VIVID

Annual report and financial statements 2023-24

Contents

About this report

This year we've introduced a new approach to our corporate annual reporting. As well as this PDF version, we have an online microsite to give you a much more readable, interactive, device-responsive experience, especially in relation to the content of section 1 – our annual review.

Here you'll be able to gain an even greater understanding of our organisation and our year. You can view it here and there are links to it in places throughout this report. Our separate customer annual review will be published later in summer 2024, both digitally and in print for those with no online access.

The year at a glance

Much has been achieved this year to provide the best possible homes and services for customers.

Welcomed 3,047 new customers

Invested £87.5m in our existing homes

8.7/10 customer satisfaction with repairs

Helped 304 customers get back to work or enrol on a training course

Completed 1,524 new homes

Secured £10.3m of income for customers*

Rated G1 for governance and V1 for financial viability by the regulator of social housing

356,444 customer contacts received by customer experience team

* Secured £10.3 million income for customers made up of ongoing and backdated awards of benefit, including giving advice to customers with new tenancies

Introductions

Charles Alexander
Chair of the Board

At VIVID we are highly focused on our customers and are continually improving our services and support. It's been a trying year for many people due to the high cost of living and increased food and energy prices, and we've proactively adapted to provide increased levels of support for those customers who need it. Many have needed this more than ever to maintain their tenancies, and to cope with a level of financial pressure due to economic conditions unseen for decades.

Sustainability is high on our agenda to make our homes as comfortable and affordable to live in as possible for everyone, and I'm pleased we've made excellent progress over the year. Over 80% of our homes have an energy efficiency rating of EPC C or above and we're aiming to be at 100% by 2030 – helping to minimise energy costs for customers and improve quality of their homes.

There are so many positive outcomes housing associations achieve on a day-to-day basis. At VIVID, our deep roots throughout our operating area and strong local partnerships enable us to provide targeted community investment to maximise positive impact on people's lives.

Retaining top ratings of G1 and V1 in March 2024 by the Regulator of Social Housing, serves as confirmation of how well our organisation is run and confidence in our abilities to manage through uncertain times to achieve what our customers need and expect of us.

Nonetheless, there is much work to do for the sector to improve and rebuild public trust for the long-term. I'm confident that at VIVID we're well placed to continue to develop that trust with our customers. We are committed therefore, to ensure a great customer experience, provide good quality homes, and to build many more new affordable homes.

Mark Perry
Chief Executive

Meeting customers' needs and expectations with the homes they live in, and services and support we provide is our absolute priority.

Over the year, we've welcomed over 3,000 new customers to a VIVID home, made it simpler and easier for customers to contact us and access our services, and invested £87.5m to maintain and improve the standard of homes.

In a year defined by the high cost of living, we saw an increase in demand for our tenancy support services, especially money and benefits advice, and provided over £243,000 in welfare funding to customers who needed extra help. We quickly adapted to meet this increased customer contact by redeploying people into frontline teams to give the best customer service and advice possible.

Customers have provided us with invaluable insight on what's most important to them in respect of the homes and services we provide. This feedback has always been and continues to be fundamental in helping us shape our services, and by working even more collaboratively together, we're well on the way to modernising and transforming the experience customers have when interacting with us.

We're extremely thankful for our customers' time in helping us understand what's going well and what needs addressing.

As a result, the priority for every single one of our people this year has been on customer experience, focusing on 3 service areas: ensuring services are easy to use and access, keeping customers informed, and improving the speed in which routine repairs are completed.

We're part-way through a 3-year business transformation programme due to complete in 2025. I'm pleased we're seeing quicker responses to customer enquiries, more customers registering and using their online account, and evidence that our new methods of accessing information and services 24/7 is proving beneficial, with plenty more to do.

Looking ahead, we're operating in the context of landmark changes in the sector with the Social Housing Regulation Act 2023 which will introduce a new set of consumer standards, increased scrutiny and the results of the consultation on Awaab's Law. We remain unwavering in our focus on increasing the supply of new affordable homes to address the country's continuing housing emergency. I'm delighted that despite the uncertainty of the housing market, we have delivered over 1,500 new affordable homes – the highest annual amount since our formation in 2017.

We're evolving our business for current and future generations. I'm confident that by taking these actions, enabled by our financial strength, expertise and partnerships, we'll deliver on our ambitions and be able to help many more people to have the safety net of a safe and secure home and springboard to a brighter future.

Visit our annual review microsite

About us

We're a leading provider of affordable homes and extensive support services in the south of England. We believe that everyone has the right to a safe and secure place to call home, and from the moment customers move into their VIVID home we're here to help with that and more.

Our customers have access to a wide range of tailored advice to sustain their tenancies. We invest in our homes and communities for the long-term, and this means in the quality, safety and energy efficiency of existing homes and neighbourhoods, with a firm focus on improving services so they're easy to use and access by our customers.

We're addressing the shortage of affordable housing in the south, building the right type of homes to meet the needs of our local communities. We're the 5th largest developer of new homes amongst housing associations in England, having built over 1,500 last year.

This is summed up in our vision "**More homes, bright futures**"

Our homes and customers are spread across Hampshire, Surrey, Berkshire and West Sussex, encompassing over 20 local authority areas.

Tenure type	2019-20	2020-21	2021-22	2022-23	2023-24	Value in use (£'000)	Market value (£'000)
General needs	23,360	23,791	24,454	25,120	25,996	2,697,630	7,128,180
Older people's & supported housing	1,556	1,457	1,441	1,415	1,421	87,190	259,060
Shared ownership	5,004	5,272	5,679	6,066	6,614	580,250	825,290
Intermediate rent	332	314	310	304	302	42,430	67,950
Market rent	351	440	481	452	452	107,610	129,540
Leased or owned by others	692	672	646	615	579	18,840	30,800
Managed by others	175	338	344	353	346	1,800	7,880
Total homes	**31,470**	**32,284**	**33,355**	**34,325**	**35,710**	**3,535,750**	**8,448,700**
Garages	3,334	3,357	3,338	3,330	3,311		

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 2024. The value in use shown in the table exceeds the net book value of our completed housing properties by £819m. Together with our reserves of £834m, they increase our net worth to £1.7bn. 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.

Visit our annual review microsite

The capacity to achieve our ambitions

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Turnover	250,158	326,660	310,994	303,328	332,852	357,850
Operating surplus	102,039	106,988	92,088	99,730	106,167	109,932
Net surplus before tax	73,071	71,115	62,357	72,214	72,136	54,319
Housing properties at cost	2,221,752	2,517,019	2,698,300	2,579,957	2,816,814	3,209,455
Long-term loans	1,050,125	1,273,718	1,312,444	1,406,295	1,537,374	1,890,612
Net current assets	105,463	161,720	136,546	150,589	108,651	121,523
Net assets	516,533	600,005	640,499	714,735	785,999	834,423
Operating cost per unit £s	3,157	3,380	3,512	3,516	3,854	4,275

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

We've continued the steady growth in our asset base which has allowed us to maintain our financial strength during a challenging year. And our financial strength means we can invest more in our services to improve customer experience.

Our plan

Our plan sets out our vision, ambitions, values and the approach we're taking. The world has changed dramatically over the last few years and we're evolving too so that we can continue to provide the best possible homes and services for customers. We have 3 ambitions which will help us achieve our vision over 5 years. Our approach centres around building **trust** in our homes and services, customers having **pride** in their homes and communities, and creating positive **impact** on people's lives.

Vision

More homes, bright futures

Ambitions

Our customers are our strongest advocates

People are proud to live in our homes and communities

Grow and influence to positively impact more lives

Values

Encourage challenge and change

Work as one team

Deliver a great customer experience

Section 1:

Annual Review

Ambition 1: Customers are our strongest advocates

We're transforming our services and the way we work to improve customer experience.

This is about building **trust** in our services. It means customers know what to expect from us more clearly than ever before, we keep them updated at every stage of their enquiry or repair, and it's effortless for customers to interact with us. This is what any of us need and expect in our day to day lives and it's what our customers have told us is most important to them.

New and easier ways to contact us

In November 2023 we introduced new easier ways for customers to get in touch with us, including a new and improved online account, chatbot, live chat, WhatsApp, and a help and support section on our website. Within the first 5 months we saw great results with call wait times reducing from 15 minutes to averaging between 5 to 7 minutes, and use of new channels continuing to rise. We've also seen an increase in customers choosing to set up their own direct debits online, giving them more control over how they pay their rent.

We'll continue to communicate these new channels and the benefits to empower customers, and we're excited about transforming other aspects of our online offering that will, for example, enable customers to book and track every stage of repairs to their homes. Ultimately, it's about giving customers the information and functionality they need at their fingertips 24/7, and building capacity to continue helping ever increasing numbers of those who are experiencing more complex situations on the phone or in person.

Clearer service standards

We've ensured greater clarity and transparency on the services we provide. During the year we consulted with our involved customers to develop a new set of service standards. The new standards are designed to be easier for customers to understand the high level of service to expect from us and help them hold us to account. We regularly check we're meeting our service standards and provide quarterly updates on our performance.

Listening and working with customers

This year we've started to shape a customer influence strategy to build on the strong foundations we already have in place. We're also working towards TPAS Resident Involvement Accreditation for Landlords. By completing this accreditation, we'll demonstrate our commitment to customer involvement and ensure our approach is effective and offers the best value for money.

We have a diverse group of involved customers who currently work with us in a range of ways, including our Customer Service Committee, Neighbourhood Volunteers, resident groups, our scrutiny panel VIVID Impact, and more. Over the coming year we're looking forward to working with customers to develop and implement our new customer influence strategy, and experiencing the positive outcomes that this brings. Some examples of how customers have helped shape our services during 2023-24 can be found on our microsite

Transparency in our performance

From April 2023, all housing associations have been required to collect information from customers on how satisfied they are with their landlord. These 12 perception measures, along with 10 management information measures, make up the new Tenant Satisfaction Measures (TSMs) and fall under 5 themes: repairs, building safety, engagement, complaints handling and neighbourhood management. We'll be publishing this information to our customers for the first time in July, providing greater transparency about our performance.

We also measure our performance against our service standards through transactional surveys sent to customers following key interactions with us, whether it be a repair or contact with our customer experience team. We use this feedback, alongside the TSM surveys and complaints, to help us make improvements to our service. 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 quarter.

A clear approach to complaints

Everyone wants and expects great customer service. While we may not always get it right, we are striving to deliver the best we can. We've continued to comply with The Housing Ombudsman Service (HOS) complaint handling code, which became statutory from April 2024, to ensure when we haven't met our customers' expectations, we're responding to their complaints effectively and fairly. Our Customer Service Committee regularly reviews how we're doing, and we publish our performance on our **website here.**

The housing sector continues to see significant increases in complaints. We received 61.5 stage 1 complaints per 1,000 homes and 609 compliments. We also received 18,235 positive comments with a top score of 10/10 through our text and email surveys.

Here's how we performed in 2023-24:

Complaint performance	2023-24
Number of stage one complaints received per 1,000 homes	61.5
Number of stage two complaints received per 1,000 homes	12.6
Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	80.4%
Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	77.9%
Complaint handling satisfaction (average score out of 10)	4.4
% of resolved complaints investigated by Housing Ombudsman	1.3%

Read more about complaints and how we're learning and taking action from feedback on our **microsite.**

Supporting and empowering customers to stay in their homes

VIVID Plus, our charitable arm, helps our customers and communities thrive. The reason for being and core themes remain - to provide customers with tailored, individual tenancy sustainment services, and support community-led priorities to ensure people feel proud of where they live. With the continued high cost of living, our focus over the past year has been on doing everything we can to help people through this, with targeted support, funding and partnerships to maximise positive impact on people's lives.

Housing Perks

During the year we teamed up with Housing Perks to provide an exclusive discount app for customers. Through the app, we're helping customers save money on their supermarkets and grocery stores, amongst other things. The Housing Perks app offers discounts of up to 20% at over 100 supermarkets, high street shops and online, helping save money on groceries, fuel and clothing. We continue to promote and encourage customers to sign up to the free app if they haven't already, to help their money go even further.

Our dedicated tenancy support and place shaping teams

Demand, especially for our money advice and benefits service, rose significantly over the last year. In response to this, we boosted the capacity of the team which provides customers who need it with help to manage their income and outgoings, checking what benefits they may be eligible for and advising how to put payment plans in place with companies such as utility providers.

We also provided funding for targeted place shaping activities, to create opportunities and drive positive change in specific localities. It's about empowering communities to organise and take action together to address the things that matter to them in their households, communities and neighbourhoods.

View more information and examples of positive impact on our annual review microsite.

Ambition 2: People are proud to live in our homes and communities

We want to make sure that our customers feel a sense of **pride** in their home and community. We're investing more than ever in our homes and estates so that they continue to meet quality and safety standards, to improve energy efficiency and minimise energy costs. Everyone wants a safe, healthy and affordable place to live, and our investment is targeted at making sure our homes are the best they can be now and in the future.

Good quality, safe and affordable homes

We've invested £87.5m in maintaining and improving customers' homes over the past year. This includes repairs, compliance, our major works programme to replace kitchens and bathrooms for example, building safety works and sustainability.

£87.5m invested in our existing homes

1,514 of new homes built this year were EPC B or above

92,886 responsive repairs completed

100% compliance with all statutory safety requirements

98% emergency responsive repairs completed within target

1,643 heating replacements completed

716 new kitchens installed

912 new doors fitted

447 new bathrooms installed

172 new roofs built

522 new windows fitted

Customer perception of us is highly influenced by the quality of their home and the speed and experience they have when receiving a service from us, especially when it comes to carrying out repairs.

Our aim is to complete all non-emergency repairs within 28 days and, if we can't complete a repair within that time frame because we're waiting for parts or materials, we'll be clear and communicate what's happening.

Throughout the year we've brought in additional trade staff and contractors, and offered customers weekend appointments to help address the volume of repairs. Progress is being made and, in parallel to this, we're transforming our processes and technology to enable us to complete a repair on first visit as often as possible by ensuring we get the right trades to the right repair job with the right materials. We have been piloting a new virtual repairs appointment service, to help diagnose and identify parts on a video call so we can complete more repairs on our first visit.

Along with all housing associations, we're firmly committed to implementing Awaab's Law to deliver the best outcomes for customers. Through transformation of our repairs service we're ensuring that we're ready to adopt this new legislation thereby enabling the best outcomes for customers.

Sustainable homes

Achieving net zero

We're in what is known as the 'decisive decade' for climate action and we ramped up our programme this year by delivering an ambitious retrofit project in Farnborough. From 2023-25 we're improving the energy efficiency of over 400 homes by installing external wall insulation, loft insulation and ventilation. This will help to improve warmth, address fuel poverty and reduce carbon emissions by 280 tonnes a year.

We want all our homes to provide sustainable living conditions for our customers which means having an energy efficient home – one that reduces unnecessary energy consumption and cost, as well as cuts carbon emissions. Over the past year we've retrofitted 137 homes. In 2024-25 we'll improve a further 550 homes. Over 80% of our homes have an energy efficiency rating of EPC C or above and we're aiming to be at 100% by 2030.

Over the year we significantly increased our preparations for achieving net zero carbon emissions by 2050. This included improving our data, measuring our carbon footprint and developing a fully costed net zero investment plan.

Read more about the work we've achieved and have planned around green spaces, biodiversity and energy costs on our annual review microsite.

Ambition 3: Grow and influence to positively impact more lives

More new affordable homes

We're determined to give as many people as possible a place to call home. Government figures released in February 2024* revealed that there are over 118,500 households on local authority housing waiting lists in the South East, and while we know there's no quick fix to increasing the supply of more affordable homes to the extent needed, we're totally committed to playing a significant part in making an **impact** and solving the issue.

This year we've delivered 1,524 new homes, the highest annual number since VIVID was formed in 2017. This makes us the fifth largest developer of new homes amongst housing associations in England, according to Inside Housing's Biggest Builder's survey 2024. Of the new homes completed, 371 are for social rent, with a further 509 for affordable rent and 522 for shared ownership.

We're doing all we can to address the housing shortage and, in particular, build new affordable homes to give more people a home to suit their circumstances. Social rented homes are the most truly affordable option. However, we also understand the desires of those customers that want to own their own home, and there's strong demand for our range of shared ownership homes giving people a choice to suit what they can afford. For us it's all about providing good quality homes across a range of tenures.

*Source: Figures relate to number of households on local authority housing waiting lists as of April 2023 (published February 2024). Available from DLUHC

Number of new homes completed	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Social rented	44	144	202	226	260	267	371
Affordable rented	360	265	333	194	429	455	509
Shared ownership	189	312	408	319	480	507	522
Market rented	0	122	74	44	87	18	0
Market sale	156	162	355	227	145	143	122
Total	**749**	**1,005**	**1,372**	**1,010**	**1,401**	**1,390**	**1,524**

As part of our ambitious development programme, we're also on our third large-scale regeneration project in the space of 7 years. Find out more about our newest flagship regeneration project, Victory Quay in Portsmouth, where we're creating a vibrant, new waterfront community with over 800 homes on a large, complex brownfield site. Read more about Victory Quay one our microsite.

Our strong partnerships, expertise and financial strength enable the scale of our development programme which is vital to the supply of more new homes to people that need them and to boost the economic growth of the region. As a Strategic Partner of Homes England, our total grant allocation to date is £295m, making us the single largest grant partner in the first round of the strategic partnership. This grant has enabled us to deliver even more homes for social rent.

Bargate Homes

Our subsidiary, Bargate Homes, is renowned for the high quality of its land supply and new homes in the central southern area. Bargate brings its expertise in land management and construction of quality, bespoke homes, which complements the skills of our team and our geography.

Together our capacity enables us to maintain the ambitious momentum of our housebuilding programme. We acquired Bargate in 2019 to accelerate the scale and influence we have to help address the housing crisis. To date not many housing associations have done this, and we believe it's a great example of creativity and strategic decision-making to bring forward more much-needed affordable homes.

Working with a wide range of partners

To deliver our successful development programme we are proud of the strong partnerships we have with a wide range of private developers and local authority partners.

You can view just a few of the developments we've completed throughout the year on our microsite.

New homes at a glance 2023-24

1,524 new homes built

92% homes built for social and affordable rent and shared ownership

£483m investment into developing new homes

57% of investment programme delivered through joint ventures or land-led

£35m grant drawn from our **£295m** allocation through Homes England Strategic Partnership

39 new sites secured

We control enough land to build around **10,000** homes in the coming years

2,736 customers provided with a new-build home

9,413 homes in the pipeline

Entered into contracts for **2,021** new homes

Great people and place to work

At VIVID, we pride ourselves on our high performing, modern and vibrant culture. Attracting and developing talented people and providing the environment to help them achieve their best is important to us. We ensure our people feel valued, supported and gain recognition when it's due, whilst also being positively challenged to grow. This means we can provide the best homes and services for our customers.

We're delighted that our progress on employee engagement has been marked by becoming a Best Companies "Outstanding company to work for".

Over the last year we've focused our business and individual performance, and related communications on 3 specific service areas that customers have said are most important - ensuring services are easy to use and access, keeping customers informed, and improving the speed at which routine repairs are completed. We've increased visibility of how we're doing to make sure everyone is aligned on delivering exceptional experiences at every touchpoint. We keep this front of mind as we believe everyone in the business has an important role to the play.

We also held a "VIVID Connect" colleague event to get everyone united in this, and understanding the ambitions.

We've closed the gap in our gender pay

We've reduced our median gender pay gap from **13.5%** to **0%**. This means that for every £1 earned by men, women earned exactly the same. This is a huge achievement, of which we're incredibly proud.

We value and recognise the importance of a diverse workforce to deliver our business objectives. It's our aim to have an equal representation of genders at all levels and similar roles across our business. We're working hard to encourage more women to apply for trades roles through our links with local schools and colleges and our inclusive recruitment approach. We currently have 15 (**22%**) women in trade management roles.

Find out more about progress we've made throughout the year and our inclusive culture on our microsite.

Funding and treasury management

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

In 2022 we established our £2bn EMTN programme, including a sustainable financing framework. We continue to monitor market conditions ready for our debut issuance.

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 2024 we had £563m 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 2024, 96% of our drawn debt was at fixed rates to protect us against future interest rate volatility. None were index linked and 4% 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	2019	2020	2021	2022	2023	2024	2025 target	Benchmark Top Quartile 2023
Overall customer satisfaction	77.3%	77.9%	80.4%	78.4%	66%	70%	73%	81%
Operating margin (overall) (6b)*	41%	33%	30%	33%	32%	31%	30%	22%
Operating cost per unit	£3,157	£3,380	£3,512	£3,516	£3,854	£4,275	£4,324	-
Operating margin (social lettings) (6a)*	49%	46%	45%	45%	43%	42%	42%	24%
Social housing cost per unit (5)*	£2,752	£2,893	£2,909	£3,328	£3,930	£4,061	£4,107	£4,001
Properties managed per FTE staff	38.4	37.6	36.9	37.4	35.5	34.6	36.8	-
Overheads as % of turnover	6.63%	6.02%	6.30%	6.06%	6.10%	5.8%	6.21%	10.7%

*Regulator for Social Housing VFM metrics

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

For our Tenant Satisfaction Measures (TSM) perception survey, this year we achieved 70% for overall satisfaction (LCRA), which shows improvement on the 66% achieved last year (when we ran a pilot survey). In the coming year we've set ourselves a target of 73% to further improve. For our transactional surveys, over the year we've either maintained or seen a slight drop in levels of satisfaction across our touchpoints. We've continued to face challenges with increased demand in repairs resulting in longer wait times and a higher volume of complaints. We are focusing on improving areas that are most important to our customers to make their overall experience better. Last year we improved ease of access for our customers with the introduction of our new omnichannel system, which helped to reduce call wait times. Our service improvement areas for the coming year are: speed of repairs, keeping customers informed and complaint promises being kept.

Here are our transactional scores:

Touchpoint	2023	2024
Contact into Customer Experience team	8.7	8.5
Repairs	8.7	8.7
Complaints handling	5.2	4.4
ASB case handling	6	5.8
Planned maintenance	7.6	7.7
Move in (lettings)	8.6	8.5
Move in (sales)	8.2	8.0

NB: Transactional scores are out of 10.

VFM objective 2: Maximising our contribution to tackling housing need

Measure	2019	2020	2021	2022	2023	2024	2025 target	Benchmark Top Quartile 2023
New homes completed	1,005	1,372	1,010	1,401	1,390	1,524	1,575	1,391
Reinvestment in homes (1)	8.26%	13.1%	8.1%	8.7%	10.8%	13.2%	11.5%	9.2%
Social housing growth (2a)	2.4%	3.1%	2.4%	3.7%	3.7%	4.3%	4.0%	2.8%
Other housing growth (2b)	0.6%	1.4%	0.8%	0.7%	0.7%	0.3%	0.6%	0.3%

*The numbers in brackets refer to the Regulator's VFM measures

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

Funding for our developments (£m's)	2019	2020	2021	2022	2023	2024	2025 target
Grant funded	4.0	82.0	78.0	28.8	0.8	34.8	81
Debt funded	71.4	100.4	2.0	74.3	140.8	298.5	66
Self-funded	164.5	229.1	205	207.4	214.9	198.9	231
Total	**239.9**	**411.5**	**285.0**	**310.5**	**356.5**	**532.2**	**378**

With 1,524 new homes this year we've delivered nearly 8,500 new homes since we were formed in 2017. 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 96% of our debt for an average term of 10 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	2019	2020	2021	2022	2023	2024	2025 target	Benchmark Top Quartile 2023
Gearing – historic cost % (3)	47%	49%	47%	47%	48%	52%	49%	47.8%
EBITDA MRI interest cover (4)	268%	234%	229%	213%	177%	144%	141%	147%
Return on Capital Employed (7)	4.6%	4.5%	3.8%	3.9%	3.8%	3.3%	3.5%	3%
Occupancy rate	99.50%	99.08%	99.45%	99.13%	98.9%	99.1%	99.1%	99.5%
Rent collected	101.1%	101.99%	103.4%	102.2%	101.6%	100.7%	100.7%	96.1%
Current Tenant Arrears %	4.7%	4.6%	4.45%	4.06%	4.08%	4.09%	3.8%	-
Average Re-Let Days	31.5	39.7	52.2	43.3	46.3	47.6	28.0	-
Void Loss %	0.57%	1.06%	1.28%	1.14%	1.09%	1.30%	0.8%	-

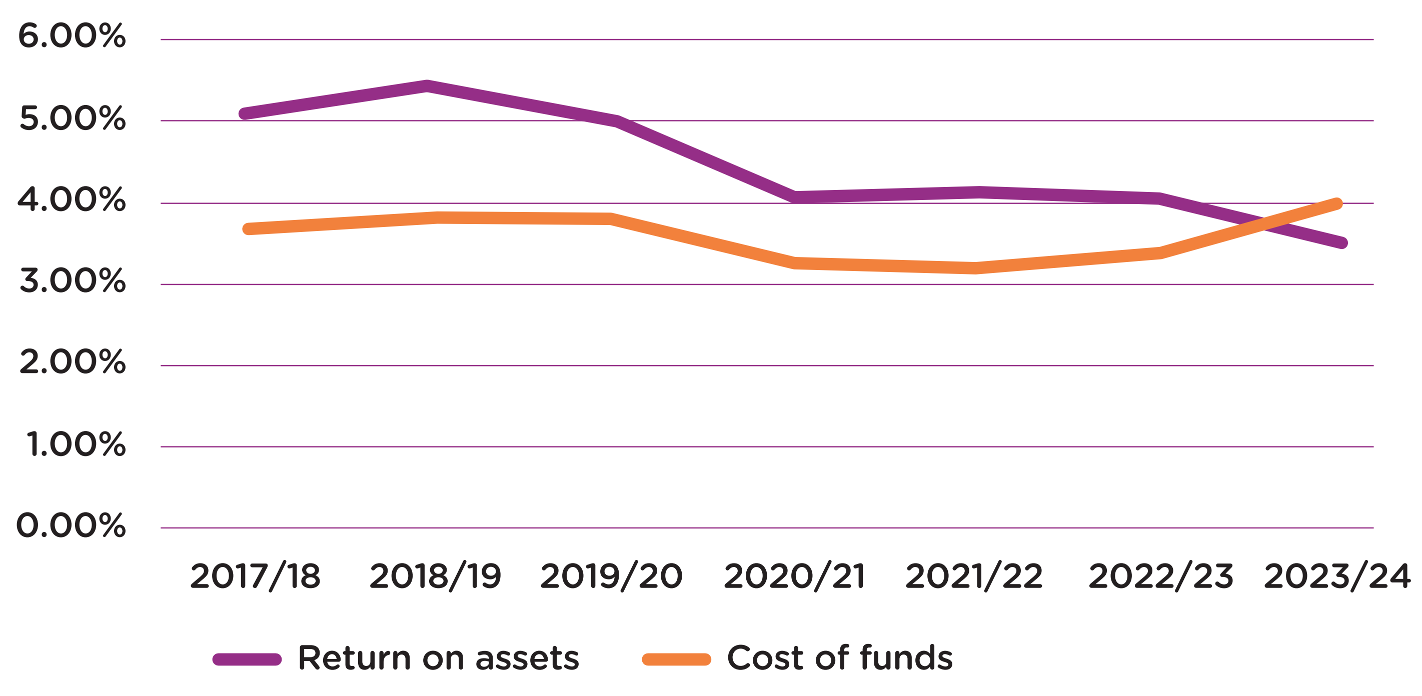
* The numbers in brackets refer to the Regulator's VFM measures
** Benchmarks are derived from the Sector Scorecard data of 9 peers

We have continued to perform well on rent collection and maintained our level of arrears. In these areas we compare well against our peers. 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.

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.

Section 2:

The Board's report

Our legal structure

VIVID Housing Limited is registered in England and Wales as a registered society under the Co-operative and Community Benefit Societies Act 2014 under number 7544 with exempt charitable status and as a registered provider of social housing with the Regulator of Social Housing under number 4850. We're authorised by the Financial Conduct Authority, number 776452.

The group comprises:

- Bargate Homes Limited 05626135 VIVID - 100% share capital Limited company providing development services and market sales
- Bargate SPV1 Limited 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
- Peninsular Capital PLC Company number 14372582 - Public Limited Company to transact our EMTN programme
- Vestal Developments Limited 05509078 VIVID - 100% share capital Limited company providing development services and market sales
- VIVID Build Limited 07930319 VIVID - 100% share capital Limited company carrying out development activities
- VIVID Plus Limited is registered under the Co-operative and Community Benefit Societies Act 2014 as a community benefit society (registration number 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

Our Board

Non-executive Board members

Charles Alexander	Group Board Chair
Sandeep Agarwal	Chair of Treasury Committee
Liam Coleman	Chair of Customer Service Committee
Naleena Gururani	Chair of Remuneration and Nominations Committee
Anne-Marie Mountifield	Chair of VIVID Plus (from 20 July 2023)
Jean-Marc Vandevivere	
Jo Moran	(from 20 July 2023)
Shena Winning	Chair of Audit and Risk Committee and Senior Independent Director

Executive Board members

Mark Perry	Chief Executive
Duncan Brown	Chief Finance Officer

Retired during the year

Lynda Shillaw	(until 20 July 2023)

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.

We're open and transparent about how much we pay our Board members. We review our Board remuneration regularly and use independent advice and benchmarking at least every three years. Remuneration of the non-executive Board members and the executive directors is detailed on page 50.

Bargate Homes Ltd Board

The Board of Bargate Homes Ltd is appointed by the VIVID Group Board. It's chaired by Mark Perry who was appointed as a director on 1 January 2023. He sits alongside fellow Board members Duncan Brown, Mark White and Steve Birch.

Vestal Developments Ltd Board

The Board of Vestal Developments Ltd is appointed by the VIVID Group Board. It's chaired by Duncan Brown who sits alongside David Ball who was appointed as a director on 1 January 2023.

VIVID Build Ltd Board

The Board of VIVID Build Ltd is appointed by the VIVID Group Board. It's chaired by Duncan Brown who sits alongside David Ball who was appointed as a director on 1 January 2023.

VIVID Plus Board

The Board of VIVID Plus is appointed by the VIVID Group Board. It's chaired by Anne-Marie Mountifield. She sits alongside Duncan Brown and member, Giuseppe Severgnini.

Peninsular Capital PLC Board

The Board of Peninsular Capital PLC is appointed by the VIVID Group Board. It's chaired by Duncan Brown who sits alongside directors Mark Perry, David Ball and Jonathan Roberts.

Our committees

Audit and Risk Committee

Chair: Shena Winning

The Audit and Risk Committee is responsible for overseeing our risk management process and receiving assurance on the system of internal control. It also provides audit and assurance services to Vestal Developments Limited and VIVID Build Limited under the terms of the Intra-Group Agreements. During the year, the committee met 4 times and we undertook a full programme of work including:

- Monitoring and agreeing the Assurance Plan every quarter based on the Strategic Risk Register
- Agreeing a new 3 year Assurance Plan for 2024-2027 based on our key risks
- Appointing our new internal auditors, KPMG
- Reviewing the outcomes of quarterly operational controls audits and specialist deep dive audits
- Reviewing our accounting judgements and policies
- Considering our legal compliance based on a report received every six months from a third party
- Agreeing our external audit strategy and planning memorandum
- Discussing a number of key strategic issues including the volatile external environment, our management of fire safety, the increasing incidence of cyber-attacks in the sector, the changing regulatory framework and the introduction of new requirements and legislation in the sector and committee self-assessment

Customer Service Committee

Chair: Liam Coleman

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.

This year, the committee has been overseeing the needs and priorities of our customers, ensuring that we're providing high-quality and effective services. CSC has overseen the launch of our digital transformation project, P25, and its impact on the way customers communicate with us.

CSC recently had a deep-dive review into customer engagement, and is working on a customer influence strategy.

Remuneration and Nominations Committee

Chair: Naleena Gururani

The Remuneration and Nominations Committee (RNC) is responsible for overseeing our approach to people, culture and reward along with the appointment and performance of our non-executive directors and the Chief Executive. During the year, the committee met 6 times.

RNC has had a strong focus on people and culture this year, receiving quarterly updates.

We've been keeping under review our Governance Effectiveness Review Action Plan from last year and continually identify areas for improvement.

We reviewed and recommended Board and committee appointments which were made following the AGM in July 2023.

We're prepared for the recruitment of a new non-executive director.

We reviewed our People Policy, Gender and Ethnicity Pay Reports and Code of Conduct, and our pensions performance.

We also supported the Chief Executive in consideration of bonus payments and pay awards for staff.

Project Approvals Committee

Chair: Mark Perry

The Project Approvals Committee 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 1,524 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.

We've been working with Homes England on the delivery of our Strategic Partnership 1 (SP1) contract and achieved our target of 2,837 starts on time. We're also making progress with our Strategic Partnership 2 (SP2).

Treasury Committee

Chair: Sandeep Agarwal

The Treasury Committee is responsible for overseeing our Treasury Strategy and approving new funding. During the year the committee met 5 times.

Our Treasury Strategy for 23/24 focused on maintaining strong liquidity as we seek to navigate ongoing interest rate volatility. During the year we approved £425m of new facilities diversifying our funder base. We see our long-term funding coming from debt capital markets accessing the scale of funding needed to meet our development ambitions. We set up a £2bn EMTN programme in October 2022 and we continue to monitor markets closely ready for a debut issuance when rates move in our direction.

Agility was another theme of our strategy. During the year, we streamlined governance processes for approval. We also put in place ISDAs with several counterparties, to drive competitive spreads on standalone swaps. During the year we fixed £440m of debt on a standalone basis. We ended the year with 96% of our debt portfolio being fixed.

Our Environmental, Social and Governance (ESG) story continues to go from strength to strength. We issued our second ESG report that includes an Impact and Allocation appendix documenting over £870m of spend eligible for refinancing under our Sustainable Financing Framework. During the year, we were 'highly commended' at the ACT Deals of the Year, for our groundbreaking sector-first Green Loan with Barclays.

About us

Chief Executive
Mark Perry

Executive Officers
Duncan Brown, Chief Finance Officer

Tom Robinson, Executive Director of Assets and Sustainability

Tristan Samuels, Group Development and New Business Director

Margaret Dodwell, Chief Operating Officer (from 18 October 2023)

Duncan Short, Group Director of Resources

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

External auditors
BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Internal auditors
KPMG, 15 Canada Square, London, E14 5GL

Solicitors
Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

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

Clarke Wilmott LLP, Burlington House, Botleigh Grange Business Park, Southampton, SO30 2AF

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

Penningtons Manches Cooper LLP, 125 Wood Street, London, EC2V 7AW

Sharratts (London) LLP, 1 The Old Yard, Rectory Lane, Brasted, Westerham, Kent, TN16 1JP

Talbots Law, 31 Wolverhampton Street, Dudley, DY1 1DB

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 on our website.

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 2020 Code of Governance.

We conduct a thorough self-assessment each year, overseen by the Audit and Risk Committee and the Board and can confirm we complied with all aspects of the code.

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're proud to have maintained our G1/V1 rating at our last IDA by the Regulator of Social Housing in March 2024.

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

Policy framework

- 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 monthly, 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 Srategic 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 KPMG, 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
- 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

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 Audit and Risk 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 compliance against the Ombudsman's Complaint Handling Code 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 regulation

Performance monitoring

- Our management accounts and a performance report are reviewed monthly by the Executive and by the Board
- The Board receives an overview of strategic issues at most meetings and receives updates from our committees

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

Risk	How we're managing the risk
Failure to comply with new regulatory consumer standards and tightening of regulation of existing standards	• We regularly receive legal update reports and we review our compliance against new and upcoming legislation and action where required. These reports go to our Audit and Risk Committee for review • 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
Failure to maintain or improve customer experience and satisfaction	• We have a dedicated Customer Resolution team to help support the business in our complaints handling. The team ensure we work effectively within the Housing Ombudsman framework and we undertake an annual self assessment to ensure we are compliant • We complete regular customer satisfaction surveys and transactional rant & rave surveys where areas for improvement are identified and monitored. The low scored responses are investigated. These are reported to relevant owners weekly and the Chief Operating Officer monthly to monitor and agree actions to be taken • We have a set of core service standards which set out our level of service which are published on our website. Our achievement of the standard is measured via metrics which we publish quarterly on our website, share quarterly with our Customer Service Committee via a dashboard and share regularly with COO management team
Failure to maintain the condition of our homes which leads them to fall into disrepair	• We have a repairs procedure in place to manage stock effectively • Our stock condition programme gathers information to ensure properties are kept to the standards detailed in our asset compliance procedure • Our service standards set out our level of service regarding repairs activities and are published on our website. Our achievement of the standard is measured via metrics which we publish quarterly on our website, share quarterly with our Customer Service Committee via a dashboard and share regularly with COO management team • We have a dedicated Damp and Mould team who manage disrepair cases through to completion and maintain contact with the customer throughout. And we have trained D&M specialists who carry out assessments, inspections and reports

A cyber incident that seriously disrupts our ability to deliver services as normal or has a major impact on reputation	• We have critical incident response plans in place to specifically manage our response to any potential cyber-attack, ensuring that our key services can continue in the event of an incident • As part of our critical incident response plans a separate Office 365 environment is available to use in the event of a severe systems outage on VIVID systems. Exec and senior management and other key members of the response team all have access, and business critical documents are uploaded here on a regular basis • We have very sophisticated defences against cyber threats including an array of security controls, products and services in place to protect from external threats and various technological measures in place to protect our perimeter • We continually monitor security intelligence from our two managed service partners, IT professional websites and vendor specific feeds. We have a specialist team with specific responsibilities for IT security, who monitor and action
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
Failure to comply with new fire and building safety standards which tighten existing requirements for existing properties	• We have a Fire Safety Strategy which is a live document that reflects any changes or implementations in respect of the Fire Safety Act and Building Safety Act • Regular updates and reports are submitted to Exec and Board to ensure that reassurance and assurance can be given regarding VIVID's ability to meet requirements / compliance standards

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 2023/24 financial year and remains in force for all current and past directors of VIVID.

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 Societies 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 in May 2024 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 £563m, the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Board, therefore, considers it appropriate for the accounts to be prepared on a going concern basis.

C E Alexander

Charles Alexander

On behalf of the Board
20 June 2024

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 2024 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 2022.**

We have audited the financial statements of VIVID Housing Ltd ("the association") and its subsidiaries (the "group") for the year ended 31 March 2024 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of changes in reserves, the consolidated and association statement of financial position, the consolidated and association 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**
- **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 Boards' Responsibilities, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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.

Non compliance with laws and regulations

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.

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, bu agreement to supporting documentation; and
- 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;
- 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
Gatwick, UK

Date 01 August 2024

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

Statement of Comprehensive Income for the year ended 31 March 2024:

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

The notes on pages 40-69 form part of these financial statements.

	Notes	Group		Association	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Turnover	2	357,850	332,852	310,669	278,423
Operating costs	2	(151,311)	(130,915)	(148,408)	(128,012)
Cost of sales	2	(96,607)	(95,770)	(50,443)	(45,513)
Operating surplus	2	109,932	106,167	111,818	104,898
Loss on disposal of pension	29	(1,183)	-	(1,183)	-
Surplus on sales of properties	4	4,492	8,119	4,492	8,119
Operating surplus after sale of properties		113,241	114,286	115,127	113,017
Share of surplus in Joint Ventures	15	37	64	-	115
Interest receivable and similar income	8	1,145	368	6,358	3,419
Interest and financing costs	9	(61,237)	(43,417)	(59,732)	(42,609)
Change in fair value of Investment Properties	14	1,133	835	1,133	835
Surplus before taxation		54,319	72,136	62,886	74,777
Taxation	10	(497)	(287)	(497)	(287)
Surplus for the year		**53,822**	71,849	**62,389**	74,490
Other comprehensive (loss)/ income					
Actuarial (loss) in respect of pension schemes	29	(2,599)	(583)	(2,599)	(583)
Change in fair value of cash flow hedge	21	(2,801)	-	(2,801)	-
Total comprehensive income for the year		**48,422**	71,266	**56,989**	73,907

Statement of Changes in Reserves for the year ended 31 March 2024:

	Group		Group		Group	
	Revaluation Reserve 2024 £'000	Revaluation Reserve 2023 £'000	Cashflow Hedge Reserve 2024 £'000	Cashflow Hedge Reserve 2023 £'000	Revenue Reserve 2024 £'000	Revenue Reserve 2023 £'000
As at 1 April	3,583	2,748	-	-	782,418	711,987
Surplus for the year	-	-	-	-	53,822	71,849
Actuarial (loss)	-	-	-	-	(2,599)	(583)
(Loss) on financial derivatives	-	-	(2,801)	-	-	-
Revaluation during the year	1,492	835	-	-	(1,492)	(835)
At 31 March	**5,075**	**3,583**	**(2,801)**	**-**	**832,149**	**782,418**

	Association		Association		Association	
	Revaluation Reserve 2024 £'000	Revaluation Reserve 2023 £'000	Cashflow Hedge Reserve 2024 £'000	Cashflow Hedge Reserve 2023 £'000	Revenue Reserve 2024 £'000	Revenue Reserve 2023 £'000
As at 1 April	3,583	2,748	-	-	780,775	707,703
Surplus for the year	-	-	-	-	62,389	74,490
Actuarial (loss)	-	-	-	-	(2,599)	(583)
(Loss) on financial derivatives	-	-	(2,801)	-	-	-
Revaluation during the year - Investment Properties	1,492	835	-	-	(1,492)	(835)
At 31 March	**5,075**	**3,583**	**(2,801)**	**-**	**839,073**	**780,775**

Statement of Financial Position As At 31 March 2024:

The financial statements were approved by the Board on 20 June 2024 and signed on its behalf by:

Charles Alexander
Chair

Shena Winning
Board Member

Duncan Brown
Secretary

The notes on pages 40-69 form part of these financial statements.

	Notes	Group		Association	
		2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Fixed Assets:					
Housing properties	11	3,209,455	2,816,814	3,229,384	2,832,741
Other Fixed Assets	12	25,500	19,270	25,384	19,205
Intangible Fixed Assets	13	14,359	17,143	-	-
Investment Properties	14	25,587	24,453	25,587	24,453
Homebuy loans	15	2,058	2,058	2,058	2,058
Investments in joint ventures	15	3,371	3,332	3,215	3,215
Investments	15	134	134	40,857	40,856
		3,280,464	2,883,204	3,326,485	2,922,528
Current assets:					
Stock	16	196,180	191,552	56,066	59,917
Debtors	17	27,738	24,841	102,553	98,444
Cash at bank and in hand		55,875	67,051	37,400	53,176
		279,793	283,444	196,019	211,537
Creditors: Amounts falling due within one year	18	(158,270)	(174,793)	(106,217)	(159,125)
Net current assets		121,523	108,651	89,802	52,412
Total assets less current liabilities		3,401,987	2,991,855	3,416,287	2,974,940
Creditors: Amounts falling due after one year	19	(2,590,538)	(2,204,156)	(2,569,538)	(2,190,506)
Provisions for liabilities					
Pension scheme provision	29	(5,337)	(4)	(5,337)	(4)
Deferred tax	24	(1,689)	(1,696)	(65)	(72)
Total net assets		**834,423**	785,999	**841,347**	784,358
Capital and reserves:					
Share capital – non-equity	25	-	-	-	-
Revenue reserve		832,149	782,416	839,073	780,775
Revaluation reserve		5,075	3,583	5,075	3,583
Cashflow hedge reserve		(2,801)		(2,801)	
Total reserves		**834,423**	785,999	**841,347**	784,358

Statement of Cashflows for the year ended 31 March 2024

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash flows from operating activities:				
Operating surplus	109,932	106,167	111,818	104,898
Adjustment for surplus of sale of current asset	(14,146)	(21,893)	(14,146)	(15,402)
Proceeds on sale of current assets	114,586	57,019	64,588	60,916
Proceeds on sale of housing properties	11,702	21,795	11,702	21,795
Depreciation of tangible fixed assets	41,933	37,951	39,147	35,162
Increase in properties for sale	(105,068)	(63,890)	(46,591)	(46,196)
(Increase) in debtors	(2,895)	(6,657)	(4,110)	(22,998)
Increase/(decrease) in creditors	3,477	55,754	(10,254)	45,309
Grant amortisation	(6,461)	(5,927)	(6,461)	(5,927)
Pension payments	1,183	(598)	1,183	(598)
Fair value movement in financial derivatives	(2,801)	-	(2,801)	-
Other	(247)	(88)	(252)	(95)
Net cash from operating activities	**151,195**	179,633	**143,823**	176,864
Cash flows from investing activities:				
Additions to fixed assets and investments	(427,055)	(292,619)	(431,001)	(295,716)
Investment in Peninsular Capital	-	-	-	(50)
Proceeds from sale of assets	-	(32)	-	103
Grants received	34,764	838	34,764	839
Interest received	1,145	368	6,358	3,419
Return on Investment	-	115	-	115
	(391,146)	(291,330)	(389,879)	(291,290)
Cash flow from financing activities:				
Interest Paid and other finance costs	(75,695)	(53,824)	(74,190)	(53,016)
Loan repaid	(260,597)	(62,092)	(260,597)	(52,200)
Drawdown from loan facilities	560,067	231,959	565,067	221,933
	228,775	116,043	230,280	116,717
Net change in cash and equivalents	**(11,176)**	4,346	**(15,776)**	2,291
Cash and equivalents at beginning of year	67,051	62,705	53,176	50,885
Cash and equivalents at end of year	55,875	67,051	37,400	53,176
Movement in cash and equivalents	**(11,176)**	4,346	**(15,776)**	2,291

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 2022.

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 2024. 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, £358m 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 29).

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 Limited. 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%
Retrofit/sustainability works	Up to 100 years	1.00%

Sustainability and retrofit projects will involve both the replacement of existing components as well as the inclusion of new additions and new technologies (new wall systems, external insulation solutions, ventilation systems etc) to significantly improve the energy efficiency of the property and ensure it continues to meet decent homes standards. Where a new system or technology is added to the property this will be capitalised as a new addition and depreciated over the expected useful life.

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 33% 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 Trustees Limited 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 Hedge accounting

The Group designates certain derivatives as hedging instruments as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on an ongoing basis, the Group documents whether a hedging relationship meets the hedge effectiveness requirements under FRS102 and whether there continues to be an economic relationship between the hedged item and the hedging instrument.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. Where a hedge has become ineffective, the gain or loss relating to the ineffective portion is recognised in the income statement.
Amounts previously recognised in other comprehensive income are reclassified to earnings in the periods when the hedged item is recognised in the income statement. These earnings are included within the same line of the income statement as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. Any gain or loss recognised in the cash flow hedge reserve remains in equity and is recognised in the income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the income statement.

1.18 Corporation tax

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

1.19 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.

Cash flow hedge reserve – contains the changes in the fair value of derivatives that are designated and qualify as cash flow hedges.

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

	2024 Turnover	2024 Operating Costs	2024 Cost of Sales	2024 Operating Surplus/(Deficit)	2023 Turnover	2023 Operating Costs	2023 Cost of Sales	2023 Operating Surplus/(Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
a) Group								
Social housing lettings (Note 3a)	230,259	(133,862)	-	96,397	204,538	(116,712)	-	87,826
Other social housing activities:								
Current asset property sales (Shared Ownership 1st tranche)	58,459	-	(45,676)	12,783	55,435	-	(40,719)	14,716
Development services	2,187	(4,204)	10	(2,007)	195	(1,249)	(3)	(1,057)
Total for social housing activities	**290,905**	**(138,066)**	**(45,666)**	**107,173**	260,168	(117,961)	(40,722)	101,485
Open market property sales	56,199	-	(50,941)	5,258	62,424	-	(55,247)	7,177
VIVID Plus Charitable Activities	54	(2,722)	-	(2,668)	-	(2,669)	-	(2,669)
Activities other than Social Housing Activities (Note 3b)	10,692	(10,523)	-	169	10,260	(10,285)	199	174
Total for all activities before disposals	**357,850**	**(151,311)**	**(96,607)**	**109,932**	332,852	(130,915)	(95,770)	106,167
Loss on disposal of pension asset	-	-	-	(1,183)	-	-	-	-
Surplus on disposal of housing properties	-	-	-	4,492	-	-	-	8,119
Total for all activities	**357,850**	**(151,311)**	**(96,607)**	**113,241**	332,852	(130,915)	(95,770)	114,286

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

	2024 Turnover	2024 Operating Costs	2024 Cost of Sales	2024 Operating Surplus/(Deficit)	2023 Turnover	2023 Operating Costs	2023 Cost of Sales	2023 Operating Surplus/(Deficit)
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
b) Association								
Social housing lettings (Note 3a)	230,259	(133,862)	-	**96,397**	204,538	(116,712)	-	87,826
Other social housing activities:								
Current asset property sales (Shared Ownership 1st tranche)	58,459	-	(45,676)	**12,783**	55,435	-	(40,719)	14,716
Development services	2,187	(4,194)	-	**(2,007)**	195	(1,240)	-	(1,045)
Total for social housing activities	**290,905**	**(138,056)**	**(45,676)**	**107,173**	260,168	(117,952)	(40,719)	101,497
Open market property sales	6,129	-	(4,767)	**1,362**	5,479	-	(4,794)	685
VIVID Plus Charitable Activities	2,568	(2,710)	-	**(142)**	2,316	(2,661)	-	(345)
Activities other than Social Housing Activities (Note 3b)	11,067	(7,642)	-	**3,425**	10,460	(7,399)	-	3,061
Total all activities before disposals	**310,669**	**(148,408)**	**(50,443)**	**111,818**	278,423	(128,012)	(45,513)	104,898
Loss on disposal of pension asset	-	-	-	(1,183)	-	-	-	-
Surplus on disposal of housing properties	-	-	-	4,492		-	-	8,119
Total for all activities	**310,669**	**(148,408)**	**(50,443)**	**115,127**	278,423	(128,012)	(45,513)	113,017

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 2024	Total 2023
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Rent receivable net of identifiable service charges	177,625	9,805	21,001	2,845	211,276	188,088
Service charge income	5,109	4,120	3,301	7	12,537	10,538
Amortised government grants	5,123	367	739	217	6,446	5,912
Turnover from social housing lettings	**187,857**	**14,292**	**25,041**	**3,069**	**230,259**	204,538
Management	21,777	1,604	2,144	369	25,894	24,211
Service charge costs	12,530	4,393	3,158	578	20,659	18,051
Routine maintenance	30,116	1,571	122	373	32,182	25,647
Planned maintenance	5,122	245	-	75	5,442	3,247
Major repairs expenditure	9,793	1,560	54	319	11,726	10,324
Bad debts	585	109	8	5	707	863
Rent charges & property lease charges	78	1	15	525	619	579
Depreciation of housing properties	31,246	1,577	3,043	767	36,633	33,790
Operating costs on social housing lettings	**111,247**	**11,060**	**8,544**	**3,011**	**133,862**	116,712
Operating surplus on social housing lettings	**76,610**	**3,232**	**16,497**	**58**	**96,397**	87,826
Void losses	1,956	650	2	46	**2,654**	1,991

3b. Turnover from non-social housing activities

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Lettings				
Market renting	1,829	1,862	1,829	1,862
Garage renting	1,607	1,535	1,607	1,535
Private sector leasing	1,373	1,771	1,373	1,771
Commercial	844	823	844	823
Leaseholder and owned by others	1,485	1,706	1,485	1,706
Total lettings	**7,138**	7,697	**7,138**	7,697
Other				
Management fees	459	431	834	631
PV panel income	540	881	540	881
VAT partial exemption recovery	586	371	586	371
Amortised government grants	15	15	15	15
Other income	1,954	865	1,954	865
Total other	**3,554**	2,563	**3,929**	2,763
Total all activities	**10,692**	10,260	**11,067**	10,460

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

	Group & Association	
	No. of units at 31 March 2024	No. of units at 31 March 2023
Units of accommodation in management		
Social housing		
General needs – social	19,912	19,557
General needs – affordable	6,084	5,563
Supported housing – social	181	175
Supported housing – affordable	6	6
Housing for older people – social	1,173	1,172
Housing for older people – affordable	61	62
Intermediate rent	302	304
Low cost home ownership	4,762	4,242
Total	**32,481**	31,081
Non-social housing		
Low cost home ownership 100% equity sold	1,852	1,824
Market rented	452	452
Other	579	615
Total	**2,883**	2,891
Total units of accommodation in management	**35,364**	33,972
Units of accommodation managed by others	346	353
Total of all units of accommodation	**35,710**	34,325

4. Surplus on disposal of properties

	Group		Association	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Gross sales proceeds	10,780	18,123	10,780	18,123
Amounts payable to Local Authority	(219)	(425)	(219)	(425)
Cost of sales	(6,069)	(9,579)	(6,069)	(9,579)
Surplus for the year	**4,492**	8,119	**4,492**	8,119

5. Expenses and auditor remuneration

	Group		Association	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Surplus on ordinary activities before taxation is stated after charging:				
Depreciation and amortisation:				
Depreciation of social housing properties	36,729	33,863	36,729	33,863
Depreciation of other housing properties	83	83	83	83
Depreciation of other tangible fixed assets	2,014	1,754	1,989	1,722
Amortisation of Intangibles	2,785	2,785	-	-
Impairment	-	-	-	-
Amortisation of Grant	6,461	5,927	6,461	5,927
External auditors' remuneration (excl. VAT and incl. expenses):				
In their capacity as auditors of statutory accounts	108	112	66	75
Other non-audit services paid to related companies of the auditors	78	76	61	59
Operating lease rentals				
Land and buildings	2,032	2,387	1,927	2,301
Motor vehicles	2,493	1,914	2,493	1,914
Hire of plant and machinery	262	192	262	192

6. Employees

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

	Group		Association	
	2024	2023	2024	2023
Average number of employees	**1,119**	1,019	**1,045**	956

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Salaries	45,369	39,889	41,017	36,247
Social security	4,661	4,204	4,148	3,759
Pensions	2,711	2,464	2,520	2,300
	52,741	46,557	**47,685**	42,306

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.

		2024 £'000	2023 £'000
Emoluments of executive staff members		1,369	1,199
Emoluments of non-executive board members		136	140
Total Emoluments (excluding pension contributions and benefits in kind)		**1,505**	1,339
Remuneration of non-executive board members:			
Charles Alexander	Board Chair	29	29
Lynda Shillaw	Senior Independent Director	5	16
Sandeep Agarwal		16	15
Liam Coleman		16	15
Naleena Gururani		16	15
Joanne Moran		9	-
Anne-Marie Mountfield		16	11
Jean-Marc Vandevivere		13	13
Shena Winning		16	16
Jane Earl	*Left 21/07/2022*		5
Philip Raw	*Left 21/07/2022*		5
		136	140

7. Key Management Personnel – Group and Association

	2024 £'000	2023 £'000
Emoluments (excluding pension contributions, or pay in lieu thereof) payable to the Chief Executive	284	271
Pension contributions, or pay in lieu thereof payable to the Chief Executive	17	16
Performance bonus payable to the Chief Executive	28	32

During the year, aggregate compensation for loss of office of key management personnel included above was £0k (2023: £0k).

Employer's National Insurance contributions relating to Key Management Personnel was £189,100 (2023: £ 179,037).

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	
	2024	2023	2024	2023
60,000 - 69,999	57.8	35.4	47.8	31.4
70,000 - 79,999	18	9.4	14	5.4
80,000 - 89,999	7.9	7.9	4.9	4.9
90,000 - 99,999	7.6	7	6.6	6
100,000 - 109,999	8	3	8	2
110,000 - 119,999	4	4	1	2
120,000 - 129,999	4	4	-	1
130,000 - 139,999	1	1	1	1
140,000 - 149,999	1	1	1	-
150,000 - 159,999	1.9	-	0.9	-
160,000 - 169,999	-	0.8	-	0.8
170,000 - 179,999	0.9	-	0.9	-
180,000 - 189,999	1	1	1	-
190,000 - 199,999	2	-	1	-
200,000 - 209,999	-	1	-	1
210,000 - 219,999	-	1	-	1
220,000 - 229,999	-	-	-	-
230,000 - 239,999	1	1	1	1
240,000 - 309,999	-	-	-	-
310,000 - £319,999	1	1	1	1

8. Interest receivable and similar income

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest receivable and similar income	1,145	368	913	332
Interest receivable from subsidiaries	-	-	5,445	3,087
	1,145	368	**6,358**	3,419

9. Interest and financing costs

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans and bank overdrafts	75,695	53,830	74,190	53,022
Interest on RCGF	620	264	620	264
Net interest charge DB pension schemes	113	(6)	113	(6)
	76,428	54,088	**74,923**	53,280
Capitalised interest	(15,191)	(10,671)	(15,191)	(10,671)
	61,237	43,417	**59,732**	42,609

10. Tax on surplus on ordinary activities

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Taxation charge for the year				
Corporation tax charge for the year	(504)	(296)	(504)	(296)
Deferred tax	7	7	7	7
Adjustment in respect of prior years	-	2	-	2
Total taxation charge for the year	**(497)**	(287)	**(497)**	(287)

The tax assessed for the period has been charged at the 25% rate of corporation tax in the UK (2023: 19%). The differences are explained below:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Surplus for the year before taxation	54,319	72,136	62,886	74,777
Surplus multiplied by effective tax rate of 25% (2023: 19%)	13,580	13,706	15,722	14,208
Surplus relating to charitable activities	15,216	13,901	15,216	13,911
Group relief	-	-	-	-
Effect of timing differences	-	-	-	-
Capital allowances in excess of depreciation	9	7	9	7
Adjustments to brought forward balances	-	2	-	2
Other	(2,142)	(491)	-	1
Total tax charge	**(497)**	(287)	**(497)**	(287)

11a. Tangible fixed assets – Housing properties

	Properties held for letting	Under Construction	Total
Group	**£'000**	**£'000**	**£'000**
Cost:			
Balance at 1 April 2023	2,691,640	470,752	3,162,392
Additions	50,522	386,058	436,580
Disposals	(20,256)	-	(20,256)
Transfers	346,817	(346,817)	-
Balance at 31 March 2024	3,068,723	509,993	3,578,716
Depreciation & Impairment:			
Balance at 1 April 2023	345,575	-	345,575
Depreciation charge for year	36,729	-	36,729
Disposals	(13,043)	-	(13,043)
Balance at 31 March 2024	369,261	-	369,261
Net book value at 31 March 2024	**2,699,462**	**509,993**	**3,209,455**
Net book value at 31 March 2023	2,346,063	470,752	2,816,815

Expenditure on works to existing properties	**2024 £'000**	**2023 £'000**
Components capitalised	31,300	38,843
Amounts charged to income and expenditure	8,512	7,004
	39,812	45,847
Additions to the cost of housing properties include:		
Capitalised Interest charged in the year	15,191	10,671

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 £533,519k (2023: £433,087k) and accumulated depreciation of £18,542 (2023: £16,102k) giving a Net Book Value of £514,977k (2023: £416,985k).

11b. Tangible fixed assets – Housing properties

	Properties held for letting	Under Construction	Total
Association	**£'000**	**£'000**	**£'000**
Cost:			
Balance at 1 April 2023	2,706,461	471,856	3,178,317
Additions	51,878	388,706	440,584
Disposals	(20,256)	-	(20,256)
Transfers	347,922	(347,921)	1
Balance at 31 March 2024	3,086,005	512,641	3,598,646
Depreciation & Impairment:			
Balance at 1 April 2023	345,575	-	345,575
Depreciation charge for year	36,730	-	36,730
Disposals	(13,043)	-	(13,043)
Balance at 31 March 2024	329,262	-	369,262
Net book value at 31 March 2024	**2,716,743**	**512,641**	**3,229,384**
Net book value at 31 March 2023	2,360,886	471,856	2,832,742

Expenditure on works to existing properties	**2024 £'000**	**2023 £'000**
Components capitalised	31,300	38,843
Amounts charged to income and expenditure	8,512	7,004
	39,812	45,847
Additions to the cost of housing properties include:		
Capitalised Interest charged in the year	15,191	10,671

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 £533,519k (2023: £433,087k) and accumulated depreciation of £18,542k (2023: £16,102k) giving a Net Book Value of £514,977k (2023: £416,985k).

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 2023	7,009	9,529	18,198	34,736
Additions	-	186	8,500	8,686
Disposals	-	-	(36)	(36)
Balance at 31 March 2024	7,008	9,714	26,664	43,386
Depreciation:				
Balance at 1 April 2023	1,673	3,516	10,277	15,466
Charge for the year	83	302	2,071	2,456
Disposals	-	-	(36)	(36)
Balance at 31 March 2024	1,756	3,818	12,312	17,886
Net Book Value at 31 March 2024	**5,253**	**5,897**	**14,350**	**25,500**
Net Book Value at 31 March 2023	5,335	6,012	7,923	19,270

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 2023	7,009	9,529	17,969	34,507
Additions	-	186	8,424	8,610
Disposals	-	-	(13)	(13)
Balance at 31 March 2024	7,009	9,715	26,380	43,104
Depreciation:				
Balance at 1 April 2023	1,673	3,516	10,113	15,302
Charge for the year	83	302	2,046	2,431
Disposals	-	-	(13)	(13)
Balance at 31 March 2024	1,756	3,818	12,146	17,720
Net Book Value at 31 March 2024	**5,253**	**5,897**	**14,234**	**25,384**
Net Book Value at 31 March 2023	5,336	6,013	7,856	19,205

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 2023	5,271	11,869	17,140
Amortisation	(853)	(1,928)	(2,781)
Balance as at 31 March 2024	**4,418**	**9,941**	**14,359**

14. Investment Properties

Group and Association	2024 £'000	2023 £'000
Balance as at 1 April	24,453	23,619
Additions	-	-
Transferred to WIP	-	-
Net gain from fair value adjustments	1,133	834
Balance as at 31 March	**25,587**	**24,453**

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 5.0% in the first two years and 4.0% annually thereafter and a discount rate of 7.75%.

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 2023	-		3,215	2,058	134	5,407
Additions	-		-	-	-	-
Disposal	-		-	-	-	-
At 31 March 2024	**-**		**3,215**	**2,058**	**134**	**5,407**
Share of retained profits						
At 1 April 2023	-		117	-	-	117
Profit for the year	-		39	-	-	39
Distributions	-		-	-	-	-
At 31 March 2024	**-**		**156**	**-**	**-**	**156**
Net book value						
At 31 March 2024	**-**	**-**	**3,371**	**2,058**	**134**	**5,563**
At 31 March 2023	-	-	3,332	2,058	134	5,524

	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 2023	40,722	-	-	3,215	2,058	134	46,129
Additions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
At 31 March 2024	**40,722**	**-**	**-**	**3,215**	**2,058**	**134**	**46,129**

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.

VIVID Housing is a corporate member of Homes for Eastleigh LLP along with Eastleigh Borough Council. VIVID Housing has a 5% non-controlling interest in Homes for Eastleigh LLP

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.

Peninsular Capital plc
A public limited company set up to raise funds through the bond markets to extend to other members of the group. VIVID Housing holds 50,000 £1 shares of which £12,500 has been paid.

VIVID Housing also has £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	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Raw materials and consumables	**630**	575	**630**	575
Completed Units				
Shared ownership	2,343	2,659	2,343	2,659
Outright Sales		558		558
	2,343	3,217	**2,343**	3,217
Work in progress				
Shared ownership	50,764	52,253	50,764	52,253
Outright Sales	142,443	135,507	2,329	3,872
	193,207	187,760	**53,093**	56,125
	196,180	191,552	**56,066**	59,917

17. Debtors

	Group		Association	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Due within one year				
Rental debtors	12,499	12,238	12,499	12,238
Less: provision for bad debts	(4,821)	(4,961)	(4,821)	(4,961)
	7,678	7,277	**7,678**	7,277
Trade debtors	3,235	1,016	2,853	526
Amounts owed by subsidiary undertaking		-	74,593	72,000
Other debtors	4,053	3,393	3,788	3,067
Prepayments and accrued income	9,774	11,822	9,702	11,470
VAT/CT debtor	24	901	-	-
Capital grants	-	-	-	-
Derivative financial instruments	2,370	-	2,370	-
	27,134	24,409	**100,984**	94,340
Due more than one year				
Prepayments and accrued income *	604	432	1,569	4,104
	27,738	24,841	**102,553**	98,444

*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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans	50,190	62,597	20,190	62,597
Deferred grant	6,482	5,955	6,482	5,955
Trade creditors	9,637	25,537	3,943	20,303
Rent received in advance	5,706	5,057	5,245	4,882
Other creditors	3,158	4,254	435	85
Derivative financial instruments	558	-	558	-
Taxation and social security	1,431	1,233	1,266	1,090
Rent Deposits	129	129	129	129
Local Authority claw back	-	-	-	-
Leaseholders' sinking fund *	15,995	14,099	15,995	14,099
Building Safety Fund	-	(139)	-	(139)
Corporation tax	221	147	221	147
Amounts owed to subsidiary	-	-	24	1,492
Accruals and deferred income	64,763	55,924	51,691	48,447
Called up Shared Capital	-	-	38	38
	158,270	174,793	**106,217**	159,125

*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	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Housing loans	20	1,860,612	1,537,374	1,869,612	1,523,724
Recycled capital grant fund	22	217	11,940	217	11,940
Deferred grant income	23	694,131	653,876	694,131	653,876
Grant on HomeBuy Equity Loans		965	966	965	966
Derivative financial instruments		4,613	-	4,613	-
		2,560,538	2,204,156	**2,569,538**	2,190,506

20. Housing loans analysis

Facilities	Principal Amount	Weighted Average Nominal Rate	Year of final maturity	Carrying Value	
	2024 £'000			**2024 £'000**	**2023 £'000**
AHF	164,700	2.89	2043-48	170,832	171,092
AHGS	185,000	1.53	2052	183,810	183,777
Barclays	184,750	5.18	2027-49	201,662	183,866
Harbour Funding	75,000	5.28	2034	74,995	74,994
Lloyds/Scottish Widows	297,900	5.33	2027-37	294,877	169,781
MUFG	-	-	2024	-	50,000
NAB	40,000	6.54	2027-32	39,691	-
Orchardbrook	971	10.27	2028	962	1,193
Private Placements	513,000	3.47	2028-55	512,468	507,535
RBS	175,000	4.74	2030-34	175,791	101,019
Santander	181,667	6.48	2027-28	184,029	89,164
THFC	10,000	1.66	2030	8,951	8,803
UK Rents	629	9.10	2026	618	1,178
Yorkshire Building Society	40,000	5.08	2035	41,117	43,919
Loans in Association	**1,868,617**			**1,889,803**	1,586,321
Subsidiary Loans					
RBS	21,000	8.44	2025	21,000	13,650
Total loans	**1,889,617**			**1,910,803**	1,599,971
The average interest rate after hedging for the above loans is				**4.29%**	3.76%

Maturity of loans:	Group		Association	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Within one year	50,190	62,597	20,190	62,597
Greater than one year	1,860,612	1,537,374	1,869,612	1,523,724
	1,910,802	1,599,971	**1,889,802**	1,586,321

Some loans are secured by fixed charges on individual properties and land.

Some loans are secured by fixed charges on individual properties and land. Of the Association borrowings detailed above £1,787,617k (2023: £1,519,147k) drawn is secured and £81,000k (2023: £45,000k) drawn is unsecured.

The value of our secured properties using EUV-SH valuations is £2,236,212k (2023: £2,025,060k).

Maturity of principal debt:	Group Arranged Loan Facilities		Group Amounts Drawn	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Within one year	50,190	62,597	41,190	62,597
Between one and two years	18,083	175,190	18,083	28,840
In two to five years	757,537	516,115	528,537	220,048
In five years or more	1,421,807	1,306,313	1,301,807	1,266,312
	2,247,617	2,060,215	**1,889,617**	1,577,797

As at 31 March 2024 VIVID group has £358,000k (2023: £482,417k) of available liquidity in the form of undrawn loans.

We also have shelf and standby liquidity facilities of £412,000k (2023: £310,266k).

We have not yet issued a note under our £2bn EMTN Programme. Notes will be issued by Peninsular Capital plc, and any proceeds received will be on-lent to VIVID Housing Limited.

Changes in net debt:	At 1 April 2023	Cashflows	Other Non-cashflows	At 31 March 2024
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	67,051	(11,176)	-	**55,875**
Debt due within one year	(62,597)	62,597	(50,190)	**(50,190)**
Debt due after one year	(1,537,374)	(373,429)	50,190	**(1,860,613)**
Net debt after issue costs	(1,532,920)	(322,008)	-	**(1,854,928)**
Derivative financial instruments	-	-	(2,801)	**(2,801)**
	(1,532,920)	(322,008)	(2,801)	**(1,857,729)**

Changes in net debt:	At 1 April 2023	Cashflows	Other Non-cashflows	At 31 March 2024
Association	**£'000**	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	53,176	(15,777)	-	**37,399**
Debt due within one year	(62,597)	62,597	(20,190)	**(20,190)**
Debt due after one year	(1,523,724)	(366,079)	20,190	**(1,869,613)**
Net debt after issue costs	(1,533,145)	(319,259)	-	**(1,852,404)**
Derivative financial instruments	-	-	(2,801)	**(2,801)**
	(1,533,145)	(319,259)	(2,801)	**(1,855,205)**

21. Derivative financial instruments

Interest rate swaps (Group and Association)		Interest rate swap 2024	Interest rate swap 2023
	note	**£'000**	**£'000**
Debtors			
Due within one year	17	2,370	-
Due after one year	17	-	-
Creditors			
Due within one year	18	(558)	-
Due after one year	19	(4,613)	
		(2,801)	-

As at 31 March 2024, VIVID Housing Limited had notional £440,000k (2023: £0k) of derivative financial instruments. The instruments hedge interest risk, swapping drawn floating rate debt into fixed rates. The instruments have been revalued to fair value as at 31 March 2024. They qualify as effective cash flow hedges, with movement in the fair value recognised in other comprehensive income and accumulated under the cash flow hedge reserve.

Of the fair value detailed above, £3,408k (2023:£0k) is unsecured, and £0k (2023: £0k) is outside of security thresholds requiring extra securitisation.

22 . Movements on the recycled capital grant fund

	Group & Association	
	2024 £'000	**2023 £'000**
Opening balance at 1 April 2023	11,940	10,027
Inputs to fund:		
Grants recycled	1,248	1,819
Interest accrued	620	264
Outputs from fund: New build	(13,591)	(170)
Closing balance at 31 March 2024	**217**	11,940
Due within 1 year:	-	-
Due after 1 year:	217	11,940
Closing balance at 31 March 2024	**217**	11,940

23. Deferred grant income

	Group		Association	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
At 1 April 2023	659,831	666,323	659,831	666,323
Net Grant received in the year	47,107	(778)	47,107	(778)
Net amount recognised in the Statement of				
Comprehensive Income in the year	(6,326)	(5,714)	(6,326)	(5,714)
Transfers & Adjustments	-	-	-	-
At 31 March 2024	**700,612**	659,831	**700,612**	659,831
Amounts to be released in one year	6,482	5,955	6,482	5,955
Amounts to be released in more than one year	694,130	653,876	694,130	653,876
	700,612	659,831	**700,612**	659,831

Total Social Housing Assistance	Group		Association	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Total accumulated social housing grant				
received or receivable at 31 March:	792,740	745,632	792,740	745,632
Recognised in reserves as at 1 April	85,801	80,087	85,801	80,087
Amortised Grant recognised in the Statement				
of Comprehensive Income	6,461	5,927	6,461	5,927
Recycled Grant recognised in the Statement				
of Comprehensive Income	(135)	(213)	(135)	(213)
Transfers & Adjustments	-	-	-	-
Held as deferred income	700,613	659,831	700,613	659,831
	792,740	745,632	**792,740**	745,632

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24. Provisions for liabilities and charges

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred Tax	1,689	1,696	65	72
Deferred Tax consists of:				
Capital allowances	65	72	65	72
Provision on assets acquired as part of				
business combination	1,624	1,624	-	-
	1,689	1,696	65	72
Balance at 1 April 2023	1,696	1,701	72	79
Charge for the year	(7)	(5)	(7)	(7)
Balance at 31 March 2024	**1,689**	1,696	**65**	72

25. Share Capital – Association

	2024 £	2023 £
As at 1st April 2023	16	19
Issued during the year	1	2
Cancelled during the year	(2)	(5)
As at 31st March 2024	**15**	16
Issued share capital consists of 15 £1 shares		

26. Commitments under operating leases

Future minimum lease payments at 31 March:

	Group & Association	
	2024 £'000	2023 £'000
Land and buildings		
Amounts due within one year	1,727	1,745
Amounts due between one and five years	4,867	4,757
Amounts due after five years	42,975	44,943
	49,569	51,445
Land and buildings lease payments recognised as an expense	1,926	2,301
Vehicle leases		
Amounts due within one year	1,742	876
Amounts due within two to five years	3,836	923
	5,578	1,799

27. 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	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Contracted for	486,678	406,046	486,678	406,046
Authorised by the Board but not contracted for	46,922	215,235	46,922	215,235

To support our future capital expenditure, at the 31 March 2024 we had £55.9m of cash and £770.0m of arranged and undrawn loan facilities, of which £412.0m relate to standby liquidity and shelf facilities. We also have a £2bn EMTN programme. Our business plan shows discounted operating cashflows over the next four years of £430m without reliance on sales proceeds or grant. Additionally, during the next four years we expect to receive in excess of £79.5m grant and £215m of sales proceeds from shared ownership sales.

28. Financial assets and liabilities

	Group		Association	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Financial assets:				
Measured at undiscounted amount receivable*	11,213	15,991	91,516	87,202
Financial liabilities:				
Financial liabilities measured at undiscounted value	86,342	103,260	72,416	95,479
Financial liabilities measured at amortised cost	1,910,802	1,599,971	1,889,802	1,586,321
Total	**2,008,357**	1,719,222	**2,053,734**	1,769,002

*excludes cash

29. 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

	2024 £'000	**2023 £'000**
Pension scheme deficit – DB Provision		
LGPS Pension scheme deficit	-	-
VIVID Defined Benefit Scheme deficit	5,335	-
Pension Scheme Deficit Provision	**5,335**	-
Growth Plan deficit	2	3
Total Pension Deficit	**5,337**	3

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 2022 and the contributions to be paid until 31 March 2026 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.

During the year the final active employee in the Sentinel HA legacy scheme left VIVID which triggered the cessation of the scheme. On an exit basis, there was a residual credit the scheme of £1.38m. This has been paid by HCC to VIVID.

The result at 31/03/24 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)	**2024 % pa**	**2023 % pa**	**2022 % pa**
Discount rate	4.8	4.7	2.6
Pension accounts revaluation rate	2.8	3.1	3.6
Pensions increases	2.8	3.1	3.6
CPI Inflation	2.8	3.1	3.6
Salary increases	4.3	4.6	5.1

Mortality Assumptions

The mortality assumptions for 2024 are based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% pa.

Based on these assumptions, the average future life expectancies at age 65 is summarised below

Assumed Life expectancy at 65	**2024**	**2023**
Males		
Member aged 65 at accounting date	22.1	23.3
Member aged 45 at accounting date	22.6	23.8
Females		
Member aged 65 at accounting date	24.7	25.7
Member aged 45 at accounting date	25.7	26.7

Asset allocation	**2024**	**2023**
Equities	55%	75%
Bonds	37%	17%
Property	7%	7%
Cash	1%	1%
Total	**100%**	100%

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

	2024 £'000	2023 £'000
Fair value of assets	10,669	23,980
Present value of funded defined benefit obligation	(8,116)	(19,790)
Plan surplus	**2,553**	4,190
Effect of derecognising surplus	(2,553)	(4,190)
Plan surplus	-	-

Amounts recognised in Income Statement	2024 £'000	2023 £'000
Operating cost		
Current service cost	22	70
Financing cost		
Interest on net defined benefit liability	113	(10)
Expense recognised in Income Statement	**135**	60

Amounts recognised in other Comprehensive Income	2024 £'000	2023 £'000
Asset gains/ (losses) arising during the period	385	(2,590)
Liability gains arising during the period	375	5,320
Scheme deficit/(surplus) derecognised	1,832	(3,400)
Total amount recognised in other Comprehensive Income	**2,592**	(670)

Changes to present value of the defined benefit obligation	2024 £'000	2023 £'000
Opening defined benefit obligation	19,790	25,320
Current service cost	22	70
Effect of settlements	(11,346)	-
Interest expense on defined benefit obligation	404	630
Contributions by participants	8	10
Actuarial (gains) on liabilities	(375)	(5,320)
Net benefits paid out	(387)	(920)
Closing defined benefit obligation	**8,116**	19,790

Changes to the fair value of assets	2024 £'000	2023 £'000
Opening fair value of assets	23,980	26,090
Interest income on assets	486	660
Remeasurement gains/ (losses) on assets	385	(2,590)
Effect of settlement	(13,911)	-
Contributions by employer	108	730
Contributions by participants	8	10
Net benefits paid out	(387)	(920)
Closing fair value of assets	**10,669**	23,980

Actual Return on Assets	2024 £'000	2023 £'000
Interest income on assets	486	660
Gain/ (loss) on assets	385	(2,590)
Actual return on assets	**871**	(1,930)

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 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 24 were calculated using the projected unit method by rolling forward results of the previous accounting disclosure at 31 March 23.

The projected unit method results were then adjusted according to FRS102 financial and demographic assumptions applicable at 31 March 24. The liability calculations made allowance for the payments of benefits and actual inflationary increases over the period to 31 March 2024.

The asset values at 31 March 2024 are based on the bid market values.

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 2024**	**March 2023**	**March 2022**
Discount rate	4.91	4.84	2.78
RPI Inflation	3.41	3.36	3.79
CPI Inflation	3.25	3.17	3.57
Salary increases	4.75	4.67	5.07
Deferred revaluation	3.41	3.36	3.45
Pension increases in payment	3.11	3.05	3.36

Mortality assumptions	**Assumed Life expectancy at 65 years 2024**	**Assumed Life expectancy at 65 years 2023**
Female retiring in 2024	24.3	24.4
Female retiring in 2044	25.7	25.8
Male retiring in 2024	21.7	22.0
Male retiring in 2044	23.3	23.6

Asset allocation	**March 2024**	**March 2023**
Equities	6.2%	0.2%
Bonds	15.3%	8.6%
Property	6.1%	13.1%
Cash	4.2%	1.4%
Other	7.3%	18.7%
LDI	48.7%	49.3%
Liquid Alternatives	7.1%	3.5%
Private Credit	5.1%	5.2%
Total	100.0%	100.0%

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

	2024 £'000	2023 £'000
Fair value of assets	57,068	62,462
Present value of funded defined benefit obligation	(62,403)	(61,563)
(Deficit)/surplus in plan	**(5,335)**	899
Effect of derecognising surplus	-	(899)
Plan (deficit)	**(5,335)**	-

Amounts recognised in Income Statement	**2024 £'000**	**2023 £'000**
Operating cost		
Expenses	146	141
Financing cost		
Interest on net defined benefit liability	-	-
Expense recognised in Income Statement	**146**	141

Amounts recognised in other Comprehensive Income	**2024 £'000**	**2023 £'000**
Scheme surplus derecognised	939	8,027
Asset (loss) arising during the period	(6,282)	(38,094)
Gain from change in assumptions	577	35,096
Liability (loss) arising during the period	(425)	(4,955)
Total amount recognised in Other Comprehensive Income	**(5,191)**	**74**

Changes to present value of the defined benefit obligation	**2024 £'000**	**2023 £'000**
Opening defined benefit obligation	61,563	90,832
Interest expense on defined benefit obligation	2,933	2,503
Actuarial (gain) on liabilities	(152)	(30,141)
Net benefits paid out	(1,941)	(1,631)
Closing defined benefit obligation	**62,403**	**61,563**

Changes to the fair value of assets	**2024 £'000**	**2023 £'000**
Opening fair value of assets	62,462	99,518
Interest income on assets	2,973	2,743
Remeasurement (loss) on assets	(6,282)	(38,094)
Contributions by employer	2	67
Expenses	(146)	(141)
Net benefits paid out	(1,941)	(1,631)
Closing fair value of assets	**57,068**	62,462

Actual Return on Assets	**2024 £'000**	**2023 £'000**
Interest income on assets	2,973	2,743
(Loss) on assets	(6,282)	(38,094)
Actual return on assets	**(3,309)**	(35,351)

The Pensions Trust Growth Plan

VIVID Housing participates in the scheme, a multi-employer scheme which provides benefits to some 638 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m.

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 2022 to 31 January 2025:	£3,312,000 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.

	2024 £	2023 £	2022 £
Present value of liability	1,593	3,411	5,350

Reconciliation of opening and closing provisions	**2024 £'000**	**2023 £'000**
Provision at start of period	3,411	5,350
Unwinding of the discount factor (interest expense)	130	101
Deficit contribution paid	(1,949)	(1,949)
Remeasurement - impact of any changes in assumptions	1	(91)
Provision at end of period	**1,593**	3,411

	2024 £'000	**2023 £'000**
Impact on income statement		
Interest expense	130	101
Amounts recognised in other comprehensive income		
Remeasurement - impact of any changes in assumptions	1	(91)

Assumptions	**2024 % per annum**	**2023 % per annum**	**2022 % per annum**
Rate of discount	5.31	5.52%	2.35%

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.

	2024 £'000	2023 £'000	2022 £'000
Year 1	1,624	1,949	1,949
Year 2		1,624	1,949
Year 3		-	1,624

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.

30. 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 Financial Conduct Authority	£36,088	Regulatory fees and levies
The Institute of Customer Service	£2,700	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 £450,406.

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 £63.2m (2023: £77m) of which £60.7m (2023: £72m) was drawn at the balance sheet date. Interest was payable at Base Rate plus a commercial margin and amounted to £5.0m during the year (2023: £3.1m).

The association also has a loan agreement with Bargate for £13.8m (2023: £0m) which was fully drawn (2023: £0m) as at balance sheet date. Interest was payable as Base Rate plus commercial margin and amounted to £0.4m during the year (2023: £0m)

Bargate Homes has a loan agreement with VIVID Plus Ltd. for £6.9m (2023: £3.8m) of which £5.5m (2023: £3.8m) was drawn at the balance sheet date. Interest was payable at Base Rate plus a commercial margin and amounted to £391,130 during the year (2023: £132,527).

At the balance sheet date Bargate Homes owed £nil (2023: £nil) 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 (2023: £nil) and received £12k in respect of accounting services fees from Homes for Eastleigh LLP (2023: £24k).

31. Controlling party

At 31 March 2024, the ultimate controlling party was The Board of VIVID Housing.