Annual review and financial statements 2021-22

Achievements at a glance

78.4%
OVERALL CUSTOMER SATISFACTION

PROVIDED
2,956
NEW CUSTOMERS WITH A HOME

STARTED TENANCIES FOR
c5.5%
OF THE LOCAL AUTHORITY HOUSING WAITING LIST IN OUR AREAS

SECURED
£4.9M
OF UNCLAIMED BENEFITS/INCOME FOR CUSTOMERS

HELPED OUR CUSTOMERS SECURE
310
JOBS

COMPLETED
1,401
NEW HOMES
OF WHICH 84% WERE FOR AFFORDABLE TENURES

INVESTED
£59.5M
IN OUR EXISTING HOMES

Homes England

SECURED
£291.9M
FUNDING FOR NEW HOMES AS PART OF HOMES ENGLAND STRATEGIC PARTNERSHIP

DELIVERED AN OVERALL SOCIAL IMPACT OF
£106.8M
ACROSS OUR OPERATING AREA*

RATED
G1
FOR GOVERNANCE AND
V1
FOR FINANCIAL VIABILITY BY THE
REGULATOR OF SOCIAL HOUSING

*This figure has been calculated using National Housing Federation's Local Economic Impact Calculator 2022, HACT Social Value Bank 2022, HACT Minor Adaption calculator, HACT Anti-Social Behaviour calculator and HACT Mental-Health calculator

Who we are

We're a leading housing association in the south of England with 33,000 homes and 72,000 customers across Hampshire, Surrey, Berkshire and West Sussex.

Our vision is 'more homes, bright futures' which means we exist to help people achieve and maintain the basic need and right to a safe and secure home, vital to everyone's wellbeing and chances in life.

We recognise the financial pressures on society and are doing all we can to provide more affordable homes and support to customers who need help and advice in managing their living costs.

Our charitable arm, VIVID Plus, provides additional investment and direct support to help our customers and communities prosper. We aim to invest £21m over 5 years in supporting vital community groups and organisations to improve the health, wellbeing, and physical environment in our areas.

Tenure type	2018	2019	2020	2021	2022	Value in use (£'000)	Market value (£'000)
General needs	21,901	22,885	23,360	23,791	24,454	2,224,530	6,267,925
Older people's & supported housing	2,183	1,579	1,556	1,457	1,441	85,870	248,645
Shared ownership	4,360	4,642	5,004	5,272	5,679	378,255	601,901
Intermediate rent	333	364	332	314	310	38,215	65,050
Market rent	196	276	351	440	481	103,122	121,695
Leased or owned by others	728	600	692	672	646	26,740	44,555
Managed by others	263	175	175	338	352	2,610	5,165
Total homes	**29,964**	**30,521**	**31,470**	**32,284**	**33,355**	**2,859,340**	**7,354,950**
Garages	3,300	3,334	3,334	3,357	3,338		

Housing properties within a social housing business are valued using specific valuation techniques commonly referred to as 'value in use'. These values are used by financial institutions to lend money to social housing providers. Our housing properties are independently valued by JLL as at 31 March 2022.

The value in use shown in the table exceeds the net book value of our completed housing properties by £665m. Together with our reserves of £713m, they increase our net worth to £1.4bn. The open market value is also shown for comparative purposes which in the case of shared ownership homes, only the retained equity that VIVID owns has been valued.

Our strong development programme has continued to deliver more homes at pace to address the shortage of homes in our region. Our programme focuses on building new homes for a variety of tenures and types to suit our communities' differing needs and circumstances. Our strong delivery meant we were positioned as 8th in Inside Housing's Top 50 Biggest Builders survey 2021 for the second year running.

Our subsidiary Bargate Homes built and sold 123 homes making a profit for the group of £2.6m. Bargate's land-buying capability has benefited the whole group, so we now control enough land to build over 11,790 homes in the coming years.

More details on our subsidiaries are on page 59.

Where we work

We operate in over 20 local authority areas across 4 neighbouring counties – Hampshire, Berkshire, Surrey and West Sussex.

We can build the right homes and offer tailored support to our customers and communities because we know our area well and have strong relationships with strategic partners such as local authorities and contractors.

Our contribution to this region is more than just homes. We've injected £500million into the local economy supporting the region's growth and prosperity, creating jobs and communities.

Section 1: **Annual Review**

Section 2: **The Board's Report**

Section 3: **Financial Statements**

Section 1

Annual Review

Chair's introduction

Charles Alexander

This is my first annual review since I became Chair of the Board at VIVID in July 2021. It has been a real pleasure getting to know the people that make this the dynamic organisation it is. Naturally housing associations have a strong social purpose, but what is clear is the enthusiasm and determination from everyone at VIVID, as well as our partners, to do more and really make a difference in our communities. That drive is evidenced by the results VIVID achieves year on year.

I joined the Board at a time when the sector was navigating some extraordinarily challenging forces. All when an increase in the supply of affordable, safe and secure homes is as urgent as ever.

The impact of the coronavirus pandemic, and the recent sharp rise in the cost of living, have created a housing affordability crisis, causing serious financial difficulty for our residents.

This is clear through the increased reliance on support measures such as food banks and benefits. The Trussell Trust's report in May 2022 revealed the number of people using food banks nationally has increased by 81% compared to 5 years ago, and in just one year the supply of emergency food parcels to people in crisis has risen by 14%.

At VIVID we've seen the number of customers needing to claim Universal Credit jump from 4,000 at the start of the pandemic to over 9,000 more recently. This trend continues and is likely to worsen with the economic impact of the war in Ukraine, soaring energy prices, and high inflation rates.

Residents of housing associations are among members of the population most impacted by these trends. The sector has a big role to play in helping to fill the gap in affordable housing and to support the wellbeing of its customers and communities.

At VIVID we've continued to provide for our customers through our clear determination to build more homes at pace for the people who need them, and the launch of VIVID Plus to target support to customers and communities where it's needed the most.

We can't however ignore the fact that for us, like the rest of the sector, it's been a challenging year. The continuation of pandemic restrictions and isolation rules meant widespread staff shortages, supply chain disruptions, shortages of materials and delays in transport – all of which impact operational ability. Building safety regulations, the social housing white paper, and the Housing Ombudsman Spotlight report on housing quality, specifically damp and mould, have all contributed to the sector's challenges.

The national retrofit strategy to make existing homes more energy efficient is a prominent priority for us to address now and for the foreseeable future. Housing associations must invest heavily to ensure homes meet an EPC rating of C or above by 2030.

While this will be an important step towards the country's net zero carbon 2050 target and the improvement will help reduce energy costs for our customers, it will create a massive investment requirement for the sector – estimated at approximately £104bn.

Despite operating in a turbulent environment we have been able to deal with and plan for these challenges whilst still fulfilling the promises we have made. This is thanks to our focus, financial strength and fundamental sense of purpose. Our track record shows how housing associations should be viewed as critical allies for government and others to help society to prosper.

I'm looking forward to continuing working with everyone at VIVID to make sure we're constantly building upon our achievements as well as finding ways to improve so we can truly deliver the best results for our communities.

C E Alexander

Charles Alexander

Chief Executive's overview

Mark Perry

Charles has outlined the competing pressures we've been navigating that will continue to be high on our agenda for many years to come. I'm proud of the outcomes we've achieved over the last year and our continued focus to deliver on our vision of more homes, bright futures.

Putting our customers at the centre of everything we do means prioritising what matters most to them and meeting their expectations. They want us to be there when they need us and respond quickly with authenticity so they can get on with their lives.

Last year really cemented this and our role in helping people through difficult times. The culmination of property and rental prices continuing to rise faster than earnings, the cost of living crisis, scrapping of the **Universal Credit £20 per week uplift**, ending of the furlough scheme and energy price cap review is taking a toll on our communities and their financial wellbeing. This means there are even more people finding it harder to stretch their cash to pay for everyday essentials and an increased demand for more affordable homes.

This was put into perspective when we launched our Life on Universal Credit campaign. Our customer Max agreed to open up his home to us and BBC South Today, to talk about the realities of living on Universal Credit and the impact the increase in the cost of living was going to have on him. He spoke about how his budget of just **£20 per week** for food and household essentials used to get him 20 items at his local pound shop but is now only stretching to 17. A stark example of what people are dealing with and will continue to experience as the cost of living continues to rise.

Whilst we can't change the forces at play, we've focused on being a good neighbour using our position and financial strength to help our customers and communities have bright futures. Whether it be through helping people into work, providing advice to our customers on how to manage their finances, supporting local initiatives like food banks or building more affordable homes.

Our people and partners have shown real resilience and determination to do what's right for our communities and together we've achieved so much and want to do more.

Our customers remain front and centre of our organisation.

Our dedicated customer experience team has responded to over 260,000 enquiries from our residents over the year, closing almost 83% of them at first stage. And, our repairs staff have been exceptionally busy, responding to jobs that had to be put on hold during the pandemic lockdowns all whilst delivering a great customer service. A fantastic achievement demonstrated by the 8.8/10 satisfaction rating given to us by our customers.

Our new Service Standards were set up this year to ensure we're prioritising what matters most to our customers, and we're truly grateful to the **1,300** involved residents who've worked with us to develop our skills, methods and technology to ensure we deliver the best service expected of us.

The last year has seen us embed our newly launched charitable arm VIVID Plus – setup to turbo charge our focus on tenancy sustainment and drive real change in our communities.

We're doing this by supporting and partnering up with others at the front end of our neighbourhoods to make a positive difference and solve local problems on the ground. Some of the partnerships we've established over the year have helped prevent homelessness, grow employment opportunities for people in our locality and tackle domestic abuse and anti-social behaviour. Overall delivering a social value in our communities of **£1.2 million**.

An example of this is our partnership with Eastleigh Borough Council's Changing Direction for Future Success (CDS) project. The project aims to provide positive alternatives to ASB for young people and lessen the temptation for them to get involved in criminal activity. We've invested **£36,000** which has funded training courses for **46 young people** from which the participants have gained a total of **55 qualifications** and **13** are now in education or employment.

Helping customers to maintain their homes during life's challenges has always been a vital element of support we provide - and this has been needed more than ever over the last few years. We helped our customers to stay in their homes and sustain their tenancies by identifying £4.9million of unclaimed benefits/income our customers were entitled to. And our investment in a debt relief organisation led to over £804,000 of private sector debt being written off to 're-set' those affected both financially and mentally. Our teams have also given tailored advice to 3,103 customers, helped our customers secure 310 jobs and enrol in 226 training courses.

Whilst supporting the financial wellbeing of customers and communities has, and will continue to be, a clear focus for us, as a housing association we're committed to addressing the shortage of affordable homes in our region and providing people with the ultimate foundation to flourish and achieve what they want in life.

Our robust development programme and strong partnerships meant we delivered **1,401 homes** last year – our largest number in VIVID's history. We focus on building more much needed affordable homes, particularly at social rent levels and our Homes England Strategic Partnership has helped support this ambition - to date we've delivered more homes for social rent than any other strategic partner and we want to keep that ambition going.

We're a strong organisation and in it for the long-term so we need to adapt as the world changes. Environmental pressures and climate change are among the biggest forces we need to address, and our sustainability strategy details our plan to becoming a zero-carbon business, sustainable partner and how we're making our homes more energy efficient helping reduce our customers energy bills.

It's been another year of great purpose and achievement. Using the National Housing Federation's Local Economic Impact Calculator and measures by HACT, we've calculated our overall social impact during the last year as **£106.8million**. This shows the difference we've made to people's lives and our communities. We're eager to do more and build on this to make a greater impact for our region.

Everyone at VIVID has continued to show fantastic commitment. It's been great to see our smart working initiative being valued and adopted by everyone, and I've enjoyed collaborating face-to-face with all my colleagues again.

I would like to thank my 900 colleagues at VIVID, our members of the Board, customers and partners for their continuing support and commitment in achieving another successful year for VIVID.

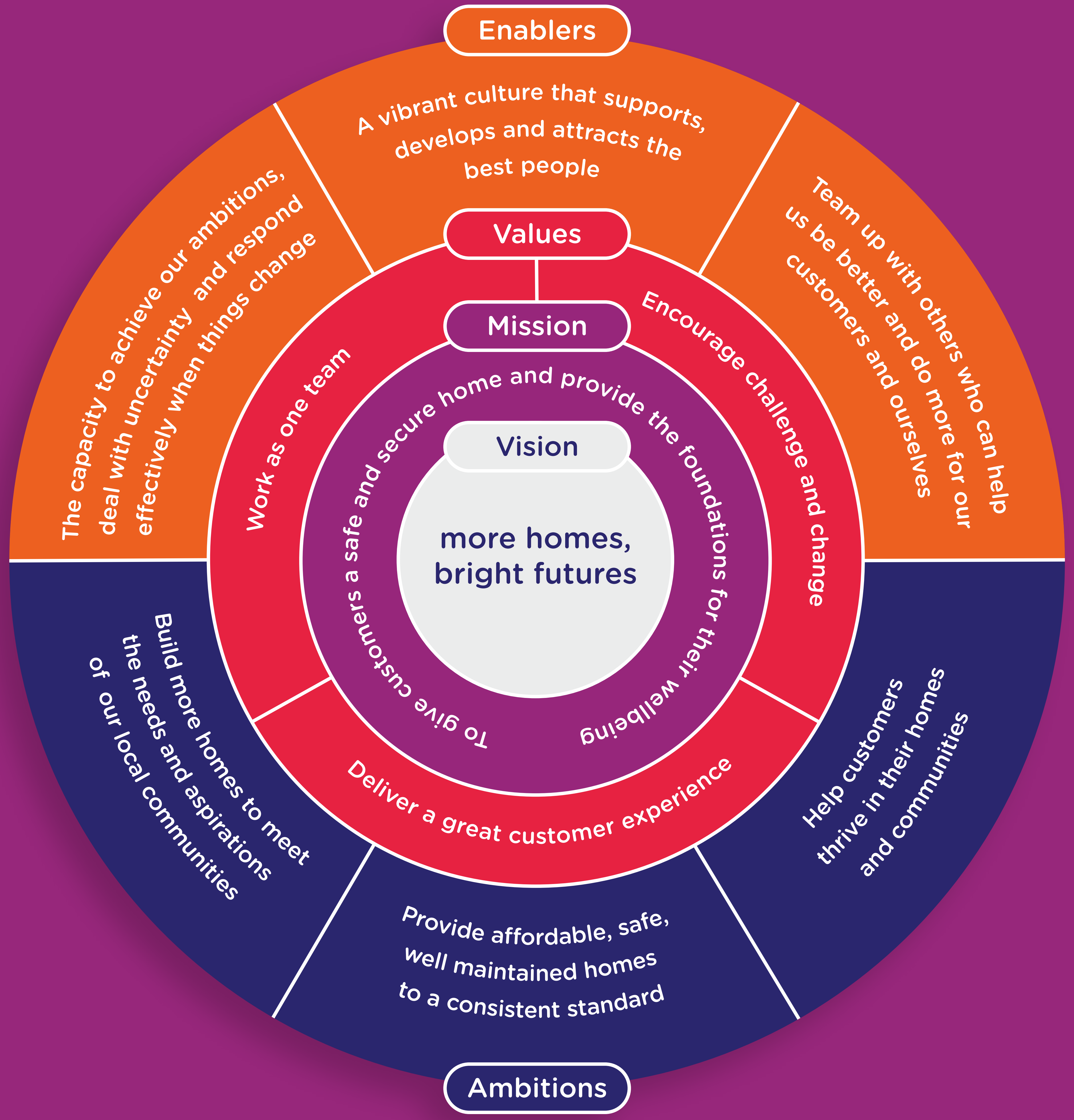
Mark Perry

Our plan

Our vision of 'more homes, bright futures' is strengthened by our mission to give our customers a safe and secure place to call home and provide the foundations for their wellbeing. We have 3 ambitions and 3 enablers, which help us achieve our mission.

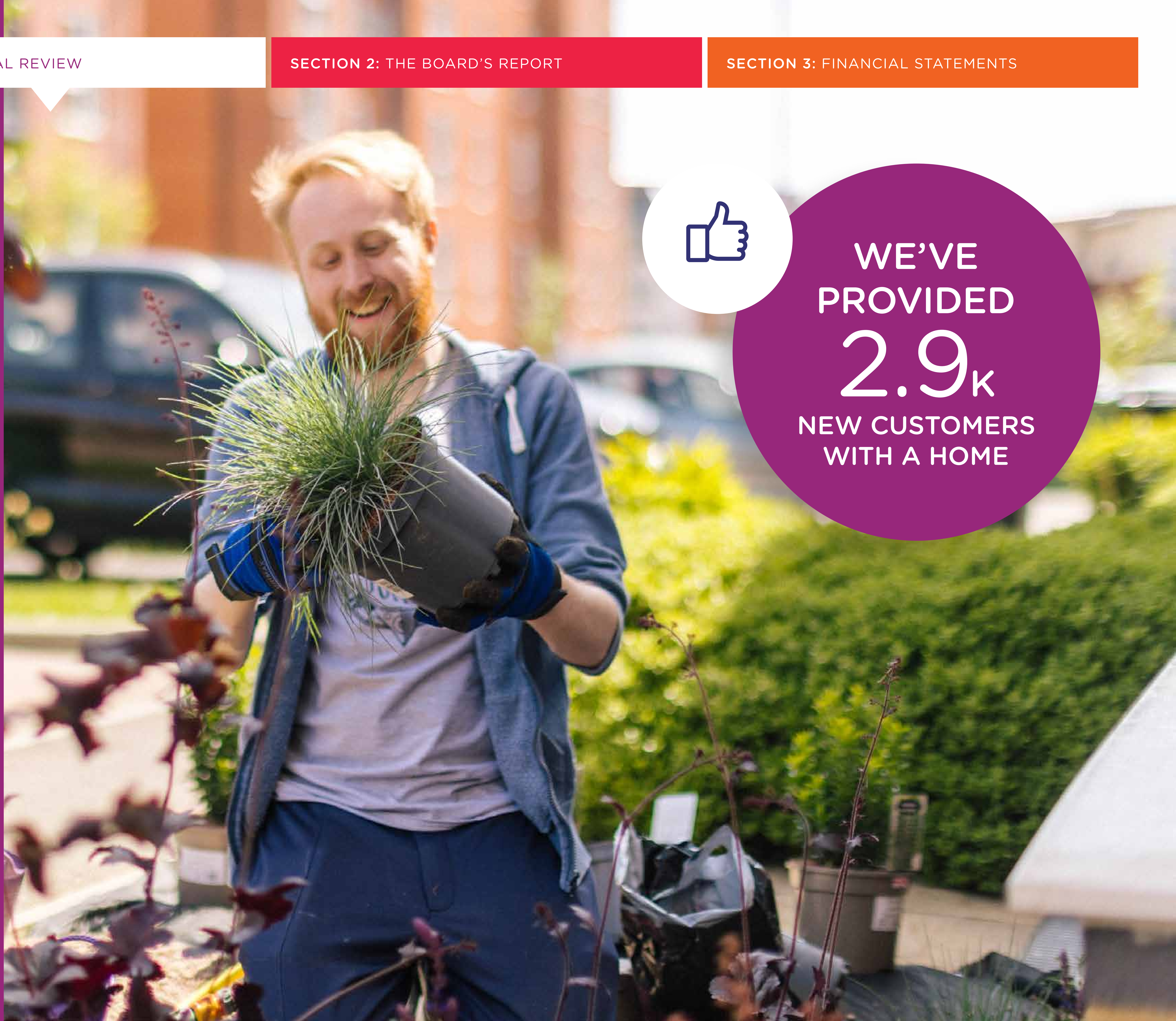
We've had a clear 3-year plan since 2020 but in the last 2 years the world has changed so much. We're adapting our plan to ensure it reflects the changes in society and what our customers, communities, staff and other stakeholders require of us.

▶ You can view our plan here



Help customers thrive in their homes and communities

We aim to give our customers the best experience of living in their homes through providing excellent support services and investing in community priorities so they can be proud of where they live.



78.4%
OVERALL CUSTOMER SATISFACTION

8.8/10
CUSTOMER SATISFACTION

1,300
INVOLVED CUSTOMERS

SECURED £4.9M
OF UNCLAIMED BENEFITS/INCOME FOR CUSTOMERS

HELPED OUR CUSTOMERS SECURE
310
JOBS

260,692
CUSTOMER CONTACTS RECEIVED BY CUSTOMER EXPERIENCE TEAM

82.5%
CUSTOMER CONTACTS RESOLVED FIRST TIME BY CUSTOMER EXPERIENCE

94
CUSTOMERS HELPED BY WELLBEING SERVICE

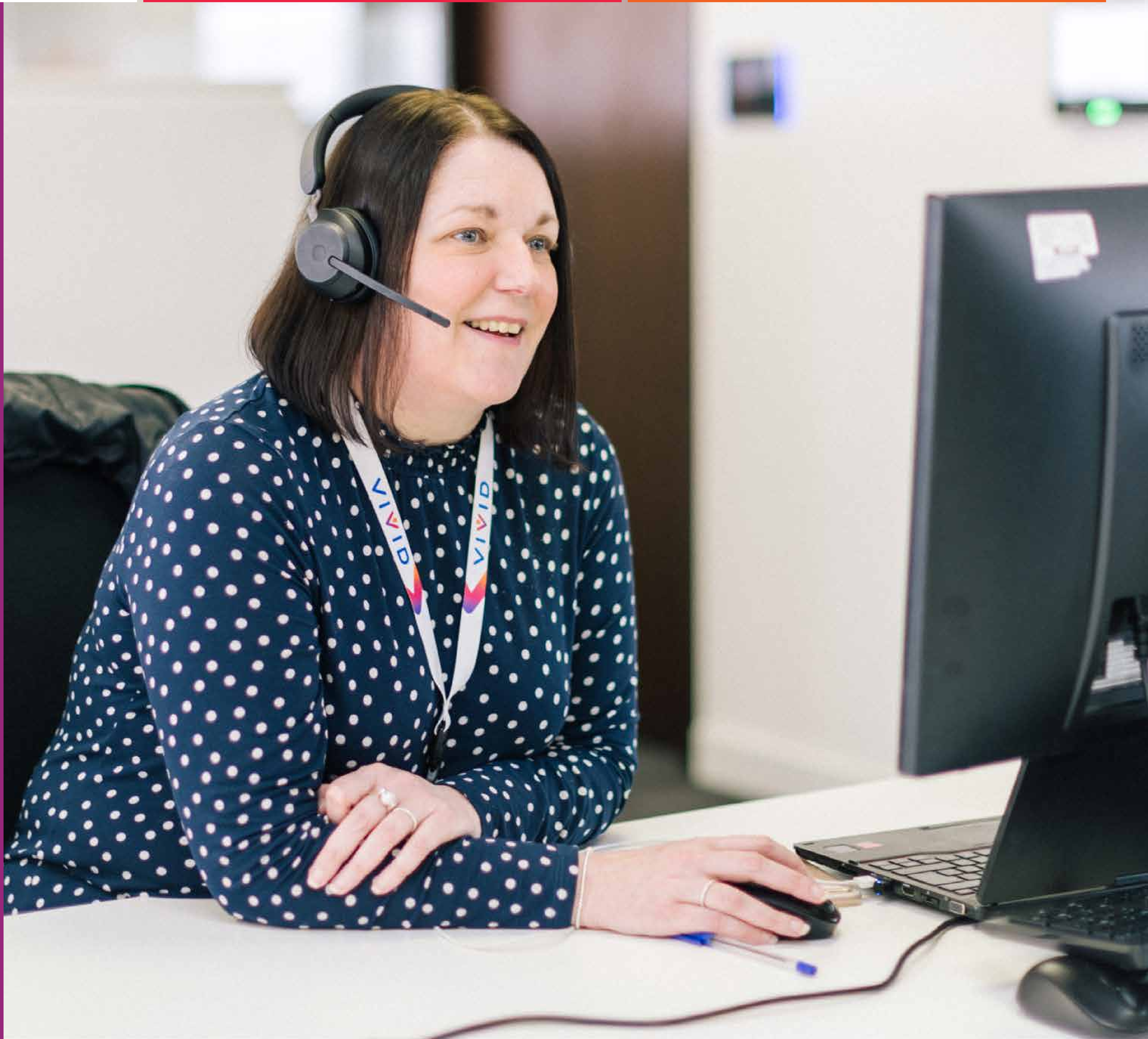
HELPED OUR CUSTOMERS ENROL IN
226
TRAINING COURSES

57.9%
DIGITAL CUSTOMER CONTACT

Customer service excellence

We've continued to adapt our way of working to support customers through the changing landscape of the pandemic and the financial pressures on society. We've adapted some of the ways we do things including providing even more support to customers who need help and advice in managing their living costs including rent payments.

We want to be flexible and give customers a choice in how they interact with us. Our neighbourhoods, lettings and sales teams have continued to use different technologies enabling us to interact with customers digitally, over the phone and face-to-face as restrictions have lifted.



This year we published our 12 Service Standards which were designed in collaboration with our customers to ensure we're delivering the service they expect from us and are prioritising the things that matter most to them.

We measure our performance against these standards through transactional surveys sent to customers following any interaction with us, whether it be a repair or contact with our customer experience team. Every 6 months we work with TLF Research who ask our customers to rate their overall experience with us, the quality of our service, and share ways we can improve. We use this feedback to help us make improvements to our service.

For example, following feedback from our customers we've changed the way they can report cases of anti-social behaviour to us. Since making this change, customer satisfaction has increased over the last 12 months.

- Repairs standard
- Planned maintenance standards
- Safety standard
- Moving standard
- Customer contact standard
- Customer engagement standard
- 'Putting things right' standard
- Housing management standard
- Neighbourhood standard
- Support standard
- Homeowner standard
- Rent and payments standard

We're open and honest about our performance against these measures so our customers can hold us to account. Our progress is scrutinised by our Customer Service Committee, made up of customers, staff and Board members, and a review of our performance is published on our website every 3, 6 and 12 months.

The majority of our customer satisfaction measures for our Service Standards are based on actual experience with us, and our score over the year has ranged between 7.5-9/10. Our aim is to keep improving on this.

We've put greater resource and focus into areas that have been lower and we're delighted this effort has resulted in significant improvement in our customers' satisfaction.

Involving customers

Understanding customers evolving needs and expectations means we can deliver the best homes and services for them. We've created a range of opportunities for customers to get involved and share feedback with us and actively shape how we do things.

We have a diverse group of 1,300 involved customers across our operating area who work with us in a range of ways.

For example:

Our **VIVID Plus Board** is made up of **2 customers**, **1 board member**, and staff. They help shape our community investment strategy ensuring we're meeting our objectives, we're investing in placeshaping activity that meets our criteria and monitoring our tenancy support services.

We've continued to recruit more **neighbourhood volunteers** who work closely with our **neighbourhood officers** to keep their areas safe and enjoyable places to live. Together neighbourhood volunteers and VIVID staff complete regular estate inspections and report any communal issues or repairs needed in their community. We currently have **38 neighbourhood volunteers** across our operating area and a further **68** are due to join the group.

We encourage customers to set up **resident groups** and work with us to help identify opportunities that will make a positive difference in their area. An example of this is our work with residents at Southdown View, Portsmouth, where we helped transform a disused fountain and open space opposite their building into an attractive place for them to socialise, grow herbs and vegetables and encourage local wildlife to thrive.

Here are some other ways our customers are working with us:

Customer Services Committee

Made up of customers, staff and Board members to oversee our Service Standards performance, monitor our compliance, agree and approve service-related changes and projects and proactively engage customers in providing feedback

VIVID Impact

Our resident panel which independently reviews our performance and ensures customer voices are being listened to

Resident Group Officers

A team of residents in each local area who work with us to identify communal concerns, local issues and agree ways to help improve their community

Digital mentors

Members of the community helping customers improve their digital literacy and feel confident online

Formal panels and focus groups

We create opportunities for our customers to get involved in our policy, procurement and service consultations as well as providing feedback through focus groups and virtual forums to help improve our service

▶ More details about our customer involvement can be found on our website here.

VIVID plus+

VIVID Plus is our charitable arm, setup to help customers and communities thrive.

It launched in February 2021 with **2 core themes**; provide customers with tailored, individual tenancy sustainment support, and tackle community-led priorities to ensure people feel proud of where they live. We plan to invest **£21 million** over 5 years to make this happen.

Our achievements over the last year include:

- **£252K** OF OUR WELFARE FUND ALLOCATED TO CUSTOMERS IN NEED
- **£4.9M** EXTRA INCOME SECURED FOR OUR CUSTOMERS
- **203** CUSTOMERS SUPPORTED INTO WORK
- **589** CUSTOMERS HELPED WITH ACCESS TO THE INTERNET
- **35** CUSTOMERS PROVIDED WITH MENTORING SUPPORT TO SUSTAIN THEIR TENANCY
- **43** CUSTOMERS RELIEVED OF EXTREME DEBT
- **5** COMMUNITY GARDENS SUPPORTED
- **49** CHILDREN ENGAGED IN YOUTH HUBS TO DETER ASB

Supporting our customers when they need it the most

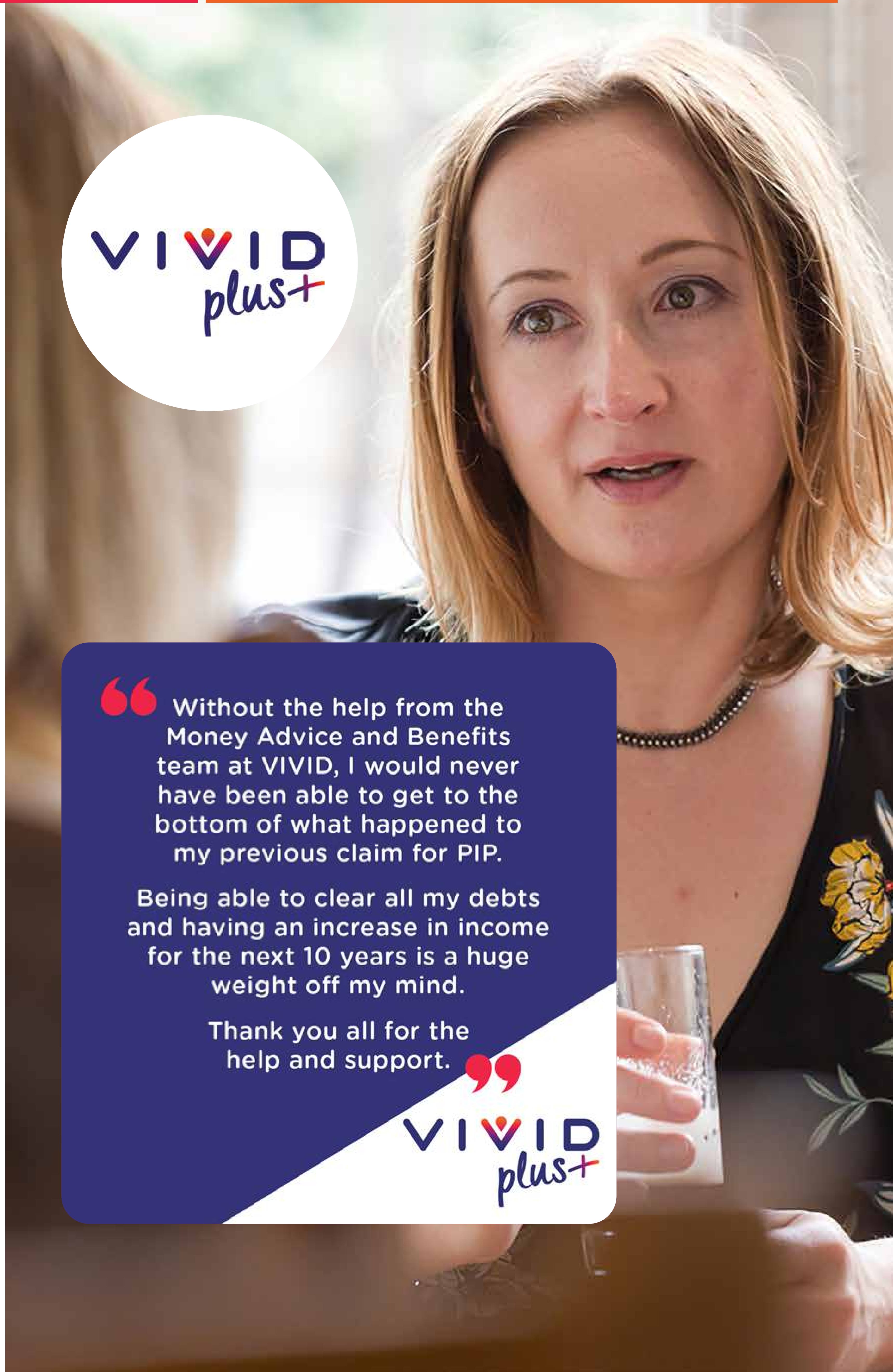
We recognise the financial pressures on our customers and offer a wide range of services to our residents who need additional support so they can build bright futures. Our support includes:

Money and benefit advice to help customers stay in control of their financial wellbeing and claim benefits they're entitled to. Over the last year we've secured **£4.9 million** in unclaimed benefits for our customers and have assisted them in writing of **£804,000** worth of debt.

Employment and training providing customers with careers guidance, support in writing CV and cover letters, interview preparation skills and advice on how to apply for jobs online. We're pleased that over the last year we helped customers get **310 jobs**.

Wellbeing and mental health services working closely with our NHS partners to support customers with poor mental health to continue living independently in their own home.

Digital skills training to help customers struggling with the skills and confidence in using computers or the internet, so they don't get left behind in an increasingly digital world.



"Without the help from the Money Advice and Benefits team at VIVID, I would never have been able to get to the bottom of what happened to my previous claim for PIP.

Being able to clear all my debts and having an increase in income for the next 10 years is a huge weight off my mind.

Thank you all for the help and support."

Tackling community-led priorities

We want the communities in which our customers live to be prosperous, so they can achieve their ambitions in life.

Through VIVID Plus, we target our support to local community groups and organisations that are already working hard to tackle areas of deprivation in our neighbourhoods but need extra investment and focus to really make a difference. We focus our community investment in areas such as helping our communities feel safe and secure, tackling homelessness, health interventions to improve life chances, growing economic opportunities and promoting digital inclusion.

During our first year we've trialled ways of working with a range of partners to see how our support can make the greatest difference in our communities.

Some of our partnerships and outcomes include:

- Supporting Basingstoke Foodbank to provide **94 tonnes** of food feeding over **7,600 people** during the pandemic.
- Investing in Eastleigh Borough Council's Changing Direction for Future Success project to fund training courses for **46 young people** who weren't in education or employment and were involved in anti-social behaviour to learn new skills. These courses have helped **13 young people** enrol in full time education or employment.

"The partnership with VIVID Plus has had a hugely positive impact on the Changing Direction for Future Success (CDS) Project. It's enabled us to upscale our initial pilot project to open up a wide range of nationally recognised training courses and qualification opportunities to even more young people. Before working with VIVID Plus we could only offer one type of course to 12 young people, now we have supported 46 young people to achieve 55 qualifications ranging from: bricklaying, carpentry, fork lift, food safety and first aid. The skills these young people have developed have helped them grow in self-confidence, awareness and they now aspire to achieve what they want in life."

Ryan Bragg
Community Safety Officer at Eastleigh Borough Council

- Forming a partnership with Domestic Abuse Housing Alliance (DAHA) to help us better deal with cases of domestic abuse in our homes and communities and embed preventative measures in our neighbourhoods.

- Partnering with Outcome Home to provide specialist help to our most vulnerable customers who have complex needs of addiction and/or mental health issues, to prevent homelessness. Since working with them Outcome Home has received **35 customer referrals**, preventing **9 evictions** and court action. One customer said of his Peer support worker:

"Charlie definitely stopped me being homeless, he's definitely helped me keep my tenancy. He has supported me all the way through – and he will still keep doing it as well. I do feel like I can relate to him, because he's been in the same sort of situations that I'm in in the past."

daha
Domestic Abuse Housing Alliance

Hampshire Cricket Board

TWO SAINTS
REBUILDING LIVES FOR A BRIGHTER FUTURE

EASTLEIGH BOROUGH COUNCIL

OutcomeHome
CONSULTING, EVALUATION & TRAINING

- Launching a new interactive board game to coincide with International Older Person day and Get Online Week to help over **40** of our older residents from our older person extra care schemes learn new digital skills, meet staff and their neighbours face to face. One resident said:

"I can't thank you enough for organising this. I have lived here for a year and don't know any of my neighbours, it's been a lonely time. I'm going home now with a big smile as I have found some new friends and now know how to facetime my granddaughter".

We've commissioned in-depth research across our footprint to identify hotspot areas of deprivation and highlighted projects to support moving forward. These projects range from partnering with a local school to maximise the impact of pantries, to improving digital literacy and opportunities.

▶ **More details about VIVID Plus can be found here.**

A clear approach to complaints

We've continued to comply with The Housing Ombudsman Service (HOS) complaint handling code, published in July 2020, to ensure when we haven't met our customers' expectations, we're responding to their complaints effectively and fairly. Our Customer Services Committee regularly review how we're doing, and we publish our performance on our website.

▶ Read more about our performance here.

We introduced a new Customer Success Team that gives a strategic focus to our complaints process ensuring managers take more ownership and collaborate with others to get the best resolution for our customers. The team also focuses on resolving dissatisfaction at the earliest opportunity and have set a target to resolve 70% of complaints at the front line before they escalate. Like the rest of the sector, we've seen the number of complaints increase, but thanks to this focus our management of them has improved.

Here's how we've performed in 2021-22:

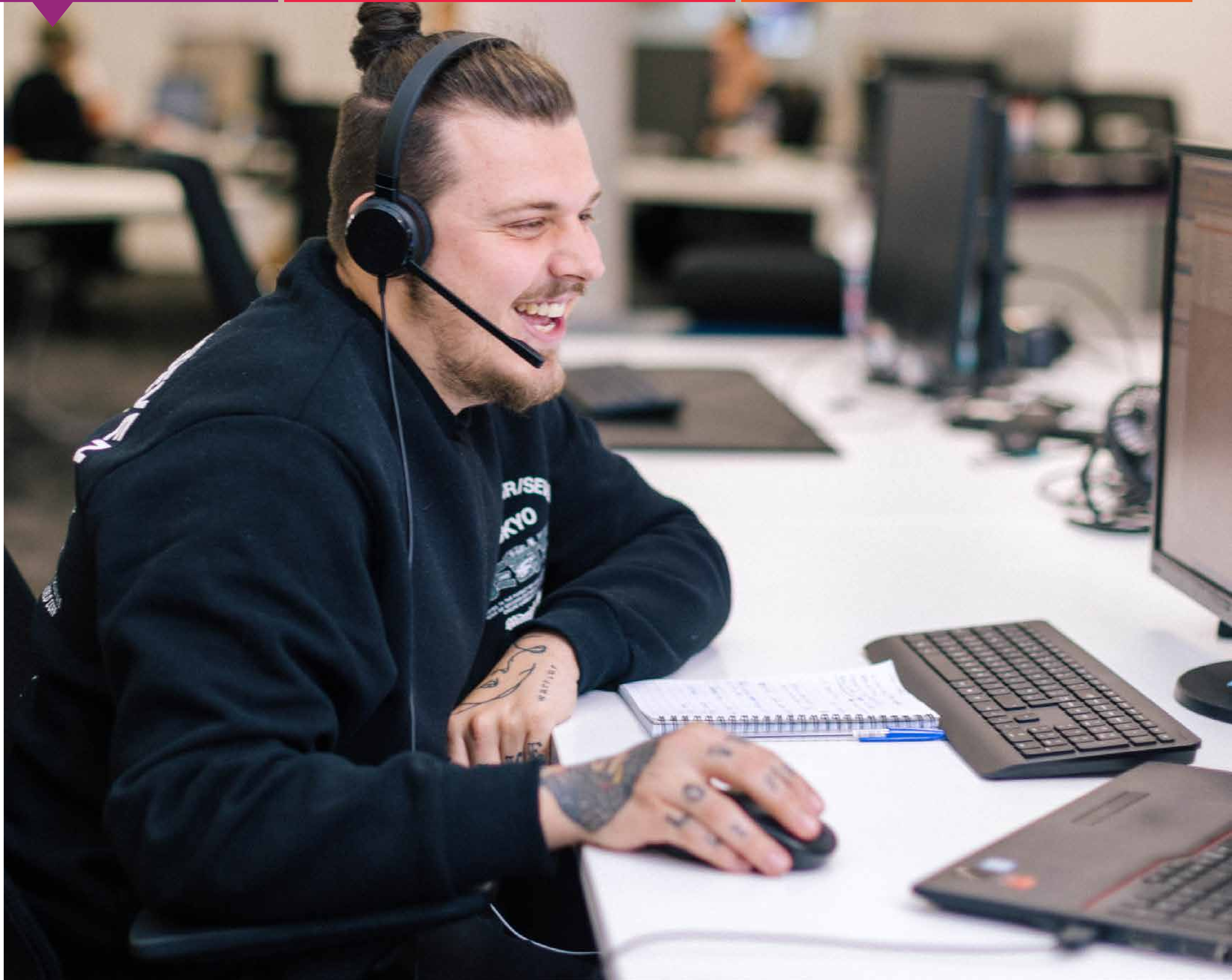
Complaint Performance	2020-21	2021-22
Number of compliments received	989	768
Number of complaints resolved	1316	2142
% Resolved at frontline	44%	59%
% Resolved at stage 1	52%	37%
% Resolved at stage 2	4%	4%
Average resolution time at stage 1 (in days)	11.4	10.8
% of complaints resolved within target	83%	87%
Complaint handling satisfaction (average score out of 10)	4.4	5.0
% of cases investigated by the HOS	1.1%	0.6%
Of HOS cases investigated % with service failure	40%	29%

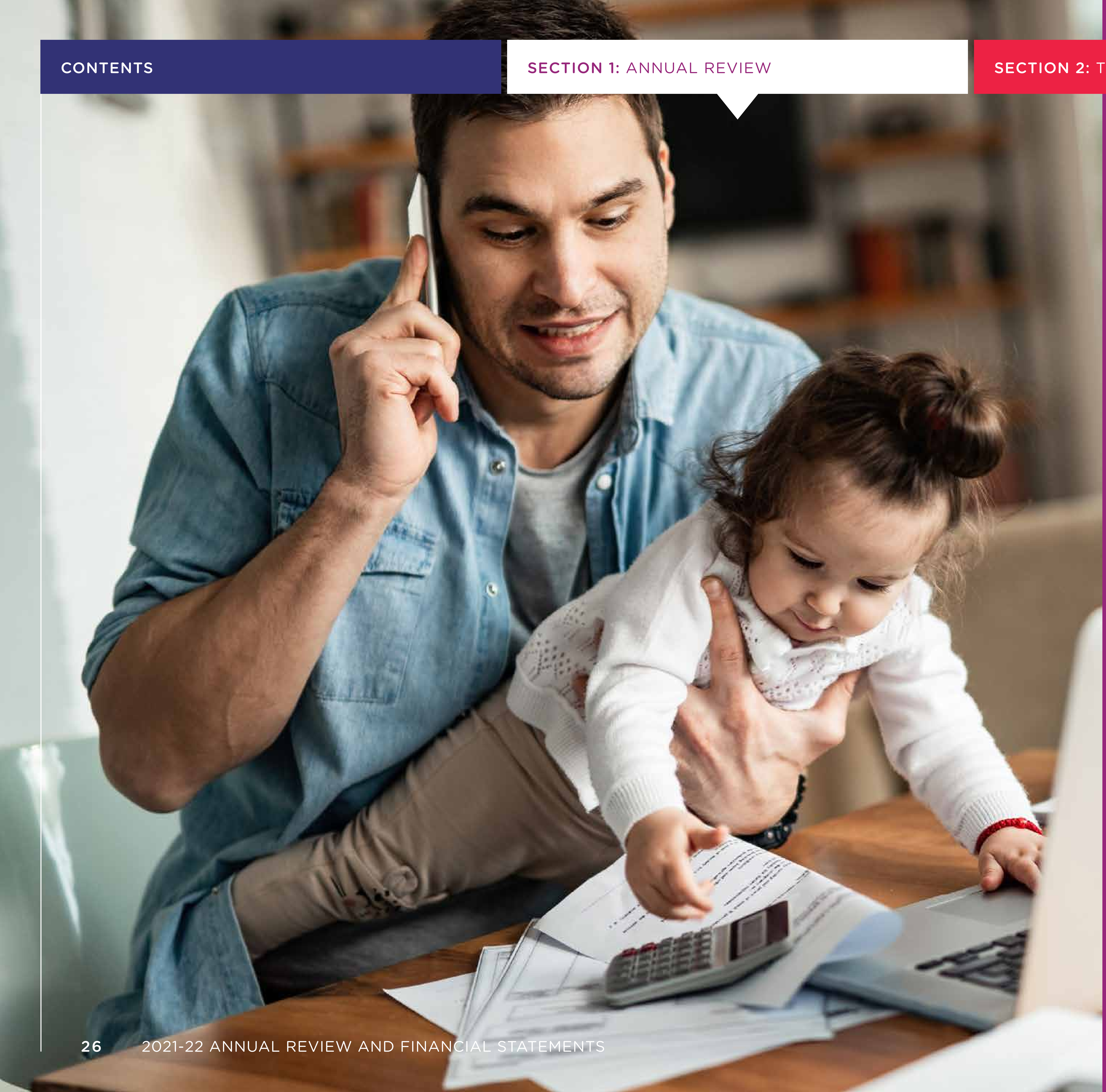
We continue to review how we can learn from complaints and identify improvements.

Here are some examples of action we've taken:

- Developed a dedicated complaint team to make sure investigations are carried out in line with our policy. This includes ensuring all managers are providing a consistent great customer experience, making sure customers are updated regularly on the progress of their complaint and making sure we resolve customer issues quickly and satisfactorily
- Implemented an app to help us monitor the progress of a complaint and any promises we've made to our customers to ensure we're meeting their expectations
- Reviewed our stage 2 complaint process to ensure our customers feel supported through the experience and understand next steps
- Provided additional customer experience training to all our trades staff to help them deliver a great customer service when working in our customers' homes
- Created a team to focus on the management of any contractors working on our behalf to carry out repairs on our customers' homes to ensure they uphold our standard of service

- Redesigned our processes and developed a team to specialise in damp and mould investigations and maintenance
- Provided 'Resolve' training for our neighbourhood officers so they feel confident in how to deal with, and respond to, allegations of anti-social behaviour
- Developed a checklist and guidance for customers viewing a mutual exchange home to help assess whether the property is the right choice for them and meets their family's needs.





Looking ahead

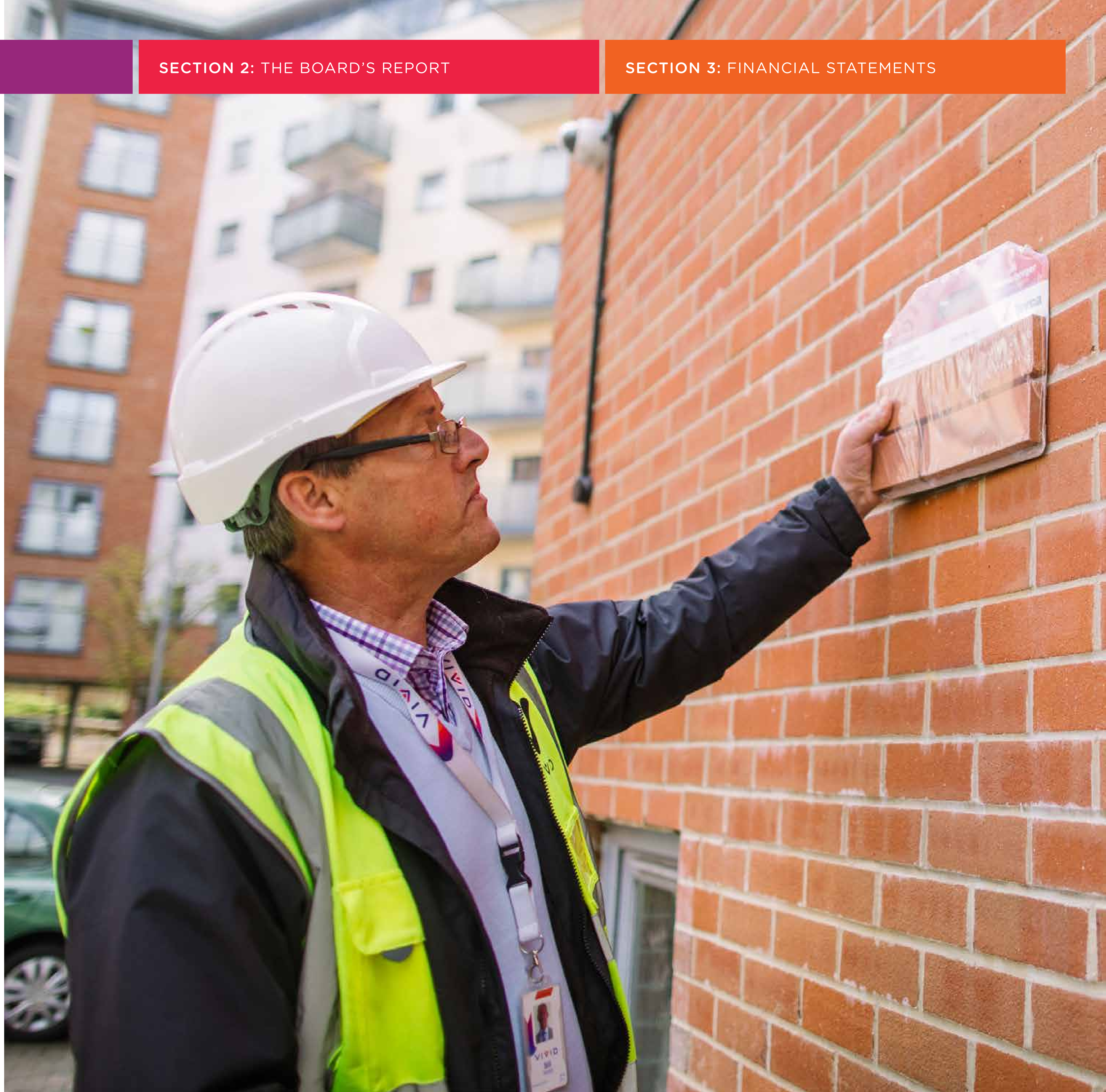
We'll continue to develop our core services making sure we're delivering things that matter most to our customers.

Providing extra support through VIVID Plus to our customers and communities to help their financial wellbeing will continue to be a key focus for us over the year, especially as we navigate the cost of living crisis and the impact this will have on lower income families most reliant on housing associations.

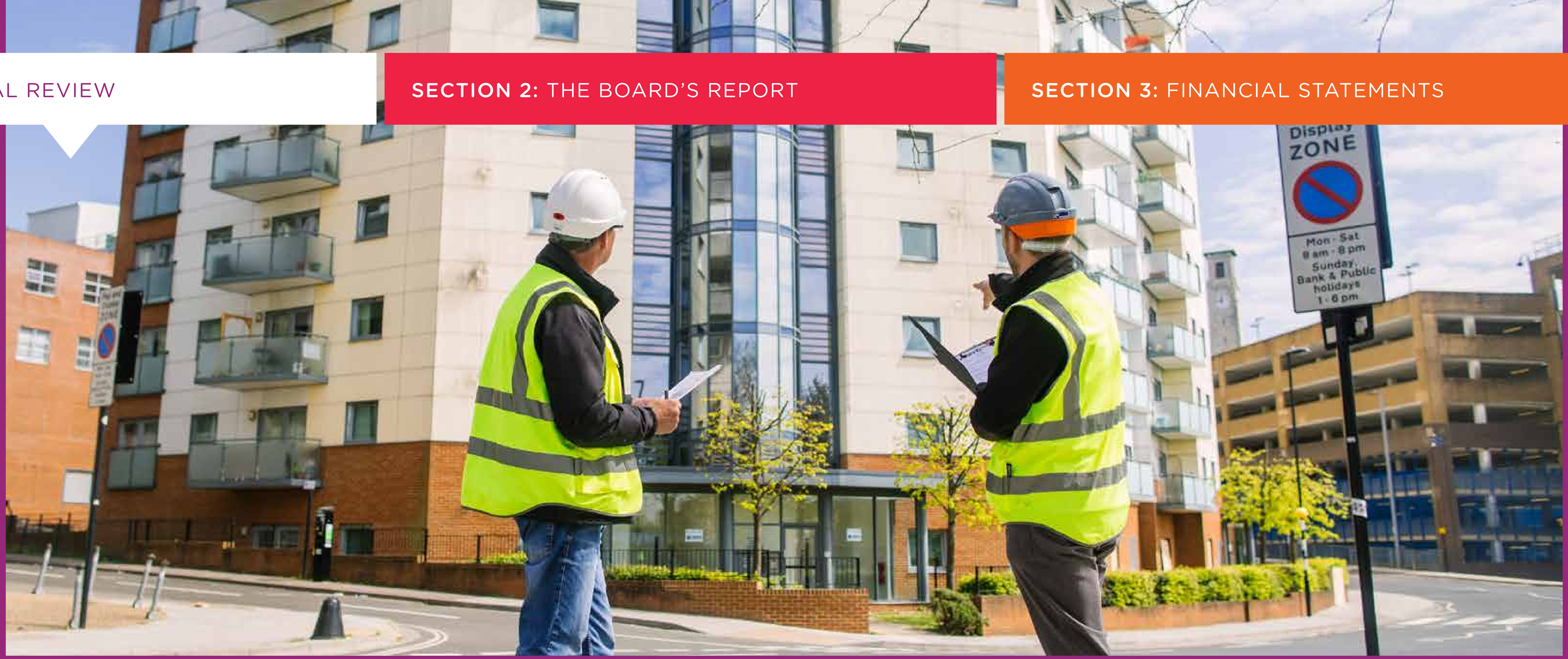
We're investing £15million to transform our services to deliver the best customer experience possible and ensure our customers enjoy living in their homes. Part of this will be supporting our estates and neighbourhoods by installing super-fast broadband infrastructure in our buildings.

Provide affordable, safe, well-maintained homes to a consistent standard

A safe and secure home lays the foundations for people to achieve what they want in life. We work hard to make sure our homes are maintained to a good standard with safety and security front and centre so customers can enjoy living in them and focus on achieving their aspirations.



Customer safety



The safety of our residents remains our top priority. Following Dame Judith Hackitt's Building a Safer Future Review, in the wake of the Grenfell Tower tragedy, we've taken a proactive response and become a Registered Signatory of the Building a Safer Future Charter. Through this charter we've committed to embed a series of recommended principles to make sure people's safety is always put first.

We've continued to take action to make sure our buildings are to the highest safety standard and comply with latest government guidance on building safety.

We've taken a phased approach focusing on our highest-risk residential buildings and those over 18 metres reviewing all safety aspects including building materials like cladding, fire doors and wooden balcony decking.

We first completed the removal of ACM cladding from 3 blocks of flats in Portsmouth in June 2021, and our work to remove the HPL cladding from 3 blocks in Southampton, Empire View and Gantry Court, and 1 block in Portsmouth, Collins Place, is due finish in early 2023. We've also replaced the wooden balcony decking at our block of flats in Gosport, Ark Royal House in February 2022.

We made sure that as soon as this work was identified, we took quick action to ensure the safety of our customers. This included installing fire detection systems, 24/7 'waking watch' fire patrols, and extra checks on communal fire doors to ensure they were fit for purpose. We're also consulting with our residents at each of our tall buildings to develop a bespoke building safety engagement strategy and customer information sheet to make sure they all know what to do in case of an emergency.

Our application for funding from the Building Safety Fund was successful for Empire View and Gantry Court. This means leaseholders and shared owners in these properties won't have to pay any costs in relation to cladding remediation works. We'll continue to monitor the Building Safety Fund guidelines and submit further applications for any other buildings where remediation work is necessary, and funding is needed.

Thorough inspections on our buildings over 11 metres are now underway, to ensure our buildings are safe and to identify circumstances where it may be prudent to remove other lower risk building materials. We're continuing to work with Hampshire Fire and Rescue to ensure all our buildings remain safe for our customers.

Improving our homes

We've continued to make improvements to our homes, communal areas and neighbourhoods to make them great places to live.

Our teams have worked really hard to overcome the disruptions caused by COVID services restrictions and more recently the shortage of materials. They have cleared the outstanding jobs from the last lockdown and improved our response times for urgent and emergency repairs. Despite these challenges our customer satisfaction scores **averaged 8.8/10** showing the effort our teams have put in to continue delivering a good service.

We've worked hard to help improve the appearance and useability in our communities. Throughout the year we've gone above and beyond to improve the external communal areas of some of our blocks, installing cycle or mobility stores and completing internal decorations on our blocks of flats and our Howard Road Community Centre in Portsmouth. Following a customer survey, our planned programmes team also completed minor adaptions in our homes to aid residents, which included installing grab bars.

Over the last year we've placed a greater focus on supporting customers experiencing issues with damp and mould in their homes. This usually occurs due to poor ventilation and cold spots within a property and sometimes there isn't a quick fix to resolve the problem. We recognise the impact this has on our customers, so we've setup a dedicated damp and mould team who work with our customers and repairs team to ensure we identify the root cause quickly and work with our customers to ensure a resolution.

Here is some of what we've achieved over the last year:

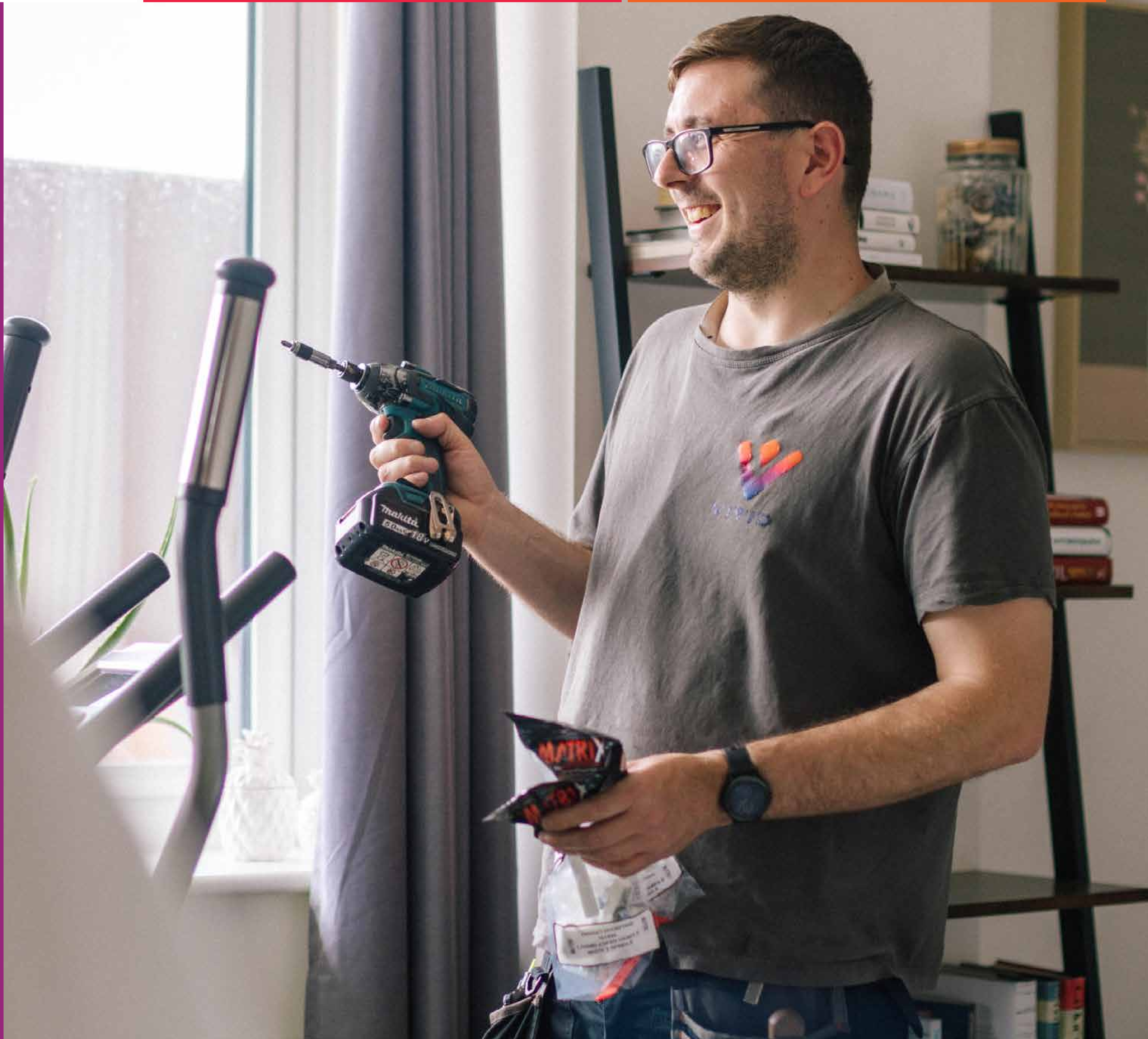
- **£59.5m** invested in improving, repairing and maintaining our homes
- **426** homes installed with grab bars for improved resident mobility
- **1,600** heating replacements
- **4,094** window replacements
- **1,549** door replacements
- **329** bathroom replacements
- **82,519** responsive repairs completed
- **23,724** properties with gas certificates
- **8.8/10** repairs satisfaction
- **442** kitchen replacements
- Average **6.5hrs** to complete emergency repair
- Average re-let time of **52.2 days**
- **140** roof replacements

Taking action for a greener future

Addressing the energy efficiency of our homes is where we can make the biggest difference to the cost of living for our customers and our impact on the environment.

The government has set targets for all social housing to get up to an energy performance certificate (EPC) band C by 2030. Our plans for achieving this are fully costed, and we'll go further to make our homes as efficient as possible. Whilst we're working towards this target our first milestone is to ensure all our homes have an EPC rating of D or above by 2024.

Our sustainability journey will continue to be a major focus for us for many years to come. Over the coming year we'll explore ways to make our existing homes more energy efficient whilst making sure any new measures are affordable for our customers. We'll also continue our pilot looking at the feasibility of an electric van fleet for our trade operatives to help lower our business emissions.



Building more homes to meet the needs and aspirations of local communities

We've continued to address the shortage of affordable homes in our area, to give more people a safe and secure place to call home. This year we delivered 1,401 new homes, increasing our delivery by 39% from the previous year, meaning we've made a significant contribution to the supply of new homes across the south. Since creating VIVID in 2017 we have built over 5,500 new homes.

Number of new homes delivered in 2021/22 by local authority area	
East Hampshire	40
Basingstoke & Deane	173
Chichester	55
Eastleigh	285
Fareham	27
Guildford	113
Havant	10
Horsham DC	15
Portsmouth	29
Rushmoor	141
Southampton	16
Surrey Heath	8
Test Valley	129
Waverley	35
Wiltshire	18
Winchester	273
Wokingham	34
Total	1,401

We've one of the largest housing association-led building programmes in the country with a clear focus on delivering more homes in areas where they're needed most. We're innovative and don't shy away from taking on challenging sites to deliver the best housing outcomes for our communities.

We've exchanged contracts on Tipner East, Portsmouth, to transform the derelict and contaminated site into a vibrant 750-850 home waterfront community.

The city of Portsmouth is densely populated with a real need for more affordable homes but due to the geography of the city, opportunities to build more homes are sparse. Although Tipner East is an extremely challenging site, we see the opportunity it provides to deliver more homes for the city, improve the land and area for existing local residents and really make a difference for the people of Portsmouth. We aim to submit our planning application in the summer of 2022.

We set an ambitious target in 2019 to deliver 17,000 homes by 2030 and we're confident in meeting this. We've already completed 22% of our target and have control over land comprising 11,648 plots. Bargate Homes, has continued to support our ambition to build new homes at pace by giving us access to additional land as well as the technical expertise to increase our development activity year on year.

Number of new homes completed	2017	2018	2019	2020	2021	2022
Social rented	37	44	144	202	226	260
Affordable rented	367	360	265	333	194	429
Shared ownership	180	189	312	408	319	480
Market rented	0	0	122	74	44	87
Market sale	26	156	162	355	227	145
Total	**610**	**749**	**1,005**	**1,372**	**1,010**	**1,401**

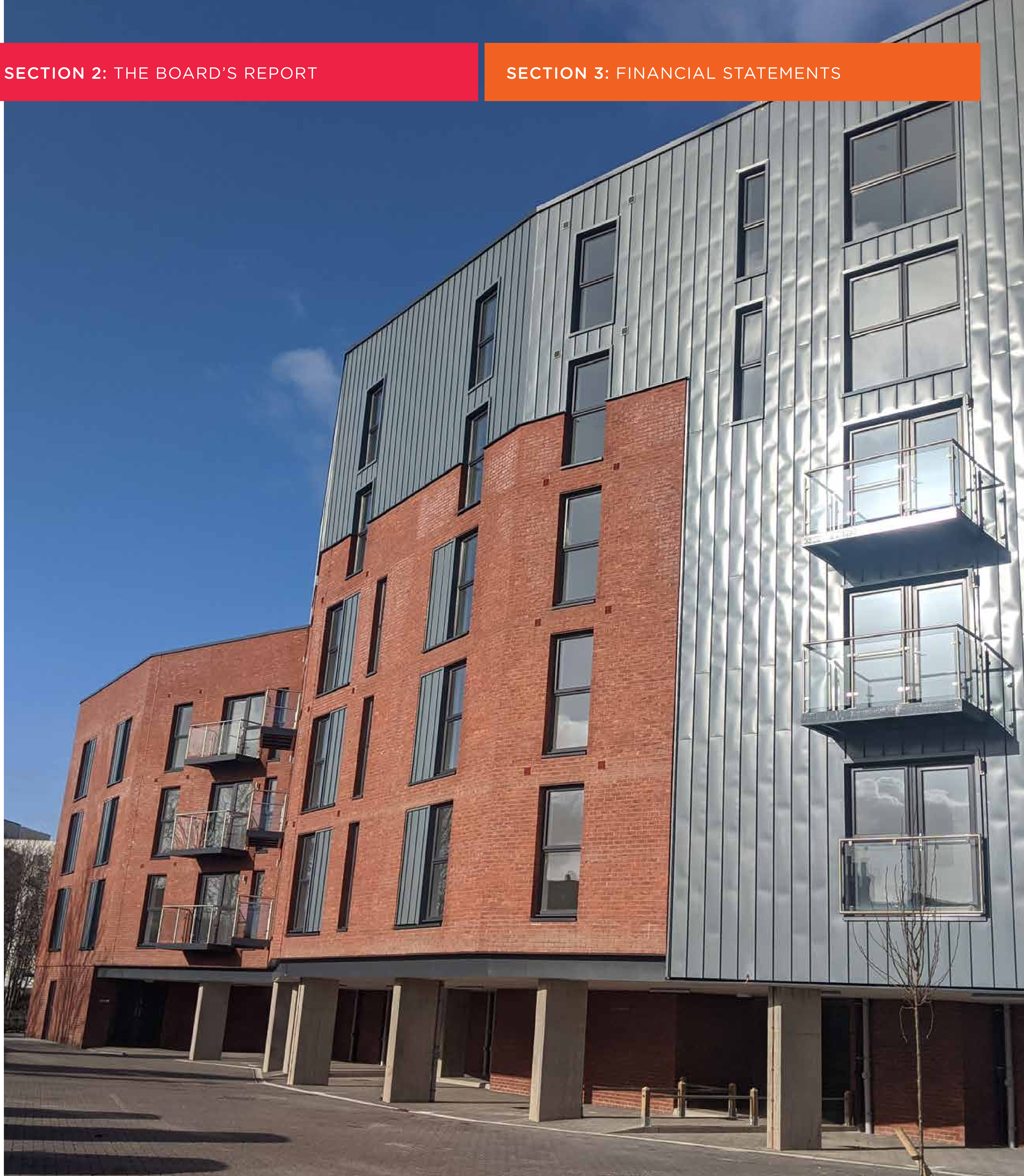
We're not all about the numbers. We take a customer-led approach and are committed to building the types of homes our communities really need. We work with our local authority partners to identify housing gaps and tailor our plans to meet demand and varying circumstances of our future customers. Our aim is to increase our provision of new homes for social rent to 25%, 35% for affordable rent, 23% for shared ownership and 17% for outright sale.

Instrumental to this is our Homes England Strategic Partnership. As one of the largest beneficiaries through the scheme, with a total grant allocation of **over £291million**, we've been able to increase our delivery of social rent and shared ownership homes. In fact, we've built the most homes committed for social rent within the whole of the Strategic Partnerships programme at **1,670** demonstrating our promise to delivering truly affordable homes.

We've also secured **£1.7million** of funding through the Government's Rough Sleeping Accommodation Programme (RSAP) to house people who were homeless and temporarily housed during the COVID-19 pandemic to help them on the road to independence. We're doing this in partnership with homelessness support charity Two Saints, who will provide specialist support services such as employment and training advice, mental health support and help with substance abuse. So far, we've secured **20 properties** across Southampton, Test Valley and Basingstoke and Deane.

Our strong development partnerships have been pivotal to our delivery of new homes across our region. Combining our knowledge and expertise means we can secure the right sites and build good quality homes and neighbourhoods that will make a difference in our communities. Our top 5 development partners by financial commitment during the year were:

FOREMAN HOMES
Vistry Group
BLOOR HOMES
HAMPSHIRE HOMES GROUP
Taylor Wimpey



We're playing our part in addressing climate change by reducing the environmental impact of construction and costs of living in new builds – considering the way new homes are built and run, can help lower household bills for customers.

All our newly built homes are being constructed to an EPC rating of at least B for energy efficiency which will make them cheaper to heat. But we're taking this a step further.

The introduction of modular homes in our development programme will play a large part in meeting our zero-carbon ambition and deliver multiple financial benefits to customers. We've agreed a partnership with BoKlok UK to build **300 modular homes** a year over 5 years and our first site in Worthing is already underway.

We're exploring a range of heating technologies as we adapt away from using gas. Some of the products we're experimenting with now include electric boilers and electric heating systems offset with solar panels, and air source heat pumps. Each will give us the opportunity to test and get to understand those products much better before we commit to a specific product and a wider roll-out.

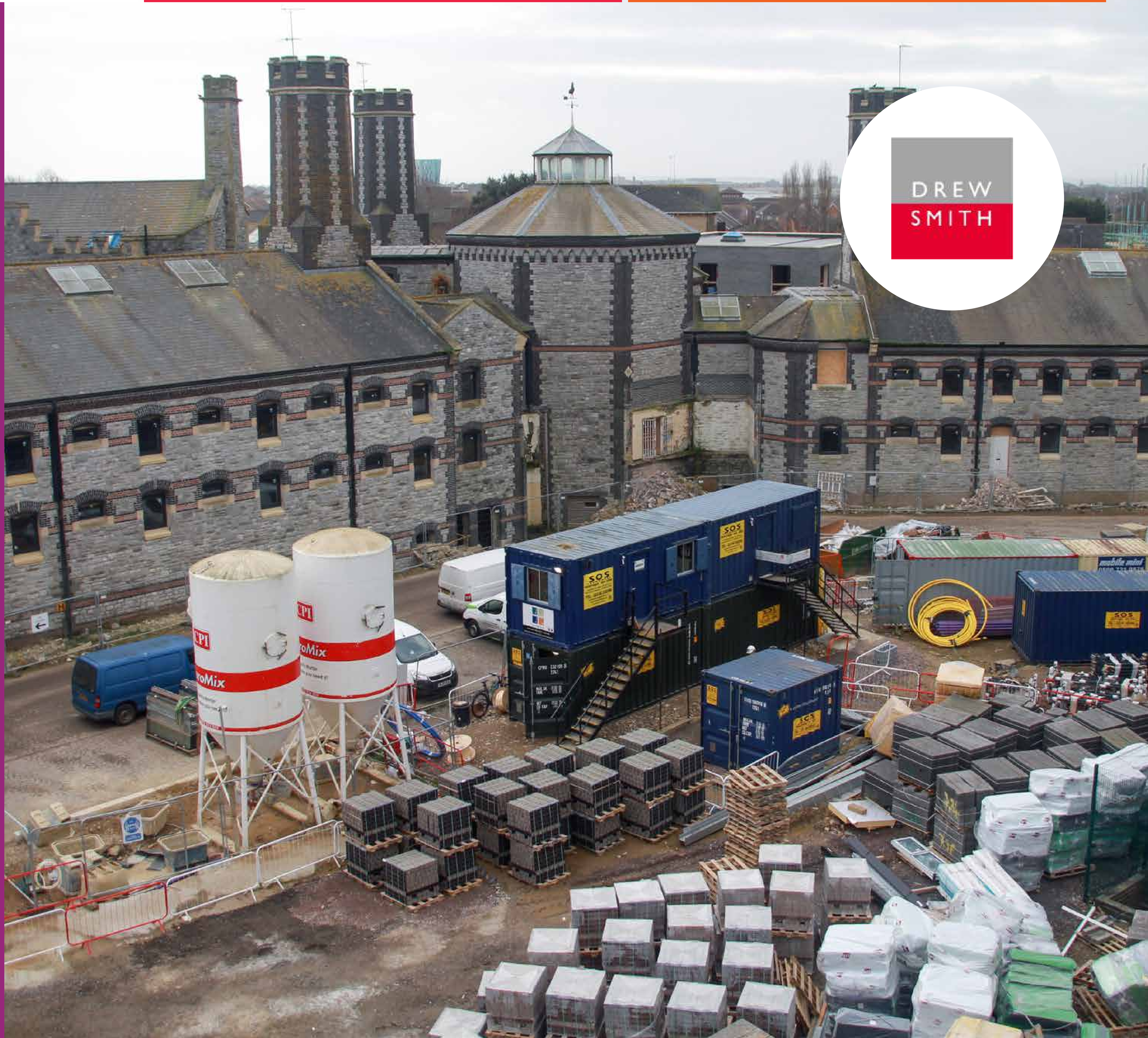
We've started future proofing our developments for electric vehicles by including ducting and cabling within buildings or within communal car parking areas so our sites can be 'switched on' seamlessly when needed.

Kingston Prison

We're transforming this iconic old prison site into a new modern residential community, which will help deliver more homes for the city of Portsmouth.

We're working in partnership with Drew Smith Ltd, part of the Vistry Group, to build 183 affordable homes on the land around the prison building – 110 for social rent and 73 for shared ownership. This will consist of 5 apartment blocks of one and two-bedroom homes along with parking, bike storage and communal gardens.

Work started on site in September 2020 and is due to complete in summer 2023.



Fulbeck Avenue, Worthing

We've signed contracts with BoKlok, the modular home company owned by IKEA and Swedish construction company Skanska, for the acquisition of 72 new apartments at this attractive lakeside development in Worthing.

These sustainable homes will be a mix of one- and two-bedroom apartments set amongst green open space. 50 of these homes will be available for social rent and 22 for shared ownership.

Work is due to complete in autumn 2022.

North Stoneham Park

We're working with Bargate Homes to deliver the final phase of our 120-acre North Stoneham Park development in Eastleigh. In total, North Stoneham Park will deliver 1,100 new homes and community facilities including a primary school and retail buildings. 750 homes have already been built and the final phase is now underway.

Working with Bargate Homes, we'll deliver 322 new homes including over 100 affordable homes – going above policy requirements.

Work has started on site and is due to complete at the end of 2022.

More homes 2021-22

1,401
NEW HOMES BUILT

84%
HOMES BUILT FOR SOCIAL AND AFFORDABLE RENT AND SHARED OWNERSHIP

55%
OF PROGRAMME DELIVERED THROUGH JOINT VENTURES OR LAND-LED

£126M
RECEIVED FROM SALES TO REINVEST

£285M
IN FUNDING TO SUPPORT DEVELOPMENT PROGRAMME

Homes England
OVER **£291M**
GRANT THROUGH HOMES ENGLAND STRATEGIC PARTNERSHIP

OVER **£1.7M**
OF FUNDING THROUGH ROUGH SLEEPERS ACCOMMODATION PROGRAMME

55
NEW SITES SECURED WHICH WILL DELIVER
2,294
HOMES

Homes England
17
NEW SITES AND
345
NEW HOMES SECURE THROUGH HOMES ENGLAND FUNDING

SOLD
39.5
DAYS AVERAGE SALES TIME

11,648
HOMES IN THE PIPELINEE

STARTED BUILDING
1,460
NEW HOMES

Looking ahead

We're focused on improving our delivery of new homes across our operating area to meet the needs and aspirations of our communities.

Specifically taking steps to concentrate our approach to reduce our carbon footprint in construction including increasing the use of factory-built/offsite manufactured homes and reviewing heating technologies to move away from gas.

We'll continue to do this with our customers front of mind, building homes that not only suit their differing needs, but also ones they can afford to live in.

A vibrant culture that supports and attracts the best people

Our people are the driving force of our business. Their energy and passion to make a difference in their communities means we can deliver our promises.

We aim to create an environment where staff want to give their best, somewhere they feel valued, rewarded and have opportunities to grow.

Our values – work as one team, encourage challenge and change and deliver a great customer experience – underpin this and helps everyone understand how their role fits into the bigger picture.

We've established a culture that is vibrant and celebrates choice. That means we encourage our people to self-serve and take ownership of their careers and working life.

Our flexible benefits scheme also allows staff to build their own package based on what matters most to them. Employees can choose as many benefits as they like, from our new electric vehicle lease scheme, private medical insurance, and childcare vouchers to wellbeing support and discounted gym memberships.

Similarly, we offer a range of support and guidance to staff to help their physical and mental wellbeing and allow them the choice on what is best suited to them and their needs. Our Stigma Busters, a team of people from across the organisation, promote good mental health and identify new initiatives and support for our employees.

We recognise our people, like the rest of society, have been through a challenging time through the pandemic compounded by the sharp rise in the cost of living. To better support them we have introduced a range of flexible benefits allowing staff some option over taking improved benefits or swapping some aspects for additional cash.

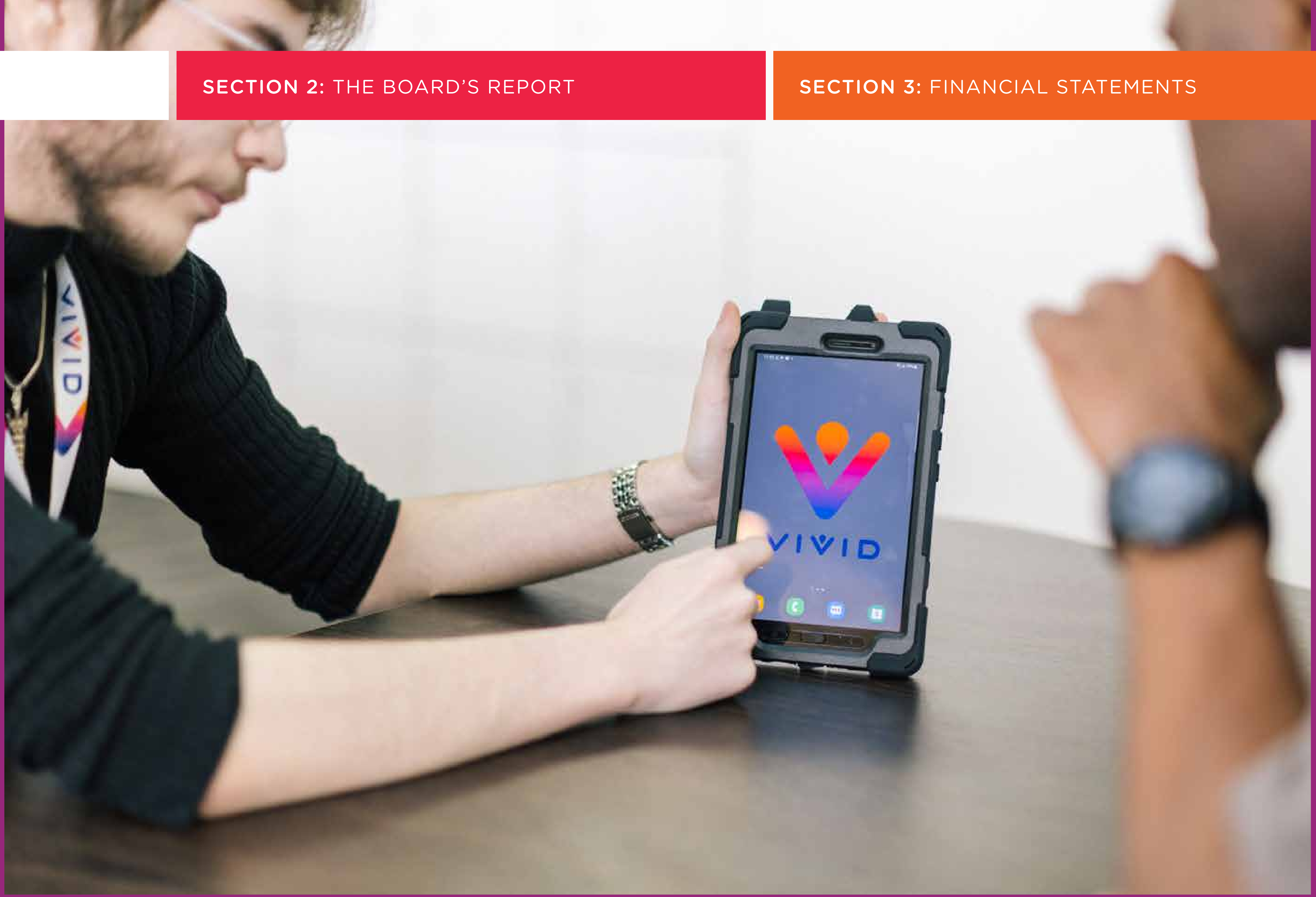
This is something we will do more of during the coming years.

A smarter way of working

This year we introduced 'smart working' setting our new way of working following the pandemic lockdowns. Staff have greater flexibility in deciding where they work but are encouraged to use our offices for collaborative activities such as team meetings and training.

The improvements we've introduced to our technology have made our hybrid working journey seamless and inclusive. We've provided new laptops and mobiles to staff, increased our use of the Microsoft 365 suite, and improved our meeting room technology allowing staff to work in different locations but still feel connected to the business.

We'll continue to transform the way we run our business through our business transformation 'Programme 2025', which focuses on driving improvements for both customers and our people.



Celebrating diversity

We recognise to be a truly successful organisation we must have a diverse workforce that reflects the demographics of our region.

And to help achieve this our overall approach has been to focus on 'inclusion' as the best way of continually making progress. Our employee Diversity & Inclusion group shapes our approach so we can all be ourselves and succeed. One aspect we've continued to focus on is ensuring we're addressing the barriers people within ethnic minority groups face in a workplace.

Our most recent Ethnicity Pay Report shows our pay gap has closed by more than 10 percentage points **from 11.8% to 1.2%** demonstrating the changes we've made over the last 3 years to ensure that everyone has the opportunity to progress in their careers. And we're committed to reducing this further by supporting the development of those in ethnic minority groups into leadership roles and reviewing our recruitment sources and vacancy advertising to target all talent fairly.

We've continued to encourage and develop women into our leadership and trade roles. Women currently make up **50% of our senior leadership** team and **60% of our wider leadership roles**. Attracting more women into our trade workforce remains a big focus. We have a target to achieve **9% more women** into our trade roles by 2023. To do this we're partnering with Highbury College to provide students with 'on the job' training through work experience and promoting our apprenticeship schemes.

We've already achieved a 7% increase and are confident about meeting and exceeding our target.

Creating a high performing organisation

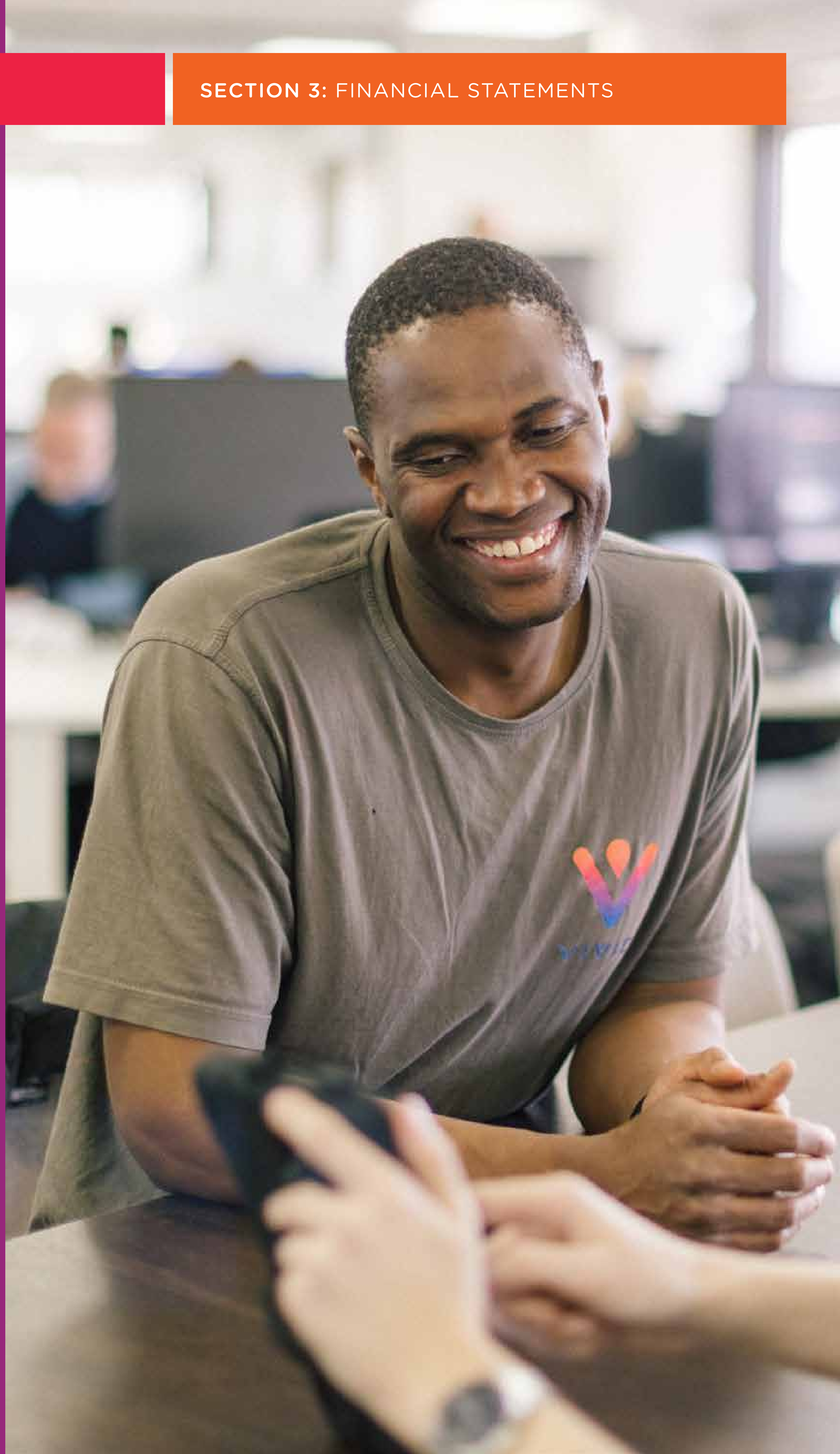
We put a strong emphasis on helping our staff develop and aim to create a stimulating environment for them to learn.

Our 'good to great' programme for our senior leadership and middle management teams, covers the tools needed to grow a 'growth mindset' and achieve a high performing organisation. And our Optimise initiative provides a tailored programme to support first time or aspiring managers reach their goals.

We target job and development opportunities to those living in our communities, particularly young people who are looking to take their first step on their career path. We offer a range of apprenticeship courses and levels across the organisation from IT to carpentry. This year we also announced our involvement in the Kickstart Housing Partnership. As part of this we have created **18 job placements** for unemployed 16–24-year-olds in Portsmouth and Basingstoke and from this have offered **6 Kickstarters** a permanent position with us.

One of which was Daniel, who joined us through the Kickstart programme supporting the IT Service Desk and was offered a permanent position as Trainee Support Technician. Daniel said:

"The Kickstart programme has enabled me to get an opportunity to train, learn, grow my skills and progress in my career. Kickstart has opened doors for me and also opened my eyes to what I really want to do in my life and has set me on the right career path. I'm looking forward to learning the skills I need to progress in the IT industry and particularly develop through my team at VIVID."

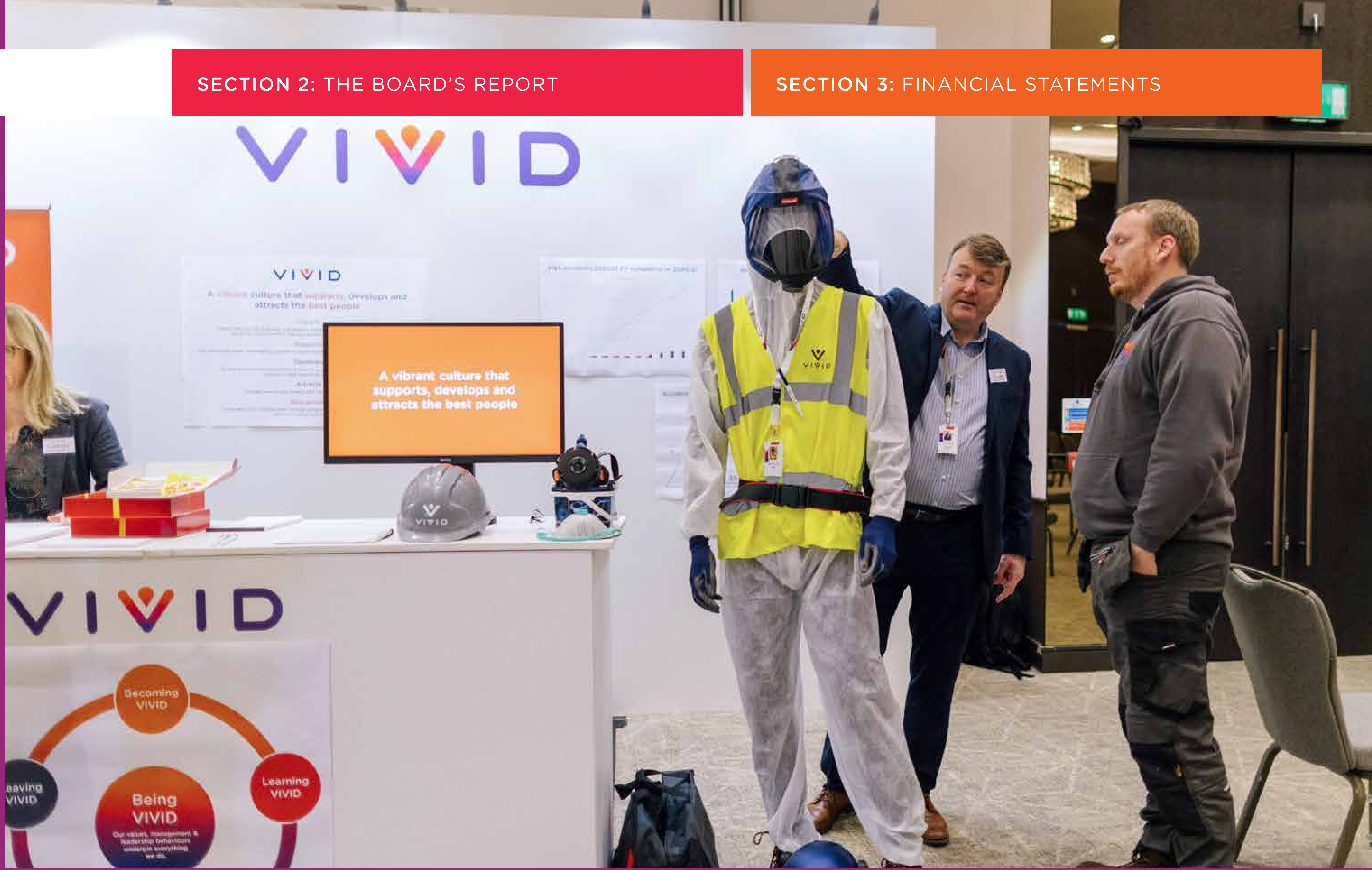


Health and safety excellence

It's our responsibility to make sure when our people go home to their families, they're safe and well.

Our health and safety performance has continued to improve year-on-year with the number of RIDDORs reducing by **43% over 5 years**. This is thanks to our dedicated Health and Safety Team who continually raise the profile of potential risks and hazards posed and offer comprehensive risk assessment and reporting training for staff.

Our smart working model has meant we've needed to adapt the way we support our people now more of them are working from home and provide detailed information to staff using DSE equipment at home.



We've the capacity to achieve our ambitions, deal with uncertainty and respond effectively when things change

	2017	2018	2019	2020	2021	2022
Turnover	211,117	228,488	250,158	326,660	310,994	303,328
Operating surplus	82.639	86.354	102,039	106,988	92,088	99,730
Net surplus before tax	49,420	66,699	73,071	71,115	62,357	72,214
Housing properties at cost	1,950,358	2,075,570	2,221,752	2,517,019	2,698,300	2,579,957
Long-term loans	955,248	985,456	1,050,125	1,273,718	1,312,444	1,301,600
Net current assets	92,818	85,913	105,463	161,720	136,546	150,589
Net assets	393,892	459,548	516,533	600,005	640,499	714,735
Operating costs per unit	3,447	3,496	3,157	3,380	3,512	3,516

All figures are £'000 unless otherwise indicated. Figures are stated in accordance with FRS102.

Funding and treasury management

During the year we've maintained high levels of liquidity and managed the associated risks.

We borrow from a range of investors to make sure our business plan and development programme are fully funded.

Key treasury risks:

- **Funding risk** – Our business plan identifies when and how much funding is required to fund our development programme. We spread our sources of financing and ensure we're not reliant on a single investor or bank.
- Liquidity risk – Our treasury policy includes a golden rule which calculates the level of liquidity we need to maintain a strong business. On 31 March 2022 we had £446m of liquidity.
- **Counterparty credit risk** – We've set minimum credit ratings for each lender, investment counterparty and banker in our treasury policy. We deposit surplus cash with various counterparties. The credit ratings of counterparties, rather than the returns, are the primary consideration when deciding how to invest cash balances. Counterparty credit ratings are provided by our treasury consultants and monitored in house by our treasury team.
- **Interest rate risk** – Our treasury policy sets parameters for the percentage of fixed, floating and index-linked debt within our loan portfolio. On 31 March 2022 98% of our drawn debt was at fixed rates to protect us against future interest rate volatility. None were index-linked and 2% was exposed to variable interest rates.
- **Compliance risk** – Through our business planning and budgeting process we monitor the corporate financial covenants within our loan agreements. Our treasury policy requires us to maintain headroom above these covenants and we set a budget to exceed each lender's requirements. Performance against the budget is monitored monthly.

Our approach to value for money

To us, value for money means providing a standard of service that meets our purpose as efficiently as possible.

We have 3 value for money (VFM) objectives:

- **Provide efficient and effective landlord services**
- **Maximise our contribution to tackling housing need**
- **Continually improve the return on our assets**

We have 20 VFM measures that track our progress with each of these objectives. And we compare our performance with a group of 11 selected peers using the Sector Scorecard. We have reported 5 year trend data and a summary for each VFM objective of our performance in the year.

With the increasingly uncertain economic outlook, rising inflation and the impact this has on the costs our customers have, our focus continues to be on supporting our customers in these extremely challenging times and applying our resources accordingly.

VFM Objective 1: Providing efficient and effective landlord services

Measure	2017	2018	2019	2020	2021	2022	2023 target	Benchmark Top Quartile 2021
Overall customer satisfaction	-	79.6	77.3	77.9%	80.4%	78.4%	80%	81.6%
Operating margin*	39%	38%	41%	33%	30%	33%	32%	29%
Operating cost per unit	£3,447	£3,469	£3,157	£3,380	£3,512	£3,516	£3,746	-
Operating margin (social housing lettings)*	44%	45%	49%	46%	45%	45%	42%	34%
Social housing cost per unit*	£3,006	£2,816	£2,752	£2,893	£2,909	£3,328	£3,904	£3,490
Properties managed per FTE staff	31.9	36.2	38.4	37.6	36.9	37.4	35.9	-
Overheads as % of adjusted turnover	7.88%	7.03%	6.63%	6.02%	6.3%	6.06%	6.21%	9.8%

*Regulator for Social Housing VFM metrics

We measure customer satisfaction through independent perception surveys run by TLF Research twice a year.

We've achieved a score of 78.4% in March 2022 which places us in the second quartile of 200 other housing associations who measure satisfaction in the same way. Although this is a drop on our previous year end performance, we have shown improvement on our September 2021 survey where we achieved 77.5%.

We continue to measure transactional satisfaction for our key services areas using our digital survey platform. The platform also allows us to measure customer sentiment and it gives us the opportunity to put things right more quickly for our customers if something does go wrong. Over the year we've been able to either improve on or maintain levels of customer satisfaction across the majority of our touchpoints. This is positive considering the challenges we continued to face with Covid recovery and rising customer expectations.

In the coming year we've set ourselves a target of 80% to further improve our satisfaction. We'll be reviewing our customers' priorities and focusing on improving areas that are most important to them to make their overall experience better.

Our operating costs are among the most competitive in our sector. Our operating cost per unit has increased in the year as we met an increase in demand for repairs following COVID-19 and increased support for our customers but still leaves us in the top quartile.

We know that 2023 will be challenging for our customers and us as we see the impact of rising costs and inflation. We're expecting rises in cost price inflation to impact materials, and are already aware of the increased cost of utilities. For our customers, supporting them further by investing in additional support over the coming year will increase our cost per unit but is an invaluable investment to help support the most vulnerable. Our financial strength and history of top quartile performance gives us the capacity to do this.

VFM objective 2: maximising our contribution to tackling housing need

Measure	2017	2018	2019	2020	2021	2022	2023 target	Benchmark Top Quartile 2021
Number of new homes completed	610	749	1,005	1,372	1,010	1,401	1,800	909
Reinvestment in homes*	7.3%	7.9%	8.26%	13.1%	8.1%	8.7%	10.3%	7%
New supply delivered (Social Housing)*	2.2%	2.2%	2.4%	3.1%	2.4%	3.7%	4.7%	2%
New supply delivered (Non-social Housing) % *	0.1%	0.5%	0.6%	1.4%	0.8%	0.7%	0.6%	0.3%

*Regulator for Social Housing VFM metrics

We can develop more than our peers because we generate more of the funding ourselves:

Funding for our developments (£m's)	2017	2018	2019	2020	2021	2022	2023 Target
Grant funded	4.9	4.6	4.0	82.0	78.0	28.8	35.0
Debt funded	57.5	74.2	71.4	100.4	2.0	74.3	143.9
Self-funded	97.8	149.7	164.5	229.1	205	207.4	201.7
Total	**160.2**	**228.4**	**239.9**	**411.6**	**285.1**	**310.4**	**380.6**

One of our ambitions is to increase our output of new homes and deliver 17,000 by March 2030. With 1,401 new homes this year we've delivered 3,783 against this pledge. This commitment includes the aspiration to build 25% of new homes at social rent and 35% at affordable rent.

For our size, we're one of the biggest developers in the country and we're committed to maximising the number of new affordable homes we build each year. We achieve this by generating a healthy surplus and using it to subsidise our development costs.

We manage the mix of our programme to generate a profit from sales which subsidises our affordable rented housing, taking care not to over-expose ourselves to the housing market.

We've locked in low interest rates by fixing the rates on 91% of our debt for an average term of 12 years, enabling us to put more resources into development without worrying about rising interest rates.

We're clear that building homes for social rent is a vital part of meeting housing needs, making maximum use of our surplus to make our new homes as affordable as possible. We've also committed to all 3 and 4 bedroom homes being let at social rent, keeping them more affordable.

VFM objective 3: continually improving the return on our assets

Measure	2017	2018	2019	2020	2021	2022	2023 target	Benchmark Top Quartile 2021
Gearing %*	51%	50%	47%	49%	47%	47%	48%	44.5%
EBITDA MRI interest cover*	207%	268%	268%	234%	229%	213%	186%	211%
Return on capital employed (ROCE)*	4.8%	4.8%	4.6%	4.5%	4.5%	3.9%	3.7%	3.6%
Occupancy rate	99.72%	99.44%	99.5%	99.08%	99.45%	99.13%	99.6%	99.6%
Rent collected	99.33%	98.67%	101.1%	101.99%	103.4%	102.2%	100.3%	100.3%
Current tenant Arrears %	3.3%	3.4%	4.7%	4.6%	4.45%	4.06%	4.1%	-
Average re-let days	20.5	27.8	31.5	39.7	52.2	43.3	28.0	-
Void loss %	0.59%	0.57%	0.57%	1.06%	1.28%	1.14%	0.8%	-

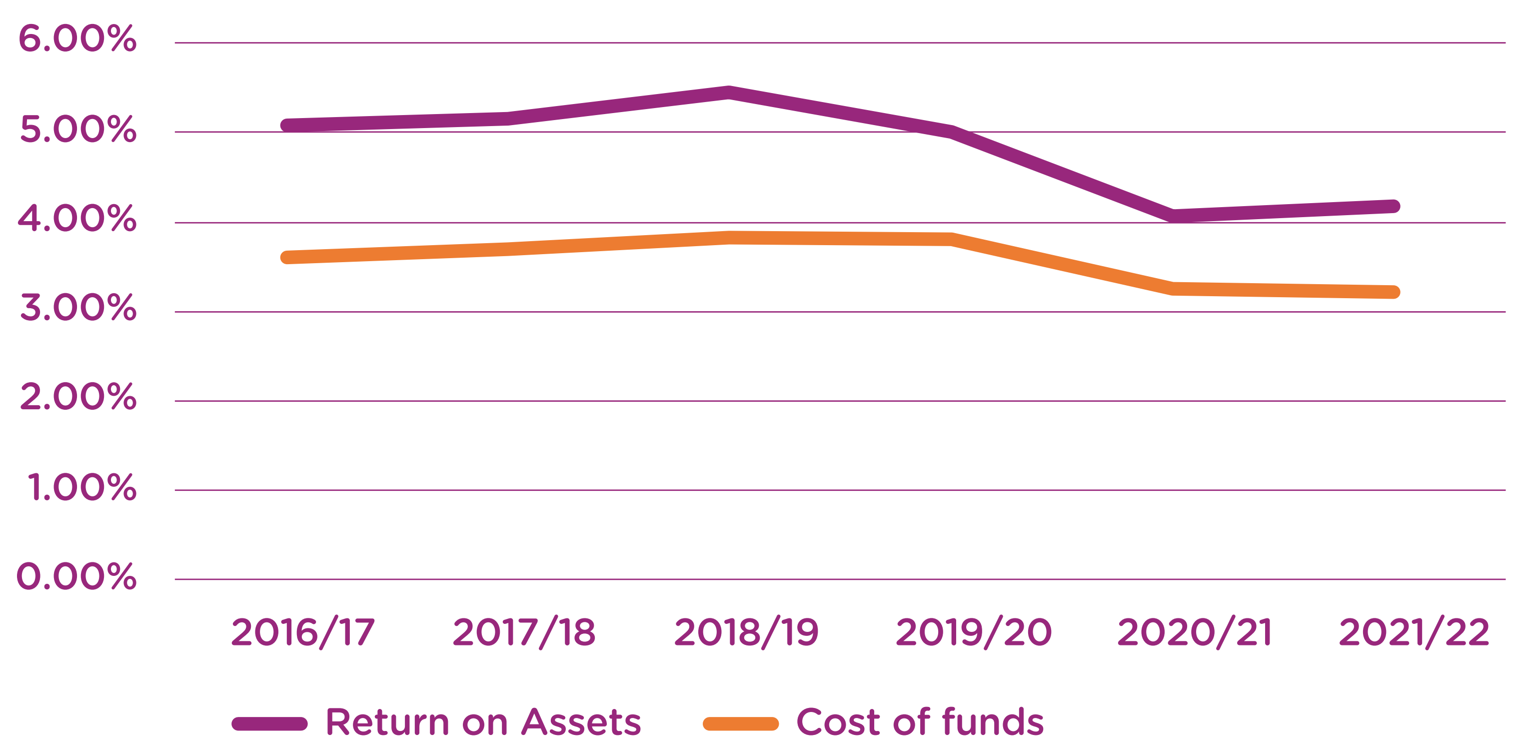
*Regulator for Social Housing VFM metrics

We have continued to perform well on rent collection and improve our level of arrears. In these areas we compare well against our peers. But we need to improve the time it takes to re-let homes and this will reduce our rent loss and improve our operating margin.

Looking forward, our VFM Strategy sets a Matched Funding target to secure £1m of external grant funding towards community investment activities, which equates to less than 10% of the overall investment VIVID will make in these areas over the next 5 years.

We've continued to increase the value of our business by achieving a return on assets that exceeds our effective interest rate.

Return on assets and average cost of funds



We calculate the return on our assets by comparing our operating surplus with the historic cost of our assets. And we compare this with the average interest rate on our debts.

Our future plans

'Our Plan' for the future is set out on page 13 and consists of 3 ambitions.

1. Provide affordable, safe, well maintained homes to a consistent standard (VFM objective 1)

2. Build more homes to meet the needs and aspirations of our local communities (VFM objective 2)

3. Help customers thrive in their homes and communities (VFM objective 3)

These ambitions are directly supported by our 3 VFM objectives by ensuring we remain financially strong enough to provide the support our customers need, deliver sufficient new homes to people that need them and make our services as affordable as possible.

Section 2

The Board’s Report

Our legal structure

VIVID Housing Ltd is a registered Cooperative and Community Benefit Society (registration number 7544) and is regulated by the Regulator of Social Housing (registration number 4850). The group comprises:

Company Name	Registration	Controlling interest	Description
Vestal Developments Ltd	05509078	VIVID - 100% share capital	Limited company providing development services & market sales
VIVID Build Ltd	07930319	VIVID - 100% share capital	Limited company carrying out development activities
Bargate Homes Ltd	05626135	VIVID - 100% share capital	Limited company providing development services & market sales
Bargate SPV1 Ltd	07957165	Bargate Homes Limited – 100% share capital	Dormant subsidiary of Bargate Homes Ltd
Mitre Court (Fareham) Ltd	01350375	VIVID - Limited by guarantee	Limited company carrying out property management services
VIVID Plus Ltd	8540	VIVID is the parent entity	Its charitable purpose is to create and support long term sustainable communities by improving the prospects and opportunities of residents living in those communities. This means supporting residents when they need it and providing a springboard to fulfil their potential through helping them to sustain their tenancies, providing money advice and benefits advice, skills and assistance to get jobs, health and wellbeing activity.

The board

The Board sets the strategic direction of VIVID and its subsidiaries. They make sure we're always one step ahead by looking to the future. It means we're well set up to achieve our ambitions and keep delivering what our customers need. They keep a close eye on the services we provide, monitoring our performance and how well we're managing our finances.

Non-executive Board members

Charles Alexander - Group Board Chair (Appointed as Chair Designate from 1 April 2021 and formally took up the position as Chair from 22 July 2021)
Lynda Shillaw - Senior Independent Director (SID from 22 July 2021)
Sandeep Agarwal (from 18 November 2021)
Liam Coleman (from 18 November 2021)
Jane Earl - Chair of RNC and VIVID Plus
Naleena Gururani (appointed as Board member designate from 1 January 2022)
Philip Raw - Chair of Customer Service Committee
Jean-Marc Vandevivere
Shena Winning - Chair of Audit and Risk and Treasury (Treasury from 22 July 2021)

Executive Board members

Mark Perry - Chief Executive
Duncan Brown - Chief Finance Officer
Mike Shepherd – Group Development & New Business Director and Chair of Bargate (from 21 September 2021)
Jonathan Cowie – Chief Operating Officer (from 21 September 2021)

Retired during the year

Mike Kirk - Group Board Chair (until 22 July 2021)
David Mairs - Chair of Treasury (until 22 July 2021)
Michael Stancombe - Chair of Bargate and Senior Independent Director (until 22 July 2021)

We're open and transparent about how much we pay our Board members. We review our Board remuneration annually and use independent advice and benchmarking at least every three years (we last did this in 2019). Remuneration of the non-executive Board members and the executive directors is detailed on page 93.

Bargate Homes Ltd Board

The Board of Bargate Homes Ltd is appointed by the VIVID Board. It's chaired by Mike Shepherd who was appointed as a Director on 22 July 2021 and sits alongside Duncan Brown, Mark White who was appointed as a Director on 27 May 2021 and Jeremy Trezise. Gerard Price, former CEO, stepped down from the Board on 27 May 2021 and Michael Stancombe, former Chair, stepped down on 22 July 2021.

Vestal Developments Ltd Board

The Board of Vestal Developments Ltd is appointed by the VIVID Board. It's chaired by Duncan Brown, who sits alongside Mike Shepherd.

VIVID Build Ltd Board

The Board of VIVID Build Ltd is appointed by the VIVID Board. It's chaired by Duncan Brown who sits alongside Mike Shepherd.

VIVID Plus Ltd Board

The Board of VIVID Plus is appointed by the VIVID Board. It's chaired by Jane Earl, who sits alongside Duncan Brown, Jonathan Cowie and customer members Giuseppe Severgnini and Jacqueline Westbrook.

The committees

Audit & Risk Committee

Chair: Shena Winning
The role and responsibilities of the Audit and Risk Committee are set out in written terms of reference which are reviewed annually by the Committee, taking into account relevant legislation and recommended good practice.

The Committee's responsibilities include, but are not limited to, the following matters:

- Oversight of the integrity of VIVID's financial statements
- Review of VIVID's annual financial statements including the clarity and completeness of disclosures
- Oversight of risk management and internal control arrangements
- Oversight of compliance with legal and regulatory requirements
- Oversight of the external auditor's performance, objectivity, qualifications, and independence; the approval process of non-audit services; recommendation to the Board of the nomination of the external auditors for shareholder approval; and approval of their fees
- Review of the programme and performance of the internal auditors.

During the year, the committee met 4 times and we undertook a full programme of work including:

- Reviewing the Annual Review and Accounts. The reviews incorporated the accounting policies and significant judgements and estimates underpinning the financial statements and the appropriateness of adopting the going concern basis of accounting
- Monitoring and agreeing the Assurance Plan quarterly based on the Strategic Risk Register. Our approach to assurance was reviewed in April 2021 and improvements to the process will be made during 22/23
- Reviewing the outcomes of quarterly operational controls audits and specialist deep dive audits, as well as following up to ensure the actions based on audit findings were completed through the Control Improvement Plan
- Approving/recommending Board approve the Speak up, Risk Management and Prevention of Financial Crime policies and financial regulations
- Reviewing our accounting judgements and policies
- Considering our legal compliance based on a report received every six months
- Agreeing our external audit strategy and planning memorandum
- Noting cases of potential fraud raised on the fraud register
- Considering renewal of the contract with our insurance provider.

The committee provided the Board with an overall opinion of internal controls, which confirmed our arrangements for the management of risk are robust.

Customer Services Committee

Chair: Philip Raw

The Customer Service Committee (CSC) is responsible for ensuring customers are involved in decisions that affect them and that their views are taken into account when decisions are made.

The committee ensures we have clear service standards which are consistently delivered and that we handle complaints promptly, effectively and fairly and that we implement the lessons we learn. The committee met 4 times during the year.

It has been the first full year the committee has been operating and we are learning and adapting as we go. During the year we have looked in-depth at the complaints we received and how we respond to them, along with ensuring we embed any learning from them.

We looked at how we could make what we do more transparent and understandable to customers, including the types of performance data we can routinely share.

In July we reviewed our Customer Engagement Strategy including how this marries with the Together with Tenants framework.

The committee also undertook a series of deep-dives into key aspects of our work, including building and fire safety, damp and mould and how we tackle anti-social behaviour.

Remuneration and Nominations Committee

Chair: Jane Earl

The Remuneration & Nominations Committee (RNC) is responsible for overseeing our approach to people and reward and the appointment and performance of our non-executive directors and the Chief Executive. During the year, the committee met 5 times.

Early in the year we reviewed our compliance with the Code of Governance and carried out our annual governance review, which ran alongside our In-Depth assessment by the Regulator of Social Housing. We reviewed and recommended board and committee appointments, which were made following the AGM in July.

We reviewed our People Policy, Gender Pay Gap report, Code of Conduct, Standing Orders and gave a commitment for an external governance review in 2022.

In September, a panel made up of members of the Committee interviewed and made a recommendation to the board in November for the appointment of 2 new Non-Executive Directors, following an open recruitment process. In December we appointed a Board Member Designate.

We supported the Chief Executive in consideration of bonus payments and pay award for staff. As part of our commitment to learning from others we made links with a number of other RNC Chairs in other Housing Associations to learn from their good practice and to build a network of support for the future.

Project Approvals Committee

Chair: Mark Perry

The Project Approvals Committee (PAC) is responsible for approving expenditure on major projects which support our Development Strategy and Corporate Plan.

It monitors the award of contracts and our planned improvement programmes to ensure that approved projects deliver the expected benefits and that the risks connected with these projects are managed.

This may include the development of new schemes, the remodelling, rehabilitation, regeneration and disposal of the Group's stock or projects within the asset management strategy. During the year, the committee met 11 times.

The Committee has experienced another productive year overseeing development projects that enabled us to deliver 1401 homes for our customers.

We've continued to review schemes upon their completion through our end of scheme reviews, which help us improve and transfer insight into new and ongoing projects.

Treasury Committee

Chair: Shena Winning (took on the role in 22 July 2021)

The Treasury Committee is responsible for overseeing our treasury strategy, recommending an appropriate Treasury Management Policy to the Board. It approves the Annual Treasury Plan and provides detailed scrutiny of the terms of funding agreements and provides assurance to the Board on new funding decisions.

During the year, the committee met 5 times. The committee was chaired by David Mairs until 22 July 2021. Shena took the chair from 22 July 2021.

The committee had a busy year which started with recommending to the board for approval the Treasury Management Policy and Investment Policy and approved the priorities for the Treasury Strategy. This included 3 new priorities for 2021/22, covering investor relations and research, the transition from LIBOR to SONIA and the efficient use of property security.

We completed the transition from LIBOR to SONIA in November 2021 and continued to oversee the maintenance of our liquidity levels, compliance with our Golden Rules and financial covenant compliance. We also reviewed options for our future funding strategy, finalising our first unsecured facility, and we commenced renewal of some of our loan facilities and carried out an evaluation of our legacy debt.

About us

Chief	
Mark Perry	Chief Executive Officer
Executive Officers	
Duncan Brown Jonathan Cowie Mike Shepherd Duncan Short	Chief Finance Officer Chief Operating Officer Group Development & New Business Director Group Resources Director
Company Secretary	
Duncan Brown	Chief Finance Officer
Registered Office	
Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB	
Bankers	
Royal Bank of Scotland	3 Hampshire Corporate Park, Templars Way, Chandlers Ford, Hampshire, SO53 3RY
Barclays Bank	8 Market Place, Basingstoke, Hampshire, RG21 7QA
External Auditors	
BDO LLP	2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA
Internal Auditors	
PricewaterhouseCoopers LLP	3 Ocean Way, Ocean Village, Southampton, Hampshire, SO14 3TJ

Solicitors	
Ashfords LLP	Ashford House, Grenadier Road, Exeter, Devon, EX1 3LH
Bevan Brittan LLP	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ
Capsticks LLP	Staple House, Staple Gardens, Winchester, Hampshire, SO23 8SR
Devonshires Solicitors LLP	30 Finsbury Circus, London, EC2M 7DT
Foot Anstey LLP	Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, Devon, PL4 0BN
Moore Barlow LLP	Gateway House, Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3TG
TLT LLP	One Redcliffe Street, Bristol, BS1 67P
Penningtons Manches Cooper LLP	125 Wood Street, London, EC2V 7AW
Sharratts (London) LLP	1 The Old Yard, Rectory Lane, Brasted Westerham, Kent, TN16 1JP
Trowers & Hamlins LLP	3 Bunhill Row, London, EC1 8YZ
Winckworth Sherwood	Minerva House, 5 Montague Close, London, SE1 9BB
Treasury Advisors	
Chatham Financial Europe Ltd	12 St James's Square, London, SW1Y 4LB

▶ More details on our Board and Executive team members can be found here.

Corporate governance

The Board is committed to maintaining the highest standards of governance, which we're able to demonstrate through the adoption of the National Housing Federation's Code of Governance.

We adopted the updated 2020 NHF Code of Governance at our Board meeting on 22 July 2021. From 1 April 2021 to 21 July 2021, we had adopted the 2015 NHF Code of Governance.

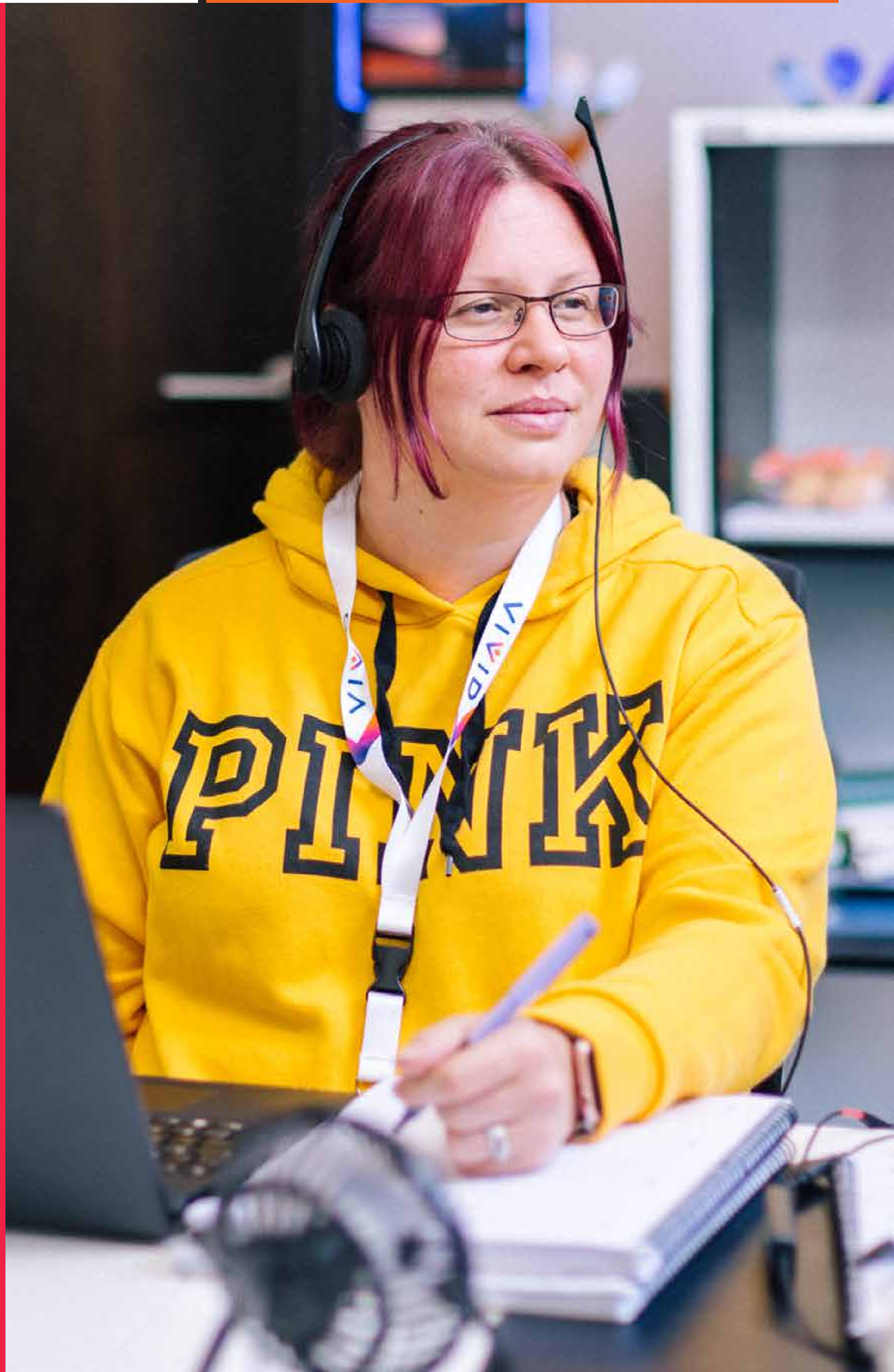
We conduct a thorough self-assessment each year, overseen by the Remuneration and Nominations Committee and the Board and can confirm we complied with all aspects of both the 2015 and 2020 Codes.

Compliance with regulatory standards

The Board confirms that we've met the economic and consumer standards as set out in the Regulator of Social Housing's Regulatory framework for registered providers of social housing. The Board has carried out an assessment, made enquiries and gained appropriate assurance that we comply with all regulatory standards.

Regulatory performance In-Depth Assessment

We were rated G1/V1 at our last IDA by the Regulator of Social Housing in July 2021.



Risk and internal controls

The Board is responsible for our system of internal control and for reviewing its effectiveness. Our system of internal control is designed to manage rather than eliminate the risk of failure to achieve our corporate ambitions. It provides reasonable, but not absolute, assurance over the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. Our system of internal control includes:

Governing documents

- Our Rules provide a governance framework
- Our Standing Orders and Financial Regulations provide clearly defined roles, responsibilities, management and reporting structures, including a system of delegation
- Our Intra-group Agreements set out agreed terms, roles and responsibilities between VIVID and our subsidiaries.

Policies

- Our Treasury Management policy sets out our Golden Rules, ensuring we can provide financial resources necessary to achieve our business plan objectives and manage the risks inherent in our treasury activity

  Our Investment policy sets out clear parameters for us to invest our funds to either produce a financial return or further our charitable aims

  Our Prevention of Financial crime policy covers the prevention, detection, management and reporting of financial crimes and our Speak Up (whistleblowing) and Complaints policies encourage expressing concerns over wrongdoing
- Our Risk Management policy sets out our risk management framework, providing a comprehensive process for assessing and managing strategic and operational risks.

Risk registers

- Our Strategic Risk Register is owned by the Board and records risks which could impact on our strategic objectives. It's reviewed by the Executive team quarterly, the Audit and Risk Committee (ARC) at every meeting as part of the Assurance Plan (detailed below) and by the Board twice a year. It drives our specialist audit assurance work.
- Our Operational Risk Register is owned by the Executive and records risks which impact our operational efficiency. It's reviewed by Heads of Service (and other operational risk owners) quarterly and drives our operational controls internal audits.

Assurance activities

- Strategic risks - our Assurance Plan, which is informed by our strategic risk register, is approved by the ARC and sets out the forward programme of specialist audits. The plan is reviewed at every ARC meeting to ensure it remains relevant to the current risk environment.
- Operational risks - Heads of Service (and other operational risk owners) complete quarterly self-certification confirming that their controls for operational risks are operating effectively or that action is being taken where they are not. Our internal audit service, provided by PricewaterhouseCoopers, assesses compliance with our operational controls each quarter.
- The outcomes of strategic and operational audits are reported to ARC and managed through our Control Improvement Plan (CIP) which tracks actions taken to strengthen our risk management and internal controls. The Executive team maintain oversight of the CIP and it is reviewed at every ARC meeting.
- Our business plan is stress tested using several scenarios linked to our strategic risk register. We use these to understand what would 'break the plan.' We also use combinations of these tests to simulate extreme economic/financial shocks and understand their impact on the business plan. In response to the more extreme stress tests, we've developed recovery plans which will enable us to respond to these scenarios without breaking our covenants.

Fraud reporting

We maintain a fraud register which is reported to the ARC at every meeting. We submit this to the Regulator annually.

Self-assessments

- Our compliance against the Code of Governance self-assessment is completed at least annually and reported to the Remunerations and Nominations Committee, and the Board.
- Our compliance against the Regulatory Standards self-assessment is completed at least annually and reported to the ARC and the Board. Our Legal Compliance assessment and programme of 6 monthly legal monthly updates helps us ensure compliance with these standards.

Performance monitoring

- Our management accounts and a performance report are reviewed monthly by the Executive, and by the Board at every meeting.
- A development progress report and customer operations report are reviewed by the Board at every other meeting.

Risk appetite

To meet our business plan aspirations, we need to take some calculated risks. The Board has considered the level of risk it's willing to take and able to manage across five categories of risk – financial, health and safety, reputational, service delivery and compliance. Our risk management framework is based around our risk appetite and is designed to highlight any exposures which exceed the level of risk that we're comfortable with.

Key strategic risks and how we're managing them

Housing market recession

- We maintain enough liquidity to meet all our contractual commitments without relying on sales. This would enable us to convert unsold homes to rented.
- Our treasury management policy requires us to maintain healthy interest cover headroom from just our lettings activities, ensuring we never rely on sales to comply with loan covenants.
- Our exposure to sales is clearly capped in our business plan and our Project Approvals Committee ensures our development programme remains within these parameters.

High inflation

- We undertake monthly monitoring of costs compared to budgets to provide an early warning of cost inflation. This is reported in the management accounts to the Executive team monthly.
- Procurement regulations are in place which target higher cost activities. Any issues with high spend items would be reported to the Audit and Risk Committee or Project Approvals Committee (dependent upon the event) to monitor and agree actions required.

Fire risk in high rise flats due to component materials used in build

- Most material defects have been identified and have been/are being remediated. There is an increased identification of construction defects (such as missing fire breaks) which are also being remedied. Intrusive inspections of external wall systems are progressing on a risk-based approach, looking at the tallest and highest risk buildings in turn, to ensure that other construction defects are not apparent.
- We continue to engage with other building owners (where we have individual units on a leasehold interest), to encourage and support them in the remediation of their buildings.

Increase in interest rates

- Our Business Plan stress testing looks at a range of different scenarios around increased interest rates. Board has sight of the business plan annually to monitor and agree any actions required.
- The Treasury policy establishes target mix of fixed and variable rate debts based on board's risk appetite.
- We undertake a monthly review of interest rates and interest costs compared to budget which is reported in the management accounts.

Failure to comply with new regulatory consumer standards and tightening of regulation of existing standards

- We regularly review our compliance against legislation in a report which goes to our Audit and Risk Committee.
- We undertake annual reviews of compliance with the Code of Governance and Regulatory Standards. These are overseen annually by the Executive team, Audit and Risk Committee and Board.

Board's statement on internal control

During the year, the Board received the following assurance about our system of internal control:

- **Chief Executive's annual report on internal control**
- **Audit and Risk Committee's annual report on its work and opinion on internal control**
- **Internal auditor's annual report on its work**
- **Self-assessment confirming our compliance with the Code of Governance**
- **Self-assessment confirming our compliance with the Regulatory Standards**

The Board confirms that there are currently no significant control weaknesses, and that our established and sound system of internal controls has operated satisfactorily throughout the year.

Directors' Indemnities

Directors and Officers Liability insurance cover has been arranged for all Directors and Officers to provide indemnity for the cost of claims of alleged mismanagement of the organisation. Our Rules indemnify each of the Directors of the Company and/or its subsidiaries and the Directors and Officers liability insurance provides reimbursement to the organisation in such circumstances. The indemnity was in force during the 2021/22 financial year and remains in force for all current past Directors of VIVID.

Streamlined Energy Carbon Reporting (SECR)

Financial Year	Apr-21 to Mar-22
Client Name	Vivid Housing Limited
Company No.	RS007544
Registered Address	Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB
Current Financial Year tCO_2e	7,035
Current Financial Year kWh	32,244,755
Previous Financial Year tCO_2e	5,512
Previous Financial Year kWh	26,754,244
Intensity Ratio (IR) used	tCO_2e/Assets#
Inensity Metric Current Financial Year	5.45
Inensity Metric Previous Financial Year	4.23
Emissions Factors Used	DEFRA 2020
Methodology Used	The report is aligned with the GHG Protocol methodology. The GHG Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. The framework has been in use since 2001, and forms a recognised structured format, to calculate a carbon footprint.
Emissions Scope	Scope 1 & 2
Emissions Included	Electricity Natural Gas Direct Diesel Direct Mileage Geo Thermal

Exclusion Statement	The emissions calculated are for the VIVID group, which includes Bargate Homes Limited. Another of its subsidiaries, Vestal Developments Limited met the qualification criteria for SECR, however its consumption was less than 40MWh per annum. Since Vestal are not required to present emissions data for this financial year, they are excluded from the report. At present Bargate SPV1, and VIVID Build Ltd do not reach the thresholds for qualification. This will be reviewed annually each year. There are also VOID properties that either do not have full annual data or no data is reportable, these have been reviewed and noted in the Site list.
Generated Energy Sources	n/a
Energy Efficiency Statement	In 2022 we launched our first sustainability strategy setting out the first phase on our sustainability journey. Over the next ten years we'll be: Spending £90m to make our homes more energy efficient. 70% of our homes already meet the Government's 2030 target but we'll go beyond this and make sure they're as energy efficient as possible. Switching our fleet of vans to electric by 2025. This will eliminate 70% of our business emissions. Building sustainability into our procurement decisions to make sure we only work with sustainable businesses. Sharing the findings from our research into new heating/ insulation technologies and our customers views on them. You can find much more detail in our Environmental, Social and Governance report which is available on our website www.vividhomes.co.uk
Report completed by	Jodie Street
Quality Audit completed by	Stephanie Strange
SECR Report completed by	(EIC) Energy Intelligence Centre Limited

Disclosure of information to the auditor

The directors who held office at the date of signing this report confirm that, so far as they are each aware, all relevant information has been provided to the auditor and each director has taken all the steps they ought to have taken to be aware of any relevant audit information and provide it to the auditor.

Statement of Board responsibilities

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations, the Board has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.

In preparing these financial statements, the Board is 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 have been followed, subject to any material departures disclosed and explained in the financial statements.**
- **Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.**

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Statement of Recommended Practice (SORP) 2018. The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities. The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The Board reviewed the Association's business plan plan in March 2022 and was content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities, totalling around £410m, the Board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Associations ability to continue as a going concern. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Charles Alexander

On behalf of the Board
23 June 2022

Section 3

Financial Statements

Independent auditor's report to the members of VIVID Housing Ltd

Opinion

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 2022 and of the group's and the Associations surplus for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019.**

We have audited the financial statements of VIVID Housing Ltd ('the association') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of changes in reserves, the consolidated and association statement of financial position, the consolidated statement of cash flow, and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Other information

The board is 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 we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information including the Strategic Report and the Report of the Board of Management and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion

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

Responsibilities of the board

As explained more fully in the Statement of the Responsibilities of the Board, 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 determines 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 is responsible for assessing the group's and Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- **Challenging assumptions made by management in their significant accounting estimates and judgements in relation to the impairment, investment property classifications, defined benefit obligation, arrears provisions, classification of housing loans, useful economic lives and goodwill;**
- **Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end;**
- **Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

▶ **www.frc.org.uk/auditorsresponsibilities.**

This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:
Philip Cliftlands
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Philip Cliftlands
(Senior Statutory Auditor)
Statutory Auditor
Gatwick, West Sussex

29 June 2022

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

Statement of Comprehensive Income for the year ended 31 March 2022:

All of the Group's activities relate to continuing operations.

The notes on pages 83 to 113 form part of these financial statements.

	Notes	Group		Association	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Turnover	2	303,328	310,994	257,164	226,372
Operating costs	2	(116,055)	(112,235)	(113,672)	(109,355)
Cost of sales	2	(87,543)	(106,671)	(42,707)	(27,437)
Operating surplus	2	99,730	92,088	100,785	89,580
Surplus on sales of properties	4	8,046	5,570	8,046	5,570
Operating surplus after sale of properties		107,776	97,658	108,831	95,150
Share of surplus in Joint Ventures	15	226	696	382	372
Interest receivable and similar income	8	181	155	1,828	1,826
Interest and financing costs	9	(36,378)	(36,688)	(35,816)	(35,692)
Change in fair value of Investment Properties	14	409	536	409	536
Surplus before taxation		72,214	62,357	75,634	62,192
Taxation	10	(163)	(257)	(163)	(257)
Surplus for the year		**72,051**	**62,100**	**75,471**	**61,935**
Other comprehensive (loss)/ income					
Actuarial gain/(loss) in respect of pension schemes	28	2,195	(21,604)	2,195	(21,604)
Total comprehensive income for the year		74,246	40,496	77,666	40,331

Statement of Changes in Reserves for the year ended 31 March 2022:

	Group		Group	
	Revaluation Reserve 2022 £'000	Revaluation Reserve 2021 £'000	Revenue Reserve 2022 £'000	Revenue Reserve 2021 £'000
As at 1 April	2,349	1,884	638,150	598,121
Surplus for the year	-	-	72,051	62,100
Actuarial gain/(loss)	-	-	2,195	(21,604)
Other adjustment	(10)	(71)	-	69
Revaluation during the year	409	536	(409)	(536)
At 31 March	**2,748**	**2,349**	**711,987**	**638,150**

	Association		Association	
	Revaluation Reserve 2022 £'000	Revaluation Reserve 2021 £'000	Revenue Reserve 2022 £'000	Revenue Reserve 2021 £'000
As at 1 April	2,349	1,884	630,446	590,580
Surplus for the year	-	-	75,471	61,935
Actuarial gain/(loss)	-	-	2,195	(21,604)
Other adjustment	(10)	(71)	-	71
Revaluation during the year – Investment Properties	409	536	(409)	(536)
At 31 March	**2,748**	**2,349**	**707,703**	**630,446**

Statement of Financial Position As At 31 March 2022:

The financial statements were approved by the Board on 23rd June 2022 and signed on its behalf by:

Charles Alexander
Chair

Philip Raw
Board Member

Duncan Brown
Secretary

The notes on pages 83 to 113 form part of these financial statements.

	Notes	Group		Association	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed Assets:					
Housing properties	11	2,579,957	2,400,237	2,592,803	2,411,427
Other Fixed Assets	12	14,485	15,943	14,400	15,826
Intangible Fixed Assets	13	19,928	22,712	-	-
Investment Properties	14	23,619	23,210	23,619	23,210
Homebuy loans	15	2,160	2,307	2,160	2,307
Investments in joint ventures	15	3,383	3,539	3,215	3,215
Investments	15	134	1,195	40,806	41,867
		2,643,666	2,469,143	2,677,003	2,497,852
Current assets:					
Stock	16	162,788	155,739	59,235	60,533
Debtors	17	18,183	15,094	75,445	70,559
Cash at bank and in hand		62,705	52,313	50,885	34,786
		243,676	223,146	185,565	165,878
Creditors: Amounts falling due within one year	18	(93,087)	(86,600)	(76,463)	(70,609)
Net current assets		150,589	136,546	109,102	95,269
Total assets less current liabilities		2,794,255	2,605,689	2,786,105	2,593,121
Creditors: Amounts falling due after one year	19	(2,077,800)	(1,960,690)	(2,075,556)	(1,957,449)
Provisions for liabilities					
Pension scheme provision	28	(19)	(2,794)	(19)	(2,794)
Deferred tax	23	(1,701)	(1,706)	(79)	(83)
Total net assets		714,735	640,499	710,451	632,795
Capital and reserves:					
Share capital – non-equity	24	-	-	-	-
Revenue reserve		711,987	638,150	707,703	630,446
Revaluation reserve		2,748	2,349	2,748	2,349
Total reserves		714,735	640,499	710,451	632,795

Statement of Cashflows for the year ended 31 March 2022:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash flows from operating activities:				
Operating surplus	99,730	92,088	100,785	89,580
Adjustment for surplus of sale of current asset	(16,918)	(11,615)	(12,858)	(8,014)
Proceeds on sale of current assets	104,485	114,836	55,565	35,451
Proceeds on sale of housing properties	22,525	14,081	22,525	14,081
Depreciation of tangible fixed assets	34,140	35,837	31,325	33,022
Increase in properties for sale	(94,615)	(91,407)	(41,409)	(44,728)
(Increase)/decrease in debtors	(3,091)	7,275	(4,887)	17,358
Increase in creditors	1,182	2,516	1,549	6,540
Grant amortisation	(5,899)	(5,695)	(5,899)	(5,695)
Pension payments	(580)	(35,810)	(580)	(35,810)
Other	221	(974)	219	(192)
Net cash from operating activities	**141,180**	**121,132**	**146,335**	**101,593**
Cash flows from investing activities:				
Additions to fixed assets and investments	(215,770)	(193,709)	(217,426)	(197,806)
Donations to other RP's	-	-	-	-
Investment Additions	-	(128)	-	(128)
Proceeds from sale of assets	281	154	147	154
Grants received	28,760	78,037	28,760	78,037
Interest received	181	155	1,828	1,826
Return on Investment	382	372	382	372
	(186,166)	(115,119)	(186,309)	(117,545)
Cash flow from financing activities:				
Interest Paid and other finance costs	(45,865)	(43,261)	(45,303)	(42,265)
Loan repaid	(171,757)	(227,018)	(171,624)	(207,570)
Drawdown from loan facilities	273,000	260,153	273,000	256,912
	55,378	(10,126)	56,073	7,077
Net change in cash and equivalents	**10,392**	**(4,113)**	**16,099**	**(8,875)**
Cash and equivalents at beginning of year	52,314	56,426	34,786	43,661
Cash and equivalents at end of year	62,706	52,313	50,885	34,786
Movement in cash and equivalents	**10,392**	**(4,113)**	**16,099**	**(8,875)**

Notes to the accounts

1. Accounting policies

1.1 Accounting convention, compliance with accounting standards and constitution

The Association is incorporated in England and Wales under the Co-Operative and Community Benefit Societies Act 2014 and is a registered housing association. The registered office is Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB.

The financial statements have been prepared under the UK General Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard 102 (FRS102) and the Housing SORP 2018: Statement of Recommended Practise (SORP) for Registered Social Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2019.

VIVID is a public benefit entity in accordance with FRS 102.

The Group financial statements are required to be prepared and consolidate those of the Association and its subsidiary undertakings drawn up to 31 March 2022. Profits or losses on intra-group transactions are eliminated in full.

1.2 Going concern

The group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The group has in place long-term debt facilities, £510m of which is undrawn liquidity, which provide adequate resources to finance committed reinvestment and development programmes, along with the group's day to day operations.

On this basis, the board has a reasonable expectation that the group has adequate resources to continue to meet its financial obligations as they fall due for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

1.3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

a) Impairment

Management consider that there have been no impairment indicators in the year.

b) Investment property classifications

Investment properties consist of commercial properties and other properties not held for social benefit or for the use in the business under FRS 102. VIVID Housing reviewed all commercial properties and determined the majority were held for social purpose, and the stock held as market rental has been revalued and this is recognised in the financial statements.

c) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases.

Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 28).

d) Arrears provisions

Arrears provisions have been set based on our experiences of cash flows and recovery rates. We make allowances for housing benefit due and treat former tenant arrears prudently (see note 17).

e) Classification of housing loans

Judgements have been applied in determining whether our housing loans are 'basic' or 'other' financial instruments.

f) Useful economic lives

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

g) Goodwill

Goodwill has been recognised on the acquisition of Bargate Homes Ltd. The useful economic life has been assessed as 10 years from the acquisition date to reflect the expected return on investment through the completion of its development pipeline.

1.4 Turnover

Turnover represents rental income, fees and service charges receivable in respect of the year, after deduction of void losses. It also includes revenue grants received from local authorities, Homes England, other stakeholders along with other income relating to the year which is recognised in the same period as the related expense. Turnover includes the proceeds of first tranche sales of properties developed for shared ownership and outright sales that are recognised on completion. Turnover also includes amortised government grant as required under the accrual model as defined by FRS102.

1.5 Tangible fixed assets

a) Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses.

The cost of acquiring properties includes all costs of acquiring the land and buildings, construction and interest on borrowings to finance the construction of assets.

Costs of construction are capitalised at their full amount and any retention is included within creditors due within one year.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the property are capitalised as additions in the year.

The cost of shared ownership properties held at the year end is included in Housing properties only to the extent that it represents the cost of subsequent tranches. The costs attributable to the unsold first tranche sales are classified as current assets within stock.

b) Depreciation

Depreciation is provided on a straight-line basis on properties to write-down the cost less residual value over the estimated useful lives of the assets, at the following rates:

Type of property	Depreciation rate
Freehold housing (structure)	1% per annum
Leasehold property	Over the life of the lease
Commercial and office buildings	1% - 2% per annum
Hostels	2% per annum

Depreciation is not provided on freehold land or on assets in the course of construction.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

Component	Depreciation life	Depreciation rate
Kitchens	20 years	5.00%
Bathrooms	30 years	3.33%
Roof	60 years	1.67%
Structure	100 years	1.00%
Windows / Doors	30 years	3.33%
Gas Boilers (domestic)	12 years	8.33%
Gas boilers (communal)	25 years	4.00%
Heating Systems	30 years	3.33%
PV Panels	20 years	5.00%
Rewire	40 years	2.50%

c) Impairment

Annually housing properties are assessed for impairment indicators. Where an indicator is identified an assessment for impairment is carried out comparing the scheme's carrying amount to the recoverable amount of the asset of the respective cash generating unit. Where the carrying amount of a scheme is deemed to exceed the recoverable amount the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

Additional reviews are carried out to include properties developed for shared ownership sales, shared ownership properties earmarked for change in use and properties developed for outright sale which remain unsold at the year end.

d) Sales of housing accommodation

The surplus/deficit arising on sales of housing properties comprises of proceeds from property sales, which are recognised at the date of completion, less the net book value of the properties taking into account any associated sales costs.

The surplus or deficit on sales of housing accommodation takes into account any liabilities under right to buy sharing agreements with local authorities.

Sales of second or subsequent tranches of shared ownership properties are dealt with in the income and expenditure account after the operating surplus for the period within the surplus/deficit on sales of properties. Proceeds from first tranche sales of shared ownership and properties for constructed for outright sales properties are included within turnover with attributable costs being included within cost of sales.

e) Improvements to property and major repairs

The Group capitalises items of expenditure on housing properties if they result in an enhancement to the economic benefits from the property or if they replace a component that has been treated separately for depreciation purposes.

Works to existing properties which do not meet the above criteria are charged to the income and expenditure account.

f) Capitalisation of interest

Interest on loans financing a development scheme is capitalised to the extent that it accrues in respect of the period of development.

g) Capitalisation of development on-costs

Staff salary costs which are directly attributable to an individual development are capitalised. Other costs are capitalised only to the extent that they are incremental as a result of the individual development. Costs incurred on schemes, which are identified as abortive, are written off at the point at which it becomes apparent that the scheme is likely to be aborted.

h) Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses. On other fixed assets depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation used are as follows:

The rates of depreciation used are as follows:

Type of asset	Depreciation rate
Furniture, equipment, fixtures and fittings	10% to 33.3% per annum
Office refurbishment	20% per annum
Computer equipment	20% to 50% per annum
Leasehold improvements	Over the life of the lease

1.6 Investment properties

Investment properties are measured at cost on initial recognition and subsequently at fair value and any gains or losses arising from changes in the fair value are recognised in the surplus for the year. No depreciation is provided in respect of investment properties.

1.7 HomeBuy loans

Under the HomeBuy scheme, the Association receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the association meet the definition of concessionary loans and are shown as fixed asset investments on the statement of financial position. The HomeBuy grant provided by the government to fund all or part of a HomeBuy loan has been recognised as a creditor due in more than one year.

1.8 Accounting for joint ventures

Investments in joint ventures and jointly controlled entities will be held as part of Fixed Asset Investments. In accordance with section 9.26 of FRS102 the Association will account for these investments at cost (less impairment). On consolidation the investments will be accounted for in accordance with section 15.9a of FRS102, being initially held at cost and subsequently adjusted using equity accounting.

1.9 Investments

Unlisted fixed asset investments are stated at cost less provision for any impairment in value. Listed fixed asset investments are stated at market value and the unrealised gain/loss is recognised in the statement of comprehensive income.

1.10 Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress represents the cost of assets (for outright sale) under development, and first tranches of shared ownership housing accommodation. For first tranche units, cost is allocated to work in progress on the basis of a 34% share until the point of actual completion, when the actual % sold is used.

1.11 Value added tax

The Group is VAT registered but a large proportion of its income, rent, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure is therefore shown gross of VAT, with any net recovery of VAT included within operating costs.

1.12 Deferred Taxation

Deferred taxation is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those assets have not been rolled over into replacement assets. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Any assets and liabilities recognised have not been discounted.

1.13 Rentals under operating leases

Rentals under operating leases are charged to the income and expenditure accounts as incurred.

1.14 Housing Grant

Housing Grants include grant received from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing properties structure under the accruals model.

Where grant is received on items treated as revenue expenditure, e.g. elements of major repair expenditure, it is treated as a revenue grant and credited to the income and expenditure account in line with the underlying expenditure.

Grants due or received in advance are included in current assets or liabilities.

Grants released on the disposal of an asset are credited to Recycled Capital Grant Fund. Where individual components are disposed of and this does not create a relevant event for recycling purposes any grant which has been allocated to the component is released to income. Upon disposal of the associated property, the group is required to recycle these proceeds and recognise them as a liability.

1.15 Pension costs

VIVID has four distinct pension arrangements in operation for its employees:

Hampshire County Council Pension Fund – Defined Benefit (DB)

VIVID participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. VIVID has closed new membership admissions to the scheme for all staff. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate. Actuarial gains and losses as well as any other remeasurements are recognised in the statement of comprehensive income.

VIVID Housing Ltd Defined Benefit Scheme

On 31 January 2021 VIVID bulk transferred its share of assets and liabilities in the Social Housing Pension Scheme (SHPS) to a new standalone pension scheme. The scheme is closed to new entrants and any future accruals. The scheme is administered by The Pensions Trust with Verity acting as Trustees.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate.

The scheme surplus, actuarial gains and losses as well as any other remeasurements are recognised in the statement of comprehensive income.

Pensions Trust Growth Fund – Defined Benefit

VIVID participates in the Pensions Trust Growth Fund administered by The Pensions Trust Retirement Solutions. This is a multi-employer defined benefit scheme. VIVID has closed new membership admissions for all staff.

Sufficient information does not exist to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The scheme currently has a shortfall of assets compared to liabilities. Deficit recovery payment plans have been agreed between the participating employers and Trustees of the schemes to eliminate this shortfall. In line with FRS102 requirements, this cash payment plan has been recognised as a liability in the Statement of financial position and is measured at the reporting date by discounting the future cash outflows at the rate of a AA corporate bond. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

TPT FRP – Defined Contribution

VIVID participates in a defined contribution scheme provided by The Pensions Trust Retirement Solutions (TPT). This scheme is open to new members and is the preferred vehicle for auto enrolment. The accounting charge for the period represents the employer contribution payable.

1.16 Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument defined in section 11 of FRS102 are accounted for under an amortised cost model. Basic instruments which have undergone a substantial modification in terms are measured at the present value of future cashflows discounted at a market rate of interest for a similar instrument.

Non-basic financial instruments which meet the criteria in section 12 of FRS102 are recognised at fair value using a valuation technique. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure.

1.17 Corporation tax

The charge for taxation is based on surpluses arising on certain activities which are liable to tax.

1.18 Reserves

Revenue – contains all historic surplus' and deficits to date.

Revaluation reserve – contains the difference between the value in the statutory accounts and historic cost of assets and investments held fair value, incorporating an annual adjustment to the revenue reserve for excess depreciation.

2. Group particulars of turnover, operating costs and operating surplus

	2022 Turnover	2022 Operating Costs	2022 Cost of Sales	2022 Operating Surplus/(Deficit)	2021 Turnover	2021 Operating Costs	2021 Cost of Sales	2021 Operating Surplus/(Deficit)
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
a) Group								
Social housing lettings (Note 3a)	189,562	(104,129)	-	85,433	179,847	(98,078)	-	81,769
Other social housing activities:								
Current asset property sales (Shared Ownership 1st tranche)	52,564	-	(40,147)	12,417	35,451	-	(27,437)	8,014
Development services	135	(644)	(15)	(524)	785	(1,229)	(7)	(451)
Total for social housing activities	**242,261**	**(104,773)**	**(40,162)**	**97,326**	**216,083**	**(99,307)**	**(27,444)**	**89,332**
Open market property sales	51,882	-	(47,381)	4,501	85,009	-	(79,227)	5,782
VIVID Plus Charitable Activities	-	(1,977)	-	(1,977)	-	-	-	-
Activities other than Social Housing Activities (Note 3b)	9,185	(9,305)	-	(120)	9,902	(12,928)	-	(3,026)
Total for all activities before disposals	**303,328**	**(116,055)**	**(87,543)**	**99,730**	**310,994**	**(112,235)**	**(106,671)**	**92,088**
Surplus on disposal of housing properties	-	-	-	8,046	-	-	-	5,570
Total for all activities	**303,328**	**(116,055)**	**(87,543)**	**107,776**	**310,994**	**(112,235)**	**(106,671)**	**97,658**

2. Association particulars of turnover, operating costs and operating surplus

	2022 Turnover	2022 Operating Costs	2022 Cost of Sales	2022 Operating Surplus/(Deficit)	2021 Turnover	2021 Operating Costs	2021 Cost of Sales	2021 Operating Surplus/(Deficit)
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
a) Association								
Social housing lettings (Note 3a)	189,562	(104,129)	-	85,433	179,847	(98,078)	-	81,769
Other social housing activities:								
Current asset property sales (Shared ownership 1st tranche)	52,564	-	(40,147)	12,417	35,451	-	(27,437)	8,014
Development services	135	(637)	-	(502)	785	(1,221)	-	(436)
Total for social housing activities	**242,261**	**(104,766)**	**(40,147)**	**97,348**	**216,083**	**(99,299)**	**(27,437)**	**89,347**
Open market property sales	3,001	-	(2,560)	441	-	-	-	-
VIVID Plus Charitable Activities	2,526	(1,970)	-	556	-	(2,631)	-	(2,631)
Activities other than Social Housing Activities (Note 3b)	9,376	(6,936)	-	2,440	10,289	(7,425)	-	2,864
Total all activities before disposals	**257,164**	**(113,672)**	**(42,707)**	**100,785**	**226,372**	**(109,355)**	**(27,437)**	**89,580**
Surplus on disposal of housing properties	-	-	-	8,046	-	-	-	5,570
Total for all activities	**257,164**	**(113,672)**	**(42,707)**	**108,831**	**226,372**	**(109,355)**	**(27,437)**	**95,150**

3a. Group & Association particulars of income and expenditure from social housing lettings

	General needs	Supported housing & housing for older people	Low cost home ownership	Other	Total 2022	Total 2021
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Rent receivable net of identifiable service charges	148,515	8,557	14,420	2,646	174,138	165,315
Service charge income	4,034	3,075	2,432	3	9,544	8,857
Amortised government grants	4,719	368	575	218	5,880	5,675
Turnover from social housing lettings	**157,268**	**12,000**	**17,427**	**2,867**	**189,562**	**179,847**
Management	16,703	1,230	1,700	286	19,919	17,642
Service charge costs	9,385	2,855	2,115	402	14,757	13,045
Routine maintenance	21,547	1,241	192	333	23,313	21,100
Planned maintenance	3,229	59	8	35	3,331	3,347
Major repairs expenditure	9,637	642	279	100	10,658	10,408
Bad debts	754	35	(15)	38	812	1,395
Rent charges & property lease charges	135	-	17	478	630	544
Depreciation of housing properties	26,201	1,499	2,264	745	30,709	30,597
Operating costs on social housing lettings	**87,591**	**7,561**	**6,560**	**2,417**	**104,129**	**98,078**
Operating surplus on social housing lettings	**69,677**	**4,439**	**10,867**	**450**	**85,433**	**81,769**
Void losses	1,299	597	11	49	1,956	2,064

3b. Turnover from non-social housing activities

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Lettings				
Market renting	1,818	1,740	1,818	1,740
Garage renting	1,404	1,392	1,404	1,392
Private sector leasing	1,978	2,164	1,978	2,164
Commercial	826	1,108	826	1,108
Leaseholder and owned by others	1,362	1,197	1,362	1,197
Total lettings	7,388	7,601	7,388	7,601
Other				
Management fees	450	466	642	873
PV panel income	450	649	450	629
VAT partial exemption recovery	206	257	206	257
Amortised government grants	19	19	19	19
Other income*	671	910	671	910
Total other	1,796	2,301	1,988	2,688
Total all activities	**9,185**	**9,902**	**9,376**	**10,289**

*includes £485k revenue grant income in relation to COVID-19 furlough claims during 2021 (2022:nil)

3c. Units of accommodation in management and managed by others

	Group & Association	
	No. of units at 31 March 2022	No. of units at 1 April 2021
Units of accommodation in management		
Social housing		
General needs – social	19,312	19,081
General needs – affordable	5,142	4,710
Supported housing - social	185	204
Supported housing – affordable	22	20
Housing for older people - social	1,172	1,170
Housing for older people - affordable	62	63
Intermediate rent	310	314
Low cost home ownership	3,904	3,480
Total	**30,109**	**29,042**
Non-social housing		
Low cost home ownership 100% equity sold	1,775	1,792
Market rented	481	440
Other	646	672
Total	**2,902**	**2,904**
Total units of accommodation in management	**33,011**	**31,946**
Units of accommodation managed by others	344	338
Total of all units of accommodation	**33,355**	**32,284**

4. Surplus on disposal of properties

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Gross sales proceeds	21,634	12,846	21,634	12,846
Amounts payable to Local Authority	(1,066)	(96)	(1,066)	(96)
Cost of sales	(12,522)	(7,180)	(12,522)	(7,180)
Surplus for the year	**8,046**	5,570	**8,046**	5,570

5. Expenses and auditor remuneration

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Surplus on ordinary activities before taxation is stated after charging:				
Depreciation and amortisation:				
Depreciation of housing properties	30,799	30,682	30,799	30,682
Depreciation of other housing properties	83	83	83	83
Depreciation of other tangible fixed assets	2,251	2,303	2,220	2,260
Amortisation of Intangibles	2,785	2,783	-	-
Impairment	-	-	-	-
Amortisation of Grant	5,899	5,695	5,899	5,695
External auditors' remuneration (excl. VAT and incl. expenses):				
In their capacity as auditors of statutory accounts	82	91	50	48
Other non-audit services paid to related companies of the auditors	36	36	22	30
Operating lease rentals				
Land and buildings	2,611	2,581	2,525	2,502
Motor vehicles	1,528	1,484	1,528	1,484
Hire of plant and machinery	126	76	126	76

6. Employees

The average number of employees, including the executive officers, expressed as full-time equivalents based on 37 hours per week.

	Group		Association	
	2022	2021	2022	2021
Average number of employees	940	931	883	865

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Salaries	34,296	32,062	30,992	28,748
Social security	3,414	3,254	3,031	2,848
Pensions	2,244	1,956	2,022	1,840
	39,954	37,272	36,045	33,436

7. Key Management Personnel – Group and Association

We define the Key Management Personnel of the Group as the Board and Committee Members, the Chief Executive and the other members of the Executive Management Team.

		2022 £'000	2021 £'000
Emoluments of executive staff members		1,107	1,067
Emoluments of non-executive board members		122	92
Total Emoluments (including pension contributions and benefits in kind)		1,229	1,159
Remuneration of non-executive board members:			
Charles Alexander	Board Chair	29	-
Lynda Shillaw	Senior Independent Director	13	8
Sandeep Agarwal		5	-
Liam Coleman		5	-
Jane Earl		14	10
Naleena Gururani		3	-
Philip Raw		14	9
Jean-Marc Vandevivere		11	8
Shena Winning		14	9
Mike Kirk	Board Chair *Left 22/07/2021*	6	20
Joanna Causon	*Left 23/07/2020*	-	2
David French	*Left 23/07/2020*	-	3
David Mairs	*Left 22/07/2021*	3	10
Michael Stancombe	*Left 22/07/2021*	4	12
		122	92

7. Key Management Personnel – Group and Association

	2022 £'000	2021 £'000
Emoluments (excluding pension contributions, or pay in lieu thereof) payable to the Chief Executive	254	243
Pension contributions, or pay in lieu thereof payable to the Chief Executive	15	14
Performance bonus payable to the Chief Executive	33	-

During the year, aggregate compensation for loss of office of key management personnel included above was £0k (2021: £0k).

Employer's National Insurance contributions relating to Key Management Personnel was £154,374 (2021: £139,107).

The full-time equivalent number (based on a 37 hour week) of staff whose remuneration (including any compensation for loss of office) fell within each band:

	Group		Association	
	2022	2021	2022	2021
£60,000 - £69,999	12.5	6.1	9.5	3.1
£70,000 - £79,999	6	7.8	3	4.8
£80,000 - £89,999	7	11	5	8
£90,000 - £99,999	5	3	5	3
£100,000 - £109,999	6.6	-	2.6	-
£110,000 - £119,999	2	-	-	-
£120,000 - £129,999	1	4	-	-
£130,000 - £139,999	3	2	2	1
£140,000 - £149,999	1	1	1	-
£150,000 - £159,999	-	-	-	-
£160,000 - £169,999	1	1	-	1
£170,000 - £179,999	-	3	-	2
£180,000 - £189,999	1	1	1	1
£190,000 - £199,999	-	-	-	-
£200,000 - £209,999	2	-	2	-
£210,000 - £219,999	-	-	-	-
£220,000 - £229,999	1	-	1	-
£230,000 - £239,999	-	-	-	-
£240,000 - £249,999	-	1	-	1
£250,000 - £299,999	1	-	1	-

8. Interest receivable and similar income

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Interest receivable and similar income	103	74	18	70
Interest receivable from subsidiaries	-	-	1,732	1,675
Income from long term investment	78	81	78	81
	181	155	**1,828**	1,826

9. Interest and financing costs

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Loans and bank overdrafts	45,815	43,331	45,253	42,335
Interest on RCGF	19	11	19	11
Net interest charge DB pension schemes	50	315	50	315
	45,884	43,657	**45,322**	42,661
Capitalised interest	(9,506)	(6,969)	(9,506)	(6,969)
	36,378	36,688	**35,816**	35,692

10. Tax on surplus on ordinary activities

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Taxation charge for the year				
Corporation tax charge for the year	(171)	(235)	(171)	(235)
Deferred tax	6	(21)	6	(21)
Adjustment in respect of prior years	2	(1)	2	(1)
Total taxation charge for the year	**(163)**	(257)	**(163)**	(257)

The tax assessed for the period has been charged at the 19% rate of corporation tax in the UK (2021: 19%). The differences are explained below:

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Surplus for the year before taxation	72,214	62,357	75,634	62,192
Surplus multiplied by effective tax rate of 19% (2021: 19%)	(13,721)	(11,848)	(14,370)	(11,816)
Surplus relating to charitable activities	14,198	11,581	14,198	11,581
Group relief	-	-	-	-
Effect of timing differences	-	-	-	-
Capital allowances in excess of depreciation	5	(21)	5	(21)
Adjustments to brought forward balances	2	(1)	2	(1)
Other	(648)	32	2	-
Total tax charge	**(163)**	(257)	**(163)**	(257)

11a. Tangible fixed assets – Housing properties

	Properties held for letting	Under Construction	Total
Group	**£'000**	**£'000**	**£'000**
Cost:			
Balance at 1 April 2021	2,313,035	385,265	2,698,300
Additions	16,565	208,433	224,998
Disposals	(21,173)	-	(21,173)
Transfers	207,957	(207,957)	-
Balance at 31 March 2022	2,516,384	385,741	2,902,125
Depreciation & Impairment:			
Balance at 1 April 2021	298,063	-	298,063
Depreciation charge for year	30,799	-	30,799
Disposals	(6,694)	-	(6,694)
Balance at 31 March 2022	322,168	-	322,168
Net book value at 31 March 2022	**2,194,216**	**385,741**	**2,579,957**
Net book value at 31 March 2021	2,014,972	385,265	2,400,237

Expenditure on works to existing properties	**2022 £'000**	**2021 £'000**
Components capitalised	26,947	17,164
Amounts charged to income and expenditure	7,576	8,226
	34,523	25,390
Additions to the cost of housing properties include:		
Capitalised Interest charged in the year	9,506	6,969

All housing properties for letting or shared ownership are held on a freehold or long leasehold tenure. Completed shared ownership properties have a cost of £385,531k (2021: £321,720k) and accumulated depreciation of £14,044k (2021: £12,381k) giving a Net Book Value of £371,487k (2021: £309,340k).

11b. Tangible fixed assets – Housing properties

	Properties held for letting	Under Construction	Total
Association	**£'000**	**£'000**	**£'000**
Cost:			
Balance at 1 April 2021	2,321,506	387,984	2,709,490
Additions	17,044	209,609	226,653
Disposals	(21,173)	-	(21,173)
Transfers	210,676	(210,676)	-
Balance at 31 March 2022	2,528,053	386,917	2,914,970
Depreciation & Impairment:			
Balance at 1 April 2021	298,062	-	298,062
Depreciation charge for year	30,799	-	30,799
Disposals	(6,694)	-	(6,694)
Balance at 31 March 2022	322,167	-	322,167
Net book value at 31 March 2022	**2,205,886**	**386,917**	**2,592,803**
Net book value at 31 March 2021	2,023,444	387,984	2,411,427

Expenditure on works to existing properties	**2022 £'000**	**2021 £'000**
Components capitalised	26,947	17,164
Amounts charged to income and expenditure	7,576	8,226
	34,523	25,390
Additions to the cost of housing properties include:		
Capitalised Interest charged in the year	9,506	6,969

All housing properties for letting or shared ownership are held on a freehold or long leasehold tenure. Completed shared ownership properties have a cost of £321,720k (2021: £273,908k) and accumulated depreciation of £12,381k (2021: £10,888k) giving a Net Book Value of £309,340k (2021: £263,018k).

12a. Tangible fixed assets - other

	Freehold Commercial Buildings	Leasehold Office Buildings	Other	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation:				
Balance at 1 April 2021	7,008	10,353	12,188	29,549
Additions	-	-	876	876
Disposals	-	(1,400)	(377)	(1,777)
Balance at 31 March 2022	7,008	8,953	12,687	28,648
Depreciation:				
Balance at 1 April 2021	1,508	3,919	8,179	13,606
Charge for the year	83	713	1,538	2,334
Disposals	-	(1,400)	(377)	(1,777)
Balance at 31 March 2022	1,591	3,232	9,340	14,163
Net Book Value at 31 March 2022	**5,417**	**5,721**	**3,347**	**14,485**
Net Book Value at 31 March 2021	5,500	6,434	4,009	15,943

12b. Tangible fixed assets - other

	Freehold Commercial Buildings	Leasehold Office Buildings	Other	Total
Association	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation:				
Balance at 1 April 2021	7,008	10,353	11,940	29,302
Additions	-	-	876	876
Disposals	-	(1,400)	(377)	(1,777)
Balance at 31 March 2022	7,008	8,953	12,440	28,402
Depreciation:				
Balance at 1 April 2021	1,508	3,919	8,049	13,476
Charge for the year	83	713	1,507	2,303
Disposals	-	(1,400)	(377)	(1,777)
Balance at 31 March 2022	1,591	3,232	9,179	14,002
Net Book Value at 31 March 2022	**5,417**	**5,721**	**3,261**	**14,400**
Net Book Value at 31 March 2021	5,500	6,435	3,891	15,826

13. Intangible Assets

On the 22 May 2019 VIVID acquired an investment in Bargate Homes Limited. This purchase was made for the sum of £40,672,309 for 100% of the share capital. The total net assets of Bargate on purchase were £14,479,477, with intangible assets consisting of land options for future developments valued at £8,547,907 and goodwill recognised of £19,296,718. Goodwill and intangible assets are being amortised over 10 years.

Group	Intangible	Goodwill	Total Intangible Assets
	£'000	**£'000**	**£'000**
Balance as at 1 April 2021	6,983	15,729	22,712
Amortisation	(855)	(1,929)	(2,784)
Balance as at 31 March 2022	**6,128**	**13,800**	**19,928**

14. Investment Properties

Group and Association	2022 £'000	2021 £'000
Balance as at 1 April	23,210	25,574
Transferred to WIP	-	(2,900)
Net gain from fair value adjustments	409	536
Balance as at 31 March	**23,619**	23,210

Investment properties held are market rental residential properties, owned and managed by the Association. All investment properties have been valued at fair value by external valuers, using the Royal Institution of Chartered Surveyors approved valuation methods. The key assumptions used are, continued rental without any sales, rent increasing by 2.5% in the first two years and 2.5% annually thereafter and a discount rate of 7.25%.

15. Fixed Asset Investments

	Listed	Unlisted	Joint Ventures	Homebuy Loans	Starter Home Initiative	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation						
At 1 April 2021	1,061	-	3,215	2,307	134	6,717
Additions	-	-	-	-	-	-
Disposal	(1,061)	-	-	(147)	-	(1,208)
At 31 March 2022	**-**	**-**	**3,215**	**2,160**	**134**	**5,509**
Share of retained profits						
At 1 April 2021	-	-	324	-	-	324
Profit for the year	-	-	226	-	-	226
Distributions	-	-	(382)	-	-	(382)
At 31 March 2022	**-**	**-**	**168**	**-**	**-**	**168**
Net book value						
At 31 March 2022	**-**	**-**	**3,383**	**2,160**	**134**	**5,677**
At 31 March 2021	1,061	-	3,539	2,307	134	7,041

	Subsidiary	Listed	Unlisted	Joint Ventures	Homebuy Loans	Starter Home Initiative	Total
Association	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation							
At 1 April 2021	40,672	1,061	-	3,215	2,307	134	47,389
Additions	-	-	-	-	-	-	-
Disposal	-	(1,061)	-	-	(147)	-	(1,208)
At 31 March 2022	**40,672**	**-**	**-**	**3,215**	**2,160**	**134**	**46,181**

Investments in joint ventures

VIVID Housing is a co-investor in Aspect Building Communities Ltd ('Aspect') with another Registered Provider and two Local Authorities. Aspect was formed to bring forward housing developments to increase housing supply and boost the local economy by working in partnership with local organisations. VIVID Housing has a 26% non-controlling interest in Aspect. Since Aspect is a company limited by guarantee the Association has no right to distribution of profits.

Aspect has created two special purpose vehicles through which the development of housing is undertaken and VIVID has invested in these partnerships. (Woodside LLP £2,318k, Stoneham LLP £897k). Both investments are shown at cost with no indicators of impairment.

Investment in subsidiaries

Bargate Homes Limited
A limited company carrying out development activities and sale of open market properties for the Group. VIVID Housing owns 100% of the share capital

VIVID Housing also £1 investment in VIVID Build and Vestal Developments, it is the ultimate parent undertaking of:

VIVID Build Limited
A limited company carrying out development activities for the Group. VIVID Housing owns 100% of the share capital.

Vestal Developments Limited
A limited company carrying out development activities and sale of open market properties for the Group. VIVID Housing owns 100% of the share capital

VIVID Plus Limited
A company registered under the Co-operative and Community Benefit Society Act 2014 as a community benefit society. Its charitable purpose is to create and support long term sustainable communities. VIVID is the parent entity.

16. Properties held for sale and stock

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Raw materials and consumables	636	408	636	408
Completed Units				
Shared ownership	5,342	5,377	5,342	5,377
Outright Sales	5,261	308	5,261	-
	10,603	5,685	10,603	5,377
Work in progress				
Shared ownership	46,501	53,777	46,501	53,777
Outright Sales	105,048	95,869	1,495	971
	151,549	149,646	47,996	54,748
	162,788	155,739	**59,235**	60,533

17. Debtors

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Due within one year				
Rental debtors	11,731	12,732	11,731	12,732
Less: provision for bad debts	(4,923)	(4,936)	(4,923)	(4,936)
	6,808	7,796	6,808	7,796
Trade debtors	493	729	58	46
Amounts owed by subsidiary undertaking	14	-	56,000	52,000
Other debtors	1,817	1,136	1,585	459
Prepayments and accrued income	8,439	5,046	4,743	3,272
VAT/CT debtor	58	1	-	-
Capital grants	-	43	-	43
	17,629	14,751	**69,194**	63,616
Due more than one year				
Prepayments and accrued income *	554	343	6,251	6,943
	18,183	15,094	**75,445**	70,559

*VIVID has entered into a binding sale agreement with its subsidiary Vestal Developments Ltd for land acquired as part of an overall development strategy at a site known as Stoneham Lane, Eastleigh. Vestal has up to 5 years to complete the purchase. This is shown as a debtor greater than one year.

18. Creditors: Amounts falling due within one year

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Loans	20,232	19,198	12,200	9,675
Deferred grant	5,842	5,741	5,842	5,741
Trade creditors	4,495	4,340	2,758	1,918
Rent received in advance	5,001	4,296	4,537	3,902
Other creditors	3,236	4,449	305	219
Taxation and social security	1,053	1,091	958	991
Rent Deposits	129	129	129	129
Local Authority claw back	-	24	-	24
Leaseholders' sinking fund *	12,628	11,687	12,628	11,687
Building Safety Fund	1,621	-	1,621	-
Corporation tax	20	101	20	101
Amounts owed to subsidiary	14	-	14	4,566
Accruals and deferred income	38,816	35,544	35,451	31,656
	93,087	86,600	**76,463**	70,609

*The cash for the Leaseholders' Sinking Fund is held in separate client accounts in accordance with the provisions set out in the Commonhold & Leasehold Reform Act 2002 S156.

19. Creditors: Amounts falling due after more than one year

	Note	Group		Association	
		2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Housing loans	20	1,406,295	1,312,444	1,404,051	1,309,203
Recycled capital grant fund	21	10,027	9,746	10,027	9,746
Deferred grant income	22	660,481	637,410	660,481	637,410
Grant on HomeBuy Equity Loans		997	1,090	997	1,090
		2,077,800	1,960,690	**2,075,556**	1,957,449

20. Housing loans analysis

Facilities	Principal Amount	Weighted Average Nominal Rate	Year of final maturity	Carrying Value	
	31/03/2022 £'000			31/03/2022 £'000	31/03/2021 £'000
AHF	164,700	2.89	2043-48	171,346	171,595
AHGS	185,000	1.53	2052	183,745	0
Barclays	121,700	4.17	2031-49	138,299	141,772
Harbour Funding	75,000	5.28	2034	74,994	74,993
Lloyds/Scottish Widows	142,970	2.87	2027-37	138,580	216,829
Orchardbrook	1,414	10.27	2028	1,402	1,593
Private Placements	508,000	3.44	2028-55	507,486	507,438
RBS	100,000	3.42	2030	101,234	101,439
Santander	38,667	6.78	2025-27	43,510	44,820
THFC	10,000	1.66	2030	8,661	8,523
UK Rents	1,713	9.10	2026	1,686	2,146
Yorkshire Building Society	45,250	1.95	2035	45,308	47,731
Loans in Association	**1,394,414**			**1,416,251**	1,318,878
Subsidiary Loans					
Loan Notes 2021	0	6.10	2022	0	9,500
RBS	4,000	3.87	2025	4,000	0
Heritable	6,276	6.25	2022-23	6,276	3,264
Total Loans	**1,404,690**			**1,426,527**	1,331,642
The average interest rate for the above loans is				**3.28%**	3.38%

Maturity of loans:	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Within one year	20,232	19,198	12,200	9,675
Greater than one year	1,406,295	1,312,444	1,404,051	1,309,203
	1,426,527	1,331,642	**1,416,251**	1,318,878

Loans are secured by fixed charges on individual properties and land, of the borrowings detailed above there is nil value drawn as unsecured. The exception to this is loan notes of £9,500,000 which are secured over assets of the company for 2021. The value of our secured properties using EUV-SH valuations is £2,098,328,093 (2021: £1,752,475,000).

Maturity of principal debt:	Group & Association Arranged Loan Facilities		Group & Association Amounts Drawn	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Within one year	20,232	20,154	18,476	19,198
Between one and two years	62,597	23,392	12,597	15,441
In two to five years	528,196	414,802	110,263	107,869
In five years or more	1,303,354	1,194,345	1,263,354	1,164,344
	1,914,379	1,652,693	**1,404,690**	1,306,852

As at 31st March 2022 VIVID group has £409,690,000 of available liquidity in the form of undrawn loans, there is also a standby liquidity agreement with MorHomes for £50,000,000.

Changes in net debt:	At April 2021	Cashflows	Other Non-cashflows	At 31st March 2022
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	52,313	10,392	-	62,705
Debt due within one year	(19,198)	19,198	(20,232)	(20,232)
Debt due after one year	(1,312,444)	(114,083)	20,232	(1,406,295)
Net debt after issue costs	(1,279,329)	(84,493)	-	(1,363,822)

Changes in net debt:	At April 2021	Cashflows	Acquisition of subsidiary	Other Non-cashflows	At 31st March 2022
Association	**£'000**	**£'000**		**£'000**	**£'000**
Cash at bank and in hand	34,786	16,099		-	50,885
Debt due within one year	(9,675)	9,675		(12,200)	(12,200)
Debt due after one year	(1,309,203)	(107,048)		12,200	(1,404,051)
Net debt after issue costs	(1,284,092)	(81,274)		-	(1,365,366)

21. Movements on the recycled capital grant fund

	Group & Association	
	2022 £'000	**2021 £'000**
Opening balance at 1 April 2021	9,746	9,891
Inputs to fund:		
Grants recycled	2,965	1,843
Interest accrued	19	10
Outputs from fund: New build	(2,703)	(1,998)
Closing balance at 31 March 2022	**10,027**	9,746
Due within 1 year:	-	-
Due after 1 year:	10,027	9,746
Closing balance at 31 March 2022	**10,027**	9,746

22. Deferred grant income

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
At 1 April	643,151	570,253	643,151	570,253
Net Grant received in the year	28,590	78,395	28,590	78,395
Net amount recognised in the Statement of Comprehensive Income in the year	(5,418)	(5,497)	(5,418)	(5,497)
Transfers & Adjustments	-	-	-	-
At 31 March	**666,323**	643,151	**666,323**	643,151
Amount to be released in one year	5,842	5,741	5,842	5,741
Amount to be released in more than one year	660,481	637,410	660,481	637,410
	666,323	643,151	**666,323**	643,151

Total Social Housing Assistance	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Total accumulated social housing grant received or receivable at 31 March:	746,410	717,820	746,410	717,820
Recognised in reserves as at 1 April	74,669	69,172	74,669	69,172
Amortised Grant recognised in the Statement of Comprehensive Income	5,899	5,695	5,899	5,695
Recycled Grant recognised in the Statement of Comprehensive Income	(481)	(198)	(481)	(198)
Transfers & Adjustments	-	-	-	-
Held as deferred income	666,323	643,151	666,323	643,151
	746,410	717,820	**746,410**	717,820

23. Provisions for liabilities and charges

	Group		Association	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Deferred Tax	**1701**	1,706	**79**	83
Deferred Tax consists of:				
Capital allowances	77	82	79	83
Provision on assets acquired as part of business combination	1,624	1,624	-	-
	1,701	1,706	79	83
Balance at 1 April 2021	1,707	1,688	83	64
Charge for the year	(6)	18	(4)	19
Balance at 31 March 2022	**1,701**	1,706	**79**	83

24. Share Capital – Association

	2022 £	**2021 £**
As at 1st April	19	22
Issued during the year	3	-
Cancelled during the year	(3)	(3)
As at 31st March	**19**	19
Issued share capital consists of 19 £1 shares		

25. Commitments under operating leases

Future minimum lease payments at 31 March:

	Group & Association	
	2022 £'000	**2021 £'000**
Land and buildings		
Amounts due within one year	1,890	2,007
Amounts due between one and five years	4,455	4,299
Amounts due after five years	45,649	43,691
	51,994	49,997
Land and buildings lease payments recognised as an expense	2,524	2,501
Vehicle leases		
Amounts due within one year	788	1,364
Amounts due within two to five years	177	980
	965	2,344

26. Capital commitments

Capital commitment at the end of the financial year for which no provision has been made in these financial statements, were as follows:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted for	408,544	298,907	408,544	298,907
Authorised by the Board but not contracted for	200,578	206,426	200,578	206,426

To support our future capital expenditure, at the 31 March 2022 we had available liquidity of £410m of arranged and undrawn loan facilities and £36m of available cash. Our business plan shows four years of discounted operating cashflow of £340m without reliance on sales proceeds or grant. Additionally, during the next four years we expect to receive in excess of £105m grant and £351m of sales proceeds.

27. Financial assets and liabilities

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets:				
Measured at undiscounted amount receivable*	10,284	10,403	71,026	67,514
Financial liabilities:				
Financial liabilities measured at undiscounted value	60,928	56,173	52,906	50,199
Financial liabilities measured at amortised cost	1,426,527	1,331,642	1,416,251	1,318,878
Total	**1,497,739**	1,398,218	**1,540,183**	1,436,591

*excludes cash

28. Pension obligations – Group and Association

VIVID Housing currently operates and contributes to three defined benefit pension schemes and a defined contribution scheme. The assets of the schemes are held in separate trustee administered funds.

Pension scheme summary

	2022 £'000	2021 £'000
Pension scheme deficit – DB Provision		
LGPS Pension scheme deficit	-	2,770
Social Housing Pension Scheme/ VIVID DB Scheme	-	-
Pension Scheme Deficit Provision	**-**	2,770
Growth Plan deficit	19	24
Total Pension Deficit	**19**	2,794

Hampshire County Council Pension Fund

The disclosures below relate to the funded liabilities within the Hampshire Pension Fund (the 'Fund') which is part of the Local Government Pension Scheme (the 'LGPS').

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme Regulations 2014'.

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

An allowance has been made for full increases on GMP equalisation for individuals reaching state pension age from 5 April 2016. The additional liability includes an allowance for equalisation between sexes.

An allowance has been made for the retrospective impact of the McCloud judgement in Past Service Costs for this set of statements. The Current Service Cost includes an allowance for potential McCloud liabilities.

The result at 31/03/22 shows an excess of assets over liabilities. VIVID has not recognised this asset and has opted to restrict the surplus and show a corresponding movement in Other Comprehensive Income.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions (% per annum)

	2022 % pa	2021 % pa	2020 % pa
Discount rate	2.6	2.0	2.0
Pension accounts revaluation rate	3.6	3.1	2.3
Pensions increases	3.6	3.1	2.3
CPI Inflation	3.6	3.1	2.3
Salary increases	5.1	4.6	3.8

Mortality Assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 valuation, and allow for expected future mortality improvements. Sample life expectancies at 65 in normal health resulting from these mortality assumptions are shown below. At the accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the COVID-19 pandemic.

Assumed Life expectancy at 65	2022	2021
Males		
Member aged 65 at accounting date	22.9	23.1
Member aged 45 at accounting date	24.7	24.8
Females		
Member aged 65 at accounting date	25.4	25.5
Member aged 45 at accounting date	27.1	27.3

Asset allocation	2022	2021
Equities	55.7%	57.0%
Property	6.9%	6.1%
Government bonds	18.0%	17.3%
Cash	0.9%	1.4%
Other	18.5%	18.2%
Total	100.0%	100.0%

Present values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Liability

	2022 £'000	2021 £'000
Fair value of assets	26,090	23,810
Present value of funded defined benefit obligation	(25,320)	(26,580)
Plan surplus / (deficit)	**770**	(2,770)
Effect of derecognising surplus	(770)	-
Plan surplus / (deficit)	-	(2,770)

Amounts recognised in Income Statement	2022 £'000	2021 £'000
Operating cost		
Current service cost	70	50
Financing cost		
Interest on net defined benefit liability	50	90
Expense recognised in Income Statement	**120**	140

Amounts recognised in other Comprehensive Income	2022 £'000	2021 £'000
Asset gains/ (losses) arising during the period	2,030	4,090
Liability (losses)/ gains arising during the period	920	(2,570)
Scheme surplus derecognised	(770)	-
Total amount recognised in other Comprehensive Income	**2,180**	1,520

Changes to present value of the defined benefit obligation	2022 £'000	2021 £'000
Opening defined benefit obligation	26,580	24,370
Current service cost	70	50
Interest expense on defined benefit obligation	510	480
Contributions by participants	10	10
Actuarial (gains)/ losses on liabilities	(920)	2,570
Net benefits paid out	(930)	(900)
Closing defined benefit obligation	**25,320**	26,580

Changes to the fair value of assets	2022 £'000	2021 £'000
Opening fair value of assets	23,810	19,520
Interest income on assets	460	390
Remeasurement gains/ (losses) on assets	2,030	4,090
Contributions by employer	710	700
Contributions by participants	10	10
Net benefits paid out	(930)	(900)
Closing fair value of assets	**26,090**	23,810

Actual Return on Assets	2022 £'000	2021 £'000
Interest income on assets	460	390
Gain/ (loss) on assets	2,030	4,090
Actual return on assets	**2,490**	4,480

VIVID Housing Defined Benefit Scheme - formerly Social Housing Pension Scheme (SHPS)

On 31 January 2021 VIVID Housing exited SHPS. Working with The Pensions Trust (TPT) and Verity Trustees Limited (VTL), VIVID transferred its share of SHPS scheme assets and liabilities into a new separate scheme managed by TPT. The scheme is closed to new entrants and any additional service accruals.

The Scheme liabilities to 31 March 22 were calculated using the projected unit method by rolling forward preliminary results of the triennial actuarial valuation as at 30 September 2021.

The projected unit method results were then adjusted according to FRS102 financial and demographic assumptions applicable at 31 March 22. The liability calculations made allowance for the payments of benefits and actual inflationary increases over the period to 31 March 2022.

The asset values at 31 March 2022 are based on the bid market values.

At 31 March 2022 the Scheme is in surplus. This surplus is not recognised in the Statement of Financial Position in accordance with FRS102. The change in Scheme surplus for the year is offset within Other Comprehensive Income.

The principal assumptions used by the actuary in updating the latest valuation of the Scheme for FRS102 purposes were:

The principal assumptions used by the actuary in updating the latest valuation of the Scheme for FRS102 purposes were:

Principal financial assumptions (% per annum)	March 2022	March 2021
Discount rate	2.78	2.15
RPI Inflation	3.79	3.45
CPI Inflation	3.57	3.20
Salary increases	5.07	4.70
Deferred revaluation	3.45	3.45
Pension increases in payment	3.36	3.05

Mortality assumptions	Assumed Life expectancy at 65 years 2022	Assumed Life expectancy at 65 years 2021
Female retiring in 2022	24.6	23.3
Female retiring in 2042	26.0	24.8
Male retiring in 2022	22.2	21.3
Male retiring in 2042	23.8	22.6

Asset allocation	March 2022	March 2021
Equities	5.5%	4.7%
Bonds	26.9%	54.3%
Property	10.7%	9.4%
Cash	0.6%	0.8%
Other	23.7%	16.1%
LDI	32.6%	14.7%
Total	100.0%	100.0%

Present values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Liability

	2022 £'000	2021 £'000
Fair value of assets	99,518	98,027
Present value of funded defined benefit obligation	(90,832)	(91,360)
Surplus/ (deficit) in plan	**8,686**	6,667
Effect of derecognising surplus	(8,686)	(6,667)
Plan surplus/ (deficit)	**-**	-

Amounts recognised in Income Statement

	2022 £'000	2021 £'000
Operating cost		
Current service cost	-	-
Expenses	104	62
Changes to benefits	-	2
Financing cost		
Interest on net defined benefit liability	-	225
Expense recognised in Income Statement	**104**	289

Amounts recognised in other Comprehensive Income

	2022 £'000	2021 £'000
Scheme surplus derecognised	(1,875)	(6,667)
Asset gains arising during the period	796	2,427
Liability (loss) / gains arising during the period	1,094	(18,885)
Total amount recognised in Other Comprehensive Income	**15**	(23,125)

Changes to present value of the defined benefit obligation

	2022 £'000	2021 £'000
Opening defined benefit obligation	91,360	72,940
Losses on benefit changes	-	2
Interest expense on defined benefit obligation	1,949	1,670
Actuarial (gains)/ losses on liabilities	(1,094)	18,885
Net benefits paid out	(1,383)	(2,137)
Closing defined benefit obligation	**90,832**	91,360

Changes to the fair value of assets

	2022 £'000	2021 £'000
Opening fair value of assets	98,027	61,515
Interest income on assets	2,093	1,445
Remeasurement gains on assets	796	2,427
Contributions by employer	89	34,839
Expenses	(104)	(62)
Net benefits paid out	(1,383)	(2,137)
Closing fair value of assets	**99,518**	98,027

Actual Return on Assets

	2022 £'000	2021 £'000
Interest income on assets	2,093	1,445
Gain on assets	796	2,427
Actual return on assets	**2,889**	3,872

The Pensions Trust Growth Plan

VIVID Housing participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for VIVID to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m.

Scheme deficit contributions

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 01 April 2019 to 30 September 2025:	£12,945,440 per annum
From 01 April 2016 to 30 September 2028:	£54,560 per annum

Our liability

We have recognised a liability for our share of this obligation based on the net present value of the deficit reduction contributions payable under the agreement made between SHPS and VIVID. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2022 £'000	2021 £'000	2020 £'000
Present value of liability	20	25	29

Reconciliation of opening and closing provisions	2022 £'000	2021 £'000
Provision at start of period	25	29
Unwinding of the discount factor (interest expense)	-	1
Deficit contribution paid	(6)	(6)
Remeasurement - impact of any changes in assumptions	-	1
Provision at end of period	**19**	25

	2022 £'000	2021 £'000
Impact on income statement		
Interest expense	-	1
Amounts recognised in other comprehensive income		
Remeasurement - impact of any changes in assumptions	-	1

Assumptions	2022 % per annum	2021 % per annum	2020 % per annum
Rate of discount	0.66	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Our deficit contributions schedule

The following schedule details the deficit contributions agreed with the scheme.

	2022 £'000	2021 £'000	2020 £'000
Year 1	6	6	6
Year 2	7	6	6
Year 3	6	7	6
Year 4	-	6	7
Year 5	-	-	6

Under FRS102, VIVID Housing must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. The cash contributions above have been used to derive the liability within the Statement of Financial Position.

29. Related party transactions

The companies listed below engage the services of members of our Board or Executive. The services are provided independently of VIVID on a non-executive or consultancy basis. VIVID received no income or fees for the services provided. During the year VIVID made payments to the companies in the normal course of business and unrelated to the services provided by our Board or Executive.

The Institute of Customer Service	£4,128	Membership of ICS

VIVID Housing operates predominantly in the Hampshire area. As such in the normal course of its business it transacts with Hampshire County Council (HCC). HCC also act as the Fund Administering Authority for the Hampshire County Council Pension Fund (details of which are set out in the Pensions obligation note above). This arrangement operates independently of other contractual agreements listed below.

During the course of the year, VIVID Housing paid HCC for the rental of units of accommodation, maintenance fees, section 106 payments and other sundry purchases the sum of £367,343.

In terms of other influence, HCC act as the referral agent for VIVID Housing's extra care schemes. HCC also act as an administration body for the payment of Housing Benefit where residents have opted to have sums paid directly to VIVID Housing. The ultimate responsibility does however rest with the residents in respect of those payments. No amounts were owing to HCC at the year end in respect of these transactions.

Associates and subsidiaries

The association has a loan agreement with its subsidiary Vestal Developments Ltd for £77m (2021: £77m) of which £56m (2021: £52m) was drawn at the balance sheet date. Interest was payable at LIBOR plus a commercial margin up until 1 January 2022. Following the cessation of LIBOR, interest was payable at Base Rate plus a commercial margin and amounted to £1.7m during the year (2021: £1.7m).

Bargate Homes has no loan with related parties outstanding. (2021: £9.5m).

At the balance sheet date Bargate Homes owed £nil (2021: £64,594) to BB Property Ventures Limited.

During the course of the year, VIVID Housing paid nil to Aspect Building Communities Limited in respect of the running costs of Aspect Joint Ventures (2021: £nil).

30. Controlling party

At 31 March 2022, the ultimate controlling party was The Board of VIVID Housing.

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