Thrive Homes

Group Report and Financial Statements

Year ended March 2022

Co-operative and Community Benefit Societies Act 2014,
registered society, number 30398R

Contents

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21%
growth since
2008

About Thrive

Thrive exists to provide and manage housing that helps individuals and families secure a good quality, safe home that they can afford.

We own and manage over 5,000 homes throughout Hertfordshire, Bedfordshire Buckinghamshire and Oxfordshire delivering much-needed homes for social and affordable rent, intermediate rent, leasehold, shared ownership and private market rent (through Thrive Places). We are focused on increasing housing availability and affordability in some of the most expensive parts of the UK.

Since its formation in 2008, Thrive has pursued its aim of improving the condition of its existing homes, developing new homes for rent and sale, and expanding our area of operation to include adjacent home counties and the Oxford-Cambridge Arc. In 2021, Thrive achieved its first growth milestone of 5,000 homes, representing 21% growth since 2008.

We recognise that there are challenges in achieving our growth ambition so, to help guide the business, we have developed principles that enable us to test whether what we are doing and the decisions that we make are consistent with the organisation that we aspire to be.

Our Principles

Customers
We are committed to building open and honest relationships with our customers.

Colleagues
Working together, we are a forward-thinking employer creating a culture in which everyone feels valued.

Communities
In partnership with others, we contribute to the well-being of the communities we work within.

Environment
We are committed to minimising our impact on the environment.

Read more at www.thrivehomes.org.uk/about-us

Highlights

2021/22

G1
Regulator of Social Housing governance rating (2020/21: G1)

V1
Regulator of Social Housing viability rating (2020/21: V1)

A positive
Standard and Poors rating (2020/21: A stable)

5,174
Total homes (2020/21: 4,946)

229
New homes built (2020/21: 81)

240
Homes under construction, start on site (2020/21: 205)

1,025
Land, plots (2020/21: 800)

£4.3m
£ invested in maintaining homes (2020/21: £3.5m)

£30.6m
£ invested in development (2020/21: £35.5m)

£12m
Operating surplus (2020/21: £14m)

155
No. of employees (2020/21: 112)

71.4%
Customer satisfaction (2020/21: 75%)

Chair’s Welcome

In 2021/22, Thrive achieved its first major growth milestone of 5,000 homes and, despite the ongoing challenges of the Covid pandemic that impacted service contractor performance, we ended the year with strong operational results and customer satisfaction within our target range.

We delivered 229 new homes, our largest ever programme of shared ownership sales delivering £11.3 million first tranche sales and launched Rent to Buy that offers an alternative route into home ownership. Thrive intends to continue to increase the number of homes for rent and sale in the areas in which it operates. To do this we recognise the need to develop partnerships and are delighted to have formed a relationship with the CBRE UK Affordable Housing Fund that increases resources available to build new homes while maintaining continuity of management.

Thrive has continued to focus on ensuring that it provides safe, affordable homes and that the business has the capability and capacity to deliver as it grows, while delivering long-term, sustainable value for money.

Hearing the customer voice is an important element of good governance and the Board-led review of customer engagement has delivered a blueprint for an embedded engagement culture that will be implemented from 2022. The Board is grateful to the involved customers who worked with Thrive to develop this and to the members of the Customer Experience Panel who shared their insights and learning from previous approaches.

In a climate where many associations are merging into ever larger organisations, Thrive continues to demonstrate its ability to develop its operating model in ways that ensure ongoing resilience while delivering our core purpose of providing safe homes that are affordable to our customers.

This could not be achieved without the leadership of the executive and the efforts of the entire colleague team. I would also like to thank my fellow board members for their continued support. This year we said goodbye to Vic Baylis and Malcolm Green who retired after serving their full tenures. In their place we welcomed two new members, who further strengthen our expertise in decarbonisation, energy efficiency and green initiatives alongside customer service.

The Board is proud of what has been delivered and is looking forward to the new year where we will continue to provide more homes in the communities we work within.

Kate McLeod
Chair of the Board

Chief Executive's Introduction

2021/22 marks the end of Thrive's current three year business plan period that delivered 450 new homes. Therefore, we have been focusing on completing what we set out to do while preparing for the next phase of growth.

Thrive delivered a positive year end despite the legacy challenges of Covid. Strong demand for both rental and shared ownership products continued, and we successfully delivered our largest ever sales programme. The underlying strength of the business is reflected in our increased credit rating of 'A (positive)' from 'A (stable)' and maintenance of our regulatory ratings G1/V1.

The Strategic Framework sets out our focus and guides how we operate, and this has been revised during the year. The fundamentals of Thrive's intent remain the same – focusing on offering a fair deal to customers, increasing the number of homes that we own and manage, while ensuring that the underlying business remains strong. The revised framework sets out more clearly the work that we wish to undertake in areas such as:

- ESG (environmental, social and governance performance) – Thrive has adopted the Sustainability Reporting Standard
- developing our approach to decarbonising homes – the business plan provides for us to achieve EPC C by 2030
- working with partners such as CBRE.

Thrive raised over £100m through a bond tap which will be received in the next financial year and agreed an increase in its revolving credit facilities (RCF) by £75m to support our forward development programme. Our relationship with the CBRE UK Affordable Housing Fund released an additional £30m which will also support the programme, enabling Thrive to accelerate growth without unduly stressing the underlying business or our ability to make appropriate levels of investment in existing homes.

In addition to ensuring that we have funding in place, it is important that we have the skills and the technological capability to support growth while responding to challenges around building safety, consumer regulation and the increasing need to manage and derive intelligence from our data. To develop our business capability, Thrive has:

- developed a new target operating model and recruited to the first phase of this during the year, with further recruitment planned for 2022/23. This enhances our capability to manage transformation, address green issues within our portfolio and engage with customers on the safety and management of apartment blocks
- developed a blueprint for future customer engagement
- established a multi-year project to modernise and enhance our technological capabilities.

Looking to the new year there are significant challenges linked to inflation and affordability that increase our focus on delivering value for money across the business. Our people are key to our continued success and we will continue to support and develop them to create an environment that attracts and retains the skills that we need. Like other organisations across the sector, we are facing a range of issues that require resources and will create some difficult decisions but Thrive is determined not to lose sight of the large number of people who have yet to find a safe, affordable home.

Elspeth Mackenzie
Chief Executive

Digital transactions rose from 60% to

68%

Strategic Report

Our Strategic Report reviews our progress in 2021/22 against three out of four of our key themes. The fourth theme – Resilient with a strong financial base – is covered in our Financial Review on page 18.

Operating efficiently is central to Thrive's resilience and our approach is detailed in our Value for Money statement on page 24.

Fair Deal for Customers

Offering a fair deal to customers is a keystone for our business. This means that we are easy to contact, deliver services to set standards and provide safe, well-maintained homes.

It's challenging to do this consistently, particularly against a background of pandemic staff/contractor availability and increasing costs that impacted us during the year.

Easy access to services

Increasingly, customers expect a user-friendly digital offer that makes our services available at times that suit them. Our customer portal – myThrivehub – has seen registrations continue to increase with over 50% of customers registered and using it to manage their tenancy or lease, make payments, book repairs, and give feedback. In 2021/22 digital transactions rose from 60 to 68%. Many customers like to speak to us on the phone and, despite difficulties with our telephone system, we were able to answer more than 85% of calls within service operating parameters.

> "...it should be noted that when I called you on Friday afternoon, distressed and frustrated, the lady who answered the phone was so helpful and apologetic (most definitely not her place to be apologising) and she went above and beyond to try and help me."
>
> Thrive Customer

Ongoing investment in technology will ensure that we continue to be accessible to our customers.

Engagement review[1]

This year the Board commissioned an independent review of our customer engagement model to make sure it is fit for purpose, ensuring we listen to all customers equally, supporting future regulatory and customer expectations. We have been supported by Altair to rethink this model and, as a result - in December 2021 - we disbanded our seven-member Customer Experience Panel to introduce Thrive Customer Voice providing all customers with choices on what and how often they wish to engage with us.

1 Sustainability Reporting Standard, Criteria C9 'Residents holding management to account'

Intelligence gathered from a range of engagement opportunities will enable us to make informed decisions and then feedback to customers on how they have influenced these. Some examples of where we have listened to and learnt from customers are:

- spending more on maintaining homes (kitchens, bathrooms, windows, communal floor coverings, improving areas around flat blocks, increasing homes' thermal performance)
- improving how we deal with feedback on grounds maintenance services and improving information on these services on the website
- changing how emergency repair calls are diverted and handled
- introducing an option to save the myThrive customer hub as an icon on customers' smartphone or tablet, making it easier to access with one click.

Home Plan

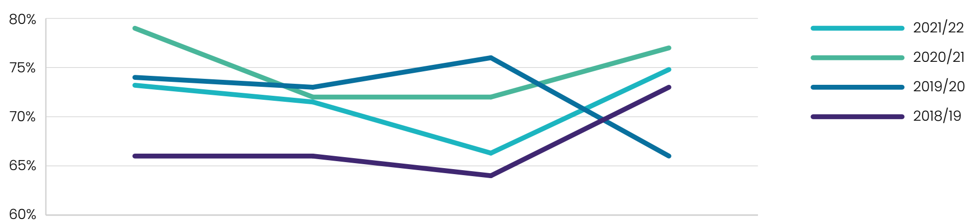
Home Plan is an annual visit where we discuss how things are going with customers and their families and assess their home's condition. It benefits both customers and Thrive by highlighting any issues and getting an up-to-date record of the property's condition. We are working to bring all rented homes into the programme by March 2024. Currently 27% of our homes are included. During 2021/22 we delivered 67% of planned visits due to Covid related staff availability and customers' willingness to provide access. Home Plan is an important part of our relationship with our customers, and we have introduced additional resources within the team to ensure that this programme is fully delivered in future.

Customer satisfaction[2]

During the year overall satisfaction dipped, due to challenges with key services such as repairs, cleaning, grounds maintenance and complaint handling. This resulted in a total of 323 complaints across the year. Whilst 98% of complaints were resolved by Thrive, five were escalated to the Housing Ombudsman, resulting in one service failure determination.[3]

Our teams have worked hard throughout the year to return service delivery to appropriate levels; the contract with our repairs sub-contractor was reviewed and retendered, we increased communications with customers affected by the performance of our contractors and introduced greater contract management measures whilst ensuring we had the appropriate resources in place to respond to issues or complaints in a timely manner. As a result, satisfaction increased each month between January and March, ending the year at 74.8 resulting in an average of 71.4% for the year. We recognise that customer satisfaction is fragile and customer sentiment is influenced by external factors outside our control, such as the Pandemic and Brexit, so we focus on ensuring that we have delivered to the standards that we have set.

Overall Satisfaction Year on Year



2 Sustainability Reporting Standard, Criteria C10 'Resident Satisfaction'

3 Sustainability Reporting Standard, Criteria C11 'Complaints'

99.9%
of homes have an in-date gas safety check

100%
of homes have an in-date Fire Risk Assessment

Building safety[4]

Thrive's homes are mainly low-rise and of traditional construction so for most customers our focus is on gas, electrical and other safety issues within their homes. Thrive maintains programmes to ensure that these components are tested and remain safe.

Some types of property present greater risks and Thrive has recently added two high-rise buildings to the portfolio that must be managed to meet the new building safety requirements. Throughout construction and handover, our teams have worked to ensure that the buildings are compliant and that systems are in place to manage these, including adopting some measures – such as the creation of building safety estate pages – ahead of legislative requirements.

Many of our flats are situated in mixed tenure blocks and this presents a specific challenge for Thrive. In these blocks, individual owner-occupiers have responsibility for some of the elements that contribute to its over-all safety, for example, gas. To fully understand the safety status of our homes, we are developing new estate management reporting that will help to identify any areas of concern. This will be available in 2022/23.

Repairs and maintenance

The Decent Homes Standard[4] provides the basic standard for homes within the sector and Thrive maintains this standard across its portfolio through programmes that renew kitchens, bathrooms, roofs and more. At the end of 2021/22, 99.9% of our homes achieved the standard (0.01% represents one home where works were scheduled).

Responsive repairs are one of the most important services provided to our customers. Our in-house delivery team, Thrive Homes Services, carry out 81% of repairs with the remaining 19% undertaken by contractors. Covid related staff and contractor shortages have impacted on the time taken to complete work which in turn impacts customer satisfaction with the service which ended the year at 88%. However, as the table below indicates we have completed the vast majority of work within expected timescales.

Repair type	Performance achieved %
Emergency repairs	98.55
Standard repairs (up to 20 days)	82.5
Planned repairs (up to 60 days)	88
Repairs completed right first time	78

Energy efficiency

Achieving good levels of thermal efficiency across our portfolio enhances our customers' ability to live comfortably within their homes and enables Thrive to achieve government standards.

Thrive is developing its asset roadmap to ensure we have a plan for every home. This will include future investment works to improve our housing stock, meeting energy efficiency standards so it achieves EPC C by 2030

4 Sustainability Reporting Standard, Criteria C8 'Decent Homes Standard'

and by adopting a 'fabric first' approach, moving us towards net zero carbon by 2050. We recognise that it will not be possible to bring every home up to appropriate standards for rental and will convert or dispose of these homes.

EPC Rating[5]	New homes	Existing homes
B	84%	7%
C	16%	49%
D	-	37%
E or worse	-	3%
No rating	-	4%

84%
of new homes achieve EPC B

We aim to develop a full programme of measures by identifying our energy efficiency data gap, looking at how that information is stored and modelling our EPC data.[6] Progress has been hampered by challenges recruiting to the sustainability lead role and the additional requirements of PAS 2035. We plan to apply for further energy funding during 2022/23 to support our investment. This year we have progressed:[6]

- a successful application to the Social Housing Decarbonisation Fund (SHDF) with our partners, securing £826,000 to install external wall insulation to 82 homes bringing them up to EPC C
- Energy Company Obligation (ECO) phase three funding to install measures in 183 homes
- a targeted programme of loft insulation for 76 homes, with surveys planned for a further 500 homes in April and May 2022
- 214 energy efficient boilers were installed, and 318 homes had windows replaced
- installation of air source heat pumps on a new-build scheme.

Thrive has adopted the Good Economy's Sustainable Reporting Standard (SRS), which is a golden thread – similar to the Value for Money strategy - throughout Thrive's Strategic Framework. Full details of our performance against the Standard is published at www.thrivehomes.org.uk/srs and key measures are included within this report.

5 Sustainability Reporting Standard, Criteria C14, C15 'Distribution of EPC ratings new and existing homes'

6 Sustainability Reporting Standard, Criteria C17 'Energy efficiency measures'

38%
increase in no. of people employed by Thrive

Great Place to Work

Investing in our people

The Board and executive team spent time carefully developing a business operating model for Thrive, conscious that to deliver against our strategic ambition we need to invest in our people capability and capacity. The first step of this journey was to review where operational delivery teams best sat within the executive team and then develop the Assistant Director tier to ensure each area was led and managed by appropriately skilled and experienced leaders. With the Assistant Director tier now fully established, this team is working together to develop our operational model further with the development of new and expanded teams.

Equality, diversity and inclusion (EDI)

Working with our All Together Working Group, we have successfully attained the Housing Diversity Network's Diversity Network Accreditation (DNA) with six distinctions for good practice. This comes after a year of working to develop our knowledge and understanding of EDI matters through 'Let's Talk' sessions and webinars to coincide, for example, with celebrations to mark LGBTQ+ and Black History months.

Behaviours

Building on our updated Strategic Framework we have also reviewed our core purpose, principles and key behaviours required to support its delivery. Replacing our existing values, these new core behaviours have been developed and shaped through our Great Place to Work Working Group, giving colleagues ownership of how we articulate what we are looking for from our people.

Committed to wellbeing[7]

As we moved gradually away from Covid restrictions we have continued to review how we maintain a healthy working environment, recognising for many colleagues the balance of hybrid working has tipped in the direction of remote/home working. Thrive's Safe and Well Working Group has designed and developed our Health, Safety and Well-being Commitment which includes our Smart Working arrangements. These arrangements put trust at the heart of our engagement with colleagues, aligned to the adult-to-adult culture we are seeking to foster.

Investment in our systems

To support our services to customers by operating in the most efficient and effective manner, we have seen our project to replace core operating systems move through key project management milestones from business requirements gathering, through procurement to contract award. This long-term project provides our people with the tools to do the best possible job, by automating tasks that need limited or no human intervention, giving them more time to focus on the customer and colleague interactions that really matter.

Supported by our newly created Business Transformation and Project Management Office Team, this project represents a major investment of time and resources. It is therefore governed through the executive team and Board to ensure it delivers the intended outcomes.

7 Sustainability Reporting Standard, Criteria C45 'Supporting Physical and Mental Health of Staff'

Growth

Thrive delivered on its ambition to grow in 2021/22 by building a record-breaking 229 new homes, placing us in the top five fastest growing housing associations in the country and marking a significant step-change in our rate of growth when compared to the 45 new homes we delivered in 2017/18.

During the year, we diversified into new tenures including Rent to Buy, a product which offers households the opportunity to rent their homes at a discount for up to five years before becoming outright or shared owners should their circumstances allow.

We continued to focus on increasing our land bank, which now includes over 1,000 plots – over 35 acres – to deliver future growth. Work is now under way to construct homes on both land banked sites and new opportunities that will see Thrive own and manage over 6,000 homes within the next three years.

Thrive's turnover from shared ownership income increased significantly during the year to over £11.5m, delivering strong financial margins. More importantly, we helped over 75 households to take their first step on the property ladder and own their own home.

We delivered our largest scheme to date, at St Albans Road in Watford, where we built 90 new affordable homes in two blocks comprising of eight and 10 storeys. The blocks are built to comply with new building safety standards, including sprinkler systems and other fire mitigation strategies to ensure they are safe.

During the year, we completed a landmark co-investment partnership with CBRE's UK Affordable Housing Fund. This equitable partnership sees Thrive and CBRE share income and costs over a long-term period with Thrive managing the homes and providing customer services to customers in a way that is directly aligned to Thrive's existing operating model.

We also signed a Memorandum of Understanding with CBRE to co-invest together further to develop 1,000 new affordable homes over the next five years. Thrive is also exploring other relationships with institutional investors that can further enhance the ability of Thrive to deliver much needed affordable homes in our operating area.

Giving back

Our greatest commitment to communities is providing affordable homes that enable people to sustain good lives. Thrive focuses on developing and managing those homes. We partner with organisations skilled in providing other types of services and assistance to support our customers and the communities they live in.

Grant funding[8]

Our community grant application scheme – Thrive GIVE – provides funding to locally based charities and community groups, enabling them to deliver projects and services that make a real difference to our customers and the wider community.

In 2021/22 we supported:

- Three Rivers Citizens Advice Service – delivering money advice and budgeting support within the Three Rivers area and remote support to those outside its operating area
- Herts Mind Community Support Services – providing domestic abuse and community support caseworkers
- 9Lives Furniture – running training programmes for disadvantaged people to develop skills in furniture repair, restoration, and upcycling
- Ascend Digging Deeper Project – funding a weekly volunteer gardening programme, supporting landscaping and produce-growing skills for up to 20 people at a time
- New Hope's Tenancy Sustainment Project – supporting 100 vulnerable individuals and families to improve their independence and mental well-being so they can maintain their tenancies and avoid homelessness
- Transitions UK – covering the cost of supporting one vulnerable young person at risk of offending, reoffending, or criminal exploitation for a year
- Playskills Watford – supporting physically disabled children between the ages of one and five, providing expert therapy and support in a playgroup setting.

The Energy Hardship Fund

Set up by Housing Associations' Charitable Trust[9] (HACT) the Energy Hardship Fund was established to tackle fuel poverty in winter 2021/22 amidst a 'perfect storm' of rising energy prices, rent increases, cuts to Universal Credit and the long-term impact of COVID-19.

Thrive has been working closely with Three Rivers District Council, HACT and the Citizens Advice Service in Three Rivers to assist customers suffering hardship to access energy and cash vouchers through this scheme.

Recognising that not everyone is eligible for help from the Energy Hardship Fund, additional funding was also provided to the Citizens Advice Service, through Thrive's GIVE grants, to fast track our most vulnerable customers and provide additional advice and support.

8 Sustainability Reporting Standard, Criteria C12 'Resident Support'
9 https://hact.org.uk/


9LIVES
furniture
Lane, Rickmansworth, Hertfordshire WD3 1 HA
8666 www.9livesfurniture.org.uk
stered Charity No. 1096086

Financial Review

Thrive continued to deliver strong financial performance in a year where we prepared and progressed our strategic growth ambition while maintaining focus on the needs of our current customers.

Thrive's metrics continued to demonstrate our ongoing resilience despite the Pandemic. This performance provides us with the resources to continue to invest in growth and our existing homes whilst facing the economic challenges that are emerging.

Our key performance metrics demonstrate that Thrive's core social housing lettings business operates efficiently and is not reliant on support from other income streams or sales. This core business surplus is supported with other income streams such as market rent and shared ownership sales programmes, which address the increasing demand for these tenures in our operating area. Fundamental to Thrive's strategy is a carefully monitored and controlled development programme and an efficient and value for money funding plan.

The recent funding exercise (bond tap and RCF) has provided us with the resources to progress our growth ambitions. This was supported by a security efficiency uplift exercise on existing debt, moving from EUV-SH valuation basis to MV-ST. The uplift provided Thrive with surplus security headroom required to raise new debt.

In November 2021, the Regulator of Social Housing maintained our V1 viability rating, while in March 2022 Thrive's Standard & Poor's credit rating moved from 'A (stable)' to 'A (positive)'. These external metrics, coupled with our successful funding exercise, demonstrate the external confidence in our organisation and assures the Thrive team of the value that is being generated from our strategy.

Key highlights include:

- operating surplus of £12m and a margin of just under 30% (statutory definition)
- underlying surplus before tax of £6.4m
- arrears at 3.42%
- liquidity – end of year cash balance available of £35.7m
- built 229 homes and investment of £30.6m in development.

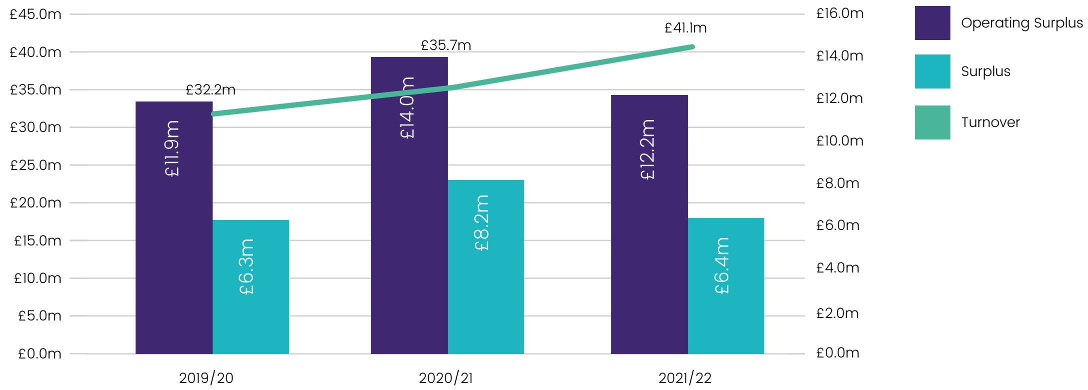
Turnover and surplus

Turnover continued to grow over the last three years, with increased demand for shared ownership sales contributing to this growth. Both the core business and shared ownership sales have performed strongly, with total turnover growing to £41m (£36m in 2021), a growth of 14%. This has been delivered through an increased shared ownership sales programme to meet local demand and the second year of the rent increase. Operating margins continued to perform well, and over the last three financial years have averaged 35% since 2019/20. Thrive continues to reinvest our surplus to deliver safe, affordable homes for our customers.

Thrive's strategy has contributed to lower margins in the reporting year. The reduction this year to 30% (39% in 2021) is due to: planned investment within our colleague base to deliver stronger frontline services and financial and operational resilience and capability across the organisation, also the result of moving towards a greater proportion of land-led projects.

The current economic climate is impacting margins across the sector as a whole, the challenge being to balance these emerging pressures with plans for increased sustainability investment in current homes.

Turnover and surplus

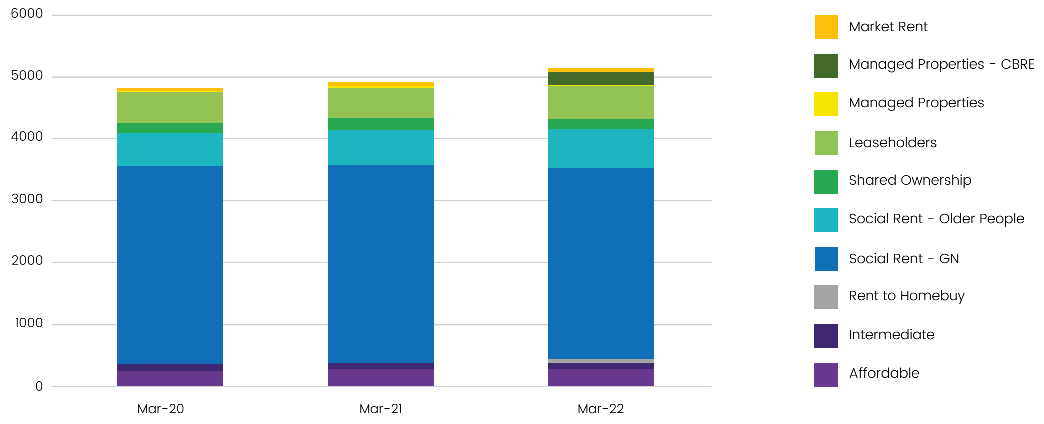


Development and sales

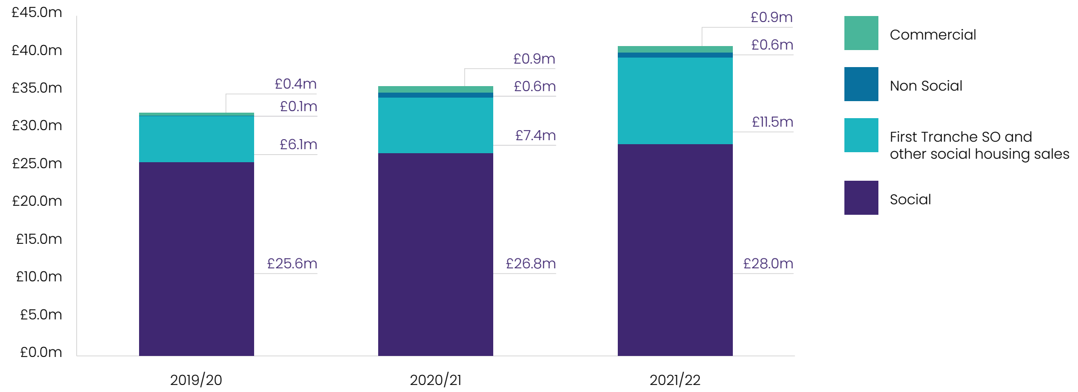
Development capital spend in the year totalled £30.6m, which is lower than the prior year (£35.5m in 2021). This is primarily because we are entering a new cycle of development and this spend is forecast to increase following the recent agreement of funding. Turnover from shared ownership sales has increased by 55% to £11.5m. As stated earlier in the report, this is due to Thrive's increased focus on the local demand for this tenure. This number includes shared ownership conversions, which are a recognition that some homes within the portfolio are unsuitable for rent in the longer term. This programme ensures that Thrive focuses its investment within the portfolio while releasing value that supports the production of new homes.

Tenure	Mar-20	Mar-21	Mar-22
Affordable	270	281	285
Intermediate	101	100	100
Rent to Homebuy			72
Social Rent - General Needs	3,182	3,188	3,163
Social Rent - Older People	547	571	544
Shared Ownership	168	199	182
Leaseholders	496	499	504
Managed Properties	1	27	30
Managed Properties - CBRE			203
Market Rent	47	47	61
Units taken our of rent debit	35	33	30
Total	4,847	4,945	5,174

Total Homes by Tenure



Turnover Analysis

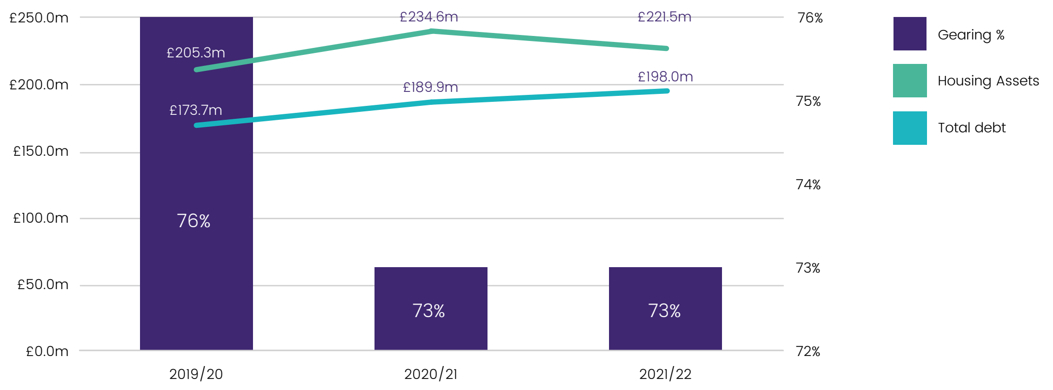


£28m of our income is generated from social housing lettings. This has been due to an increase in units of 77 and the CPI plus 1% increase in rent, as permitted by the Rent Standard.

Gearing, assets and debt

Gearing continues at 2020/21 levels and debt growth is in line with plans. Housing assets have reduced due our co-investment partnership with CBRE's UK Affordable Housing Fund. The deal included the transfer of 100% of the interest in just over 200 homes which have left Thrive's balance sheet. It also involved Thrive taking a long (250 or 999 year) pass through management lease with CBRE (without guaranteeing costs or indexation) and Thrive retaining a 10% economic interest in the future performance of the properties. The 10% economic interest will generate additional sales proceeds for the duration of the lease.

Gearing, assets and debt



Cash generation

The year's operating cash flow reflects two key Board-approved decisions – investment in the Thrive Operating Model and the CBRE deal. These, coupled with a reduction in Thrive's creditor balance as we reached the end of a development cycle, have reduced our in year operating cash flows. The impact has been mitigated by the broader impact of the CBRE deal.

	2020/21 £m	2021/22 £m
Net cash from operating activities excluding shared ownership	17	9
Net cash from operating activities	13	1
Net interest paid	(8)	(8)
Improvements to housing properties	(3)	(4)
Other items	1	1
Operating cash flow net of debt interest and capex	3	(10)
Proceeds from asset sales	0	31
First tranche shared ownership sales	7	12
Net movements in borrowings and deposits	17	9
Development spend	(27)	(24)
Net cash flow	0	18

Statement of Comprehensive Income	2020 £000	2021 £000	2022 £000
Group Turnover	32,188	35,718	41,137
Cost of Sales - Shared Ownership	(3,939)	(4,149)	(7,847)
Operating expenditure	(16,782)	(17,770)	(20,981)
Gain on disposal of fixed assets	504	273	316
Impairment on investment properties			(436)
Operating Surplus	11,971	14,072	12,189
Interest receivable and similar income	161	24	2
Interest payable and financing costs	(5,808)	(5,937)	(5,780)
Surplus before taxation	6,324	8,159	6,411
Taxation	0	0	0
Surplus for the year	6,324	8,159	6,411

Treasury

Thrive has developed robust targets to ensure that the business has sufficient current and future liquidity. At the 31 March 2022, Thrive had agreed and committed facilities of £350m of which £200m were drawn. Our cash position was strengthened in the year due to funds of £17.4m received from the CBRE transaction in December 2021 and £13.3m in March 2022.

The Medium-Term Plan, the financial plan that supports Thrive's strategy, sets out funding requirements for the next five years. These requirements were delivered through the 2021/22 Treasury Plan and have resulted in bond tap/RCF which were committed as at 31 March 2022.

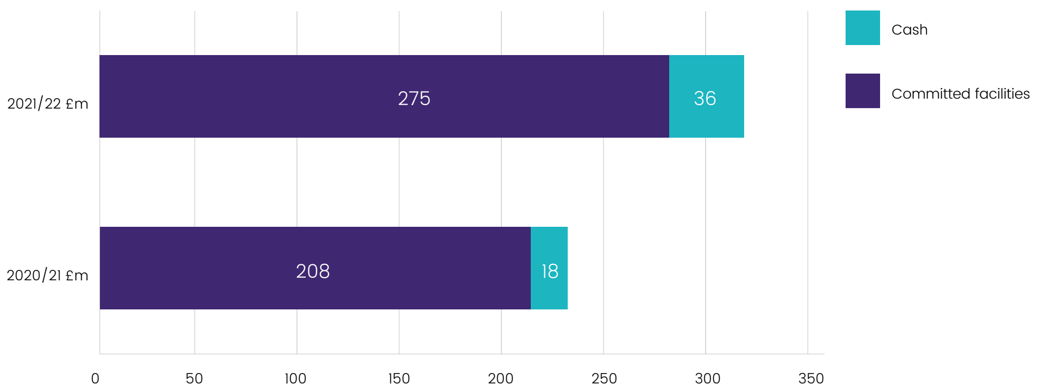
Thrive's key treasury risk is managed through our Treasury Management Policy.

Liquidity risk – Thrive will maintain a minimum level of liquidity such that there is sufficient cash and committed loan facilities capable of immediate drawdown to cover the next six months' forecast cash requirement, and sufficient cash and committed loan facilities (whether or not capable of immediate drawdown) to cover the higher of committed development spend and the next 18 months' forecast cash requirement. Thrive has been compliant with this policy throughout the year.

Counterparty credit risk – A minimum criteria on credit rating and maximum exposure amount is set for short-term deposits, sterling denominated money market funds and lenders.

Interest rate risk – Thrive's policy recommends a target optimum mix based on the result of stress testing and simulations.

Committed Facilities and Available Cash



Show home at Turnball Court, Abbots Langley

As of 31 March 2022, all future committed developments could be funded through agreed facilities.

The Treasury Management Policy has been updated to reflect the latest agreed covenants.

The bond and various loan agreements all contain financial covenants. Predominantly, loan covenants are based upon interest and asset covers. Compliance with all covenants is monitored through the Risk and Audit Committee each quarter. Thrive comfortably complied with its covenants throughout the year.

Thrive does not have any abnormal exposure to credit liquidity, interest rate, counterparty currency or cash flow risks arising from its treasury activities.

The continued delivery of a consistent cash flow and the clarity of our strategy, supported by a robust financial plan providing assurance on our financial capacity, has resulted in another year of 'A' Standard & Poors rating. This rating, affirmed in March 2022, moved the outlook from stable to positive.

Value for Money statement

What VFM means to Thrive

A focus on delivering long-term, sustainable Value for Money (VFM) is important to Thrive as it grows as an organisation and becomes more complex.

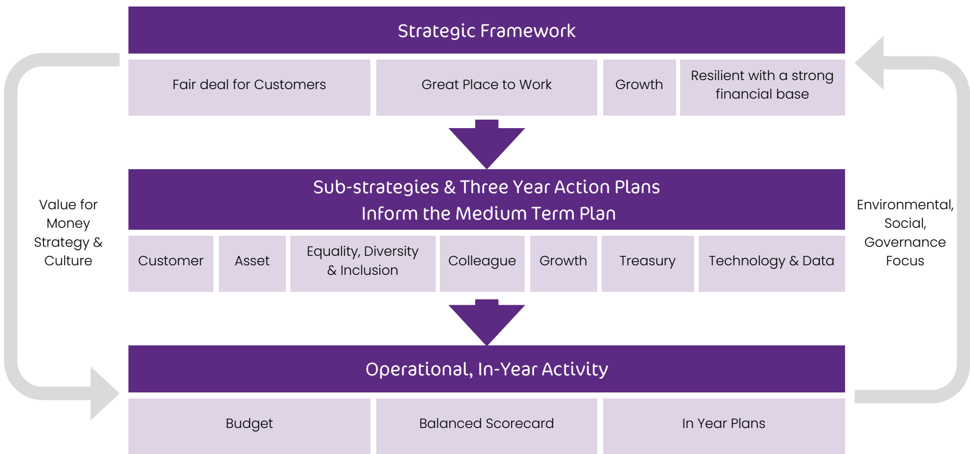
Making the best decisions, plans and interventions on resources, while leveraging investment by partner organisations, now and into the future maximises value to our customers. This:

- underpins Thrive's ongoing resilience and our ability to offer a fair deal to customers
- will enable Thrive to deliver its primary purpose of delivering more homes
- facilitates an organisation that can deliver on its intent to be a good landlord, through making best use of the resources available to invest in new homes whilst maintaining the quality and value of its portfolio
- enables Thrive to maintain its independence, its ability to define and maintain our relationship with customers and other stakeholders and continue to exercise choice.

Our corporate strategy has VFM at its core. Thrive operates in some of the most expensive areas to live in the country, so we believe our commitment to be a sustainable business and a good landlord – by delivering efficient services while meeting the high demand for growth – delivers VFM. This also ensures compliance with the Regulator of Social Housing's VFM Standard.

Our approach to VFM

VFM is a golden thread throughout the organisation and the way it operates. It is prominent in the development of plans and decision-making processes, starting with our principles and the approach set out in our Strategic Framework 2021, 'Foundations for Growth', and works through our Medium-Term Plan (MTP) to the budget.



Governance of VFM is embedded in Thrive with clear Board ownership, cascading through the organisation.

Thrive continues to use the Regulator of Social Housing's metrics to monitor the impacts of interventions with a specific focus on cost per unit (CPU), growth and reinvestment as these are aligned to our aspiration to increase the number of homes in management whilst continuing to invest in existing homes. Thrive has specific challenges relating to the nature, age and historic under-investment in communal areas of the portfolio acquired through stock transfer.

These challenges are being managed through interventions such as:

- growing the number of homes developed
- implementing the Thrive Deal, including digital tenancies and Home Plan visits, supported by the myThrive customer hub – enabling and encouraging customers to self-serve and sort out repairs that are their responsibility
- seeking opportunities through procurement, agile working, office size and location to improve or stabilise costs
- challenging ourselves to critically examine areas of high spend such as stock investment – for example, discussion has informed policy on letting standards, management of programmes to smooth spend, and allocation of resources to communal area improvements
- off-setting costs through managing stock for others and active asset management programmes.

As a result, Thrive has achieved levels of growth and investment that exceed or equal its peer group and brought CPU back in line with the sector.

Thrive utilises a peer group consisting of associations with LSVT origins based in the northern home counties to compare its performance, in addition to the wider sector metrics.

Key recent achievements

Resilient with a strong financial base

- treasury Strategy – £150m of additional funding secured at favourable rates
- managed operating costs through procurement, introduction of agile working and reduction in office space
- off-set costs through management for others and active asset management
- critically examined areas of highest spend, such as major works, to ensure value for money
- phase 1 of our Asset Management Strategy allowed a greater understanding of our assets and development of an approach for poor performers.

A fair deal for customers

- our customer portal – the myThrive hub – is encouraging self-service, with over 50% of customers registered and digital transactions increasing from 60% to 68% in 12 months
- customer feedback – implemented outcomes from discussions to balance organisational vs customer benefits, for example, enhanced letting standards.

Growth

- increased number of homes owned and managed to improve spread of fixed costs
- CBRE UK Affordable Housing Fund generated in deal and future profit streams
- completed developments which performed above internal hurdle rates
- generated sales income to strengthen financial metrics.

Great place to work

- development of the Assistant Director tier
- maintained a reward framework that attracts and retains talent to support our future
- investment in our technology through our long-term project to replace core operating systems. Completion of this project will enable Thrive to operate more efficiently.

Future approach to VFM

Thrive's Board has agreed three broad strategic areas to be focused on in the 2022/23 financial year and built into the next update of the Strategic Framework. These are:

Resilient with a strong financial base Great place to work	1. Developing our capabilities to ensure we are an organisation that is fit for purpose, able to deliver our strategy and support growth.
Fair deal for customers	2. Development of the Thrive Deal; continuing to embed our new customer engagement model throughout the business.
Growth	3. Grow and manage the portfolio in cost-effective ways, seeking to support an effective cost to homes managed ratio.

1. Developing our capabilities

Thrive will seek to use all its resources – people, technology (including processes and data), partners, finance, treasury and assets – to grow and manage our portfolio in the most cost-effective and efficient way, with a principle of continuous improvement and transformation. This will require further analysing of the underlying cost base and the value driven from Thrive's business units to identify areas where action can be taken to improve performance.

2. Development of the Thrive Deal

We will relaunch the Thrive Deal to colleagues and customers following a financial analysis of Home Plan and other strands of the Deal, such as the online hub and digital tenancies, to restate its purpose and objectives and understand the cost vs benefits and volume needed to make the Deal work. We will look at the social value of closer interaction with customers – linking to customer engagement, our capacity to manage more challenging customers, customer incentives and energy efficiency when joining Home Plan.

3. Grow and manage the portfolio in cost-effective ways

Growth represents a key part of Thrive's Strategic Framework and, as such, holds significant value for our organisation.

It is important that we increase the number of homes we provide to ensure our current and future customers have a wide range of choice for safe, affordable housing. This will be achieved by striking the balance between the different routes to growth and progressing a long-term acquisition, development and disposal plan to ensure that Thrive strengthens its financial resilience.

Growth will help Thrive deliver value for money as it provides the opportunity to have the people and technical resources required to operate effectively while operating within sensible costs per unit (CPU) and continuing to deliver improved margins, improved income and a stronger balance sheet, alongside the provision of a greater quantum of ethically managed and affordable homes.

Thrive will seek ways to support an effective cost to homes managed ratio. As Thrive grows, it will spread its costs over a larger unit base while analysing the efficiency and size of its cost base.

How do we compare?

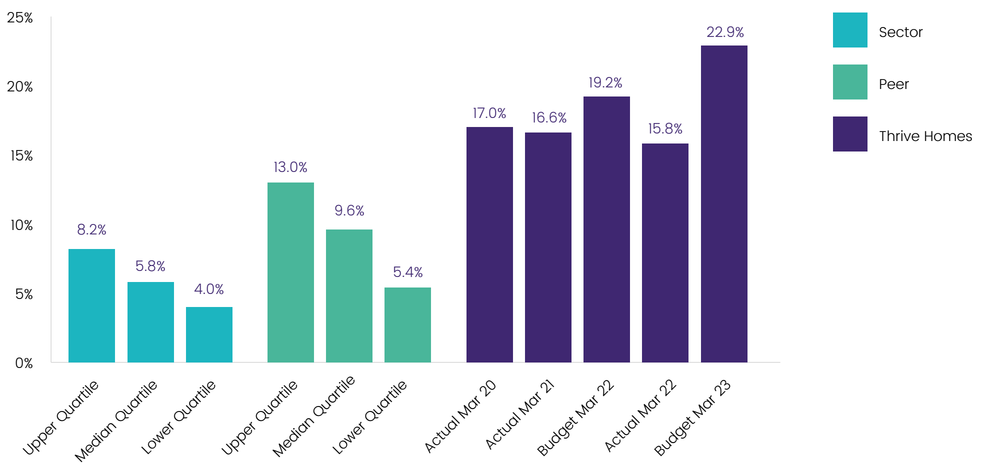
Performance against the range of VFM measures has been strong and continues to reflect the stage we are at in delivering our strategy. These measures, mandated by the Regulator of Social Housing, may differ slightly from similar measures included throughout this report – for example, in the financial statements and covenants. Performance is measured against our peer group (six organisations similar in geography and size) and the wider sector.

Our future targets represent Thrive's budget for the year 2022/23 and once again reflect the stage we are at in the cycle of development and sales.

Reinvestment %

This metric looks at investment in properties (acquisition, development and maintenance of existing properties). In 2021/22, investment in existing properties has increased as we critically examine our areas of highest spend within major works, to meet EPC C commitment, and deliver our broader asset management strategy. Development expenditure will increase into the next financial year as Thrive deploys recently agreed funding to grow. Our plans include a placeholder for further sustainability investment, which is being modelled as part of business plans and further investment decisions will be made once the preferred solution for Thrive is identified.

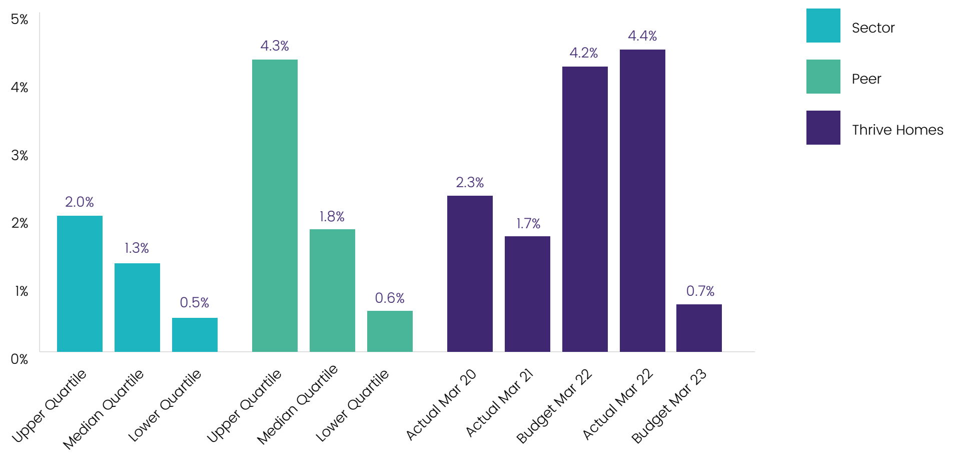
Compared to both sector and our peer group, Thrive focused more of its resources on reinvestment, this reflects the scale of our development programme and the degree of spend on existing homes. This is sustainable within our medium-term business plan but we will seek ways to manage costs through careful procurement and initiatives such as the shared ownership conversion programme.



New home supply % (social)

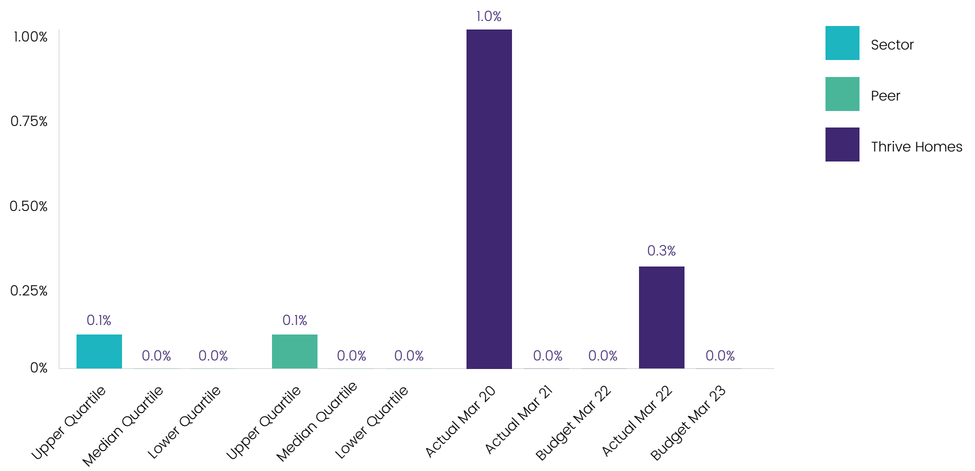
The delivery of homes is dependent on the development cycle. This year represented the completion of the build out of the three-year growth plan. Performance is above our peer group and the sector average. Overall, we developed 215 new homes for social housing during the year, thereby increasing the number of homes we own and manage.

Development investment will increase into the next financial year. However, this will not be reflected in the new homes measure until the following year when units are delivered. Thrive's Medium-Term Plan projection is to deliver on average 250 new homes per year (4%+ annual increase) over the next five years.



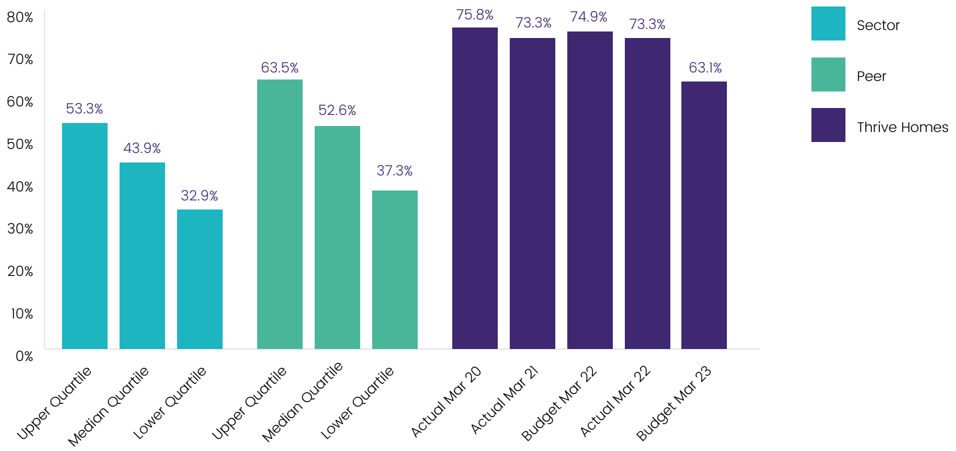
New Home Supply % (Non-Social)

In line with our Strategic Framework, we continue to grow our market rent portfolio to achieve its first milestone of delivering its required level of return. This year's growth takes Thrive to the size where costs are spread across the required unit level to deliver an efficient, value for money, business unit. During the year we increased our market rent portfolio by 14 units.



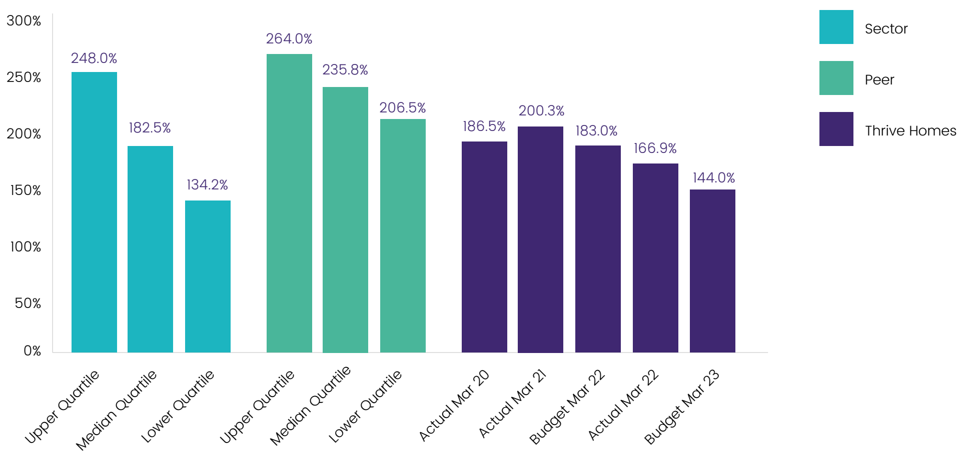
Gearing %

Thrive continues to operate with a sustainable and cost-efficient level of debt. Our gearing, measured as debt to the net book value of housing, is relatively high and above the sector average. This is due to Thrive's LSVT origins and initial financing. We expect this to reduce as we continue to strengthen our balance sheet through shared ownership sales and efficient management of cash. The transition to MV-ST valuation has led to an increase in the reported value of our assets for security purposes. This valuation, alongside Thrive's net debt per unit measure compared to the sector, provides further evidence of a healthy gearing position.



EBITDA Interest Cover %

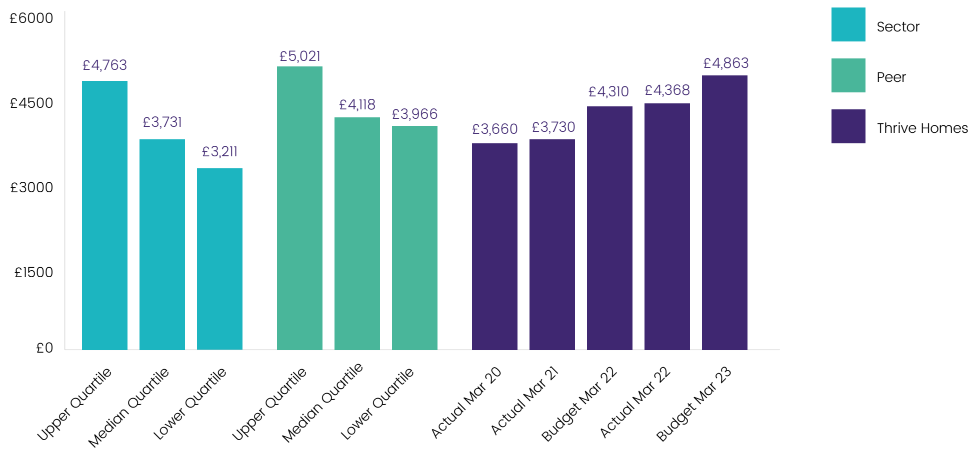
This metric, a measure of cash flow, shows our earnings continue to exceed our interest costs. Thrive can demonstrate its ability to service interest on borrowings out of its day-to-day operations. This performance is indicative of our continued strong core margins and remains significantly above covenants. The reduction in the year reflects the investment we have made to deliver our target operating model. Growth in surplus, driven by future sales and increased rental income, will increase this metric into the future. The funding exercise that took place during the year secured additional funding of £150m at very competitive rates.



Headline Social Housing Cost per Unit

Thrive continues to deliver its cost per unit (CPU) in line with its targets – a level that is comparable to our peer group and the wider sector. The year's performance reflected an increase in CPU due to additional expenditure to counter the impact of the Pandemic and investment in the business as it enters the next phase of it's strategy and delivers the projected growth over the next five years.

This metric is forecast to evolve as the benefit of a growing estate is balanced with the emerging economic challenges and future further sustainability investment.

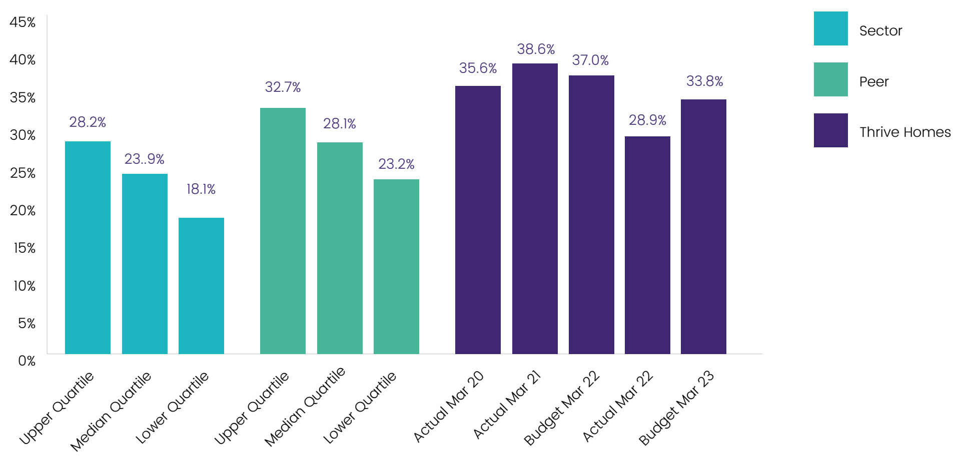


Operating Margins Overall

Our overall operating margin has fallen compared to the previous year and target. The additional investment agreed by the Board in the Thrive Operating Model contributes to a reduction in operating margins alongside the impact of developing land-led projects.

Thrive's costs are subsidised through grant obtained from Homes England. This grant cannot be used to offset costs when calculating shared ownership margins and as a result, land-led projects show weaker returns than developments which are acquired from housebuilders and are required to be affordable under s106 planning provisions. The increased quantum of land-led development against s106 development has therefore reduced Thrive's margins, although from a cash position it should be noted that Thrive has received significantly more social housing grant than in previous years.

Operating costs are planned to remain at 2021/22 levels as we progress our strategy, driving an increase in future margins and strengthening all financial metrics.

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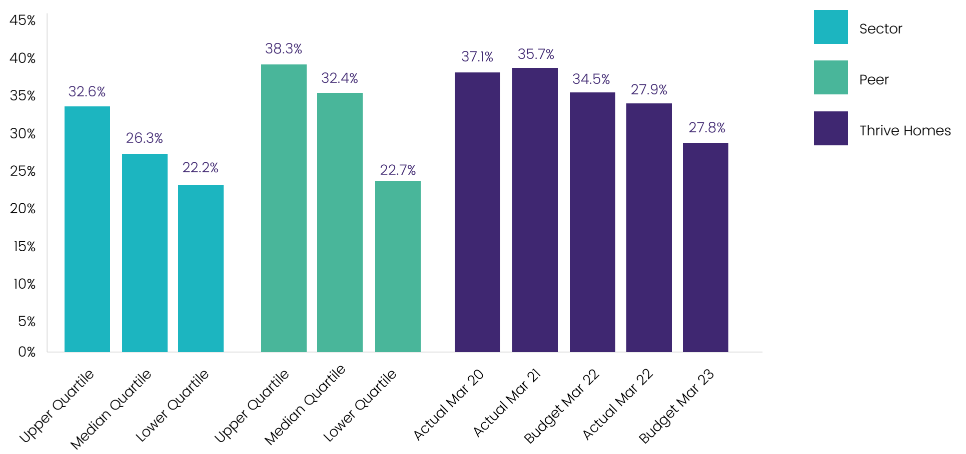
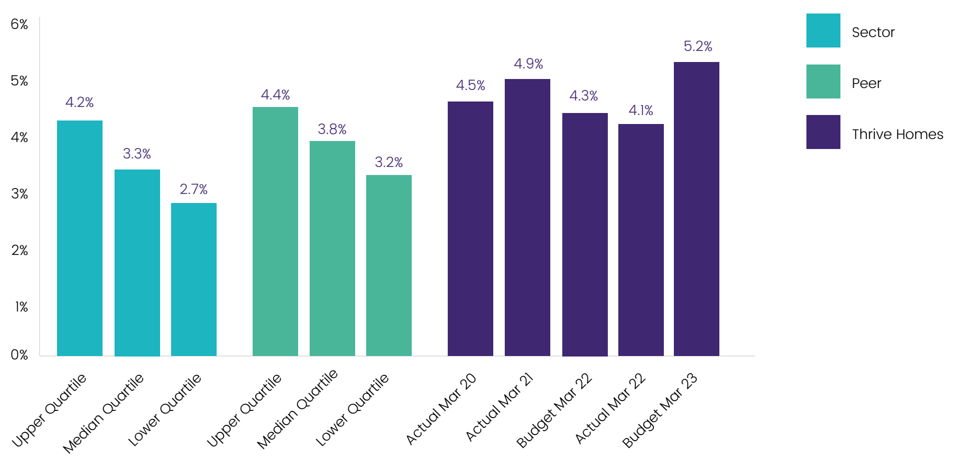
Operating Margin Social Housing Lettings

The margin on our social housing lettings remains strong, in line with our peers and the sector, at just under 28%. This represents a slightly lower margin than our target due to the investment reasons detailed in the earlier Operating Margins section. It demonstrates an efficient and well-controlled cost base. Thrive has managed operating costs through, for example, procurement and agile working which enables Thrive to continue to operate from downsized office space despite increases in staff numbers.



Return on Capital Employed (ROCE) %

Thrive's return on capital continues to be delivered at the top end of both our peer group and wider sector. This demonstrates that we are using our assets effectively and efficiently to deliver sustained long-term returns. Increased investment in the year has been offset by surplus from shared ownership sales, which are planned to deliver continued strong returns in the coming years.



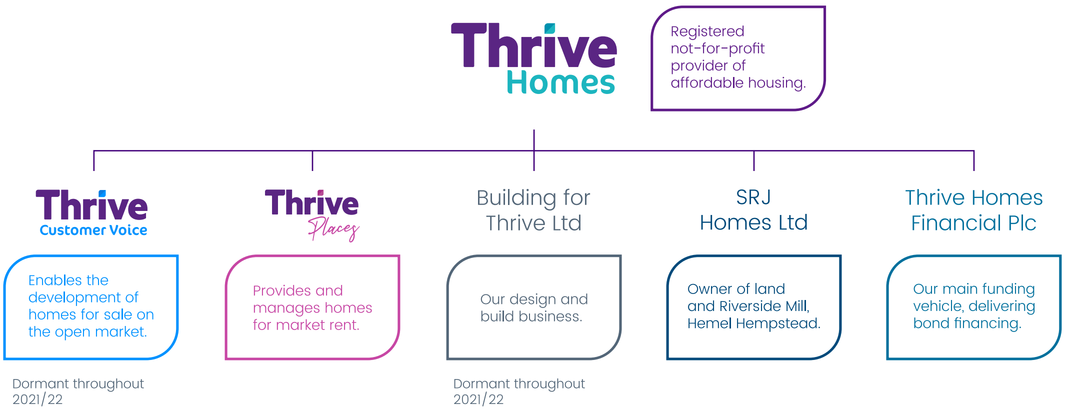
Governance

The Board is pleased to present its report and the audited financial statements of Thrive Homes Limited ("the Association") and its subsidiary entities (together "the Group") for the year ended 31 March 2022. This is the 13th full year of operations for Thrive Homes since its formation as a Large-Scale Voluntary Transfer (LSVT) from Three Rivers District Council in 2008.

Group structure and overview[10]

Thrive Homes is a registered not-for-profit provider of affordable homes. It owns and manages 5,174 homes in Hertfordshire, Bedfordshire, Buckinghamshire and Oxfordshire. Thrive Homes has been growing over the years by a combination of building new homes and acquisitions from other registered providers.

Its wholly owned subsidiaries are identified in the chart below



The principal activity of the Group is the development and management of affordable housing.

Board and committees

The Association is governed and monitored by the Board working through several Board Sub-Committees and is managed by an Executive Management Team of non-voting Executive Directors (as set out on page 36).

Membership of the Board is based on an evaluation of skills and experience and is made up entirely of non-executive members who are drawn from a wide background, bringing together professional and commercial expertise. All appointments to Board positions are made via an appointments panel, the maximum tenure for a board member is six years with an option to extend for another three years in exceptional circumstances.

The Board of Thrive Homes appoints the Executive Directors and Company Secretary of all the subsidiaries of Thrive Homes; Thrive Homes Finance plc, Building for Thrive Limited, Thrive OwnHome Limited and SRJ Homes Limited.

10 Sustainability Reporting Standard, Criteria C31-41 'Board and Trustees'

The Board members receive payment for their services as Non-Executive Directors. Payment is reviewed periodically by members. Levels of remuneration paid to Board members during 2021/22 and 2020/21 are shown on page 66 in the Notes to the Financial Statements.

The Executive Directors hold no interest in the share capital of the Association. The Executive Directors have responsibility for the day-to-day management of the business and the implementation of the strategic policies and plans of the Board.

Over the course of the year, the Board met 10 times including four strategic away days. The Board has set up the following committees to facilitate governance of the Association's affairs. All committees meet quarterly.

- Risk and Audit Committee – responsible for ensuring that Thrive Homes has appropriate risk management and business assurance in place and maintains good standards of probity
- Customer, Colleague & Governance Committee – responsible for ensuring governance and regulatory compliance and a positive experience for our customers and colleagues including oversight of Health & Safety, EDI, Board and Executive remuneration and appraisals and board effectiveness
- Business Resilience & Growth Committee - responsible for ensuring our Finance and Treasury Strategies are sustainable; how we are developing, growing and investing, the partnerships we are developing and that we are maintaining and managing our existing assets effectively.

Board key facts[13]

Gender Balance

64% male | 36% female

Average age

53

BME profile

9%

% with a disability

0%

Average tenure

2.52 years

Board turnover in last two years

25%

11 Sustainability Reporting Standard, Criteria C31, C32 'Demographics and Turnover of the Board'

Board Members

Kate McLeod
Chair of the Board

Vic Baylis
Non-Executive Director
(stood down Sep-21)

Francesco Elia
Non-Executive Director

Malcolm Green
Non-Executive Director
(stood down Sep-21)

Rachel Hatfield
Non-Executive Director and
Chair of Customer, Colleague
& Governance Committee
(appointed Jan-22)

Craig O'Donnell
Non-Executive Director

Graeme Snell
Non-Executive Director
(appointed Feb-22)

Graham Olive
Vice Chair of the Board (current)
and Chair of Customer, Colleague
& Governance Committee
(stood down Jan-22)

David Dahan
Non-Executive Director
(appointed Feb-22)

Jessica Friend
Non-Executive Director

Rachel Harrison
Non-Executive Director and
Chair of Risk & Audit Committee

James Invine
Non-Executive Director

Jamie Smith
Non-Executive Director and
Chair of Business Resilience &
Growth Committee

Executive Management Team

Elspeth Mackenzie
Chief Executive

Jo Barrett
Executive Director – Operations

Jack Burnham
Executive Director – Growth & Investment

Mark Farrar
Executive Director - Resources

Karen Forbes-Jackson
Executive Director – Corporate Services and Company Secretary

Committee Membership Key

- Risk & Audit Committee
- Customer, Colleague & Governance Committee (CCG)
- Business Resilience & Growth (BRG) Committee

Governance[12]

Thrive Homes continues to comply with the NHF Code of Governance 2020. Compliance is reviewed annually with an internal self-assessment which is reviewed by the Customer, Colleague and Governance committee and approved by Board.

Additionally, Thrive has adopted the 2020 NHF Model Rules for registered providers and is a signatory to the NHF Together with Tenants Charter which forms part of Board's commitment to ensuring that the voice of the customer is heard and informs decision making.

Regulator of Social Housing and regulation review

The Regulator of Social Housing (RSH) published the results of their In-Depth Assessment in November 2021. The results were that the Association was assessed to retain the highest level possible for Governance (G1) and for Viability (V1). For more information on the regulation of social housing in the UK, see the RSH website www.gov.uk/topic/housing/social-housing-regulationengland

The Board has commissioned independent reviews of compliance with regulatory standards and is satisfied that it complies in all material respects with the Standards.

Statement on internal controls assurance

Responsibility

The Board has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

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

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

The Board has reviewed the effectiveness of the system of internal control, including the sources of assurance agreed as being appropriate for that purpose. Based on the evidence provided, it is satisfied that there is enough evidence to confirm that adequate systems of internal control existed and operated throughout the year. The Board is also satisfied that those systems were aligned to an ongoing process for the management of the significant risks facing the Association. No weaknesses were identified that would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

During the year the Board and/or Risk and Audit Committee have received the following evidence to support the effectiveness of the system of internal control:

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation, mitigation and control of significant risks. During the year, the series of 'deep dives' by the Risk and Audit Committee on individual risks continued; Business Resilience & Growth Committee and Customer, Colleague & Governance Committee have also conducted 'deep dives' on risks related to the committee's terms of reference. These 'deep dives' have led to updated controls and re-assessing of the risk 'scoring'.

12 Sustainability Reporting Standard, Criteria C25-30 'Structure and Governance'

The Risk and Audit Committee also did a comparison of the Sector Risk Profile to Thrive Homes' risk register to ensure no risks had been omitted or aspects of risks were considered relative to Thrive's operations. The updated risk register includes identifying those risks included in the Sector Risk Profile that may impact Thrive in the future, but are not currently applicable, e.g. swaps and financial instruments.

The constant review of the risk register also helps determine what internal audits are conducted during the year.

There is a formal and ongoing process of management review in each area of the Association's activities. The Executive Management Team, Senior Management Team and Risk and Audit Committee regularly consider and receive reports on significant risks facing the Association. The Risk and Audit Committee has delegated powers to oversee risk management and the operation of the internal control environment.

Control environment and procedures

The Board has put in place an organisational structure with clearly defined lines of responsibility and delegations of authority. These are found in detail in the Association's Rules, Standing Orders, Financial Regulations, Treasury Management Policy and Risk Management policies and procedures. These delegations and authority levels are reviewed regularly.

The Board retains responsibility for a defined range of issues covering strategic, operational, compliance and financial issues including treasury strategy, new business projects and equality and diversity. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

The Board has developed a Code of Conduct in line with NHF guidance. This informs the Association's policies regarding the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which employees must comply.

The Risk and Audit Committee provides feedback to the Board with regards to the results of the internal audits conducted. The Board is satisfied that necessary action is taken by the Association to address any significant failings or weaknesses identified within these reviews.

The Governance and Financial Viability Standard

The Board confirms that Thrive Homes Limited is compliant with the Governance and Viability Standard issued by the RSH.

National Housing Federation Code of Governance

The Board has adopted the National Housing Federation's Code of Governance 2020 and confirm that the Group fully complies with the code. An annual review of compliance is performed by the Board, with the most recent review in October 2021 demonstrating continued compliance.

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. A Health and Safety Policy is in place with a rolling programme of colleague training reviewed and delivered annually. The colleague Safe and Well Working Group meets on a quarterly basis and is chaired by the Assistant Director – Business Assurance and Risk. A report on Thrive's health, safety and well-being activity is provided to the Executive Management Team and Board at every meeting.

Information and financial reporting systems

Thrive Homes has a comprehensive system of financial reporting. The annual budget and medium-term business plan are reviewed and approved by the Board. Management accounts are produced monthly, and results are reported against budget headings to each Board and Business Resilience Committee meeting alongside a report on the current borrowing and investment position.

The Group maintains an Assets and Liability Register in accordance with the requirements of the RSH's regulatory framework which has been reviewed by our internal auditors during the year. The auditors provided a substantial assurance judgement on the completeness and accuracy of the register.

The Board and each committee meeting regularly review key performance indicators to assess progress in the achievement of key business objectives and targets.

In accordance with regulations, annual financial returns and quarterly funding surveys are submitted to the RSH, and quarterly financial and non-financial covenant information is returned to the funders. There are regular meetings with managers to review and monitor revenue and capital spending against budget assumptions. Cash flows and borrowing requirements are continually updated.

Both the external and internal auditors review the financial systems and controls for compliance with Thrive's Standing Orders and Financial Regulations, with the external auditors also providing assurance to the accuracy of the accounts by signing the Annual Financial Statements.

Fraud reporting systems

The Association aims to prevent fraud and corruption and has in place policies in respect of preventing, detecting and investigating fraud, including a policy on 'whistleblowing', and the Board is satisfied that these effectively manage the risk of fraud. These policies include:

- Standing Orders and Financial Regulations
- Anti-Fraud and Corruption Policy
- Whistleblowing Policy
- Probity Policy
- Code of Conduct for Staff and Board Members
- Internal audit programmes.

The Board considers that Thrive Homes has robust policies and procedures in place to identify and mitigate the risk of fraud and the Board has reviewed the risk register. During the year there were no known instances of fraud.

Monitoring and corrective action system

An assurance framework, including self-assessment and regular management reporting on risk and control issues, provides a hierarchy of assurance to successive levels of management, the Risk and Audit Committee and to the Board.

The internal control framework and the risk management process are subject to regular review by an internal audit function which advises the Executive Management Team and reports to the Risk and Audit Committee. The internal audit plan is agreed annually by the Risk and Audit Committee and is focused on the areas of greatest risk to the Association. Monitoring is also carried out by senior officers and managers. The Risk and Audit Committee considers internal control and risk at each of its meetings during the year and can meet privately with the auditors at each of its meetings.

A process of regular management reporting on control issues provides assurance to senior management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and the delivery of our services.

The Risk and Audit Committee conducts an annual review of the effectiveness of the system of internal control and takes account of any changes needed to maintain the effectiveness of risk management and control process and reports this to the Board.

The Board confirms that there is an ongoing process for identifying and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of the annual report and accounts and is regularly reviewed by the Board.

Colleagues

Thrive Homes is committed to promoting equality of opportunity in its employment practices. Diversity data is excluded from the selection process to reduce the risk of bias or discrimination. The Association holds accreditation as a Disability Confident Committed Employer, which demonstrates the commitment of Thrive Homes to good practice in employing and retaining disabled people.

Thrive's Equality, Diversity and Inclusion (EDI) working group (AllTogether@Thrive) was established in 2019 and continues to evolve, monitoring performance against the actions laid out in Thrive's EDI framework. In 2021/22 the group has focused on undertaking the Housing Diversity Network's Diversity Network Accreditation. An award of Excellence in Equality and Diversity with six distinctions for good practice was awarded in December 2021.

It is the policy of Thrive Homes that training, career development and promotion opportunities should be available to all employees. Thrive Homes considers that employee involvement is essential to its success and uses a variety of methods to inform, consult and involve its employees. This is conducted in several ways including formal consultation with the Great Place to Work Group, quarterly all company briefings, departmental meetings, using our 'OneThrive' internal social network and through one-to-one meetings.

Directors' indemnity

The Board confirms that the Association has directors' and officers' insurance in place.

Principal risks and uncertainties

Thrive uses a risk and assurance framework, aligned to the Three Lines of Defence model. This method draws assurance from operational activities, internal review to external evaluation and scrutiny.

Board have identified 13 Key Corporate Risks all of which are reviewed regularly through our Risk and Audit Committee and reported to the Thrive Homes Board. There are several external and internal factors that will significantly influence the management of risk specifically:

Key Risk Area	Key Drivers	How this is being managed
Economic climate	The cost-of-living increase will have impact across Thrive from the ability of our customers & colleagues to manage day to day household bills to the costs that relate to our repairs and development programme.	We will monitor and report on metrics like staff turnover & well-being, customer feedback, arrears and other measures we have in place to help us remain agile to the challenging operating environment.
Building Safety	New and developing health and safety regulations designed to keep customers safe in their homes.	Building Safety Team in place to embed a positive safety culture, developing ways of working and our customer engagement mechanisms to ensure the voice of the customer is being heard. A report on Thrive's health, safety and well-being is provided to the Executive Management Team and Board at every meeting.
Customer sentiment and experience	Regulation and legislation will continue to influence the expectations our customers have of Thrive as a landlord, it is therefore core to our strategy to embed our Customer Engagement Model to ensure the customer voice is heard and we actively shape services to meet the changing and diverse needs of customers.	We will monitor and report on metrics that measure customer satisfaction and reports of dissatisfaction, escalations and feedback from our repairs service.
Data and technology	We recognise that managing our data in a way that allows us to interrogate it fully will increase our capability to examine trends both in retrospect and to enhance our forward planning. Having procured Dynamics based applications to support this step change in data management and reporting, we are focused on maximising this investment.	We will monitor and report on this project named Project Phoenix to ensure it delivers against our Business Case.

Statement of Board Responsibilities

The Board is responsible for preparing the annual report and financial statements in accordance with the applicable law and regulations.

Housing association legislation requires the Board to prepare financial statements for each financial year. Under that legislation, the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and applicable law). Under housing association legislation, the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Group and the Association and of the surplus or deficit of the Group and Association for that period. In preparing these financial statements, the Board is required to:

- adopt suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Association will continue its business.

The Board is responsible for making the appropriate arrangements for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Group and Association and to enable it to ensure that the financial statements comply with housing association legislation (The Cooperative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2019). It has responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of compliance

In preparing this strategic report, the Board has followed the principles set out in the Housing SORP 2018.

Disclosure of information to the auditor

The Board members who held office at the date when this report was approved confirm that:

- so far as each of the directors is aware, there is no relevant audit information of which the Group and Association's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information and to establish that the Group and Association's auditor is aware of that information.

External auditor

Beever and Struthers have expressed their willingness to continue in office and a resolution to reappoint them as auditor will be proposed at the Q3 Thrive Homes Board Meeting.

Approved and signed on behalf of the Board on 12 September 2022.

Kate McLeod
Chair of the Board


AJ21 NHK

Financial Statements

Independent auditor's report to Thrive Homes Limited

Opinion

We have audited the financial statements of Thrive Homes Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2022 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2022 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept adequate accounting records; or
- the Association's financial statements are not in agreement with books of account; 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 Board's Responsibilities set out on page 43, 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 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 intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above
- We enquired of the Board about actual and potential litigation and claims
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association 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 for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Chartered Accountants
Statutory Auditor

The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Date: 23 September 2022

Consolidated and Association Statement of Comprehensive Income

	Notes	Group		Association	
		2022	2021	**2022**	2021
		£'000	£'000	**£'000**	£'000
Turnover	2a	**41,137**	35,718	**40,642**	35,652
Cost of Sales - Shared Ownership	2a	**(7,847)**	(4,149)	**(7,821)**	(4,149)
Operating costs	2a	**(20,981)**	(17,770)	**(20,770)**	(17,752)
Gain on disposal of fixed assets	11	**316**	273	**316**	273
Impairment on Investment Properties		**(436)**	-	**(209)**	-
Operating surplus	2a	**12,189**	14,072	**12,158**	14,024
Interest receivable	3	**2**	24	**78**	158
Interest payable and other finance costs	4	**(5,780)**	(5,937)	**(5,780)**	(5,937)
Surplus before tax		**6,411**	8,159	**6,456**	8,245
Taxation	8	**-**	-	**-**	-
Surplus for the year		**6,411**	8,159	**6,456**	8,245
Actuarial (loss)/gain on pension scheme	21	**1,475**	(1,446)	**1,475**	(1,446)
Actuarial (loss)/gain on investment properties	13	**1,538**	-	**1,450**	-
Total comprehensive income for the year		**9,424**	6,713	**9,381**	6,799

The financial statements were approved by the Board on 12 September 2022 and were signed on its behalf by:

Karen Forbes-Jackson

Kate McLeod
Chair

Graham Olive
Vice Chair

Karen Forbes-Jackson
Company Secretary

The Consolidated and Association's results relate wholly to continuing activities and the notes on pages 53 to 87 form an integral part of these financial statements.

Consolidated and Association Statement of Financial Position

	Notes	Group		Association	
		2022	2021	**2022**	2021
		£'000	£'000	**£'000**	£'000
Fixed assets					
Intangible assets	9	**-**	42	**-**	42
Housing properties	10	**221,485**	234,569	**209,552**	230,450
Other property, plant and equipment	9a	**1,342**	1,179	**1,342**	1,179
Investment properties	13	**36,933**	29,213	**25,330**	21,148
Total fixed assets		**259,760**	265,003	**236,224**	252,819
Investments	19	**30**	30	**14,864**	11,214
Current assets					
Properties for shared ownership sale	14	**5,222**	4,196	**5,222**	4,196
Debtors	15	**6,611**	6,847	**14,742**	7,627
Refurbishment obligation asset	15	**8,234**	11,250	**8,234**	11,250
Cash and cash equivalents		**35,716**	17,846	**34,869**	17,170
		55,783	40,139	**63,067**	40,243
Creditors: amounts falling due within one year	16	**(14,625)**	(25,753)	**(14,542)**	(26,639)
Net current assets		**41,158**	14,386	**48,525**	13,604
Total assets less current liabilities		**300,948**	279,419	**299,613**	277,637
Creditors: amounts falling due after more than one year	17	**(232,897)**	(219,048)	**(231,405)**	(217,066)
Provision for liabilities	20	**(864)**	(1,211)	**(864)**	(1,211)
Provision for pension liability	21	**41**	(1,356)	**41**	(1,356)
Net assets		**67,228**	57,804	**67,385**	58,004
Capital and reserves					
Called up share capital	18	**-**	-	**-**	-
Income and expenditure reserve		**65,690**	57,804	**65,935**	58,004
Revaluation gain/(loss) on investment properties	13	**1,538**	-	**1,450**	-
		67,228	57,804	**67,385**	58,004

The accompanying notes on pages 53 to 87 form an integral part of the financial statements. These financial statements were approved by the Board on 12 September 2022 and were signed on its behalf by:

Karen Forbes-Jackson

Kate McLeod
Chair

Graham Olive
Vice Chair

Karen Forbes-Jackson
Company Secretary

Consolidated and Association Statement of Changes in Reserves

	Group			Association		
	Income and expenditure reserve	**Revaluation reserve investment properties**	**Total**	**Income and expenditure reserve**	**Revaluation reserve investment properties**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2021	57,804	-	57,804	58,004	-	58,004
Surplus for the year	6,411	-	6,411	6,456	-	6,456
Actuarial (loss)/gain on pension scheme	1,475	-	1,475	1,475	-	1,475
Actuarial (loss)/gain on investment properties	-	1,538	1,538	-	1,450	1,450
At 31 March 2022	**65,690**	**1,538**	**67,228**	**65,935**	**1,450**	**67,385**

	Group			Association		
	Income and expenditure reserve	**Revaluation reserve investment properties**	**Total**	**Income and expenditure reserve**	**Revaluation reserve investment properties**	**Total**
	£'000	**£'000**	**£'000**	**£'000**		**£'000**
At 1 April 2020	51,091	-	51,091	51,205	-	51,205
Surplus for the year	8,159	-	8,159	8,245	-	8,245
Actuarial (loss)/gain on pension scheme	(1,466)	-	(1,446)	(1,446)	-	(1,446)
At 31 March 2021	**57,804**	**-**	**57,804**	**58,004**	**-**	**58,004**

Income and Expenditure Reserve

The Income and Expenditure reserve represents cumulative surpluses and deficits of the Group and Association.

The accompanying notes on pages 53 to 87 form part of the financial statements.

Consolidated Statement of Cash Flows

Group	Notes	2022		2021	
		£'000	**£'000**	£'000	£'000
Net cash generated from operating activities	(a)		**13,685**		19,779
Cash flows from investing activities					
Software purchased and developed		**-**		-	
Acquisition and improvement of housing properties, including construction		**(12,583)**		(20,408)	
Net proceeds from sale of properties		**36**		366	
Purchase of other PPE		**(471)**		(221)	
Construction of shared ownership properties for sale		**(12,181)**		(9,388)	
Other investments		**30,825**		-	
Purchase of investment properties		**(3,677)**		(269)	
Grants received		**1,243**		1,040	
Interest received		**2**		26	
			3,194		(28,854)
			16,879		(9,075)
Cash flows from financing activities					
Interest paid		**(7,740)**		(7,846)	
Loan financing costs		**(269)**		-	
Loan premium received		**-**		718	
Loan paid		**(8,000)**		(17,000)	
Loan drawdown (Revolving Credit Facility)	(b)	**17,000**			
New secured loans	(b)	**-**		33,000	
			991		8,872
Increase/(decrease) in cash and cash equivalents	(c)		**17,870**		(203)
Cash and cash equivalents at beginning of the year			**17,846**		18,049
Cash and cash equivalents at end of the year			**35,716**		17,846

The accompanying notes on pages 53 to 87 form an integral part of the financial statements.

Group

(a) Reconciliation of surplus to net cash inflow from operating activities

	2022	2021
	£'000	£'000
Surplus for the financial year	**6,411**	8,159
Add back non-cash items:		
Depreciation and Amortisation	**5,360**	5,120
Grant amortisation income	**(178)**	(167)
Loan premium amortisation	**-**	(38)
Surplus on disposal of fixed assets	**(316)**	(273)
(Increase)/Decrease in < 1-year debtors	**236**	(1,006)
Increase/(Decrease) in < 1-year creditors	**(3,310)**	2,537
Decrease in Provisions	**(347)**	(475)
Change in pension liability	**51**	9
Adjustments for investing or financing activities		
Interest received	**(2)**	(24)
Interest payable	**5,780**	5,937
Net cash generated from operating activities	**13,685**	19,779

(b) Reconciliation of net cash flow to movement in net debt

	2022	2021
	£'000	£'000
Increase/(Decrease) in cash in the year	**17,870**	(203)
New loans	**(17,000)**	(33,000)
Loans paid	**8,000**	17,000
Change in net debt	**8,870**	(16,203)
Net debt brought forward	**(173,154)**	(156,951)
Net debt carried forward	**(164,284)**	(173,154)

(c) Analysis of changes in net debt

	At 1 April 2021	Cash flow	At 31 March 2022
	£'000	£'000	**£'000**
Cash on instant access	-	-	**-**
Cash at bank	17,846	17,870	**35,716**
	17,846	17,870	**35,716**
Debt due before 5 years	(16,000)	(34,000)	**(50,000)**
Debt due after 5 years	(175,000)	(25,000)	**(150,000)**
Total net debt	(173,154)	8,870	**(164,284)**

Notes to the Financial Statements

1. Accounting Policies

General information

Thrive Homes Limited (the 'Association') is a Community Benefit Society incorporated and domiciled in the United Kingdom. The address of the registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

The main activities of the Association and its subsidiaries are the provision of affordable homes for rent for people in housing need.

The consolidated Group financial statements are presented in Pounds Sterling, generally rounded to the nearest thousand.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the comparative year.

Basis of Consolidation

The consolidated financial statements include the results of Thrive Homes Limited and its subsidiary undertakings Thrive Homes Finance plc, Thrive Places Limited (formerly Thrive Living Limited) and SRJ Homes Limited, whose accounts are prepared to the same accounting date. Thrive OwnHome Limited and Building for Thrive Limited were subsidiaries set up in November 2016, neither of these companies traded during the accounting period to 31 March 2022.

The financial year represents the 12 months ended 31 March 2022 (prior year, 12 months ended 31 March 2021).

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. Thrive Homes Limited is a public benefit entity, as defined in FRS 102, and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Association's shareholders.

In preparing the Association's individual financial statements, the Association has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures';
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 'Statement of Financial Position'; and
- from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.

On the basis that equivalent disclosures are given in the consolidated financial statements; the Association has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

Significant management judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the organisation that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Group must make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. No indicators of impairment have been identified as existing at the year end.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property.

Fixed Asset vs Investment Properties

The Group must decide which properties that would otherwise be shown as social housing properties, meet the definition of investment properties. The Group has determined that all 'market rent' residential properties which earn rental income at market rates will be classified as Investment properties. The Group's social housing properties are not classified as investment properties as they are held for their social benefit, i.e. they are rented out at subsidised rates to eligible tenants.

Valuation of Investment Properties

The Group has confidence in the values disclosed in the financial statements. In the light of the current situation - the Group has discussed the valuations with their valuers and also undertaken internal reviews of the most recent investment property valuations and assessed the financial performance of the portfolio and are confident that when taking into consideration the financial strength of the Group, any potential downturn in the value or financial returns from its investment properties would not have an impact on the Groups long term financial viability.

CBRE Lease and Lease Back

The arrangement with CBRE Affordable Housing Fund (CBRE) is considered a finance lease and an operating lease back. The headlease is the finance lease which is considered a disposal due to the duration of the lease being longer than the life of the properties and also with all risks and rewards transferred over to CBRE. The disposal is included in Note 11 under the heading Other. The sublease is the operating lease and generates a monthly management fee which is recognised as part of turnover and in Note 2.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Bad and doubtful debts

Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of provision is based on historical experience and future expectations.

Economic life of assets

An estimation of the useful economic life of the organisation's assets are determined by management and disclosed within accounting policies. The estimates are based on industry standards adjusted to reflect our own experience, quality of components and maintenance procedures.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on many factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management uses independent actuaries to advise on suitable estimates for these factors in determining the net pension obligation. The assumptions reflect historical experience and current trends.

Going Concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Board Report. The Group has in place the proceeds of a bond issue which provide adequate resources to finance the growth aspects of the Group's Strategic Plan.

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

Turnover

Turnover represents rent and service charges receivable in the year (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and Homes England and charitable fees and donations.

Tangible Fixed Assets, Impairment and Depreciation

(a) Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation and reduced by any impairment. Freehold land is not depreciated.

Depreciation of building structure is charged to write down the value of housing properties to their estimated residual value on a straight-line basis over their expected useful economic lives, which are:

Traditional build type	100 years
Non-traditional build type	30 years (as at 31 March 2022 these number 632)

No depreciation is charged on housing properties during construction.

(b) Impairment

For all properties if there are indicators of impairment, then an impairment review is undertaken. Where there is evidence that impairment has occurred, any shortfall between the carrying costs and the higher of value in use or net realisable value is recognised immediately in the surplus or deficit.

The main indicator of housing property impairment is the existence of long-term voids.

The reversal of past impairment losses is recognised when the recoverable amount of a tangible fixed asset or investment in a subsidiary has increased because of a change in economic conditions or in the expected use of the asset.

(c) Disposal of Housing Properties

The sale of properties under the 'Right to Buy' legislation is treated as disposals of fixed assets. The surplus or deficit arising on disposal is shown net of the share due to Three Rivers District Council, as determined in the Development Agreement which governed the 2008 stock transfer to Thrive Homes.

(d) Components

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

Roofs	50 years
Bathrooms	30 years
Central Heating Systems	30 years
Central Heating Boilers	15 years
Windows	25 years
Kitchens	20 years
Doors	20 years
Electrical works	20 years
Building envelope	100 years

Expenditure on housing properties is capitalised where it results in an increase of the economic benefits of the asset in excess of the performance anticipated when the asset was first acquired. Any works which do not result in an increase to economic benefits, e.g. routine and responsive repairs, are charged to the Statement of Comprehensive Income.

(e) Shared Ownership

Shared Ownership properties are valued at the lower of cost and net realisable value. Costs include acquisition and development costs together with interest payable. Net realisable value is based on estimated sales price after allowing for further costs of completion and disposal.

Properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset until sold. Sales proceeds are then included in turnover. The unsold balance is classed as a fixed asset with any subsequent sale treated as a disposal of the fixed asset.
Mixed tenure development costs are apportioned by square footage.

(f) Capitalisation of Overheads
Overhead costs which are identifiable to and directly attributable to the creation of assets are capitalised. These costs include legal and professional fees, bought in construction and design services, bought in works programme delivery management and in-house management and administration. With respect to acquisitions, these costs will also include valuation and stock condition survey services.

(g) Other tangible fixed assets
Other tangible fixed assets are stated at cost and are written down to their residual value over their expected useful lives, which are:

Information, technology and communications (ITC) hardware	3 years
Office furniture and equipment and office fixtures and fittings	5 years
Plant, machinery and vehicles	5 years

Social Housing Grant and Other Government Grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Provision for Bad Debts

The provision for tenant bad debts is based on the age and type of arrear. Arrears in respect of former tenants are fully provided for.

The provision for sales ledger bad debts is based on a review of the age and collectability of each debt.

Financial Instruments

Financial assets carried at amortised cost

Financial assets comprise rent and service charge arrears, other debtors, prepayments and cash and cash equivalents. Where the effect of discounting is material, financial assets are measured at amortised cost using the effective interest method.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

Financial liabilities carried at amortised cost

Financial liabilities include trade and other creditors and interest-bearing bond issues.

Liabilities which are classed as basic financial instruments are measured at amortised cost using the effective interest method, with interest and related charges recognised as an expense in finance costs in the Statement of Comprehensive Income.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Bond Issue

The amount due to bond holders is stated as at the Statement of Financial Position date as the amount of the issue net of deferred financing costs. Deferred financing costs are written off evenly over the period until the issue is repayable. Further details are set out in Note 17a.

Bond Premium

Bond premium is the value above par achieved on bond sales. This is recorded as deferred income and amortised to revenue over the remaining years until the first bond repayment is due. The bond premium resulting from the 2015 and 2017 bond sales are amortised to 2039 using the discounted cash flow method to reduce the balance to nil at this point.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income as incurred, on the accrual's basis.

Interest Payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development programme, after deduction of Social Housing Grant received in advance. Other interest payable is charged to the Statement of Comprehensive Income in the year.

Pension Costs – Defined Benefit Scheme

For defined benefit schemes, the amounts charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date. The resulting defined benefit asset or liability is presented separately on the face of the Statement of Financial Position.

Pension Costs – Defined Contribution Scheme

Thrive Homes provides a defined contribution stakeholder type pension scheme for employees. The employee chooses their own contribution rate which is enhanced by the employer in the ratio of £2 for every £1 the employee contributes, up to a maximum employer contribution of 10% of salary. The employer contribution to the scheme is charged to the Statement of Comprehensive Income when paid. The assets of the scheme are kept separately from those of Thrive Homes and are invested in independently managed funds as chosen by the employee.

Investments

The Association holds investments in Thrive Homes Finance plc, Thrive OwnHome Limited, Building for Thrive Limited, Thrive Places Limited (formerly Thrive Living Limited), SRJ Homes Limited and MORhomes PLC. These investments are held at cost less any impairment.

Intangible Assets - Software

Software purchased and developed or developed in house, is an intangible asset. Cost is measured initially at acquisition cost or costs incurred to develop the asset. Development expenditure incurred on an individual project is capitalised only if specific criteria are met including that the asset created will probably generate future economic benefits.

Acquired software and developed software are both amortised over five years.

Taxation

Thrive Homes Limited is not subject to corporation tax on its ordinary activities due to its charitable status. Thrive Homes Finance plc does not have charitable status but was established to on-lend the proceeds of a bond issue to Thrive Homes Limited and is not expected to make either a profit or loss. Profits will be generated from interest received for deposits or cash held. Any profits from Thrive Homes Finance plc, SRJ Homes Limited and Thrive Places Limited will be gift-aided to Thrive Homes Limited.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less.

VAT

Thrive Homes is VAT registered but a large proportion of its income, namely rental income, is exempt for VAT purposes. This gives rise to a partial exemption VAT recovery calculation on VAT charges incurred on purchases. Expenditure is recorded inclusive of VAT and the input VAT recovered is credited to the Statement of Comprehensive Income or credited against capital additions as appropriate.

As part of the Development Agreement which governed the stock transfer from Three Rivers District Council at Thrive Homes' inception, there is a VAT sharing agreement referencing a VAT shelter arrangement entered by Thrive Homes and the Council. This enables the full recovery of VAT on costs incurred as Thrive Homes completes qualifying works to the transferred properties. The arrangement requires Thrive Homes to perform works to bring the properties up to an agreed standard for a fixed sum of £70m, equal to the expected cost of the works. The VAT recovered on these qualifying works is shared between the parties as determined in the agreement.

2a. Turnover, Cost of Sales, Operating Costs and Operating Surplus

Group

	Notes	2022					2021				
		Turnover	Cost of sales	Operating costs	Other	Operating surplus/ (deficit)	Turnover	Cost of Sales	Operating costs	Other	Operating surplus/ (deficit)
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	2b	**28,804**	**-**	**(20,257)**	**-**	**7,827**	26,894	-	(17,303)	-	9,591
Other Social Housing Activities											
Charges for Support Services		**1**	**-**	**-**	**-**	**1**	1	-	-	-	1
SO 1st tranche sales		**11,538**	**(7,847)**	**-**	**-**	**3,691**	7,374	(4,149)	-	-	£3,225
Development		**-**	**-**	**(562)**	**-**	**(562)**	-	-	(357)	-	(357)
Other		**-**	**-**	**-**	**-**	**-**	1	-	-	-	1
Non-Social Housing Activities											
Market Rent		**1,514**	**-**	**(162)**	**-**	**1,352**	1,448	-	(110)	-	1,338
Surplus on disposal of fixed assets		**-**	**-**	**-**	**316**	**316**	-	-	-	273	273
Impairment on investment properties		**-**	**-**	**-**	**(436)**	**(436)**	-	-	-	-	-
Total		**41,137**	**(7,847)**	**(20,981)**	**(120)**	**12,189**	35,718	(4,149)	(17,770)	273	14,072

Included in social housing letting is income and costs for managing units on behalf of other landlords. Income for the year is £52K (2021: £5K).

Charges for support services income is based on support provided to individuals and is not property based.

Association

	Notes	2022 Turnover	2022 Cost of sales	2022 Operating costs	2022 Other	2022 Operating surplus/ (deficit)	2021 Turnover	2021 Cost of sales	2021 Operating costs	2021 Other	2021 Operating surplus/ (deficit)
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	2b	**28,076**	**-**	**(20,223)**	**-**	**7,853**	26,894	-	(17,303)	-	9,591
Other Social Housing Activities											
Charges for Support Services		**1**	**-**	**-**	**-**	**1**	1	-	-	-	1
SO 1st tranche sales		**11,538**	**(7,821)**	**-**	**-**	**3,717**	7,374	(4,149)	-	-	3,225
Gift Aid received		**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Development		**-**	**-**	**(534)**	**-**	**(534)**	-	-	(357)	-	(357)
Other		**-**	**-**	**-**	**-**	**-**	1	-	-	-	1
Non-Social Housing Activities											
Market Rent		**1,027**	**-**	**(13)**	**-**	**1,014**	1,382	-	(92)	-	1,290
Surplus on disposal of fixed assets		**-**	**-**	**-**	**316**	**316**	-	-	-	273	273
Impairment on investment properties		**-**	**-**	**-**	**(209)**	**(209)**	-	-	-	-	-
Total		**40,642**	**(7,821)**	**(20,770)**	**107**	**12,158**	35,652	(4,149)	(17,752)	273	14,024

Included in social housing letting is income and costs for managing units on behalf of other landlords. Income for the year is £52K (2021: £5K).

Charges for support services income is based on support provided to individuals and is not property based.

2b. Income and Expenditure from Social Housing Lettings

Group and Association

Group and Association	2022				2021			
	General Needs	Housing for Older People	Shared Ownership	Total	General Needs	Housing for Older People	Shared Ownership	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Income								
Rents	**22,019**	**3,256**	**1,009**	**26,284**	21,020	3,348	895	25,263
Service charges income	**929**	**256**	**142**	**1,327**	861	283	102	1,246
Amortised government grant	**170**	**-**	**8**	**178**	155	-	12	167
Other income	**295**	**-**	**-**	**295**	218	-	-	218
Turnover from Lettings	**23,413**	**3,512**	**1,159**	**28,084**	22,254	3,631	1,009	26,894
Expenditure								
Management	**(6,641)**	**(989)**	**(353)**	**(7,983)**	(5,341)	(796)	(288)	(6,425)
Service charges costs	**(856)**	**(236)**	**(130)**	**(1,222)**	(790)	(260)	(94)	(1,144)
Routine maintenance	**(3,589)**	**(523)**	**-**	**(4,112)**	(3,068)	(457)	-	(3,525)
Planned maintenance	**(1,571)**	**(229)**	**-**	**(1,800)**	(1,278)	(191)	-	(1,469)
Bad debts	**(113)**	**(16)**	**-**	**(129)**	(75)	(11)	-	(86)
Depreciation, Housing Properties	**(4,390)**	**(621)**	**-**	**(5,011)**	(4,077)	(577)	-	(4,654)
Operating Costs on Lettings	**(17,160)**	**(2,614)**	**(483)**	**(20,257)**	(14,629)	(2,292)	(382)	(17,303)
Operating Surplus	**6,253**	**898**	**676**	**7,827**	7,625	1,339	627	9,591
Memo - Voids	**410**	**60**	**-**	**470**	177	26	-	203

As there are publicly traded securities within the Group, it is required to disclose information about the operating segments under IFRS 8. Segmental information is disclosed in notes 2(a) and 2(b) and as part of the analysis of housing properties in note 10. Information about income, expenditure and assets attributable to material operating segments are presented based on the nature and function of housing assets held by the Group rather than geographical location. As permitted by IFRS 8 this is appropriate based on the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all the geographical locations in which the Group operates. The Board does not routinely receive segmental information disaggregated by geographical location.

3. Interest Receivable

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	**£'000**	£'000
Interest receivable from bank deposits	**2**	24	**2**	14
Interest receivable from subsidiary	**-**	-	**76**	144
	2	24	**78**	158

4. Interest Payable and Other Finance Costs

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	**£'000**	£'000
To THF (subsidiary)	**-**	-	**5,850**	5,850
To Bondholders	**5,850**	5,850	**-**	-
Amortised bond premium	**(405)**	(392)	**(405)**	(392)
On bank loans, overdrafts and other loans	**1,891**	1,985	**1,891**	1,985
Other finance costs – pension scheme	**27**	(2)	**27**	(2)
Other finance costs	**269**	191	**269**	191
	7,632	7,632	**7,632**	7,632
Borrowing costs capitalised	**(1,852)**	(1,695)	**(1,852)**	(1,695)
	5,780	5,937	**5,780**	5,937

Borrowing costs within the Association have been capitalised using a rate of 4.68% (2021: 4.68%), [which is the actual rates applicable to the Group's current borrowings outstanding during the year]. Borrowing costs are charged to development projects from the date of completion on land acquisition or the date of signing works contracts through to practical build completion of properties.

5. Surplus on Ordinary Activities Before Interest

The surplus on ordinary activities before interest is stated after:

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	**£'000**	£'000
- Depreciation of housing properties	**5,011**	4,654	**4,951**	4,654
- Depreciation of other assets	**308**	217	**308**	217
- Amortisation of intangible assets	**42**	249	**42**	249
- Operating lease payments				
- Land & Buildings	**385**	377	**385**	377
- Other	**160**	95	**160**	95
- Auditor's remuneration (excluding VAT):				
- In the capacity of auditor	**49**	47	**30**	29
- Non - audit services	**5**	5	**5**	5

6. Employee information

Group and Association

	2022			2021
	Staff No.	**Non-Exec No.**	**Total No.**	Total No.
Average number of full-time equivalent staff employed during the year (at 37 hours / week)	**155**	**-**	**155**	112
These were categorised as:				
- Support functions	**73**	**-**	**73**	51
- Development	**13**	**-**	**13**	6
- Housing Management	**24**	**-**	**24**	17
- Property Services (including maintenance)	**45**	**-**	**45**	38
	155	**-**	**155**	112
	Staff	**Non-Exec**	**Total**	Total
	£'000	**£'000**	**£'000**	£'000
Salaries and other benefits	**5,571**	**101**	**5,672**	4,214
Social security costs	**628**	**7**	**635**	445
Pension costs	**446**	**-**	**446**	380
	6,645	**108**	**6,753**	5,039
Excluded from the above costs are:				
Compensation for loss of office	**30**	**-**	**30**	42

There was no compensation for loss of office payments made to any of the directors.

The number of full-time equivalent staff whose total remuneration was above £60,000 in the year, by pay band (includes employer's contribution to pension schemes).	2022 Staff No.	2022 Non-Exec No.	2022 Total No.	2021 Total No.
£170,000 +	1	-	1	1
£160,000 - £169,999	-	-	-	-
£150,000 - £159,999	-	-	-	-
£140,000 - £149,999	3	-	3	2
£130,000 - £139,999	1	-	1	-
£120,000 - £129,999	-	-	-	-
£110,000 - £119,999	-	-	-	1
£100,000 - £109,999	-	-	-	-
£ 90,000 - £ 99,999	3	-	3	2
£ 80,000 - £ 89,999	1	-	1	1
£ 70,000 - £ 79,999	-	-	-	1
£ 60,000 - £ 69,999	4	-	4	3
	13	-	13	11

7. Directors' Emoluments

Group

Emoluments paid to the Directors of Thrive Homes (the Board of Management, the Chief Executive, Operations Director, Growth and Investment Director, Resources Director and Corporate Services Director) are shown below. The key management personnel of the group comprise the Executive Management Team and Board members as named on page 36. Emoluments are defined as salaries paid plus the employer's contributions to pension schemes.

	Exec £'000	Non-Exec £'000	2022 **Total £'000**	2021 Total £'000
Salary	790	91	**881**	739
Pension	56	0	**56**	56
Total emoluments	846	91	**937**	795
Emoluments paid to the highest paid director	180	-	**180**	176
Excluding pension contribution	165	-	**165**	162
Total expenses reimbursed to Directors not chargeable to UK income tax	2	1	**3**	2

The Chief Executive receives an addition to salary in lieu of pension contributions. No additional contributions to any pension scheme have been made and there were no special or enhanced terms which applied.

Director's emoluments are included in staff costs in Note 6.

During the year remuneration paid to Board Members was:

		Board Meetings Attended	2022 £	2021 £
Kate McLeod	Chair of the Board	6 / 6	**17,273**	10,975
Vic Baylis	Interim Chair of the Board (resigned September 2021)	2 / 2	**4,176**	9,695
Rachel Harrison	Chair of Risk and Audit Committee	6 / 6	**10,160**	6,850
Craig O'Donnell		5 / 6	**6,960**	5,570
Malcom Green	Resigned September 2021	2 / 2	**4,176**	5,576
Graham Olive	Vice Chair of the Board and Chair of Remuneration and Governance Committee	6 / 6	**10,160**	8,130
Jamie Smith	Chair of Resources & Development Committee	6 / 6	**10,160**	8,130
James Invine		6 / 6	**6,960**	1,829
Francesco Elia		6 / 6	**6,960**	1,829
Jessica Friend		6 / 6	**7,600**	1,829
Rachel Hatfield	Appointed July 2021	4 / 4	**4,816**	-
David Dahan	Appointed February 2022	1 / 1	**894**	-
Graeme Snell	Appointed February 2022	1 / 1	**894**	-
Tonia Warren	(Resigned October 2020)	0 / 0	**-**	3,223

Due to a change in the payment arrangements for Non-executive Directors' salaries, some of the values reported represent 5 quarters rather than 4, this will revert back to 4 quarters in the new financial year.

8. Taxation

Thrive Homes Limited has been granted charitable status and is not liable to corporation tax on ordinary activities.

Thrive Homes Limited has signed up for group relief and surrenders trading losses related to interest receipts and payments totalling £364k to subsidiaries within the Group.

Thrive Homes Finance plc, Thrive OwnHome Limited, Building for Thrive Limited, Thrive Places Limited and SRJ Homes Limited are subject to United Kingdom corporation tax on their ordinary activities, but can take advantage of Group Relief surrendered and Gift Aid to donate any taxable profits to Thrive Homes Limited.

9. Intangible Assets

Group and Association

	Note	Internally developed software	Acquired software	Total
		£'000	£'000	£'000
Cost				
At 1 April 2021		411	862	1,273
Additions in year		-	-	-
As at 31 March 2022		**411**	**862**	**1,273**
Amortisation				
At 1 April 2021		382	849	1,231
Charge for the year	5	29	13	42
As at 31 March 2022		**411**	**862**	**1,273**
Net book value				
As at 31 March 2022		**-**	**-**	**-**
As at 31 March 2021		29	13	42

9a. Other Property, Plant and Equipment

Group and Association

	Office Equipment, Fixtures & Fittings	Total
	£'000	£'000
Cost		
At 1 April 2021	1,633	1,633
Additions	471	471
Disposal of assets	-	-
As at 31 March 2022	**2,104**	**2,104**
Depreciation		
At beginning of year	454	454
Charge for the year	308	308
Disposal of assets	-	-
As at 31 March 2022	**762**	**762**
Net book value		
As at 31 March 2022	**1,342**	**1,342**
As at 31 March 2021	1,179	1,179

10. Housing properties

Group

	Housing properties under construction	Housing properties completed	Housing properties under construction	Housing properties completed	Total
	For letting £'000	For letting £'000	For shared ownership £'000	For shared ownership £'000	£'000
Cost					
At 1 April 2021	37,653	189,274	17,851	21,634	266,412
Additions in year	8,447	-	22,210	-	30,657
Developments completed	(42,391)	42,391	(27,822)	27,822	-
Works to existing properties	-	4,323	-	-	4,323
Reclassifications	-	(470)	-	470	-
Transfer from current assets	-	-	(2,874)	(9,835)	(12,709)
Disposals	-	(16,313)	-	(14,323)	(30,636)
Component write-offs	-	(397)	-	-	(397)
At 31 March 2022	3,709	218,808	9,365	25,768	257,650
Depreciation					
At beginning of year	-	31,843	-	-	31,843
Charge for year	-	4,836	-	-	4,836
Reclassifications	-	(130)	-	-	(130)
Component write-offs	-	(223)	-	-	(223)
Eliminated on disposal	-	(161)	-	-	(161)
At 31 March 2022	-	36,165	-	-	36,165
Net book value					
At 31 March 2022	3,709	182,643	9,365	25,768	221,485
At 31 March 2021	37,653	157,431	17,851	21,634	234,569

Disposals relates to 88 affordable rent units disposed of to CBRE UK Affordable Housing Fund. The 88 units will be managed by Thrive for the duration of the lease and Thrive will be paid a management fee. There is a further contingent consideration as part of the sale price which will be received by Thrive annually over the duration of the lease.

Interest of £1,852k (2021: £1,695k) and own costs of £660k (2021: £487k) have been capitalised in the year to 31 March 2022.

Works to existing properties includes costs charged by contractors, external consultants, interest capitalised and related in-house supervision and administration costs which have been capitalised.

Capitalisation of own costs totalled £268k (2021: £288k).

10. Housing properties (continued)

Association

	Housing properties under construction	Housing properties completed	Housing properties under construction	Housing properties completed	Total
	For letting £'000	For letting £'000	For shared ownership £'000	For shared ownership £'000	£'000
Cost					
At 1 April 2021	37,653	185,155	17,851	21,634	262,293
Additions in year	8,344	-	22,210	-	30,554
Developments completed	(33,132)	33,132	(27,822)	27,822	-
Works to existing properties	-	4,323	-	-	4,323
Reclassifications	-	(470)	-	470	-
Transfer from current assets	-	-	(2,874)	(9,835)	(12,709)
Transfer to Subsidiary	(7,770)	-	-	-	(7,770)
Disposals	-	(16,313)	-	(14,323)	(30,636)
Component write-offs	-	(397)	-	-	(397)
At 31 March 2022	5,095	205,430	9,365	25,768	245,658
Depreciation					
At beginning of year	-	31,843	-	-	31,843
Charge for year	-	4,777	-	-	4,777
Reclassifications	-	(130)	-	-	(130)
Component write-offs	-	(223)	-	-	(223)
Eliminated on disposal	-	(161)	-	-	(161)
At 31 March 2022	-	36,106	-	-	36,106
Net book value					
At 31 March 2022	5,095	169,324	9,365	25,768	209,552
At 31 March 2021	37,653	153,312	17,851	21,634	230,450

Disposals relates to 88 affordable rent units disposed of to CBRE UK Affordable Housing Fund. The 88 units will be managed by Thrive for the duration of the lease and Thrive will be paid a management fee. There is a further contingent consideration as part of the sale price which will be received by Thrive annually over the duration of the lease.

Interest of £1,852k (2021: £1,695k) and own costs of £660k (2021: £487k) have been capitalised in the year to 31 March 2022.

Works to existing properties includes costs charged by contractors, external consultants, interest capitalised and related in-house supervision and administration costs which have been capitalised.

Capitalisation of own costs totalled £268k (2021: £288k).

10. Housing properties (continued)

Association

	2022	2021
	£'000	£'000
Analysis of works to existing properties:		
Capitalised: replacement of components	**4,099**	3,341
Capitalised: improvements (Aids and Adaptations)	**224**	148
	4,323	3,489
Charged to Statement of Comprehensive Income	**1,800**	1,469
	6,123	4,958

Properties held for security

Thrive Homes Limited – Registered social housing provider had property with a total net book value of £95.0m pledged as security as 31 March 2022 (2021; £98m).

11. Disposal of fixed assets

Group and Association

	2022			2021
	Right to buy	Other	Total	Total
	£'000	**£'000**	**£'000**	£'000
Proceeds	**36**	**30,736**	**30,772**	363
Costs	**(17)**	**(30,529)**	**(30,546)**	(124)
Depreciation eliminated on disposal	**5**	**156**	**161**	31
Fees	**(1)**	**(70)**	**(71)**	3
	23	**293**	**316**	273

The disposals classed as Other relate to 203 shared ownership units disposed of to CBRE UK Affordable Housing Fund. This consists of 88 affordable rent units and 115 shared ownership units as part of a lease and lease back arrangement. The 203 units will be managed by Thrive for the duration of the lease and Thrive will be paid a management fee. There is a further contingent consideration as part of the sale price which will be received by Thrive annually over the duration of the lease.

12. Units in ownership and management[13]

	2021	Additions	Disposals	Transfers	2022
	No.	No.	No.	No.	No.
Social Housing					
Owned – General Needs, let at social rents	3,181	-	(1)	(18)	**3,162**
Owned – General Needs, let at affordable rents	314	59	(88)	-	**285**
Owned – General Needs, let at intermediate rents	100	-	-	-	**100**
Owned – General Needs, let as rent to home buy	-	72	-	-	**72**
Owned – Housing for Older People	545	-	-	(1)	**544**
Owned – Shared Ownership	199	71	(115)	28	**183**
Managed – General Needs, let at affordable rents	9	88	-	-	**97**
Managed – General Needs, let at intermediate rents	14	-	-	-	**14**
Managed – Shared Ownership	4	118	-	-	**122**
Leasehold Properties	499	5	-	-	**504**
	4,865	413	(204)	9	**5,083**
Non-Social Housing					
Market Rented	47	14	-	-	**61**
Total	4,912	427	(204)	9	**5,144**
The above excludes units taken out of rent debit	33	-	-	(3)	**30**

13 Sustainability Reporting Standard, Criteria C2 and C3 'Share and number of new and existing homes allocated by tenure'

12. Units in ownership and management (continued)

	2020	Additions	Disposals	Transfers	2021
	No.	No.	No.	No.	No.
Social Housing					
Owned – General Needs, let at social rents	3,185	12	(3)	(3)	3,181
Owned – General Needs, let at affordable rents	261	53	-	-	314
Owned – General Needs, let at intermediate rents	101	-	-	(1)	100
Owned – General Needs, let as rent to home buy	-	-	-	-	-
Owned – Housing for Older People	545	-	-	-	545
Owned – Shared Ownership	164	22	-	13	199
Managed – General Needs, let at affordable rents	9	-	-	-	9
Managed – General Needs, let at intermediate rents	-	14	-	-	14
Managed – Shared Ownership	4	-	-	-	4
Leasehold Properties	496	-	-	3	499
	4,765	101	(3)	2	4,865
Non-Social Housing			-	-	
Market Rented	47	-	-	-	47
Total	4,812	-	-	-	4,912
The above excludes units taken out of rent debit	35	-	-	(2)	33

13. Investment properties

	Group		Association	
	Land & buildings 2022 £'000	Land & buildings 2021 £'000	Land & buildings 2022 £'000	Land & buildings 2021 £'000
At 1 April 2021	29,213	28,944	21,148	28,944
Additions	6,618	269	2,941	269
Disposals	-	-	-	(8,065)
Gain/(loss) on revaluation	1,538	-	1,450	-
Impairment	(436)	-	(209)	-
At 31 March 2022	36,933	29,213	25,330	21,148

Market rented properties (Private Rented Sector, "PRS") are treated as investment properties. The company have adopted the provisions under sections 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment. This valuation was carried out by Brasier Freeth Limited, a firm of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors ('RICS') Valuation – Global Standards 2017 using qualified chartered surveyors who had sufficient current local knowledge of the particular market and skills and understanding to undertake the valuation competently.

14. Properties for shared ownership sale

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Properties under construction	2,874	4,196	2,874	4,196
Completed Shared Ownership Units held for sale	2,348	-	2,348	-
	5,222	4,196	5,222	4,196

15. Debtors

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Due within one year				
Gross rent and service charges arrears	2,594	1,911	2,594	1,911
Less: provision for bad debts	(791)	(663)	(777)	(663)
	1,803	1,248	1,817	1,248
VAT due from HMRC	188	207	188	207
Trade debtors less provision for bad debts	8	64	8	64
Refurbishment obligation	3,840	4,663	3,840	4,663
Due from subsidiary undertakings	-	-	8,160	809
Other debtors	77	54	34	25
Prepayments and accrued income	695	611	695	611
	6,611	6,847	14,742	7,627
Due after one year				
Deferred expenditure, refurbishment obligation (note 17f)	8,234	11,250	8,234	11,250

16. Creditors: Amounts falling due within one year

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade creditors	**155**	2	**155**	2
Rents and service charges received in advance	**1,436**	1,556	**1,436**	1,556
Due to Three Rivers District Council – VAT sharing agreement	**513**	72	**513**	72
Due to Three Rivers District Council – RTB proceeds share	**197**	982	**197**	982
Taxation & social security costs	**248**	124	**260**	124
Other pension creditors	**71**	47	**71**	47
Leaseholder sinking funds	**148**	130	**148**	130
Refurbishment obligation – see Note 17f	**3,840**	4,663	**3,840**	4,663
Housing Loans – Other loans – see Note 17c	**-**	8,000	**-**	8,000
Sundry creditors	**203**	51	**163**	14
Due to subsidiaries	**-**	-	**101**	1,049
Interest payable to bond holders	**-**	112	**-**	-
Government Grants – see Note 17e	**182**	167	**167**	167
Bond Premium Amortisation – see Note 17d	**417**	-	**417**	-
Retentions, due on works to properties	**928**	1,351	**928**	1,351
Accruals and deferred income	**6,287**	8,496	**6,146**	8,482
	14,625	25,753	**14,542**	26,639

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

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Housing loans – Bond, Note 17a	**123,090**	123,858	**123,090**	123,858
Housing loans – Bank loans, Note 17b	**50,000**	33,000	**50,000**	33,000
Housing loans – Other loans, Note 17c	**25,000**	25,000	**25,000**	25,000
Deferred Income - Bond Premium, Note 17d	**8,752**	9,169	**8,752**	9,169
Deferred Income – Grant, Note 17e	**17,821**	16,771	**16,329**	14,789
Deferred Income – Refurbishment obligation, Note 17f	**8,234**	11,250	**8,234**	11,250
Disposal Proceeds Fund – Note 17g	**-**	-	**-**	-
Total creditors more than one year	**232,897**	219,048	**231,406**	217,066

17a. Housing loans - Bond

Group

On 24th March 2014 Thrive Homes Finance plc, a subsidiary of Thrive Homes Limited, issued a £125 million fixed rate bond with four equal maturities at 25, 29, 33 and 37 years. The annual coupon rate is 4.68%.

£70 million of the issue was sold to investors on the issue date and a further £30 million was sold on 14 July 2015. A final tranche of £25 million was issued on 26 May 2017 million. When the 2015 and 2017 retained bond issues were made, premiums of £3.5 million and £7.8 million were generated on the issues. These premiums arising, are being amortised to interest expense over the 24-year period to 2039 when the first bond repayment is due.

£31.25 million is therefore repayable on each of 24 March 2039, 24 March 2043, 24 March 2047 and 24 March 2051.

Thrive Homes Finance plc has on lent the £125 million bond proceeds to Thrive Homes Limited under a guarantee and security trust agreement. Thrive Homes Limited provides the underlying asset security and this is held through a Security Trust arrangement with the Prudential Trust Company Limited.

The £125 million debt held by investors is secured by fixed charges over 2,457 Thrive Homes Limited properties (2,158 rented and 299 leasehold) at their Existing Use Value - Social Housing (EUV-SH) of £162.5 million. This includes a revaluation of EUV-SH values completed by Savills during the year to March 2022 being the last official valuation, and is net of the disposal of secured properties, e.g. under Right to Buy legislation, since the initial bond issue.

Thrive Finance successfully issued new bonds with proceeds received on the 1 April 2022. The bond was issued as a Forward Purchase Agreement relating to £45m at an annual coupon of 4.68%, secured bonds due 2051. The 2022 bond tap was issued at premium of £19.6m.

A further deferred £30m has been issued at an annual coupon of 4.68% with proceeds expected on 30 September 2022, Secured Bonds due 2051. This will generate a premium of £11.98m.

The new bond tap will be consolidated to form a single series with the existing £125,000,000 at 4.68%, Secured Bonds due 2051. The premiums arising will be amortised within Thrive Homes Limited over the 24-year period to 2039 when the first bond repayment is due.

Under the terms of their loan agreement, all Thrive Homes Finance plc costs relating to providing funding services to Thrive Homes Limited are payable by Thrive Homes Limited.

Association

Thrive Homes Limited has a loan from its subsidiary Thrive Homes Finance plc. £70 million was put in place on 24 March 2014 with further £30 million on 14 July 2015, and a final £25 million on 26 May 2017 to total £125 million. The period of the loan is to 2051 at a coupon rate of 4.68%. Interest is payable by Thrive Homes Limited to Thrive Homes Finance plc half yearly, September and March. Any fees and financing costs incurred by Thrive Homes Finance plc regarding bond issuing, bond sales, and on lending to Thrive Homes Limited are payable by Thrive Homes Limited. These are deferred in the accounts of Thrive Homes Limited and written off over the period of the loan.

Amounts repayable by instalments and not wholly repayable within five years.

17a. Housing loans - Bond (continued)

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Long Term Loan – THF plc	**-**	-	**125,000**	125,000
Deferred finance fees – re Bond	**(1,910)**	(1,142)	**(1,910)**	(1,142)
Due to bond holders	**125,000**	125,000	**-**	-
Repayable after five years	**123,090**	123,858	**123,090**	123,858

The Statement of Financial Position shows the position net of deferred financing costs.

17b. Housing loans – Bank loans

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Loan	**25,000**	25,000	**25,000**	25,000
Revolving Credit Facility	**25,000**	8,000	**25,000**	8,000
At 31 March	**50,000**	33,000	**50,000**	33,000
Due within one year	**-**	-	**-**	-
Due after one year	**50,000**	33,000	**50,000**	33,000
	50,000	33,000	**50,000**	33,000

The bank loans are drawn from loan facilities of £50m. Bank loans are secured by charges on specific properties and are repayable at fixed rate of 2.61% and variable interest rates are now linked to the Sterling Overnight Index Average (SONIA). The change to SONIA is in line with changes implemented by the Bank of England and the Financial Conduct Authority with an effective date of 1 January 2022.

17c. Housing loans – Other

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Due within one year	**-**	8,000	**-**	8,000
Due after one year	**25,000**	25,000	**25,000**	25,000
	25,000	33,000	**25,000**	33,000

17d. Deferred income – Bond premium

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
At 1 April	**9,569**	9,966	**9,569**	9,966
Additions	**-**	-	**-**	-
Amortised in year	**(400)**	(397)	**(400)**	(397)
At 31 March	**9,169**	9,569	**9,169**	9,569
Due within one year	**417**	400	**417**	400
Due after one year	**8,752**	9,169	**8,752**	9,169
	9,169	9,569	**9,169**	9,569

Bond premium is the cash received over and above the bond value, on bond sales. This is amortised to revenue over the remaining years until the first bond repayment is due.

17e. Deferred income – Grants

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Original Capital Grant Value	**20,058**	18,815	**18,395**	16,683
At 1 April	**16,938**	16,065	**14,956**	14,290
Grant received	**1,243**	1,040	**1,712**	833
Amortisation to Statement of Comprehensive Income	**(178)**	(167)	**(172)**	(167)
At 31 March	**18,003**	16,938	**16,496**	14,956
Due within 1 year, note 16	**182**	167	**167**	167
Due after 1 year, Note 17	**17,821**	16,771	**16,329**	14,789
	18,003	16,938	**16,496**	14,956

Capital grants received are recorded as deferred income and subsequently amortised to turnover within the Statement of Comprehensive Income. The period of amortisation is the remaining years of useful economic life for the building structure from its date of construction, or at the time of its acquisition by Thrive (if this is later).

17f. Refurbishment Obligation

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Debtor Balances				
Original Debt	**70,196**	70,196	**70,196**	70,196
At 1 April	**15,913**	18,896	**15,913**	18,896
LESS: works completed in year	**(3,839)**	(2,983)	**(3,839)**	(2,983)
At 31 March	**12,074**	15,913	**12,074**	15,913
Due within 1 year, Note 15	**3,840**	4,663	**3,840**	4,663
Due after 1 year, Note 15	**8,234**	11,250	**8,234**	11,250
	12,074	15,913	**12,074**	15,913

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Creditor Balances				
Original Liability	**70,196**	70,196	**70,196**	70,196
At 1 April	**15,913**	18,896	**15,913**	18,896
LESS: works completed in year	**(3,839)**	(2,983)	**(3,839)**	(2,983)
At 31 March	**12,074**	15,913	**12,074**	15,913
Due within 1 year, Note 16	**3,840**	4,663	**3,840**	4,663
Due after 1 year, Note 17	**8,234**	11,250	**8,234**	11,250
	12,074	15,913	**12,074**	15,913

This represents the Association's liability to carry out refurbishment works under the Development Agreement with Three Rivers District Council. As work within the agreement is undertaken, this liability is reduced. This agreement is a sub agreement to the principal 2008 transfer agreement. The value and scope of these works is part of the agreement and the total value was invoiced by the Association to the council in 2008 – the income being deferred. The requirement to carry out the works is a contractual obligation and is therefore treated as a liability. The equal and opposite side of the liability is recognised as a debtor (prepayment) as this is effectively deferred expenditure.

18. Called up share capital

Association

	2022		2021	
	No.	**£**	No.	£
Issued and fully paid shares of £1 each:				
At beginning of year	**10**	**10**	8	8
Issued during the year	**3**	**3**	3	3
Cancelled during the year	**(2)**	**(2)**	(1)	(1)
At end of the year	**11**	**11**	10	10

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

No shareholders have any rights in the residual interest in the assets of the Association after deducting all liabilities.

19. Investments

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Thrive Finance plc (08902717)	**-**	-	**50**	50
SRJ Homes Limited (08932833)	**-**	-	**3,068**	3,068
Thrive OwnHomes Limited (10471254)	**-**	-	**-**	1
Building for Thrive Limited (10471305)	**-**	-	**1**	1
MORHomes Plc (10974098)	**30**	30	**30**	30
Thrive Places Limited (12292058)	**-**	-	**11,715**	8,064
At 31 March	**30**	30	**14,864**	11,214

On the 21 February, the Thrive OwnHomes Board passed an ordinary resolution to dissolve the company hence all liabilities have been settled and any remaining assets distributed to Thrive Homes

20. Provision for liabilities

The Group recognises provisions and liabilities of uncertain timing or amounts. Provision is made for specific and quantifiable liabilities, measured at the best estimate of expenditure and only where probable that it is required to settle a legal or constructive obligation that existed at the Statement of Financial Position date.

Group and Association

	2022	2021
	£'000	£'000
At the beginning of the year	**1,211**	1,686
Increase in provision	**-**	-
Release of provision	**(347)**	(475)
At 31 March	**864**	1,211

An analysis of the movement in each provision is set out below:

Remedial works
Group and Association

	2022	2021
	£'000	£'000
At the beginning of the year	**588**	887
Increase in provision	**-**	-
Release of provision	**(134)**	(299)
At 31 March	**454**	588

Other
Group and Association

	2022	2021
	£'000	£'000
At the beginning of the year	**623**	799
Increase in provision	**-**	-
Release of provision	**(213)**	(176)
At 31 March	**410**	623

Other provision consists of amounts provided in respect of disputes.

21. Retirement benefit scheme

Group and Association

Defined Benefit Scheme

Thrive Homes Limited is an admitted member of the Hertfordshire County Council Pension Fund, which is part of the Local Government Pension Scheme (LGPS) – a funded defined benefit scheme based on final salary. Entry to the scheme for new employees was closed in November 2009. Thrive Homes' contribution rate over the year was 27.1% of pensionable salary (2021: 27.3%).

The assets and liabilities of the LGPS were moved to Three Rivers District Council (TRDC) under a subsumption agreement during 2021/22, which did not affect the financial treatment of the fund. The most recent actuarial valuations of scheme assets and the present value of the defined obligation were carried out at 31 March 2022. The present value of the defined benefit obligation related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used by the actuaries for FRS 102 purposes were:

	2022 %	2021 %
Financial assumptions:		
Pension increase rate	**3.20**	2.85
Salary increase rate	**3.60**	3.25
Discount rate	**2.70**	2.00

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2021 model, with 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%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males Years	Females Years
Current pensioners	21.9	24.4
Future pensioners	22.9	26.0

Amounts recognised in the Statement of Comprehensive Income in respect of this scheme are as follows:

	2022 £'000	2021 £'000
Current service cost	**(125)**	(94)
Net interest cost	**(27)**	2
	(152)	(92)
Actuarial (loss)/gain recognised in other comprehensive income	**1,475**	(1,446)
Total (loss)/gain relating to defined benefit scheme	**1,475**	(1,446)

21. Retirement benefit scheme (continued)

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of this scheme is as follows:

	2022 £'000	2021 £'000
Present value of defined benefit obligations	**(17,401)**	(18,493)
Fair value of scheme assets	**17,442**	17,137
(deficit)/surplus	**41**	(1,356)
Net (liability)/asset recognised in the Statement of Financial Position	**41**	(1,356)

Movements in the present value of defined benefit obligations are as follows:

	2022 £'000	2021 £'000
At 1 April	**(18,493)**	(14,235)
Service cost	**(125)**	(94)
Interest cost	**(368)**	(326)
Actuarial gains/(losses)	**1,344**	(4,067)
Contributions from members	**(18)**	(21)
Benefits paid	**259**	250
At 31 March	**(17,401)**	(18,493)

Movements in the fair value of scheme assets are as follows:

	2022 £'000	2021 £'000
At 1 April	**17,137**	14,332
Interest income	**341**	328
Return on plan assets (excluding amounts included in net interest cost)	**131**	2,621
Contributions from the employer	**74**	85
Contributions from members	**18**	21
Benefits paid	**(259)**	(250)
At 31 March	**17,442**	17,137

The analysis of the scheme assets at the Statement of Financial Position date are:

	2022 %	2021 %
Equity instruments	**55**	60
Bonds	**25**	26
Property	**13**	10
Cash	**7**	4
	100	100

The employer contribution rate from 1 April 2022 will be 27.1% (2021: 27.3%).

The pension plan has not invested in any of the Group's own financial instruments or other assets of the Group.

Defined Contribution Scheme

Thrive Homes provides a defined contribution stakeholder type pension scheme for employees which is administered by Royal London (formerly Scottish Life). The assets of the scheme are kept separately from those of Thrive Homes and are invested in independently managed funds chosen by the employee.

The employers' contributions to the scheme charged to the Statement of Comprehensive Income for the year ended 31 March 2022 were £430k (2021: £255k). The amount of pension contributions payable at the 31 March 2022 was £63k (2021: £38k).

Thrive Homes' contribution ranges from 6% to 10%, being twice the employee's own personal contribution. The minimum contribution levels are compliant with 'Automatic Enrolment' legislation.

Employee members as at 31 March 2022 were 128 (2021: 87).

22. Capital commitments

Group and Association

	2022 £'000	2021 £'000
Capital expenditure contracted for but not provided in the financial statements	**14,513**	13,339
Capital expenditure authorised by the Board but not yet under contract	**5,504**	8,035

The Board expects the expenditure it has authorised to be fully financed by a combination of cash, available loan facilities, grant funding or from Thrive Homes' own reserves.

23. Other financial commitments

Group and Association

At the reporting date there were outstanding commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:

	2022				2021			
	Land & buildings	Office equipment	Vehicles	Total	Land & buildings	Office equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expiring:								
Not later than one year	**378**	**6**	**-**	**384**	379	2	16	397
Later than one year but not later than five years	**1,464**	**24**	**-**	**1,488**	1,476	-	-	1,476
After 5 years	**12**	**-**	**-**	**12**	732	-	-	732
	1,854	**30**	**-**	**1,884**	2,587	2	16	2,605

24. Contingent liabilities

At the 31 March 2022 Thrive Homes Limited has a contingent liability with respect to the capital grants received that may be repayable should the units that the grants are attached to be disposed or otherwise no longer be properties for social housing letting. This liability is the value of the grant income recognised to date and is the difference between the original grant value and the liability recognised as per note 17e. The contingent liability at year end is £1,071,000 (2021: £893,000).

25. Legislative provisions

Thrive Homes is a registered society under the Co-Operative and Community Benefit Societies Act 2014, registered number 30398R.

It is also registered with the Regulator for Social Housing, Number L4520, and subject to its Regulatory Framework.

26. Related party transactions

Resident Board Members - Tenants

During the year, there was no Tenant Member of the Board

Tenant Board member tenancies are on normal terms and they are not able to use their position on the Board to their advantage. During the year, rent and related charges to tenant Board members amounted to £nil (2021: £nil). Arrears charges outstanding at year end, for tenant Board members amounted to £nil (2021: £nil).

Resident Board Members - Leaseholders

During the year there was no Leasehold Member who served as a member of the Board.

During the year, service charge costs charged to leasehold Board members amounted to £nil (2021: £nil). Balances outstanding at year end for leasehold Board members, relating to the costs of major works being paid in instalments, amounted to £nil (2021:nil).

Development Agreement with Three Rivers District Council

The Development Agreement covers the long-term refurbishment of the housing stock following its transfer to Thrive Homes in 2008 and includes a VAT shelter arrangement whereby 'savings' generated are shared between both parties. The value paid to Three Rivers District Council for the year is £333,171 (2021: £265,639).

The Development Agreement also includes some proceeds sharing agreement when properties are disposed of under the 'Right to Buy' legislation. Annual values can be seen in note 15.

Thrive Homes development on behalf of SRJ

Thrive Homes built the development Riverside Mills which constitutes 39 Rent-to-Home-Buy units on behalf of SRJ Limited. The cost of development (£7m) was transferred to SRJ Limited upon practical completion. The development is now managed by Thrive Homes on behalf of SRJ Limited for a management fee of 10% rent receivable.

27. Subsidiary undertakings

Thrive Homes Finance plc

Thrive Homes Finance plc is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 50,000 £1 ordinary shares in Thrive Homes Finance plc.

Thrive Homes Finance plc, registered England & Wales 08902717, was incorporated on 19 February 2014. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is to source funds on behalf of Thrive Homes Limited directly from the capital markets and to on-lend the proceeds to Thrive Homes Limited.

Transactions and balances with Thrive Homes Finance plc are as follows:

	2022 £'000	2021 £'000
Statement of Comprehensive Income		
Interest payable	**5,850**	5,850
Outstanding balances as at 31 March		
Creditors, less than 1 year, interest payable	**(112)**	(112)
Creditors, greater than 1-year, long term loan	**(125,000)**	(125,000)

Thrive OwnHome Limited

Thrive OwnHome Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 1,000 £1 ordinary shares in Thrive OwnHome Limited.

Thrive OwnHome Limited, registered England & Wales 10471254 was incorporated on 9 November 2016. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is to carry out commercial landlord and property development activities.

Transactions and balances with Thrive OwnHome Limited are as follows:

27. Subsidiary undertakings (continued)

	2022 £'000	2021 £'000
Statement of Comprehensive Income		
Interest payable	**-**	-
Balances as at 31 March		
Creditors, less than 1 year, unpaid share capital	**-**	-

Building for Thrive Limited

Building for Thrive Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 1,000 £1 ordinary shares in Building for Thrive Limited.

Building for Thrive Limited, registered England & Wales 10471305 was incorporated on 9 November 2016. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is to carry out design and build activities for Thrive Homes Limited development activities.

Transactions and balances with Building for Thrive Limited are as follows:

	2022 £'000	2021 £'000
Statement of Comprehensive Income		
Interest payable	**-**	-
Balances as at 31 March		
Creditors, less than 1 year, unpaid share capital	**-**	-

SRJ Homes Limited

SRJ Homes Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 4 £1 ordinary shares in SRJ Homes Limited.

SRJ Homes Limited, registered England & Wales 8932833, was incorporated on 11th March 2014. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal objective is the ownership of land with the purpose of then building residential accommodation for sale on the land; subject to planning permission.

Transactions and balances with SRJ Homes Limited are as follows;

	2022 £'000	2021 £'000
Statement of Comprehensive Income		
Interest receivable	**76**	145
Outstanding balances as at 31 March		
Debtors, less than 1 year	**-**	672
Creditors, less than 1 year	**(9,199)**	(1,982)

Thrive Places Limited (formerly Thrive Living Limited)

Thrive Places Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 1 £1 ordinary share in Thrive Places Limited.

Thrive Places Limited, registered England & Wales 12292058 was incorporated on 31 October 2019. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is the letting and operating of own or leased real estate.

Transactions and balances with Thrive Places Limited are as follows:

	2022 £'000	2021 £'000
Statement of Comprehensive Income		
Interest receivable	-	-
Balances as at 31 March		
Creditors, less than one-year, unpaid share capital	-	-
Debtors, less than 1 year, Gift Aid	-	47

28. Financial instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Financial assets				
Measured at undiscounted amount receivable				
Deferred expenditure- refurbishment obligation (note 17f)	**8,234**	11,250	**8,234**	11,250
Rent arrears and other debtors (note 15)	**5,728**	6,030	**13,859**	6,809
Cash	**35,716**	17,846	**34,869**	17,170
	49,678	35,126	**56,962**	35,229
Financial liabilities				
Measured at amortised cost				
Loans payable (note 17a-17c)	**198,090**	181,858	**198,090**	181,858
Measured at undiscounted amount payable				
Refurbishment obligation (note 17f)	**8,234**	11,250	**8,234**	11,250
Trade and other creditors (note 16)	**14,625**	25,752	**14,441**	25,590
Amounts owed to related undertakings (note 27)	**-**	-	**101**	1,049
	220,949	218,860	**220,866**	219,747

The Group and Association's income, expense, gains and losses in respect of financial instruments were £nil (2021: £nil).

Thrive Homes, Westside, London Road, Hemel Hempstead, HP3 9TD

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