on the sale of the property. Security for the loans is based on the assets the loans relate to. During the year, one loan was repaid £40k (2023: nil) as the property the loan was secured against was sold. All loans are repayable on the future sale of the property the loans relate to. The Group expects to recover all loans and no loans require an impairment loss.

	Group	
	2024 £'000	2023 £'000
Current asset investment		
PFI reserves	27,031	30,390
Client sinking funds	38,811	31,049
Money market account	13,525	6,357
Total current asset investments	**79,367**	**67,796**

	Association	
	2024 £'000	2023 £'000
Current asset investment		
PFI reserves	24,932	28,066
Client sinking funds	38,028	31,051
Money market account	13,526	6,354
Total current asset investments	**76,486**	**65,471**

Current asset investments include cash on deposit in the money market invested for periods of generally greater than three months and charged accounts which are illiquid.

13 Debtors

	Group 2024 £'000	Group 2023 £'000
Debtors: amounts falling due after more than one year:		
Improvement programmes	1,348	3,000
PFI finance debtor	66,548	71,995
Other debtors	—	10,000
	67,896	**84,995**
Debtors: amounts falling due within one year:		
Rent and service charge arrears	43,416	39,732
Less: provision for bad and doubtful debts	(24,622)	(22,540)
Net rental debtors	**18,794**	**17,192**
Other debtors	38,123	14,099
Prepayments and accrued income	33,779	45,422
Amounts due from joint venture	40,171	30,462
Total debtors amounts falling due within one year	**130,867**	**107,175**

13 Debtors – continued

	Association 2024 £'000	Association 2023 £'000
Debtors: amounts falling due after more than one year:		
Improvement programmes	1,114	3,000
Intra group debtors	30,943	27,656
PFI finance debtor	9,574	12,304
Other debtors	—	10,000
	41,631	**52,960**
Debtors: amounts falling due within one year:		
Rent and service charge arrears	41,513	37,985
Less: provision for bad and doubtful debts	(23,452)	(21,588)
Net rental debtors	**18,061**	**16,397**
Other debtors	36,531	17,709
Prepayments and accrued income	31,549	44,354
Amount due from joint venture	4,232	—
Intra group debtors	19,948	—
Total debtors amounts falling due within one year	**110,321**	**78,460**

Intra group debtors comprise loans between The Riverside Group Limited and three of its subsidiaries.

Unsecured loan to Irvine Housing Association £9.3m, interest charged at Bank of England base rate plus 0.75%-1.5%, matures in 2036.

Unsecured loan to Prospect (GB) Limited £17m, interest charged at Bank of England base rate plus 0.5%, matures in 2029.

Unsecured loan to Riverside Estuary Limited £4.7m, interest charged at 12.60%, matures in 2042.

14 Properties for sale

	Group			
	First tranche shared ownership 2024 £'000	Outright sale 2024 £'000	Total 2024 £'000	Restated Total 2023 £'000
Properties under construction	37,058	44,739	81,797	79,386
Completed properties	39,471	1,790	41,261	17,565
	76,529	**46,529**	**123,058**	**96,951**

	Association			
	First tranche shared ownership 2024 £'000	Outright sale 2024 £'000	Total 2024 £'000	Restated Total 2023 £'000
Properties under construction	36,923	—	36,923	54,912
Completed properties	39,471	—	39,471	10,857
	76,394	—	**76,394**	**65,769**

The 2023 'properties under construction' have been adjusted for comparatives due to a change in accounting policy and now include interest capitalised on the construction of housing property. See note 32 on pages 150 to 152.

15 Creditors: amounts falling due within one year

	Group 2024 £'000	Group Restated 2023 £'000
Bank and other loans (see note 17)	124,210	168,661
Trade creditors	26,557	13,190
Rent and service charges received in advance	28,829	18,836
Social housing grant received in advance	13,074	11,321
Tax and social security	1,875	—
Other creditors	18,579	20,750
Recycled capital grant fund (see note 16a)	14,709	20,449
Accruals and deferred income	113,363	101,283
Deferred capital grant	11,619	11,956
Obligations under finance leases	63	88
Amounts due to joint ventures	8,726	—
	361,604	**366,534**

The 2023 'Recycled capital grant fund' has been restated and increased by £7.05m to recognise grant that should have been recycled upon disposal of housing property assets in the prior year. See note 32 on pages 150 to 152.

Amounts due to joint ventures include £8.7m repayable to Regeneration Bromley (Pike Close) LLP. The LLP paid surplus cash to the Group and funds will be repaid to the LLP to fund continuing investments.

	Association 2024 £'000	Association Restated 2023 £'000
Bank and other loans (see note 17)	121,029	165,924
Trade creditors	20,909	14,581
Rent and service charges received in advance	27,915	17,914
Social Housing Grant received in advance	12,976	11,222
Tax and social security	1,187	—
Other creditors	18,998	23,521
Recycled Capital Grant Fund (see note 16a)	14,709	20,449
Accruals and deferred income	90,896	88,594
Intra group creditors	50,496	36,529
Deferred capital grant	11,317	11,653
Obligations under finance leases	63	88
	370,495	**390,475**

Social Housing Grant received in advance will be utilised against the related capital expenditure during the next twelve months. Deferred government grant received from Homes England is initially stated at transaction value as a long-term liability and is amortised as income over the life of the structure of properties.

16 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Restated 2023 £'000
Long term loans (see note 17)	2,395,154	2,177,105
Recycled capital grant fund (see note 16a)	32,575	18,561
Deferred capital grant (note 16b)	1,197,120	1,130,589
Accumulated amortisation of deferred capital grant	(262,270)	(253,117)
Amortisation of deferred capital grant due in one year	(11,619)	(11,956)
Fair value derivatives	7,492	(2,939)
Derivatives not designated as hedges	—	7,744
Obligations under finance leases	1,363	1,323
Sinking and cyclical funds	37,593	34,342
Grant on Homebuy	1,305	1,346
	3,398,713	**3,102,998**

The 2023 'recycled capital grant fund' has been restated and increased by £575k to recognise grant that should have been recycled upon disposal of housing property assets in the prior year. See note 32 on pages 150 to 152.

In 2023, £7.74m of derivatives were not designated as hedges. Following the transfer of engagement on 31 March 2023, all derivatives belonging to former subsidiary One Housing Group were transferred to the Association and were designated as hedges on 1 April 2023.

Long term loans are secured by fixed charges on properties.

	Association 2024 £'000	Restated 2023 £'000
Long term loans (see note 17)	2,238,340	2,014,602
Recycled capital grant fund (see note 16a)	32,575	18,561
Deferred capital grant (note 16b)	1,151,636	1,085,118
Accumulated amortisation of deferred capital grant	(257,785)	(248,934)
Amortisation of deferred capital grant due in one year	(11,317)	(11,653)
Fair value derivatives	7,492	(2,939)
Derivatives not designated as hedges	—	7,744
Obligations under finance leases	1,363	1,323
Sinking and cyclical funds	37,594	34,340
Grant on Homebuy	164	204
	3,200,062	**2,898,366**

The 2023 'recycled capital grant fund' has been restated and increased by £575k to recognise grant that should have been recycled upon disposal of housing property assets in the prior year. See note 32 on pages 150 to 152.

In 2023, £7.74m of derivatives were not designated as hedges. Following the transfer of engagement on 31 March 2023, all derivatives belonging to former subsidiary One Housing Group were transferred to the Association and were designated as hedges on 1 April 2023.

Long term loans are secured by fixed charges on properties.

16a Creditors: analysis of recycled capital grant fund

	Group	
	2024 £'000	2023 £'000
Recycled Capital Grant Fund		
Opening balance	39,010	18,943
Inputs to RCGF:		
Grants recycled	10,587	20,561
Interest accrued	1,201	346
Recycling of grant:		
Newbuild	(3,514)	(5,214)
Transferred to creditors	—	(3,251)
Closing balance	**47,284**	**31,385**

£14.7m is potentially due for repayment to Homes England and is recognised within 'creditors: amounts falling due within one year'.

	Association	
	2024 £'000	2023 £'000
Recycled Capital Grant Fund		
Opening balance	39,010	7,027
Inputs to RCGF:		
Grants recycled	10,584	20,561
Interest accrued	1,201	346
Recycling of grant:		
Newbuild	(3,514)	(5,214)
Transferred to creditors	—	(3,251)
Arising on Group reconstruction	—	11,916
Closing balance	**47,281**	**31,385**

16b Deferred Capital Grant

	Group 2024 £'000	Group 2023 £'000
Deferred capital grant		
At start of the year	1,130,589	1,051,547
Grant received in the year	76,675	81,914
Disposals	(10,144)	(2,872)
As at 31 March 2024	**1,197,120**	**1,130,589**
Amortisation at start of the year	(253,117)	(242,736)
Released to income	(11,619)	(11,956)
Released to disposals	2,466	1,575
As at 31 March 2024	**(262,270)**	**(253,117)**

Amounts to be released within one year £11.6m.
Amounts to be released after more than one year £1.2b.

	Association 2024 £'000	Association 2023 £'000
Deferred capital grant		
At start of the year	1,085,118	983,361
Grant received in the year	76,662	58,899
Disposals	(10,144)	(5,030)
Arising on Group reconstruction	—	47,888
As at 31 March 2024	**1,151,636**	**1,085,118**
Amortisation at start of the year	(248,934)	(238,830)
Released to income	(11,317)	(11,653)
Released to disposals	2,466	1,549
As at 31 March 2024	**(257,785)**	**(248,934)**

Amounts to be released within one year £11.3m.
Amounts to be released after more than one year £1.1b.

17 Debt analysis

	Group 2024 £'000	Restated 2023 £'000
Due within one year		
Bank loans	116,412	145,453
Other loans	3,722	19,132
Local authority loans	4,076	4,076
Total due within one year	**124,210**	**168,661**
Due after more than one year		
Bank loans	1,013,655	1,183,942
Local authority loans	158,653	229,283
Other loans	980,319	519,357
Less finance costs capitalised	(13,170)	(15,555)
	2,139,457	**1,917,027**
Bond	250,000	250,000
Premium/Discount on issue	8,143	12,761
Bond issue costs	(2,446)	(2,683)
Net bond balance	**255,697**	**260,078**
Total due after more than one year	**2,395,154**	**2,177,105**

With the exception of £165m of unsecured lending lines, loans and bond are secured by way of a first fixed charge over assets of the Group.

Loans comprise a number of funding lines from capital market issuance, bank term and revolving credit facilities and local authority loans with a combination of fixed and variable rates of interest inclusive of lending margins of between 2.0 % and 11.3 %. Group Debt mix is 79.6 % fixed rate, 20.4 % floating rate. Term debt with repayment profiles falls to be repaid in the periods 2024 to 2064.

The 2023 'Bond' has been restated and reduced by £88m with a corresponding restatement to increase 'other loans' of £88m. See note 32 on pages 150 to 152.

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

Weighted average cost of borrowing for the Group is 5.1 % (FY23 4.57 %).

	2024 £'000	Restated 2023 £'000
Debt maturity profile		
In one year or less	124,210	168,661
Between one and two years	48,719	236,773
Between two and five years	573,985	469,440
In five years or more	1,779,927	1,476,620
	2,526,841	**2,351,494**
Less:		
Loans due in one year or less	(124,210)	(168,661)
Finance costs capitalised	(15,620)	(18,489)
Discount on issue of bond	8,143	12,761
	2,395,154	**2,177,105**

17 Debt analysis – continued

	Association 2024 £'000	Restated 2023 £'000
Due within one year		
Bank loans	115,541	145,453
Other loans	1,412	16,395
Local authority loans	4,076	4,076
Total due within one year	**121,029**	**165,924**
Due after more than one year		
Bank loans	982,083	1,153,847
Local authority loans	82,154	229,283
Other loans	931,215	386,455
Less finance costs capitalised	(13,274)	(15,061)
	1,982,178	**1,754,524**
Intra group creditor – Bond	250,000	250,000
Intra group creditor – Premium on issue	8,143	12,761
Intra group creditor – Bond issue costs	(1,981)	(2,683)
Net bond balance	**255,162**	**260,078**
Total due after more than one year	**2,238,340**	**2,014,602**

With the exception of £165m of unsecured lending lines, loans and bond are secured by way of a first fixed charge over assets of the Association.

Loans comprise a number of funding lines from capital market issuance, bank term and revolving credit facilities and local authority loans with a combination of fixed and variable rates of interest inclusive of lending margins of between 2.0% and 11.3%. Association Debt mix is 78.3% fixed rate, 21.7% floating rate. Term debt with repayment profiles falls to be repaid in the periods 2024 to 2064.

The 2023 'Bond' has been restated and reduced by £88m with a corresponding restatement to increase 'other loans' of £88m. See note 32 on pages 150 to 152.

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

Weighted average cost of borrowing for the Association is 5.2% (FY23 4.28%).

	2024 £'000	Restated 2023 £'000
Debt maturity profile		
In one year or less	121,029	165,924
Between one and two years	47,589	234,463
Between two and five years	526,714	385,482
In five years or more	1,671,150	1,399,640
	2,366,482	**2,185,509**
Less:		
Loans due in one year or less	(121,029)	(165,924)
Finance costs capitalised	(15,256)	(17,744)
Discount on issue of bond	8,143	12,761
	2,238,340	**2,014,602**

17a Borrowing facilities

Undrawn committed borrowing facilities at 31 March 2024 were as follows:

	Group	
	2024 £'000	2023 £'000
Expiring no later than one year	90,000	55,000
Expiring later than one year and no later than five years	161,000	173,000
Expiring later than five years	100,000	100,000
	351,000	**328,000**

In the financial year ended 31 March 2024, all undrawn committed borrowing facilities were fully secured (2023: £0m of undrawn facilities remained to be secured before the facility could be utilised).

	Association	
	2024 £'000	2023 £'000
Expiring no later than one year	85,000	55,000
Expiring later than one year and no later than five years	161,000	168,000
Expiring later than five years	100,000	100,000
	346,000	**323,000**

In the financial year ended 31 March 2024, all undrawn committed borrowing facilities were fully secured (2023: £0m of undrawn facilities remained to be secured before the facility could be utilised).

18 Financial instruments and risk management

A. Carrying amount of financial instruments

The carrying value of the financial assets and liabilities include:

	Group 2024 £'000	Restated Group 2023 £'000	Association 2024 £'000	Restated Association 2023 £'000
Assets at fair value through profit or loss				
Fixed asset investments (note 12)	2,487	2,395	2,136	2,208
Assets measured at amortised cost				
Fixed asset investments (note 12)	1,305	1,346	164	204
Current asset investments (note 12)	79,367	67,796	76,486	65,471
Debtors (note 13)	97,088	63,561	78,772	44,106
Cash and cash equivalents	47,824	32,037	37,665	23,762
Derivatives at fair value through profit or loss				
Designated as hedges (note 16)	(7,492)	2,939	(7,492)	2,939
Other	—	(7,744)	—	(7,744)
Liabilities measured at amortised cost				
Loans (Notes 15, 16 and 17)	(2,519,364)	(2,345,766)	(2,359,369)	(2,180,526)
Trade creditors (notes 15 and 16)	(194,820)	(151,120)	(166,210)	(141,671)
	(2,493,605)	**(2,334,556)**	**(2,337,848)**	**(2,191,251)**

The 2023 assets at fair value through profit or loss has been restated to remove joint ventures from the fixed asset investment.

Derivative financial instruments designated as hedges of variable interest rate risk comprise interest rate swaps.

B. Financial instruments measured at fair value

Where financial instruments are measured in the balance sheet at fair value, disclosure of fair value measurements by level is required, in accordance with the following fair value measurement hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (from prices) or indirectly (that is derived from prices).

Level 3 – Inputs from the asset or liability that are not based on observable market data (that is, unobservable inputs).

Investments measured at fair value through profit and loss comprise investments in bonds and funds investing in UK stocks. The fair value is determined by reference to their market price.

Derivative financial instruments are interest rate swaps designed to hedge the interest rate risk associated with the variability of cashflows on variable rate loans. On the acquisition of One Housing Group Limited, derivative financial instruments were acquired by the Riverside Group at fair value. Centrus Financial Advisors Limited were retained by the Riverside Group to value derivatives at fair value using a discounted cash flow methodology.

All of the Group's derivatives are carried at fair value. Fair value measurement is provided by the Group's external advisors and is categorised as Level 2. The valuation techniques include discounted cash flow pricing models with observable inputs. The most significant inputs into those models are interest rate yield curves, developed from publicly quoted rates and market available information. All valuations have been compared to similar market transactions or alternative third-party pricing services to ensure current market conditions are properly represented.

18 Financial instruments and risk management – continued

C. Hedge accounting

	Group and Association			
	2024 Assets £'000	2024 Liabilities £'000	2023 Assets £'000	2023 Liabilities £'000
Interest rate swaps				
In one year or less	168	(3,273)	159	(3,273)
Between one and two years	3,813	(6,872)	3,863	(6,872)
Between two and three years	11,061	(8,742)	8,625	(7,271)
Between three and five years	21,570	(19,685)	12,387	(12,237)
In five years or more	54,983	(66,477)	22,858	(30,871)
Total	**91,595**	**(105,049)**	**47,892**	**(60,524)**

	Group and Association	
	2024 £'000	2023 £'000
Nominal values		
Cash flow hedge	236,559	191,953
Total	**236,559**	**191,953**

Risk
The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, market risk and the risks associated with the credit condition of financial counterparties.

As at 31st March 2024, the Group held derivative positions via interest swaps totalling £236.6m under a hedge accounting relationship matching £279.0m of the floating rate debt portfolio. A further £50.0m forward starting swap becoming effective in September 2025.

Treasury Policy stipulates that the proportion of fixed rate debt, at all times, will be above 60 %. At the year end the swap and fixed rate positions for the Group indicated a debt mix showing 79.6 % of debt as fixed or hedged via derivative contracts.

For the £236.6m of swaps with various counterparties the maturity dates run up to and include July 2037 with fixed rates in a range from 1.14 % to 5.93 %. The weighted average duration of derivative positions is 5 years.

The Riverside Group will maintain policy limits for debt mix via additional fixed rate debt instruments in the form of loans or derivatives. The debit movement in the fair value of derivatives to the statement of comprehensive income is £2.1m (2023: £1.2m).

18 Financial instruments and risk management – continued

Liquidity Risk

The Group will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it all times to have the level of funds available to it which are necessary for the achievement of its business objectives.

The Group has a policy to maintain sufficient liquidity:

i) In cash to cover the next one months forecast net cash requirement.

ii) In cash and committed loan facilities capable of immediate drawdown to cover the next twelve months forecast net cash requirement, including an estimate of cash collateral requirements.

iii) In cash and committed loan facilities (whether or not capable of immediate drawdown) to cover the higher of committed development spend and the next eighteen months forecast net cash requirement, including an estimate of cash collateral requirements.

Interest Rate Risk

The Group has a policy of managing its exposure to fluctuations in interest rates so as to minimise any detrimental impact on its budgeted expenditure and income levels. In respect of its borrowings the Group is risk adverse and will endeavour to ensure that its borrowings contain a mix of fixed and variable interest rate structures. The optimum mix will be determined in the Annual Treasury Strategy.

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

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

Variable rates during the year included borrowings linked to SONIA. Fixed rate interest includes borrowing in relation to which the interest rate has been fixed in excess of twelve months.

The Chief Financial Officer is responsible for monitoring the Group's interest rate risk exposures and in managing this risk they will pay due regards to:

— minimising the risk of future covenant breach;

— current interest rate levels and the structure of the interest rate market;

— current interest rates and inflation compared with historic trends;

— anticipated future trend movements;

— the impact on revenue of estimated movements in interest rate and inflation trends;

— sensitivity of revenue to movement in interest rates and inflation trends; and

— policy and/or budgetary implications.

The Group has adopted the wider constitutional rule permitting the use of interest rate derivatives to manage its interest rate exposures. The Group will only use derivatives for managing interest rate and inflation risk and not for speculative purposes. All derivative transactions will be subject to standard ISDA documentation.

The Chief Financial Officer will monitor the mark to market of derivatives and ensure sufficient security is available to meet any requirements.

19 Deferred income

	Group 2024 £'000	Group 2023 £'000
Opening balance	347	769
Additions to deferred income	—	3,012
Release of deferred income	(146)	(3,434)
Closing balance	**201**	**347**

Deferred income relating to 100% owned subsidiary Prospect (GB) Limited consists of income for the construction of schemes that are not yet at revenue recognition point. All deferred income is released to statement of comprehensive income.

20 Share capital

	Group and Association 2024 £	Group and Association 2023 £
Opening balance as at 1 April 2023	12	23
Appointed in year	3	2
Resigned in year	(4)	(13)
Closing balance as at 31 March 2024	**11**	**12**

The share capital of the association consists of shares with a nominal value of £1 each, which carry no rights to dividends 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.

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

	Group 2024 £'000	Restated 2023 £'000
Operating surplus	77,987	41,619
Depreciation	74,041	73,504
(Increase)/decrease in other debtors and prepayments	(4,621)	(6,817)
Increase in other creditors and accruals	12,859	20,973
Movement in provisions	5,594	(9,634)
Stock movement	(26,107)	(11,383)
(Increase)/decrease in rent arrears	(1,602)	13,317
Surplus on disposal of housing property	(21,304)	(9,822)
Loss/(gain) on disposal of fixed assets including impairment	(6,901)	5,083
Revaluation gain on investment properties	(210)	—
Amortisation of grant	(11,619)	(11,956)
Amortisation of intangibles	12,936	13,095
Pension operating costs less contributions payable	(7,568)	—
Net cash from operating activities	**103,485**	**117,979**

The 2023 results contain a prior year restatement. Surplus on disposal of housing property has increased by £7.6m, operating surplus has decreased by £7.6m.

22 Analysis of net debt

	Group			
	1 April 2023 £'000	Cash flows £'000	Other changes £'000	31 March 2024 £'000
Cash at bank and in hand	32,037	15,787	—	47,824
Loans due within one year (see note 15)	(168,661)	44,451	—	(124,210)
Loans due after one year (see note 17)	(2,177,105)	(227,394)	9,345	(2,395,154)
Finance lease in year (see note 16)	(1,411)	—	(15)	(1,426)
Total	**(2,315,140)**	**(167,156)**	**9,330**	**(2,472,966)**

23 Capital commitments

	Group	
	2024 £'000	2023 £'000
Capital commitments contracted but not provided for	486,562	623,791
Capital commitments approved by the Board but not contracted for	232,126	154,242

	Association	
	2024 £'000	2023 £'000
Capital commitments contracted but not provided for	486,562	529,844
Capital commitments approved by the Board but not contracted for	232,126	154,242

The capital commitments figure contracted but not provided contains £283.8m of committed spend for the eight joint ventures committed jointly with the JV partners.

Included within commitments approved but not contracted for are £97.5m of capital fire safety remediation works.

In terms of funding the existing Group capital commitments, allowances were included for all committed, approved but not in contract and proposed uncommitted schemes within the approved FY24 business plan. There is currently £170m of forecast Shared Ownership income and £82m of grant income to be received over the life of the schemes included in the figures above. There is also a bid for additional grant income being negotiated with the Greater London Authority. There are no specific loans or loans under negotiation in relation to schemes included in these figures, although the additional new homes created by this spend will increase the security the Group can offer against any future loans.

24 Financial commitments

At 31 March 2024, the Group had minimum lease payments under non-cancellable operating leases as set out below:

	Group			
	2024		2023	
	Land & buildings £'000	Other £,000	Land & buildings £'000	Other £,000
Expiring within one year	7,045	43	7,703	942
Expiring between one and five years	25,917	1,063	23,833	390
Expiring in five years or more	219,420	52	168,795	101
	252,382	**1,158**	**200,331**	**1,433**

At 31 March 2024, the Association had minimum lease payments under non-cancellable operating leases as set out below:

	Association			
	2024		2023	
	Land & buildings £'000	Other £,000	Land & buildings £'000	Other £,000
Expiring within one year	6,301	534	7,156	925
Expiring between one and five years	25,704	1,063	22,409	389
Expiring in five years or more	219,472	52	168,746	101
	251,477	**1,649**	**198,311**	**1,415**

	Group	
	2024 £'000	2023 £'000
At 31 March 2024 commitments under Finance leases		
In one year or more but less than two	63	88
In two years or more but less than five	191	157
In five years or more	1,172	1,166
	1,426	**1,411**

	Association	
	2024 £'000	2023 £'000
At 31 March 2024 commitments under Finance leases		
In one year or more but less than two	63	88
In two years or more but less than five	191	157
In five years or more	1,172	1,166
	1,426	**1,411**

25 Pension information

At 31 March 2024 The Riverside Group Limited recognised the following pension provision for deficit funding liabilities:

	Group and Association 2024 £'000	2023 £'000
Summary of pension deficit funding liability		
Riverside Group pension scheme	—	—
Riverside (Ex SHPS) defined benefit scheme	(14,249)	(12,577)
Riverside (Ex SHPS OHG) defined benefit scheme	(9,867)	(8,578)
LGPS – Tower Hamlets	3,611	2,798
Growth plan	(2)	(5)
Total provision (note 27)	**(20,507)**	**(18,362)**

During the year the following amounts were recognised within other comprehensive income for the year for the actuarial loss on the pension scheme.

	Group and Association 2024 £'000	2023 £'000
Summary of remeasurement through statement of other comprehensive income		
Riverside Group pension scheme	(911)	(2,920)
Riverside (Ex SHPS) defined benefit Scheme	(6,020)	2,394
Riverside (Ex SHPS OHG) defined benefit scheme	(2,739)	(1,952)
LGPS – Tower Hamlets	625	1,161
Growth Plan	—	—
Total remeasurement through other comprehensive income	**(9,045)**	**(1,317)**

Information on separate Pension Schemes can be found on pages 127 to 139.

25 Pension information – continued

i) The Riverside Group Pension Scheme

The Group operates the Riverside Group Pension Scheme (RGPS), a UK registered trust-based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The RGPS was closed to future accrual on 31 March 2016.

The Trustee is responsible for running the RGPS in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the RGPS is required to act in the best interests of the beneficiaries.

The Trustee is required to carry out an actuarial valuation every three years. The last triennial actuarial valuation of the RGPS was carried out as at 31 March 2023. This valuation revealed a funding surplus of £9m. As a result, the Trustee and Group agreed that from 1 October 2023, deficit contributions to the RGPS from the Group could cease. The Group therefore does not expect to pay any contributions to the RGPS during the accounting year beginning 1 April 2024.

The next actuarial valuation is due as at 31 March 2026.

All expenses in relation to running the RGPS are met directly by the RGPS.

	2024	2023
Principal actuarial assumptions used at the balance sheet date		
Rate of discount on scheme liabilities	4.9%	4.7%
Retail price inflation	3.1%	3.2%
Consumer price inflation	2.8%	2.8%
Pension increases:		
— Pre 1 February 2002 accrual	3.1%	3.1%
— Pre 5 April 2006 accrual	3.1%	3.1%
— Post 5 April 2006 accrual	2.2%	2.2%
Life expectancy at age 65:		
— Male current pensioner	21.1	21.6
— Female current pensioner	23.6	24.0
— Male future pensioner	22.4	22.9
— Female future pensioner	25.0	25.5

	2024 £'000	2023 £'000
Fair value of plan assets	127,599	133,637
Present value of plan liabilities	(118,536)	(117,549)
Irrecoverable surplus	(9,063)	(16,088)
Deficit in the scheme	—	—

25 Pension information – continued

The market value of the assets of the scheme and the expected long term rates of return at 31 March 2024 were:

	2024 £'000	2023 £'000
Composition of plan assets		
Equities	21,834	12,908
Insurance policy	7,757	8,531
LDI Portfolio	50,913	76,868
Gilts	18,135	—
Cash	949	11,328
Other	28,011	24,002
Total plan assets	**127,599**	**133,637**

Amounts recognised in the statement of comprehensive income are as follows:

	2024 £'000	2023 £'000
Amounts recognised in the statement of comprehensive income		
Administration expenses	(627)	(80)
Interest on assets	6,218	4,517
Interest on liabilities	(5,424)	(4,517)
Interest on irrecoverable surplus	(756)	—
Amount recognised in the statement of comprehensive income	**(589)**	**(80)**
Analysis of actuarial loss recognised in other comprehensive income		
Return on scheme assets excluding amount included in net interest	(8,775)	(57,305)
Experience gains arising on the scheme liabilities	83	52,315
Adjustment for restrictions on the asset recognised	7,781	2,070
Remeasurement	**(911)**	**(2,920)**
Total defined benefit (liability)	**—**	**—**

25 Pension information – continued

	2024 £'000	2023 £'000
Movement in deficit funding liability during year		
Contributions from the employer	1,500	3,000
Administration expenses	(627)	(80)
Net interest expense	38	—
Return on assets excluding amount included in net interest	(8,775)	(57,305)
Experience gains arising on the scheme liabilities	83	52,315
Change in the effect of the asset limit	7,781	2,070
Deficit funding liability at end of the year	**—**	**—**

	2024 £'000	2023 £'000
The return on scheme assets		
Interest income	6,218	4,517
Return on scheme assets excluding amount included in net interest	(8,775)	(57,305)
	(2,557)	**(52,788)**

25 Pension information – continued

	2024 £'000	2023 £'000
Reconciliation of plan assets		
Plan assets at beginning of period	133,637	187,391
Employer contributions	1,500	3,000
Benefits paid	(4,354)	(3,886)
Interest income	6,218	4,517
Administration expenses	(627)	(80)
Return on scheme assets excluding amounts included in net interest	(8,775)	(57,305)
Plan assets at end of year	**127,599**	**133,637**
Reconciliation of plan liabilities		
Projected benefit obligation at the beginning of period	(117,549)	(169,233)
Interest expense	(5,424)	(4,517)
Benefits paid	4,354	3,886
Experience gains arising on the scheme liabilities	83	52,315
Projected benefit obligation at end of year	**(118,536)**	**(117,549)**

25 Pension information – continued

ii) Riverside (Ex SHPS) DB Scheme

The Riverside (Ex SHPS) DB Scheme was established with effect from the 1 October 2019 after a bulk transfer from the Social Housing Pension Scheme (SHPS). The bulk transfer resulted in Riverside's share of the assets and liabilities in SHPS being transferred into the new Riverside (Ex SHPS) DB Scheme. On 1 April 2021 there was a further bulk transfer from SHPS in respect of former Impact Housing members.

The Ex SHPS Scheme is a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Ex SHPS Scheme is closed to future accrual.

Verity Trustees are responsible for running the Ex SHPS Scheme in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the Ex SHPS Scheme is required to act in the best interests of the beneficiaries.
The Trustee is required to carry out an actuarial valuation every three years. The first actuarial valuation of the Ex SHPS Scheme was carried out as at 30 September 2020. This valuation revealed a funding shortfall of £28.8m. Following this valuation, the Employer agreed a deficit recovery plan with the Trustee of £5m per annum. The actuarial valuation as at 30 September 2023 is currently underway.

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

In 2021, the Group were notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items and this process is ongoing with it being unlikely to be resolved before the second quarter of 2025 at the earliest. It is estimated that this could potentially increase the value of the Group's liabilities by £5.4m. The Group note that this estimate has been calculated as at 31 May 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with previous years, no adjustment has been made in these financial statements in respect of this.

	2024	2023
Rate of discount on scheme liabilities	4.9%	4.7%
Retail price inflation	3.1%	3.2%
Consumer price inflation	2.8%	2.8%
Life expectancy at age 65		
— Male current pensioner	20.7	21.0
— Female current pensioner	23.2	23.4
— Male future pensioner	22.0	22.3
— Female future pensioner	24.7	24.9

	2024 £'000	2023 £'000
Fair value of assets	74,907	76,918
Present value of liabilities	(89,156)	(89,495)
Deficit in the schemes	**(14,249)**	**(12,577)**

25 Pension information – continued

	2024 £'000	2023 £'000
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at the start of period	(89,495)	(129,810)
Interest expense	(4,108)	(3,458)
Experience (losses) due to scheme experience	(3,438)	(6,884)
Experience gains due to changes in demographic assumptions	772	3,878
Experience gains due to changes in financial assumptions	2,889	43,290
Benefits paid and expenses	4,224	3,489
Defined benefit obligation at the end of period	**(89,156)**	**(89,495)**

	2024 £'000	2023 £'000
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair Value of plan assets at the start of period	76,918	110,368
Interest income	3,629	2,999
Expenses	(315)	(280)
Experience of plan assets (excluding amounts included in interest income)	(6,243)	(37,890)
Contributions by the employer	5,142	5,210
Benefits paid and expenses	(4,224)	(3,489)
Fair value of plan assets at the end of period	**74,907**	**76,918**
Defined benefit costs recognised in statement of comprehensive income		
Scheme expenses	315	280
Net Interest expense	479	459
Defined benefit cost recognised in statement of comprehensive income	**794**	**739**
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost)	(6,243)	(37,890)
Experience (losses) arising on the plan liabilities	(3,438)	(6,884)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	772	3,878
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	2,889	43,290
Total amount recognised in other comprehensive income – (loss)/gain	**(6,020)**	**2,394**

25 Pension information – continued

	2024 £'000	2023 £'000
Assets		
Equity	6,059	1,806
Bonds	3,947	6,679
Property	3,768	6,363
Cash	6,079	2,544
Other	6,259	7,618
LDI	33,910	37,802
Liquid alternatives	8,463	6,276
Private credit	6,422	7,830
Total assets	**74,907**	**76,918**

25 Pension information – continued

(iii) OHG (Ex SHPS) – DB scheme

The OHG (Ex SHPS) DB Scheme was established with effect from 31 March 2023 after a bulk transfer from the Social Housing Pension Scheme (SHPS). The bulk transfer was in respect of members employed by One Housing Group (OHG) which became a subsidiary of the Riverside Group on 1 December 2021. The bulk transfer resulted in Riverside's share of the assets and liabilities in SHPS being transferred into the new OHG (Ex SHPS) DB Scheme.

The Ex SHPS Scheme is a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Ex SHPS Scheme is closed to future accrual.

Verity Trustees are responsible for running the Ex SHPS Scheme in accordance with the Trust Deed and Rules, which sets out their powers. The Trustee of the Ex SHPS Scheme is required to act in the best interests of the beneficiaries.
The Trustee is required to carry out an actuarial valuation every three years. The triennial actuarial valuation of the Ex SHPS Scheme as at 30 September 2023 is currently under way. Following the bulk transfer from SHPS on 31 March 2023, the Group agreed an interim Schedule of Contributions with the Trustee. The Group has agreed to pay deficit reduction contributions of £1.8m from 1 April 2023.

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

In 2021, the Group were notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items and this process is ongoing with it being unlikely to be resolved before the second quarter of 2025 at the earliest. The financial risk based on OHG's share of SHPS liabilities (based on an actuarial valuation at September 2022) was estimated to be £1.5m. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

	2024	2023
Rate of discount on scheme liabilities	4.90%	4.70%
Retail price inflation	3.10%	3.20%
Consumer price inflation	2.80%	2.80%
Salary Growth	2.80%	2.77%
Life expectancy at age 65:		
— Male current pensioner	21.4	21.0
— Female current pensioner	23.9	23.4
— Male future pensioner	22.7	22.2
— Female future pensioner	25.3	24.9

25 Pension information – continued

	2024 £'000	2023 £'000
Summary of plan liabilities		
At 1 April 2023	(43,115)	(60,246)
Expenses	(100)	(34)
Interest cost	(1,999)	(1,610)
Benefits paid	1,163	1,164
Re-measurements – change in financial assumptions	1,527	18,187
Re-measurements – experience	1,427	(675)
Re-measurements – demographic assumptions	(386)	99
At 31 March 2024	**(41,483)**	**(43,115)**

	2024 £'000	2023 £'000
Summary of plan assets		
At 1 April 2023	34,537	52,091
Interest income on plan assets	1,638	1,413
Employer contributions	1,911	1,760
Benefits paid and expenses	(1,263)	(1,164)
Experience on plan assets – (losses)	(5,307)	(19,563)
At 31 March 2024	**31,516**	**34,537**

	2024 £'000	2023 £'000
Fair value of plan assets	31,516	34,537
Present value of plan liabilities	(41,383)	(43,115)
	(9,867)	**(8,578)**

	2024 £'000	2023 £'000
Defined benefit costs recognised in statement of comprehensive income		
Included in administrative expenses:		
Expenses	100	34
Net interest expense	361	197
	461	**231**

25 Pension information – continued

	2024 £'000	2023 £'000
Defined benefit costs recognised in other comprehensive income		
Remeasurement – change in financial assumptions gain	1,527	18,187
Remeasurement – experience on plan liabilities gain/(losses)	1,427	(675)
Remeasurement – demographic assumptions (losses)/gain	(386)	99
Experience on plan assets (losses)	(5,307)	(19,563)
	(2,739)	**(1,952)**

	2024 £'000	2023 £'000
Assets		
Equity	1,904	641
Bonds	2,770	1,251
Property	1,719	2,515
Cash	2,012	1,379
Other	2,791	4,558
LDI	14,647	15,823
Liquid alternatives	3,315	3,639
Private credit	2,358	4,731
Total assets	**31,516**	**34,537**

25 Pension information – continued

(iv) Tower Hamlets Pension Fund

Up to 31 March 2024 the Group participated in the London Borough of Tower Hamlets Pension Fund (THPF). The THPF is a multi-employer Local Government Pension Scheme that provides defined benefits. The Group left the scheme on 31 March 2024 .

The employees in this scheme had been TUPE'd from local authorities and the Group has closed the THPF to new members.

During 2023/24 the Group made contributions of 60.6 % of salaries in respect of accrual.

	2024	2023
Rate of discount on scheme liabilities	4.80%	4.75%
Salary Growth	2.80%	3.00%
Consumer price inflation	2.80%	3.00%
Allowance for commutation of pension for cash at retirement (post 2008 service)	60%	60%
Life expectancy at age 65:		
— Male current pensioner	19.9	20.1
— Female current pensioner	21.0	23.4
— Male future pensioner	23.5	21.7
— Female future pensioner	24.7	24.9

	2024 £'000	2023 £'000
Reconciliation of liabilities		
At 1 April 2023	(6,324)	(8,371)
Expenses	(40)	(65)
Interest cost	(295)	(223)
Benefits paid	280	274
Employee contributions	(10)	(9)
Re-measurements – change in financial assumptions	250	2,674
Re-measurements – experience	(199)	(611)
Re-measurements – demographic assumptions	30	7
At 31 March 2024	**(6,308)**	**(6,324)**

	2024 £'000	2023 £'000
Reconciliation of assets		
At 1 April 2023	9,122	9,970
Interest income on plan assets	429	266
Employer contributions	94	60
Employee contributions	10	9
Benefits paid and expenses	(280)	(274)
Experience on plan assets – gain/(loss)	544	(909)
At 31 March 2024	**9,919**	**9,122**

25 Pension information – continued

	2024 £'000	2023 £'000
Fair value plan of assets	9,919	9,122
Present value of plan liabilities	(6,308)	(6,324)
	3,611	**2,798**

	2024 £'000	2023 £'000
Defined benefit costs recognised in Statement of Comprehensive Income		
Included in administrative expenses:		
Expenses	(40)	(65)
Net interest expense	134	43
	94	**(22)**

	2024 £'000	2023 £'000
Defined benefit costs recognised in Other Comprehensive Income (OCI)		
Remeasurements – change in financial assumptions gain/(losses)	250	2,674
Remeasurements – experience on plan liabilities gain/(losses)	(199)	(604)
Remeasurements – demographic assumptions gain/(losses)	30	—
Experience on plan assets gain/(losses)	544	(706)
Other experience	—	(203)
	625	**1,161**

	2024 £'000	2023 £'000
Assets		
Equities	6,051	7,754
Bonds	2,777	456
Property	992	730
Cash	99	182
	9,919	**9,122**

25 Pension information – continued

V) Other defined benefit schemes

During the year the Group also made contributions of £2,987 to the Growth Plan, a multi-employer scheme run by TPT Retirement Solutions. The Group will pay £2,489 to the Growth Plan in the year from 1 April 2024.

The Group also made an exit payment of £467k to the Strathclyde Pension Fund during the year. This was the final payment due under the terms of the Exit Payment Agreement.

VI) Defined contribution pension schemes

The Group also contributes to the Legal & General master trust through the Our Riverside Retirement Plan.

The total Group contributions to the defined contribution scheme for the year was £8.9m (2023: £8.2m which included contributions into SHPS of £2.6m).

26 Contingent liabilities

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

	2024 £m	2023 £m
Carlisle, 2017	0.4	0.4
Accent Group, 2017	8.6	8.6
The Hyde Group, 2018	12.3	12.6
The Hyde Group, 2020	12.5	12.5
Clarion Housing Association, 2020	12.5	12.5
Guinness Homes, 2021	17.9	17.9

Following the demolition of properties on certain sites in 2010 the related grant has been written back and a contingent liability to a maximum of £2.1m (2023: £2.1m) exists in respect of this grant. In the unlikely event of the sale of the land, the grant becomes repayable to the extent of any surplus generated on the sale.

27 Provisions for liabilities and charges

		Group and Association	
		2024 £'000	**2023 £'000**
Improvement programmes	(i)	2,268	4,235
Restructuring	(ii)	281	—
Pension liabilities	(iii)	20,507	18,362
Leaseholder fire safety	(iv)	7,335	—
At 31 March 2024		**30,391**	**22,597**

(i) Improvement programmes
A provision of £2.1m (2023: £4.2m) has been made in respect of The Riverside Group's outstanding contractual and statutory commitment to carry out improvement work.

(ii) Restructuring
A provision of £281k (2023: nil) has been made in respect of the Group's constructive obligation for operational restructuring following the merger with One Housing Group in 2021. Amounts have only been provided where communications have been made to those employees affected by the restructuring and a reliable estimate could be established.

(iii) Pension liabilities
In line with FRS 102 'Retirement Benefits' the net deficits on the Group's Pensions Schemes are recognised as a liability on the balance sheet.

(iv) Leaseholder fire safety
Provisions require judgement to be made as to whether a constructive or legal obligation exists at the reporting period. Management makes judgements by considering the facts and circumstances of each event. The Group must assess new legislation and form a judgement on its effect on relevant accounting treatment. The Building Safety Act 2022 (BSA), which was given Royal Assent in April 2022, introduced new legislation focused on the remediation of building safety defects in existing buildings. Riverside's judgement is that no legal obligation exists in reference to the BSA. however, a constructive obligation exists where fire safety remediation works have commenced but are incomplete at the reporting date. A provision of £7.3m has been made in the financial statements for the year ended 31 March 2024.

In addition a provision on the basis of a constructive obligation will be recognised where Riverside have made specific communications or commitments to residents, that create valid expectations that certain remedial works will be undertaken. No further constructive obligations have been triggered for any Group properties as at the reporting date. A provision on the basis of a legal obligation will only be recognised where there is a legally enforceable obligation to undertake specific remediation, where costs are unavoidable and there are no realistic alternatives to settling the obligation. Riverside recognise remediation orders under s123 and s124 of the Building Safety Act as a legal obligation.

No legal obligations were triggered for any Group or Association properties at the reporting date.

28 Donations

	Group and Association	
	2024 £'000	2023 £'000
Donations	2,675	2,635
	2,675	**2,635**

The donations disclosed in this note are payable from The Riverside Group to external parties.

£2.675m of these donations went to the Riverside Foundation.

All donations were paid in the year.

29 Accommodation in management and development

	Group					
	At 1 April 2023	Units developed or newly built units acquired	Units sold/ demolished	Transfers & acquisitions (to)/from other RPs	Other movements	At 31 March 2024
Social housing units owned and/or managed (excluding leasehold units)						
Social rent general needs housing	42,291	129	(212)	(656)	24	41,576
Affordable rent general needs housing	9,899	381	(21)	(396)	(1)	9,862
Social rent supported housing and housing for older people	10,684	—	(219)	246	8	10,719
Affordable rent supported housing and housing for older people	239	138	—	395	2	774
Low Cost Home Ownership	4,777	520	(77)	22	(114)	5,128
Care homes	379	—	(22)	(11)	—	346
Other social housing	296	74	(1)	358	(27)	700
Total social housing units owned and / or managed	**68,565**	**1,242**	**(552)**	**(42)**	**(108)**	**69,105**
Total social housing units managed but not owned	1,621	—	—	—	27	1,648
Total social housing units owned	**66,944**	**1,242**	**(552)**	**(42)**	**(135)**	**67,457**
Total social housing units owned but not managed	1,560	2	(85)	507	22	2,006
Total social housing units managed	**64,562**	**1,240**	**(467)**	**(549)**	**(130)**	**67,099**

29 Accommodation in management and development – continued

	Group					
	At 1 April 2023	Units developed or newly built units acquired	Units sold/ demolished	Transfers & acquisitions (to)/from other RPs	Other movements	At 31 March 2024
Non-social rental housing units (excluding leasehold units)						
Total non-social rental housing units owned	1,226	—	(1)	(851)	(47)	327
Additional non-social rental housing units managed but not owned	—	—	—	—	—	—
Total non-social rental housing units owned and / or managed	**1,226**	**—**	**(1)**	**(851)**	**(47)**	**327**
Leasehold units						
Social leasehold units owned	5,189	—	(20)	(857)	141	4,453
Additional social leasehold units managed but not owned	50	—	—	—	33	83
Total social leasehold units owned and / or managed	**5,239**	**—**	**(20)**	**(857)**	**174**	**4,536**
Non-social leasehold units owned	1,586	—	(48)	90	(2)	1,626
Additional non-social leasehold units managed but not owned	32	—	—	—	—	32
Total non-social leasehold units owned and / or managed	**1,618**	**—**	**(48)**	**90**	**(2)**	**1,658**
Total social owned	72,133	1,242	(572)	(899)	6	71,910
Total social managed	1,671	—	—	—	60	1,731
Total non-social	2,844	—	(49)	(761)	(49)	1,985
Total stock	**76,648**	**1,242**	**(621)**	**(1,660)**	**17**	**75,626**

29 Accommodation in management and development

	Association					
	At 1 April 2023	Units developed or newly built units acquired	Units sold/ demolished	Transfers & acquisitions (to)/from other RPs	Other movements	At 31 March 2024
Social housing units owned and/or managed (excluding leasehold units)						
Social rent general needs housing	39,848	74	(212)	(656)	24	39,078
Affordable rent general needs housing	9,899	381	(21)	(396)	(1)	9,862
Social rent supported housing and housing for older people	10,684	—	(219)	246	8	10,719
Affordable rent supported housing and housing for older people	239	138	—	395	2	774
Low Cost Home Ownership	4,777	520	(77)	22	(114)	5,128
Care homes	379	—	(22)	(11)	—	346
Other social housing	296	74	(1)	358	(27)	700
Total social housing units owned and / or managed	**66,122**	**1,187**	**(552)**	**(42)**	**(108)**	**66,607**
Total social housing units managed but not owned	1,621	—	—	—	27	1,648
Total social housing units owned	**64,501**	**1,187**	**(552)**	**(42)**	**(135)**	**64,959**
Total social housing units owned but not managed	1,560	2	(85)	507	22	2,006
Total social housing units managed	**64,562**	**1,185**	**(467)**	**(549)**	**(130)**	**64,601**

29 Accommodation in management and development – continued

	Association					
	At 1 April 2023	Units developed or newly built units acquired	Units sold/ demolished	Transfers & acquisitions (to)/from other RPs	Other movements	At 31 March 2024
Non-social rental housing units (excluding leasehold units)						
Total non-social rental housing units owned	1,226	—	(1)	(851)	(47)	327
Additional non-social rental housing units managed but not owned	—	—	—	—	—	—
Total non-social rental housing units owned and / or managed	**1,226**	**—**	**(1)**	**(851)**	**(47)**	**327**
Leasehold units						
Social leasehold units owned	5,189	—	(20)	(857)	141	4,453
Additional social leasehold units managed but not owned	50	—	—	—	33	83
Total social leasehold units owned and / or managed	**5,239**	**—**	**(20)**	**(857)**	**174**	**4,536**
Non-social leasehold units owned	1,586	—	(48)	90	(2)	1,626
Additional non-social leasehold units managed but not owned	32	—	—	—	—	32
Total non-social leasehold units owned and / or managed	**1,618**	**—**	**(48)**	**90**	**(2)**	**1,658**
Total social owned	69,690	1,187	(572)	(899)	6	69,412
Total social managed	1,671	—	—	—	60	1,731
Total non-social	2,844	—	(49)	(761)	(49)	1,985
Total stock	**74,205**	**1,187**	**(621)**	**(1,660)**	**17**	**73,128**

30 Related party transactions

Joint Ventures

The following transactions took place between the Group and its joint ventures.

	2024 £'000 Joint ventures	2023 £'000 Joint ventures
Net loan movements	10,559	—
Additional investment	21,839	—
Distributions received	(7,771)	—
Group share of profit/loss	7,760	(4,029)
Net sales and purchases of goods and services	(850)	—
	31,537	**(4,029)**

	2024 £'000 Joint ventures	2023 £'000 Joint ventures
Outstanding balances		
Investments	104,810	82,982
Loans	39,959	29,400
Trading balances	212	1,062
Total	**144,981**	**113,444**

30 Related party transactions – continued

Transactions with non-regulated entities
The association provides management services, other services and loans to its subsidiaries. The association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Intra-group loans
Other intra-group charges incurred by the association on its bank loans.
Intra-group interest is charged by the association to its subsidiaries at the rates.

Entity granting loan	Entity receiving loan	Opening balance £'000	Movement £'000	Closing balance £'000
The Riverside Group Limited	Irvine Housing Association Limited (1)	13,281	(4,025)	9,256
The Riverside Group Limited	Prospect (GB) Limited (2)	4,314	12,694	17,008
The Riverside Group Limited	Riverside Estuary Limited (3)	4,880	(201)	4,679
The Riverside Group Limited	Other	5,181	(5,181)	—
		27,656	**3,287**	**30,943**

Included in 'other' is intragroup trading balances that have been repaid during the year.

Key	Terms of repayment	Details of guarantee	Interest rate
1	Matures 2036	None	Bank of England base rate plus 0.75% - 1.5%
2	Matures 2029	None	Bank of England base rate plus 0.5%
3	Matures 2042	None	12.60%

Other intra-group charges
Other intra-group charges for gift aid are payable to the association from subsidiaries.
During the year the following subsidiaries made gift aid payments to the Parent 'The Riverside Group Limited':

	2024 £'000	2023 £'000
Evolve Facility Services Limited	789	255
Riverside Consultancy Services Limited	165	249
Riverside Regeneration Limited	3,100	3,558
Citystyle Living Limited	1,662	—
Riverside Regeneration (Bromley) Limited	155	—
	5,871	**4,062**

30 Related party transactions – continued

One Board member of The Riverside Group Limited is a tenant of The Riverside Group Limited. Their tenancy is on normal commercial terms and they cannot use their position to their advantage. There are no other related party transactions.

The Riverside Group Limited provides a number of central services for its subsidiaries including unregulated entities Prospect (GB) Limited and Evolve Facility Services Limited and these are recharged accordingly. Evolve Facility Services Limited is a wholly owned subsidiary which performs maintenance services for the Group. Its income is derived entirely from the repair contracts it has in place with the Group.

During the year the parent association, The Riverside Group Limited, transacted with its subsidiary undertakings as follows:

	2024 £'000	2023 £'000
Payable to the Association by subsidiaries		
Irvine Housing Association Limited	4,059	211
Prospect (GB) Limited	70	2
Riverside Regeneration (London) Limited	596	—
One Housing Foundation	203	61
CHA Ventures Limited	13,827	(5,693)
Citystyle Living (High Road Haringey 624 THA) Limited	26	—
Renovo Facilities and Services Limited	860	401
Citystyle Living (St Anns's) Limited	116	101
Citystyle Living (Kidwells THA) Limited	1	1
Citystyle Living (Wenlock Road) Limited	1	—
	19,759	**(4,916)**

	2024 £'000	2023 £'000
Payable by the Association to subsidiaries		
Evolve Facility Services Limited	(9,724)	(8,190)
Riverside Consultancy Services Limited	(1,775)	—
Riverside Finance PLC	(3,145)	(3,135)
Riverside Estuary Ltd	(270)	657
Eventide Homes Trust	(248)	(248)
Eleanor Godfrey Crittal	(768)	(728)
Donald Bates Charity	(119)	(119)
Riverside Regeneration Limited	(3)	143
Riverside Regeneration (Lambeth) Limited	(79)	(1,125)
Riverside Regeneration (Bromley) Limited	(5,322)	380
Riverside Regeneration (Southwark) Limited	(995)	—
Citystyle Living Limited	(2,977)	74
Citystyle (Site A Nunhead Lane) Living Limited	(543)	(570)
Citystyle Living (Belmont) Limited	(1,531)	(761)
Citystyle Living (North End Farm) Limited	(1,488)	1,759
Citystyle Living (Victoria Quarter) Limited	(2,944)	(2,807)
Citystyle Living (Acton Town Hall) Limited	(20)	184
Citystyle Living (Goldhawk Road) Limited	(16)	(14)
Citystyle Living (Bangor Wharf) Limited	(64)	2,321
One Housing Investment Limited	(3,364)	—
	(35,395)	**(12,179)**

31 Movement in fair value of financial instruments

	Group 2024 £'000	Group Restated 2023 £'000
Fair value of derivatives	812	17,486
Fair value of ineffective cash flow hedges	1,318	(1,251)
Revaluation on fixed asset investments	(73)	(103)
Total movement	**2,057**	**16,132**
(Loss)/gain recognised on cashflow hedges	(4,816)	8,514

	Association 2024 £'000	Association Restated 2023 £'000
Fair value of derivatives	812	—
Fair value of ineffective cash flow hedges	1,318	(1,251)
Revaluation on fixed asset investments	(73)	(103)
Total movement	**2,057**	**(1,354)**
(Loss)/gain recognised on cashflow hedges	(4,816)	8,514

The 2023 'revaluation on fixed assets investments' has been restated for a prior period correction, see note 32 on pages 150 to 152.

32 Prior year restatements and change in accounting policy

The restatements apply to The Statement of Comprehensive Income and Balance Sheet, only those lines shown in the disclosure below have been restated, no other restatements were required.

Balance sheet – restatement	2023 £'000	Group 2023 Restated £'000	Prior year adjustment £'000
Fixed assets			
Housing properties (iii)	4,042,702	4,065,462	22,760
Investments			
Investment in joint ventures (i)	98,071	82,982	15,089
Non current assets			
Debtors: receivable within one year (i)	98,983	107,175	8,192
Properties held for sale (iii)	96,520	96,951	431
Current liabilities			
Creditors: amounts falling due within one year (ii)	(359,484)	(366,534)	(7,050)
Non current liabilities			
Creditors: amounts falling due after more than one year (ii)	(3,102,423)	(3,102,998)	(575)
Capital and reserves			
Income and expenditure	1,335,539	1,344,208	8,669

Statement of comprehensive income – restatement	2023 £'000	2023 Restated £'000	Prior year adjustment £'000
Operating surplus			
Surplus on disposal of housing properties (ii)	17,447	9,822	(7,625)
(Deficit)/surplus on ordinary activities before tax			
Share of operating profit/(loss) in joint ventures (i)	2,868	(4,029)	(6,897)
Interest payable and similar charges (iii)	(73,462)	(69,120)	4,342
Interest receivable and other income (iv)	6,307	6,410	103
Movement in fair value of financial instruments (iv)	16,235	16,132	(103)

32 Prior year restatements and change in accounting policy – continued

The restatements apply to The Statement of Comprehensive Income and Balance Sheet, only those lines shown in the disclosure below have been restated, no other restatements were required.

Balance sheet – restatement	2023 £'000	Association 2023 Restated £'000	Prior year adjustment £'000
Fixed assets			
Housing properties (iii)	3,939,466	3,962,226	22,760
Non current assets			
Properties held for sale (iii)	65,338	65,769	431
Current liabilities			
Creditors: amounts falling due within one year (ii)	(383,425)	(390,475)	(7,050)
Non current liabilities			
Creditors: amounts falling due after more than one year (ii)	(2,897,791)	(2,898,366)	(575)
Capital and reserves			
Income and expenditure	1,321,763	1,337,329	15,566

Statement of comprehensive income – restatement	2023 £'000	2023 Restated £'000	Prior year adjustment £'000
Operating surplus			
Surplus on disposal of housing properties (ii)	12,182	4,557	(7,625)
(Deficit)/surplus on ordinary activities before tax			
Interest payable and similar charges (iii)	(47,136)	(42,794)	4,342
Interest receivable and other income (iv)	3,003	3,106	103
Movement in fair value of financial instruments (iv)	(1,251)	(1,354)	(103)

32 Prior year restatements and change in accounting policy – continued

(i) The 2023 position and results have been restated for a prior period correction relating to 'investment in joint ventures'. The share of profit recognised under equity accounting in the Group in 2023 was calculated incorrectly for joint venture Citystyle Fairview VQ LLP meaning that profit was overstated by £6.9m. The 2023 restatement reduces the 'investment in joint venture' in the consolidated balance sheet and reduces 'share of operating profit/(loss) in joint ventures' by £6.9m in the consolidated statement of comprehensive income. In addition, amounts shown in 2023 as 'investment in joint ventures' were reclassified to 'debtors: receivable within one year' as amounts invested were in the form of a loan to joint ventures. Regeneration Lambeth Limited £3.9m, Regeneration Bromley (Pike Close) LLP £2.1m and Bromley Regeneration (Calverly Close) LLP £2.1m. All loans are repayable on demand.

(ii) The 2023 position and results of the Association and Group have been restated for a prior period correction relating to recycled capital grant. Capital grant recycled upon the sale of housing property was calculated incorrectly. Capital grant on property sales was used to offset any loss on disposal which was incorrect and resulted in the recycled capital grant fund being understated.

The 2023 restatement increases 'creditors: amounts due within one year' by £7.1m, increases 'creditors: amounts due after more than one year' by £0.6m in the Association balance sheet and reduces 'surplus on disposal of housing property' by £7.6m in the Association statement of comprehensive income. The 2023 restatement is also reflected within note 21 'reconciliation of operating surplus to net cash inflow from operating activities' as £7.6m reduction in the surplus on disposal of housing property and corresponding adjustment to operating surplus.

(iii) The 2023 position and results have been updated for comparatives due to a voluntary change in accounting policy. During the year, the Riverside Group Limited adopted a policy to capitalise borrowing costs. The change in accounting policy was recommended and approved by Board as its results will provide reliable and more relevant information to the accounts and its readers and provides consistency with the wider sector. The transaction has been accounted for as a change in accounting policy in accordance with FRS 102 section 10. The 2023 'housing properties' has been restated and increased by £3.91m and 'properties held for sale' increased by £0.4m in the Association balance sheet. The 2023 'interest payable and similar charges' has reduced by £4.3m in the Association statement of comprehensive income. In addition, a retrospective adjustment £18.85m has been made for the years prior to 2023 to reflect the change in accounting policy, the adjustment increased housing properties by £18.85m and a corresponding increase to income and expenditure reserves.

(iv) The 2023 results have been restated for a prior period correction relating to 'interest receivable and other income'. Revaluations on fixed asset investments were previously disclosed within interest receivable. However are now disclosed within 'movement in fair value of financial instruments'.

(v) The 'Debt Analysis' disclosed within note 17 has been restated for the prior year 2023 for the amounts due after more than one year. The 2023 'Bond' has been reduced by £88m with a corresponding increase to 'other loans' of £88m. This being an error in the classification of a private placement facility, classified incorrectly in 2023 as a bond. The facility should have been disclosed as an other loan. The same facility has been correctly disclosed within other loans in the current year.

Get in touch or find out more

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