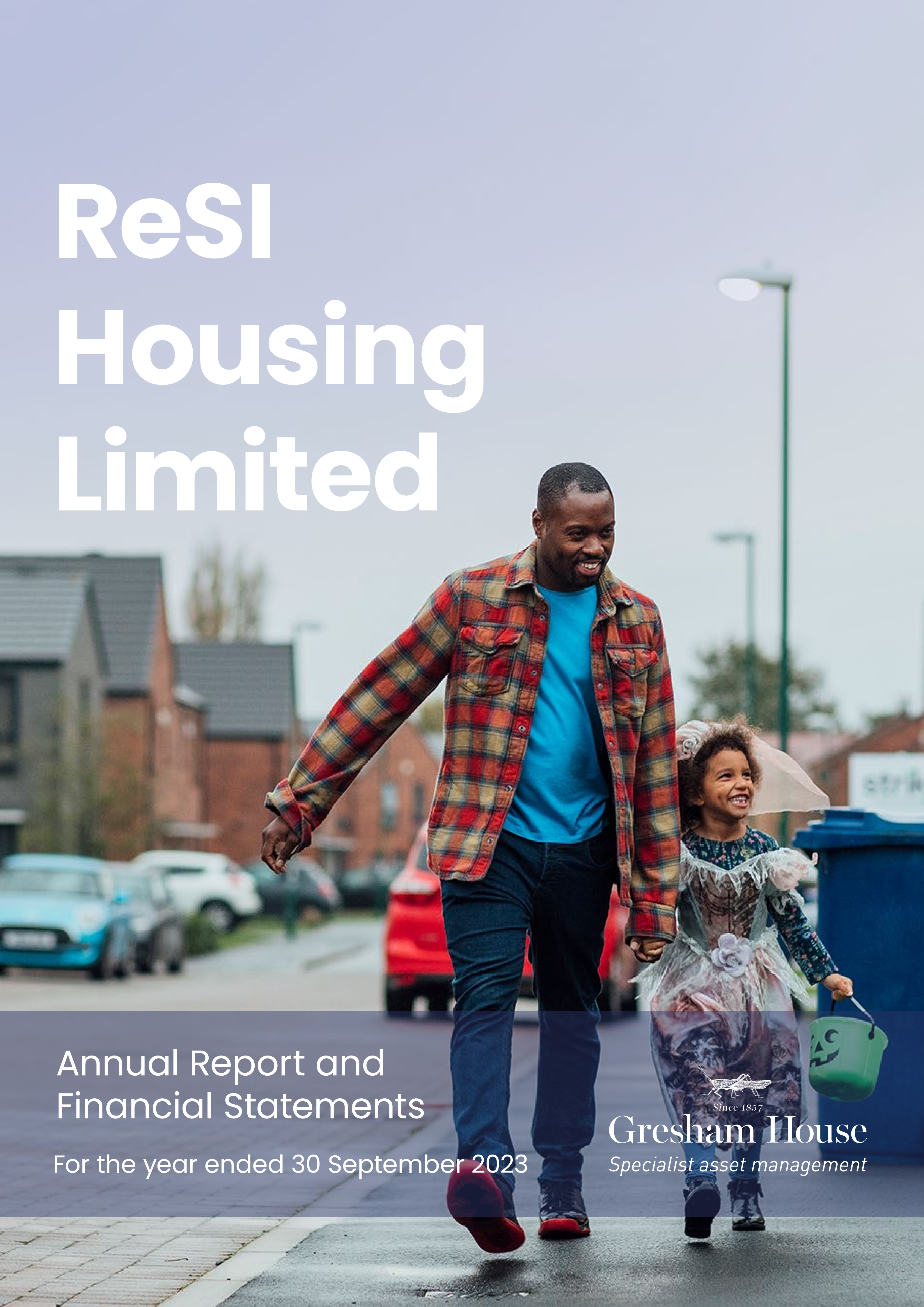


ReSI Housing Limited

Annual Report and Financial Statements

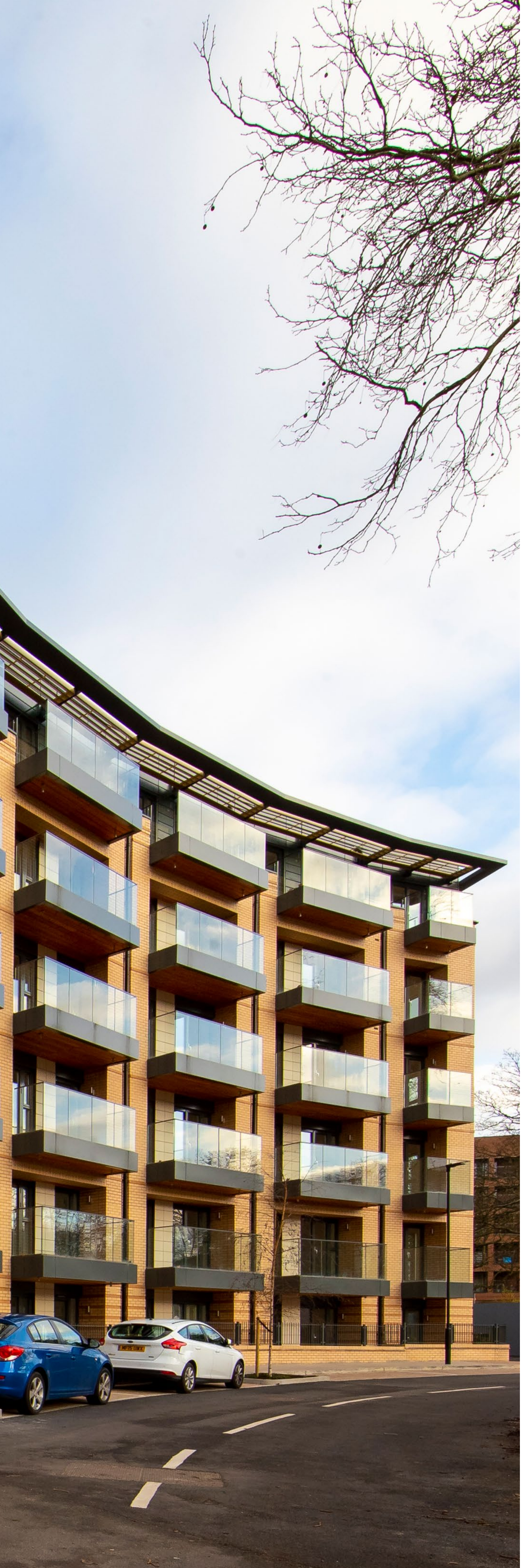
For the year ended 30 September 2023

Since 1857
Gresham House
Specialist asset management

Our Mission

Our mission is to become a significant shared ownership provider in England, focussing on supporting buyers to purchase and maintain their home, in the knowledge that they have a home that they can afford with a landlord who cares.

Our strategic intention is to acquire affordable housing properties and ensure that, through appropriate contractual arrangements, they are well-managed by an experienced third party property manager.



Contents

Chairman's statement	2
Board of Directors	4
Resident testimonials	6
Environmental, Social and Governance Statement	7
Strategic Report	9
Directors' Report	14
Independent Auditor's Report to the Board of Directors of ReSI Housing Limited	21
Statement of Comprehensive Income	25
Statement of Financial Position	26
Statement of Changes in Equity	27
Cash Flow Statement	28
Notes to the Financial Statements	29

Chairman's statement

ReSI Housing is focused on providing middle- to low-income households with an affordable route to home ownership through investing in new and existing shared ownership homes.

At 30 September 2023, ReSI housing owned 766 shared ownership homes with a total gross asset value (GAV) of £123mn. The portfolio comprises of 288 new build shared ownership homes that were funded by ReSI Housing and 478 tenanted shared ownership homes, where ReSI Housing's acquisition injected £45mn into not-for-profit housing associations, to be reinvested into their stock upgrade and development programmes. The portfolio is now fully occupied by residents, reflecting the increasingly strong demand for shared ownership.

The year has seen a challenging macroeconomic environment driven by a sharp and severe increase in inflation, repeated interest rate increases and the consequential impact on the cost of living. This environment lead to our parent company, Residential Secure Income plc, moving from trading at a premium to its Net Asset Value to a discount, and consequently being unable to raise further capital for new investment by ReSI Housing. There has thus been no significant changes to ReSI Housing's shared ownership portfolio over that last year, and our focus has been on our existing portfolio.

We will continue to balance returns with affordability for our residents and voluntarily capped our April 2023 annual inflation-linked rent increases at 7% as opposed to the contractual increase of 13.1%. We believe this decision is the right one for all stakeholders and will support ReSI in its objective to deliver affordable housing that is sustainable for the long term and long term inflation linked returns for our investors.

ReSI Housing has worked with The Good Economy to produce the social and environmental impact report for ReSI plc, which is available on our ReSI plc's website or by request. The key findings from The Good Economy's work are summarised in the Environmental, Social and Governance statement.

ReSI Housing' properties were found by The Good Economy to save residents an average of £44 per month compared to renting privately, with more than 99% of the Fund's properties affordable to local residents at the green and amber level[1].

The Good Economy found ReSI Housing to be delivering affordable housing to the areas that need it most, with 72% of the portfolio located in the least affordable local authorities and 100% of properties in areas where the average property is unaffordable to the average worker.

1. The Good Economy define "green" affordability as housing costs being less than 33% of local residents' net income. "Amber" affordability is defined as 40% of net income

Delivering homes that are energy efficient continues to be a focus for ReSI Housing, with 65% of the portfolio and all new homes delivered by ReSI Housing rated EPC B. Energy efficient homes not only reduce carbon emissions, but they also reduce energy bills for residents, with an EPC B property estimated to save residents £62 per month[2] compared to an EPC D rated property, the average for England[3].

2. The Good Economy calculation of saving for EPC B properties vs EPC D of £460 at energy price cap in March 2021 level. Saving scaled up for October 2023 price cap.

3. English Housing Survey, 2022 to 2023

Looking forward, with help-to-buy having been withdrawn in 2023 and with outright home ownership now unaffordable to all but the top earners[4], demand for shared ownership continues to increase. With the housing completions still well below the government's target of 300,000 per year[5] and mortgage rates expected to remain elevated, we expect the trend of shared ownership demand outstripping supply to continue into 2024. Rents at a discount to market and the smaller mortgages under shared ownership mean the tenure remains the only affordable route onto the housing ladder for an estimated 7.9mn[6] people.

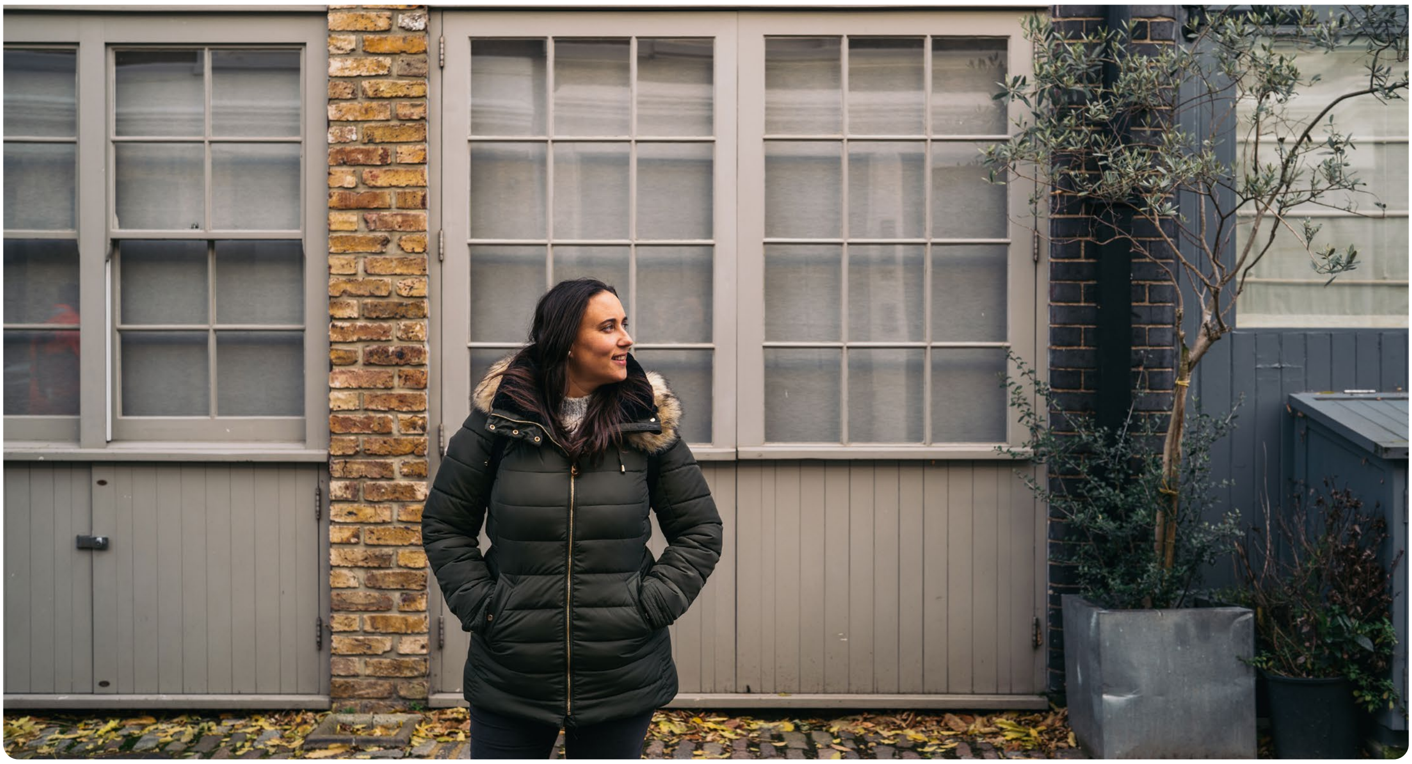
David Orr
Chairman
ReSI Housing Limited

7 March 2024

4. Only top 10% of UK earners can buy a typical home outright, Gresham House. Assumptions: Initial OMV £300k; mortgage LTV 90%; mortgage term 30 years; mortgage interest 5.4%; service charge £1,500 p.a; maximum housing costs as a percentage of net income 40%

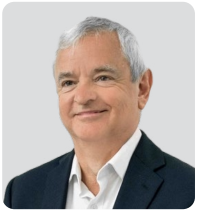
5. Annualised housing completions in 2023 of 154,000, Live tables on house building, ONS

6. Gresham House Calculation. home ownership eligibility calculated based on ONS income percentiles, 2020-21. Assumes 1.5x earners per household



Board of Directors

ReSI Housing is a for-profit registered provider of social housing. The ReSI Housing Board contains independent directors (who are independent of the Fund Manager and Limited Partnership) and Fund Manager directors. The independent Directors control the Board on matters that they consider may affect ReSI Housing' compliance with the regulatory standards of the Regulator of Social Housing



David Orr, CBE

Independent Non-Executive Director

Appointed: 30 January 2019

Skills, competence, and experience:

David is an experienced leader in both executive and non-executive roles. He has over 30 years' experience in Chief Executive roles, most recently at the National Housing Federation. He is Chair of Clarion Housing Association, Chair of the Canal & River Trust, is a previous President of Housing Europe and previous Chair of Reall, an international development housing charity. He is also chair of The Good Home Inquiry, co-chair of #Housing 2030, a joint project for Housing Europe and UNECE, and a member of the Archbishop of Canterbury's Housing, Church and Community Commission. David frequently speaks on the challenge of optimistic leadership and the critical importance of governance. He has wide ranging media experience, is a well-regarded commentator and blogger and has extensive expertise navigating the world of politics and government. In June 2018 David was awarded a CBE.

Gillian Rowley

Independent Non-Executive Director

Appointed: 11 March 2019

Skills, competence, and experience:

Gillian brings to ReSI Housing over 30 years of housing and housing finance expertise, with a focus on policy development within the framework of regulatory standards.

She served as the Non-Executive Director for The Housing Finance Corporation from 2006 – 2012, where she was heavily involved in business strategy, financial policy and governance. This overlapped with her role as the Head of Private Finance at the former social housing regulator, the Homes & Communities Agency, where for 13 years she was responsible for relationships with lenders, investors, advisers, and credit rating agencies operating in the social housing sector. She has also been an authority on all aspects of social housing finance policy, including advising Government departments, focusing on areas of regulatory standards, and being responsible for social housing sector guidance on treasury management.

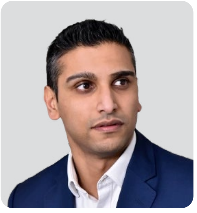
Ben Fry

Director

Appointed: 30 January 2019

Skills, competence, and experience:

Ben Fry is a Managing Director at Gresham House. He is the Fund Manager for Residential Secure Income plc, which is the parent of ReSI Housing Limited and Gresham House Residential Secure Income LP. Ben has worked at Gresham House for 13 years, including via TradeRisks which was acquired by Gresham House in March 2020. Prior to setting up Residential Secure Income in 2017, Ben led TradeRisks' debt advisory services for housing associations, local authorities, and specialist residential accommodation. Ben has 19 years of experience in housing, local government and infrastructure and qualified as a chartered accountant with Deloitte. He holds a BSc in Mathematics from Imperial College London.



Sandeep Patel

Director

Appointed: 11 January 2023

Skills, competence, and experience:

Sandeep is Finance Director, Housing at Gresham House and was appointed in January 2023. He leads the finance function for the group's Housing strategy, encompassing the full suite of financial reporting and analysis. Sandeep has over 16 years of senior finance experience spanning financial control, valuations, product control and finance business partnering, to board and executive committee level, playing an active role in the delivery of strategic objectives. During 10 years on the sell-side, Sandeep led and worked in teams which realised significant income opportunities and cost savings. In five years on the buy-side, Sandeep led a finance team implementing a finance operating model to facilitate the scale of a listed commercial real estate investment trust from IPO to a £1.2bn market capitalisation. Sandeep is a Fellow Member of Association of Chartered Certified Accountants.

Pete Redman

Director

Appointed: 30 January 2019

Skills, competence, and experience:

Pete has been Head of Housing Management at Gresham House since March 2020, following the acquisition of TradeRisks. He is responsible for due diligence on residential acquisitions and operational performance by ReSI's property managers and leaseholders. He has built a strong reputation in the housing sector on topics like the market dynamics and development economics. He has been an advisor to the Greater London Authority, the Scottish Government, and was a member of the team that won the Wolfson Economics Prize in 2014 on housing supply. Pete was Chief Executive of Notting Hill Housing Group and Chief Officer at two London Boroughs. He joined TradeRisks Limited in 2013 and has 47 years' experience in residential portfolio management. Pete studied Engineering and Philosophy at the University of Cambridge, is an Alumni of the London Business School, and is an Honorary Fellow of the Royal Institute of British Architects.

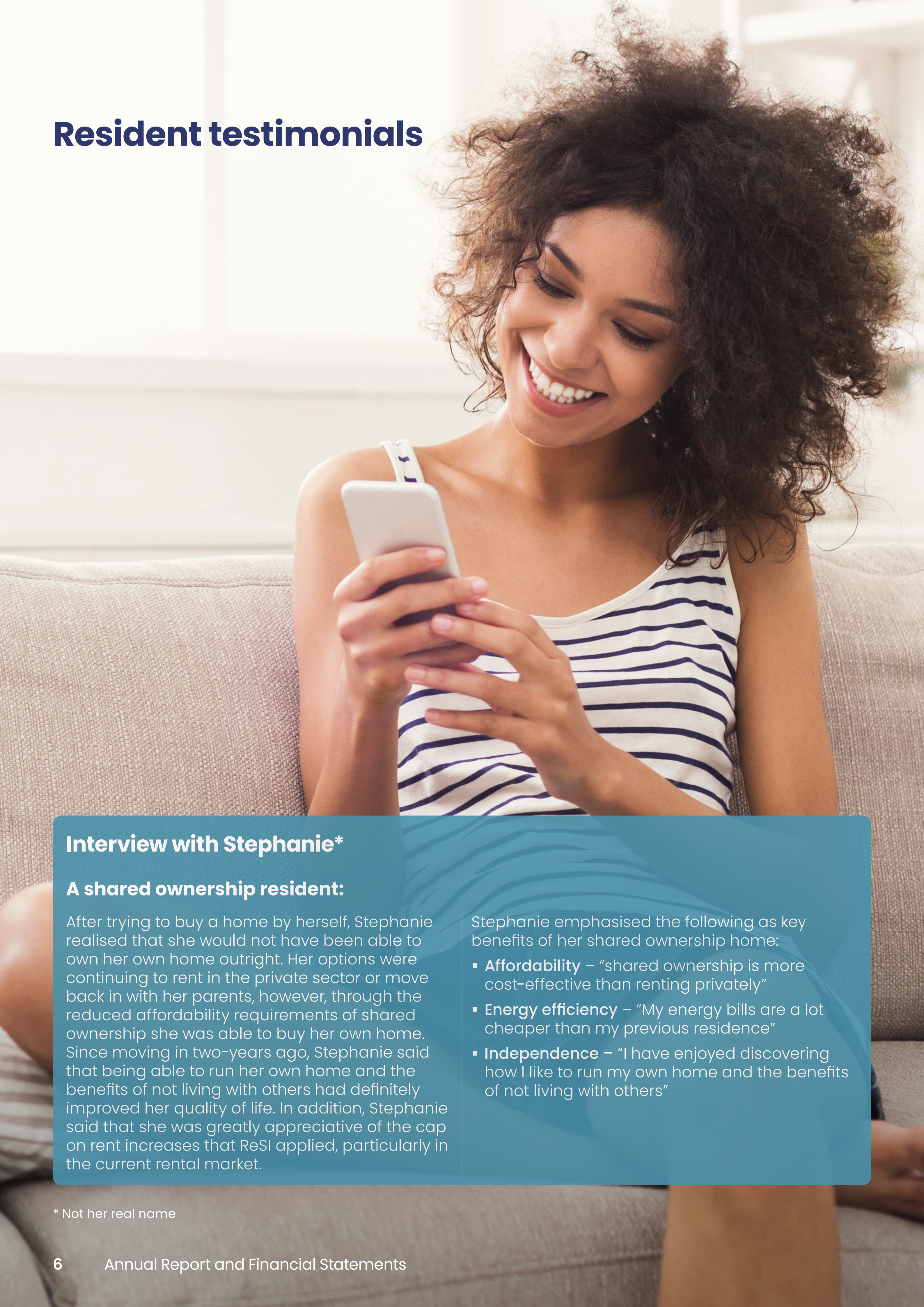
Mark Rogers

Non-Executive Director

Appointed: 30 January 2019

Skills, competence, and experience:

Mark joined Gresham House in March 2020 following the acquisition of TradeRisks. Before joining ReSI Housing, Mark spent 12 years as a Chief Executive of Circle Housing Group, a 65,000-unit housing association, before merging it into the Clarion Group, the largest housing association in the UK. Prior to that, Mark held Chief Executive roles at Anglia Housing Group and Nene Housing Society. He has 39 years' social housing experience and has been a member of the Chartered Institute of Housing since 1986.



Resident testimonials

Interview with Stephanie*

A shared ownership resident:

After trying to buy a home by herself, Stephanie realised that she would not have been able to own her own home outright. Her options were continuing to rent in the private sector or move back in with her parents, however, through the reduced affordability requirements of shared ownership she was able to buy her own home. Since moving in two-years ago, Stephanie said that being able to run her own home and the benefits of not living with others had definitely improved her quality of life. In addition, Stephanie said that she was greatly appreciative of the cap on rent increases that ReSI applied, particularly in the current rental market.

Stephanie emphasised the following as key benefits of her shared ownership home:

- **Affordability** – "shared ownership is more cost-effective than renting privately"
- **Energy efficiency** – "My energy bills are a lot cheaper than my previous residence"
- **Independence** – "I have enjoyed discovering how I like to run my own home and the benefits of not living with others"

* Not her real name

Environmental, Social and Governance Statement

ReSI Housing is committed to delivering quantifiable social and environmental impact by providing middle to low earners with an affordable route onto the housing ladder.

Shared Ownership's part-buy part-rent model reduces both deposit requirements and monthly housing costs, providing an affordable route onto the housing ladder for an estimated additional 7.9mn people[1]. The reduced housing costs under shared ownership through rents at a c.30%[2] discount to market rates allow residents to save £314k over a lifetime, whilst building a financial asset of £400k[3].

In addition to the financial benefits, the security of tenure offered through the 999-year shared ownership lease enables families to become established in their own communities.

Delivering energy efficient homes continues to be a priority for ReSI Housing, as efficient properties not only reduce carbon emissions but also reduce energy bills for residents, something that has been particularly important to with the current, elevated price of energy.

ReSI Housing has worked with The Good Economy to produce the social and environmental impact report for ReSI plc. The findings of the report are summarised below; the full report is available on ReSI plc's website or by request.

TGE have assessed ReSI Housing' performance against its five measurable impact objectives:

	Address Social Need	Provide Affordability and Value for Money	Build Quality Partnerships	Increase the Supply of Homes	Improve Energy Efficiency
ReSI Housing 2023 Results	**72%** of properties in the least affordable local authorities **100%** of properties located in in areas where the average worker can't afford the average home	**£44 per month:** Average saving for residents compared to the private rental sector **99.7%:** proportion of homes expected to require less than 40% of local resident net income	Room for improvement: Some residents living in apartments where ReSI is not the freeholder are dissatisfied with maintenance of communal areas and rise in service charges	Due to the challenging macro-environment, ReSI did not make new investment during FY 2023.	**85%** of homes rated EPC C or higher **65%** of homes rated EPC B or higher

1. Gresham House Calculation. home ownership eligibility calculated based on ONS income percentiles, 2020-21. Assumes 1.5x earners per household

2. For a £300k property with a 25% first tranche. Comparison of shared ownership rent of 2.75% on residual equity + service charge of £1,500 p.a. vs typical market rental yield of 4.9%

3. Assumptions: OMV £300k; first tranche sale 25%; service charge £1,500 p.a.; shared ownership rent 2.75%; mortgage LTV 90%; mortgage rate 5.4%; mortgage term 30 years; maximum housing costs as % of income 40%; shared ownership rent and private rent growing at CPI + 1%; CPI 2.5%; market rental yield 4.9%

Address Social Need

House prices in England are on average eight times greater than the average person's earnings[1], making the average home unaffordable to the average worker. TGE has found that 72% of ReSI Housing's shared ownership homes are located in local authorities with house price to earnings ratios above this average, demonstrating ReSI Housing's commitment to delivering affordable homes to the areas that need them most. Whilst affordability is most constrained in areas with an above average price to income ratio, the average worker is unable to afford the average property in regions where the ratio is above five times. Any local authority with a ratio above this level has a need for affordable housing, and 100% of ReSI's properties are located in such locations.

Provide Affordability and Value for Money

When assessed through TGE's person centred affordability calculator, 99.7% of ReSI Housing's shared ownership properties were found to be affordable to local residents at the green and amber level. Under TGE's definition, green affordability and amber affordability is where the resident is spending less than 33% and 40% respectively of their net income on housing costs. TGE found that on average, ReSI Housing's shared ownership residents save £44 per month when compared with renting an equivalent home locally on the open market. ReSI Housing has ensured its properties remain affordable to residents in 2023 through capping rent increases below inflation at 7%.

Build Quality Partnerships

For the 62% of properties where ReSI Housing owns the freehold, it has appointed its internal property manager, ReSI Property Management Limited (RPML), as the property manager. 77% of residents in RPML managed buildings said they were happy or not dissatisfied with the service provided.

For the 38% of properties where ReSI owns the long leasehold rather than the freehold (apartments), it is unable to appoint the property manager or the managing agent and hence is less able to directly influence building management, in particular the management of communal areas and setting the service charge levels. ReSI Housing continues to work proactively with its external property managers and ensures that they comply with KPIs, however going forward ReSI Housing will target investing in properties where it is able to own the freehold to give it greater control over management.

Increase supply

The year has seen a challenging macroeconomic environment driven by a sharp and severe increase in inflation, repeated interest rate increases and the consequential impact on the cost of living. This environment lead to our parent company, Residential Secure Income plc, move from trading at a premium to its Net Asset Value to a discount, and consequently be unable to raise further capital for new investment by ReSI Housing. There has thus been no significant changes to ReSI Housing's shared ownership portfolio over that last year, and our focus has been on our existing portfolio. .

Improve Energy Efficiency

85% of ReSI's shared ownership properties have an EPC rating of 'C' or higher, and 65% of properties have an EPC of B. As a comparison, the average home in England has an EPC rating of D. The Good Economy estimate that an EPC B property produces 2.4 tonnes less annual Co2 emissions when compared with an EPC D property.

1. ONS, 2022

Strategic Report

The directors present the strategic report for the year ended 30 September 2023.

ReSI Housing Limited (the **Company**) is a profit making Registered Provider registered with and regulated by the Regulator of Social Housing (**RSH**). The Company is a private company limited by shares incorporated under the Companies Act 2006 and is a wholly-owned subsidiary of Residential Secure Income plc (**ReSI**), which is regulated as an alternative investment fund (**AIF**) by the Financial Conduct Authority and for the year ended 30 September 2023 had appointed ReSI Capital Management Limited (the **Fund Manager**) as alternative investment fund manager to ReSI and its group, which includes the Company.

ReSI Housing is a long-term, private sector social housing landlord, with the investment objective of acquiring and managing assets within the social housing regulatory environment for the long term.

As at 30 September 2023, the Company was in a net asset position. During the year the Company acquired an additional 41 homes, with gross rental income growing to £5.3mn per annum, yielding an operating profit for the year of £5.1mn and a loss before tax for the year of £2.0mn.

Purpose

ReSI Housings' purpose is to offer quality shared ownership homes in England, focussing on supporting first-time buyers to purchase and maintain their home, in the knowledge that they have a home that they can afford with a landlord that cares. To achieve this, the Company continues to identify appropriate opportunities to acquire affordable housing stock from developers and other Registered Providers.

ReSI Housing strives to be efficient, acting in compliance with its governance obligations and best-practice, and financially strong. The strategic intention is to acquire affordable housing properties for the long term and ensure that, through appropriate contractual arrangements, they are well-managed by a reputable property manager. The Company and the Fund Manager work hard to make the Company's homes affordable and comfortable places to live in. We carefully select and manage our managing agents, which are responsible for managing the Company's properties on its behalf subject to the terms of long-term management agreements.

Our Corporate Strategy 2023-2025

In May 2023, the Board reviewed its current Corporate Strategy, which places an emphasis on measurable outcomes in five strategic themes:

Strategic Theme	Strategic Objective
Growth & Development	Invest in quality affordable housing properties across England focusing on the provision of shared ownership homes (whilst remaining open to other tenures) to ensure that our business and investment priorities can be met.
Customer Service	Be a truly customer-driven housing provider.
Governance & Regulatory Standards	Demonstrate high standard of governance and meet regulatory standards.
Safeguarding Financial Position	Maintain a secure financial viability position and deliver sustainable returns, supporting the company's financial position, allowing it to increase investment and deliver more affordable homes.
Safety & Sustainability	Ensure all of our homes are safe and energy-efficient.

Principal risks and uncertainties

The effective management of risk plays a vital role in achievement ReSI Housing' strategic objectives. Ultimate responsibility for risk management rests with the Board, with the Fund Manager supporting on a day-to-day basis.

The Company has in place a risk management and internal control system. Each year, the Board determines the extent of its appetite for risks it is willing to take in achieving its strategic objectives.

All of the identified risks are recorded on the strategic risk register which is maintained by the Fund Manager and approved by the Board.

ReSI Housing's risk management and assurance framework demonstrated substantial growth and enhancement throughout the past year, reflecting a commitment to continuous improvement. Key initiatives were implemented to strengthen the framework, including:

- The Strategic Risk Register underwent significant review subsequent to the Annual Board Risk Workshop, ensuring alignment with the risk appetite and Sector risk profile.
- The Board conducted a comprehensive review of the risk appetite, aligning the risk appetite with each core strategic objective.
- The Board agreed on a new risk appetite statement.
- The Fund Manager underwent risk management training, equipping the individuals responsible for managing risk with a proficiency in assessing, mitigating, and navigating potential risks within the Company.
- In August 2023, Beevers and Struthers conducted an internal audit of the company's Risk Management framework. The auditors identified a 'substantial' level of assurance, attesting to the effectiveness of the framework.

Looking ahead to the new year, there is a strategic focus on further refining the risk management framework. Emphasis will be placed on the establishment of a robust controls assurance framework, ensuring a proactive and comprehensive approach to risk mitigation and management. The commitment to ongoing enhancement underscores ReSI Housing's dedication to achieving the highest standards of risk governance and assurance.

ReSI Housing' risk management system continued to evolve and mature throughout this financial year. In meeting its strategic objectives, the key business risks and uncertainties affecting the company are:

	Risk & Risk description	Mitigating Actions
1	**Acquisition cost and the impact of incorrect assumptions** Assumptions are too prudent reducing bid levels and opportunities for ReSI Housing or alternatively assumptions are not sufficiently prudent, inflating bid levels, impacting forecast returns.	The Fund Manager uses industry data and performs continuous assessment of bids made and a comparison of underwritten values against achieved values. The Fund Manager engages reputable third-party valuation agents to support appraisal analysis.
2	**Availability and/or suitability of funding** Funding is either not available or not available on terms consistent with yield requirements. ReSI Housing does not have sufficient cash to operate.	The Fund Manager actively manages liquidity and the funding commitment needed across ReSI Housing. ReSI Housing is entitled to employ leverage as may be required and the Fund Manager keeps this under rolling review.
3	**Operating cost inflation** Operating costs for the shared ownership homes are higher than modelled increasing overheads in ReSI Housing' business plan (and is not offset by a corresponding increase to receivables). Cost inflation impacts services provided by Managing Agents or makes the Property Management contract uneconomic.	Strong contract management of managing agents and the use of long-term price contracts to reduce cost uncertainty and minimise transitional costs. Medium-term and long-term financial planning are rigorously stress tested.
4	**Managing agent underperformance** The managing agents appointed by ReSI Housing do not meet service delivery expectations (both in customer facing and asset activity).	ReSI Housing engages reputable managing agents only. Management contracts contain a performance management framework and require periodic reporting against KPIs, which is reported to the Board of ReSI Housing. Monthly management meetings with managing agents. If required ReSI Housing can change to an alternative provider.
5	**Data Protection breach** GDPR Compliance and data security breach. A breach of data security leads to the theft of personal data. ReSI Housing is subject to cyber crime such as denial of service attack, hacking or virus.	ReSI Housing has established an effective GDPR policy and procedures are reviewed regularly. The Fund Manager has undergone data protection training and has procured appropriate cyber security assurances for ReSI Housing. ReSI Housing only engages with reputable managing agents.

	Risk & Risk description	Mitigating Actions
6	**Public image and reputational damage** Negative reporting of ReSI Housing or its affiliates and their activities.	ReSI Housing engages third party advisers as to legal, regulatory, compliance, financial and investment matters. ReSI Housing uses a PR team to review press releases and manage key messaging to aid transparency for all stakeholders. ReSI Housing has a robust complaints management process, requiring complaints to be dealt with promptly. ReSI Housing will ensure it learns from all complaints received to deliver, with its managing agents, a best in class service.
7	**Failure to provide good customer experience** ReSI Housing is held in poor regard by its residents.	ReSI Housing has established its Customer Engagement Strategy to ensure continuous engagement with all residents. Property management contracts generally require a high standard of customer care and process for handling complaints. Tenant Satisfaction Measures surveys are used to measure performance and allow ReSI Housing to look for improvement.
8	**Significant or material fall in the value of the property market** Housing market volatility causes a reduction in sales values of shared ownership properties.	ReSI Housing is a long-term investor in shared ownership and does not intend to rely on capital gains on disposals. ReSI Housing does not have any loan to value covenants on its debt. Under forward funding arrangements, risk are mitigated through robust due diligence, transferring of risk to competent development partners, fixed price contracts, bonding and guarantees and the appointment of expert Sales and Marketing Agents. Sensitivity analysis is undertaken quarterly.
9	**Failure to meet Regulatory Standards** ReSI Housing fails to comply with one of the RSH's regulatory standards	ReSI Housing has an effective board with specialist sector experience and a risk-based governance structure. Ongoing compliance monitoring is discussed quarterly and a self-assessment against the Regulatory Standards is performed annually. Independent regulatory compliance assurance is provided by third party industry experts.
10	**Breach of Health and Safety Requirements** Failure to meet statutory requirements regarding Fire, Legionella, Asbestos, Gas, Electricity (and others).	Stock condition/construction surveys are procured on acquisition from reputable advisers. Management contracts regulate Health & Safety compliance on an ongoing basis with quarterly reports from managing agents tabled to the Board. Annual review of property compliance by Internal Audit to provide further assurance. Rigorous property compliance policies and procedures in place with property manager. Compliance with legislative and regulatory requirements monitored using appropriate information systems.

	Risk & Risk description	Mitigating Actions
11	**Loan Default Risk** Risk of breach of existing loan covenants through activities, and/or existing or new loan covenants restrict the commercial and operational viability through repayment triggers or restrictions.	Ongoing Management reporting and monitoring is undertaken by the Fund Manager. Stress testing on 30 year business plan is conducted regularly. Covenant reports are provided to the Board each quarter. A thorough and routine examination of covenants and new loan facilities is conducted through comprehensive legal and financial reviews. Strong lender engagement in place.
12	**Failure to meet sustainable investment commitments** Equity investors have sustainability expectations, failure to hit these impacts demand group equity that reduces borrowing capacity at ReSI Housing.	ESG considerations are integrated into the selection, evaluation, governance and management processes. The Fund Manager conducts regular monitoring of ESG risks, opportunities and performance, with additional review by its sustainability team. External review of ESG considerations are conducted annually by the Good Economy or another reputable party.

Statement of internal control

The Board is responsible for establishing and maintaining a system of internal controls for the Company that is appropriate to the various business environments in which it operates. Business risks are identified through a system of continuous monitoring. The risk control framework includes the following key elements:

- a Risk Appetite Statement which set out the Company's tolerances for identified risks;
- the Company's appointed internal auditors responsible for providing independent assurance on the effectiveness of business risk management and the overall operation of the risk framework.
- identification and evaluation by the Fund Manager of risks to which the Company may be exposed so that they can be managed in line with risk policies;
- regular reporting of ongoing and emerging risks to the Board to assess whether risk exposures remain within the limits set by the risk appetite; and
- regular stress testing in order to maintain mitigation plans that remain robust to possible future shocks.

In February 2023, the Company engaged the services of Beever and Struther as its internal auditors, responsible for conducting comprehensive internal audit reviews on behalf of the Company.

The Board oversees the Company's appointed internal auditors and assesses their effectiveness. The Company recognises the crucial role of the internal audit process in maintaining a robust control environment, especially given the Company's growing size and complexity. The appointed internal auditors focus on the most significant risks identified through a comprehensive risk assessment process. The findings of this assessment are condensed into an annual internal audit plan, subject to approval by the Board. Progress against the audit plan is regularly monitored, and the Board approves any necessary updates or modifications throughout the year.

During the year ending on 30 September 2023, Beever and Struthers conducted independent audit reviews on specific areas of ReSI Housing's business. The Board was presented with the outcomes of these independent reviews, with subsequent recommended actions systematically followed up and reported to the Board.

Financial key performance

Please refer to the Value for Money section of this report.

Ben Fry
Director

Date: 7 March 2024

Directors' Report

The Directors present their report with the financial statements of ReSI Housing Limited (the Company) for the year ended 30 September 2023.

Principal activity

ReSI Housing Limited is a Registered Provider of social housing. Our purpose is to deliver affordable, high quality, safe homes with great customer service and long-term stability of tenure for residents. We achieve this through meeting demand from housing developers (housing associations, local authorities and private developers) for long-term investment partners to accelerate the development of socially and economically beneficial affordable housing.

Events after the reporting period

Events that occurred after the reporting date are disclosed in Note 26 Subsequent events.

Dividends

Ordinary dividends were paid amounting to £3,318,136. The Directors do not recommend payment of a final dividend.

The Company adopts a conservative dividend policy to only pay out of net rental receipts after deducting appropriate costs and provisions of its homes and the Company, with capital receipts (such as staircasing) reinvested within the Company. The Company's dividend payment of £3,318,136 compares to £45.5mn investment from shareholders. The Company repaid £5,182,846 intercompany loans provided by its parent company.

The Company seeks to maintain a secure financial viability position and deliver sustainable returns, supporting the company's financial position and allowing it to increase investment and deliver more affordable homes.

Directors

The Directors shown below have held office during the whole of the period from 1 October 2022 to the date of this report.

Name	Postion
David Orr	Chairman and Non-executive Director
Gillian Rowley	Non-executive Director
Alex Pilato	(resigned 9 June 2023)
Ben Fry	
Mark Rogers	(appointed Non-executive Director on 1 July 2023)
Peter Redman	
Sandeep Patel	(appointed 11 January 2023)
Diane Abeyawickrama	(resigned 4 November 2022)

Auditor

In accordance with the Company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the Company will be put at a General Meeting.

Value for Money

Introduction

ReSI Housing is committed to delivering Value for Money ("VfM") by providing quality homes and services in the most efficient way to make the most of the rent it receives whilst meeting the needs of their customers and stakeholders.

In order to achieve Value for Money the Company applies an optimal balance between low costs, high efficiency, maximising enterprise value and achieving positive and sustainable results. This means making the best use of our resources and assets in delivering our strategic objectives and understanding how investment can improve services and lead to recurring savings.

Our Corporate Strategy 2022 – 2025 details our strategic objectives and priorities for the next 3 years. Continuous focus on Value for Money is vital for the delivery of our Corporate Strategy.

Value for Money Strategy

In February 2023, the Board approved its Value for Money Strategy, which sets out five VFM objectives:

VFM Objective	Measure of success
1. **Deliver services to our customers in a way that achieves best overall value.**	▪ Ensure that Value for Money is a key consideration in the design, implementation and delivery of our services. ▪ Implement performance management and scrutiny functions which are effective at driving and delivering improved Value for Money performance. ▪ Be open and transparent about our costs and ensure that our service charges are fair and represent good Value for Money.
2. **Incorporate quality measures to evaluate how our activities impact on our customers and the environment.**	▪ Ensure that all aspects of Value for Money are considered in our growth plan. ▪ Make sustainability a consideration in all our activities. ▪ Embed effective sustainable practices within our processes, recognising how sustainability is vital to the delivery of our Corporate Objectives.
3. **Ensure that our partner agents recognise their obligation to seek Value for Money as part of their daily activities.**	▪ Emphasise partner agents role in delivering Value for Money on our behalf through procurement and other activities. ▪ Introduce appropriate Value for Money targets in the management agreements.
4. **Introduce internal processes to track expenditure and understand the impact of our investment in services and homes.**	▪ Set targets for performance and monitor our key performance indicators. ▪ Implement a system to help understand the costs of delivering specific services and underlying factors influencing these costs. ▪ Work with our partner agents to understand their performance and costs in delivering services on our behalf, implement a strategy for optimising the future return on managed assets.
5. **Demonstrate that Value for Money comparisons have taken place against similar activities and other Registered Providers using applicable and comparable measures.**	▪ Engage in benchmarking activities with other providers in the sector to help identify areas of performance which can be improved. ▪ Identify opportunities for meaningful comparison against activities delivered by other for-profit Registered Providers.

The Regulator of Social Housing (**RSH**) has defined seven VfM metrics for Registered Providers to measure against, and these are the main elements of our VfM reporting and analysis, which allow us to compare across other Registered Providers, and against our own performance over time.

Our aim is to become a significant shared ownership provider in England, we have therefore chosen to compare our performance to a peer group made up of all Registered Providers in England with more than 1,000 homes using the median values which were reported through the RSH's 2023 Global Accounts of private registered providers. This peer group comprises 198 Registered Providers.

Due to the Company's early-stage maturity during the reporting period, our performance against the Value for Money metrics may display significant variance from others in the sector.

The Company will work to identify a meaningful peer group comparison to reflect its stage of development, size and the type of services provided.

The metrics below have been calculated in accordance with the definition of the RSH's VfM metrics.

Metric	Description		2022/23 Actual	2021/22 Actual	2022/23 Peers
1	Reinvestment	%	10.3	3.1	6.7
2a	New supply delivered (Social housing units)	%	5.4	3.2	1.3
2b	New supply delivered (Non-social housing units)	%	n/a	n/a	n/a
3	Gearing	%	54.4	54.5	45.3
4	EBITDA MRI	%	240	390	128
5	Headline social housing cost per unit	£'000	0.4	0.3	4.6
6a	Operating margin – social housing lettings	%	94.0	95.2	19.8
6b	Operating margin – overall	%	26.5	31.1	18.2
7	Return on Capital Employed		2.3	2.3	2.8
	Additional value for money metrics				
8	Complaints handling	%	100	n/a	n/a
9	Rent collected as % of rent due	%	100	n/a	n/a

Metric 1 – Reinvestment %

This metric looks at investment in new supply of social housing properties (existing as well as new supply) as a percentage of the value of total properties held.

During the year, the Company, invested £12.8mn into affordable housing, all in newly built completed properties. Only newly built and completed properties are included in this measure which represents reinvestment of 10.3% compared with a peer group median of 6.7%.

Metric 2 – New Supply delivered %

This metric considers the number of new housing units developed or newly built units acquired in the year as a proportion of the total units owned at year-end.

By the end of the year, the Company had delivered 41 new social housing units compared with 766 at the end of the year. As a result, the Company has delivered new supply of 5.4% compared with the industry median of 1.3%.

Metric 1 and Metric 2 reflect the Company's acquisition of homes during the year. The Company has no non-social housing homes. All properties owned are shared ownership homes.

Metric 3 – Gearing %

The gearing metric assesses how much of adjusted assets are made up of debt and the degree of dependence on debt finance.

The Company had no external debt. The Company had intra group debt payable to the ultimate parent of the group of £0.3mn, After offsetting the available cash balance of £5.2mn the Company has a gearing ratio of 54.4% compared with a peer group median of 45.3%.

Metric 4 – EBITDA MRI Interest cover %

The measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a Registered Provider generates compared to interest payable. At the end of the year, the Company has interest expense of £2.2mn, and as such it's EBITDA MRI interest cover was at 240% compared with a peer group median of 128%.

The EBITA MRI ratio reflects the fact that the Company has been financed with inflation linked debt with a weighted coupon rate of 1.12%

Metric 5 – Headline social housing cost per unit

This metric assesses the headline social housing cost per unit as defined by the regulator. The Company is still at an early stage of its maturity and the reported headline social housing cost per unit of £415 primarily comprises management fees and empty property costs as the Company's homes are in the process of becoming fully income-producing. The cost per unit is lower than the peer group median cost of £4,586 as the Company invests in Shared Ownership homes with fewer lessor obligations than other forms of social housing.

Metric 6 – Operating margin %

The measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable:

6A) Social housing lettings (SHL) (%) – at the end of the year, the Company had a social housing lettings operating margin of 94.0% compared with a peer group median of 19.8%

6B) Operating margin – overall (%) – at the end of the year, the Company had an overall operating margin of 26.5% compared with a peer group median of 18.2%

In the year the company had two streams of revenue, rental income and first tranche sales proceeds. The operating margin during the year for rental income was 94.0% and the operating margin for first tranche sales during the year was 7.4%

Metric 7 – Return On Capital Employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. At the end of the year, the return on capital employed for the Company was 2.3% compared with a peer group median of 2.8%.

The Company had 766 homes which were completed, under development or committed on conditional completion as at 30 September 2023 (2022: 739). All completed homes were managed by third party property managers.

Additional Value for Money metrics

In addition to the core Value for Money metrics, the following key performance indicators are established and defined by ReSI Housing Board. These metrics and targets serve as measures for key aspects of our strategic and operational performance.

Metric 8 – Complaints handling (%)

This metric represents the percentage of formal complaints responded to within the designated policy timeframe. It serves as an indicator of the effectiveness of our complaints handling processes.

In the year the Company received 4 formal complaints, all of which were responded to within the designates policy timeframe, reflecting 100% response rate.

Metric 9 – Rent collected as % of rent due.

This metric serves as an indicator for the effectiveness of our income collection process, illustrating the percentage of rent collected from both current and former customers in relation to the total rent due.

As of 30 September 2023, the Company's rent collection rate was at 100.1%.

Compliance with Governance and Financial Viability Standard

The RSH's Governance and Financial Viability Standard provides guidance to enable us to assess our compliance with the Standard. The overall required outcomes of the Standard are:

- To ensure we have effective governance arrangements in place that deliver the aims, objectives and intended outcomes for our residents and potential residents in an effective, transparent and accountable manner.
- To manage our resources effectively to ensure we maintain our viability, ensuring that social housing assets are not put at undue risk.

The Standard requires Registered Providers to assess their compliance with the Standard at least annually. Boards are required to report their compliance with the Standard within their annual accounts. Boards need to determine where they are obtaining their assurance to demonstrate to the RSH:

- A clear understanding of asset values, related security, potential losses and potential chains of recourse. Boards need to know exactly what information will be required in the event of distress and social housing asset exposure in order to value the assets without delay.
- Evidence of application of the principles.
- The assurance they receive on the quality of records.

The Company conducted a detailed self-assessment of its compliance with the RSH standards which apply to the Company. After reviewing this assessment, the Board can confirm that the Company has complied with the Governance and Financial Viability Standard. The Board has also confirmed that for the financial year ending 30 September 2023 the Company has complied with all other relevant standards set out by the RSH.

The Company was registered as a Registered Provider on 5 July 2018. The most recent annual Statistical Data Return was submitted on 25 May 2023.

Complaints

ReSI Housing is a member of the Housing Ombudsman Service and in September 2023 the company carried out annual assessment against the Complaint Handling Code to ensure its complaint handling remains in line with the requirements.

The Company considered there to be no material areas of non-compliance against the Complaint Handling Code.

Governance

The Company has, as of 20 February 2023, adopted the European Confederation of Directors Associations (ecoDa) corporate governance code against which it has conducted its first self-assessment. The Board reviews compliance with the Code at least annually in line with the Company's Regulatory Framework review policy.

The Company considered there to be no material areas of non-compliance against ecoDa.

Prior to 20 February 2023 the Company had adopted the UK Corporate Code of Governance (July 2018).

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements (**FRS 100**), Financial Reporting Standard 101 Reduced Disclosure Framework (**FRS 101**) and in compliance with the Company Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures;
- disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Articles permit the Company, subject to the provisions of UK legislation, to indemnify to any extent any person who is or was a Director, or a Director of an associated company, against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust, in relation to the Company. The Company maintains Directors' and Officers' liability insurance which provides appropriate cover for legal actions brought against its Directors.

Internal Controls

The Board is responsible for the internal financial control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded. The Board has contractually delegated to external agencies the services the Company requires, but it is fully informed of the internal control framework established by these external agencies to provide reasonable assurance on the effectiveness of internal financial controls.

The key procedures include review of management accounts, monitoring of performance at quarterly Board meetings, maintenance of appropriate insurance and adherence to physical and computer security procedures.

The Board is responsible for keeping proper accounting records. These disclose, with reasonable accuracy at any time, the financial position of the Company. This enables the Board to ensure the financial statements comply with:

- The Companies Act 2006.
- The Accounting Direction for Private Registered Providers of Social Housing 2019.
- The Housing and Regeneration Act 2008.

Culture

The Directors agree that establishing and maintaining a healthy corporate culture within the Board and its interaction with key stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, debate and integrity through ongoing dialogue and engagement with its service providers.

Board leadership and decision making

The Board of ReSI Housing is effective and boasts substantial expertise in the sector, demonstrating a comprehensive understanding of protecting social housing assets and brining value to the sector. The Board provides effective leadership with a framework of robust and effective controls within a framework of robust and effective controls, consistently assessing and managing risks.

A well-defined structure of responsibilities is implemented at the top of the Company, complemented by an appropriate balance of controls. The Chair assumes the responsibility of overseeing the smooth functioning of the Board, while the Fund Manager is entrusted with the day-to-day management of the business.

The Board adheres to a comprehensive timetable of work, ensuring the consideration of designated matters and addressing any unforeseen issues that may arise throughout the year. To facilitate informed decision-making, the Board is furnished with high-quality papers, forming the basis for robust discussions and challenges on matters presented for decision.

Detailed minutes meticulously capture the debates and decisions made during each meeting. The Board has implemented procedures to ensure the accurate disclosure and management of any actual or potential conflicts of interest.

Statement of Disclosure of information to auditors

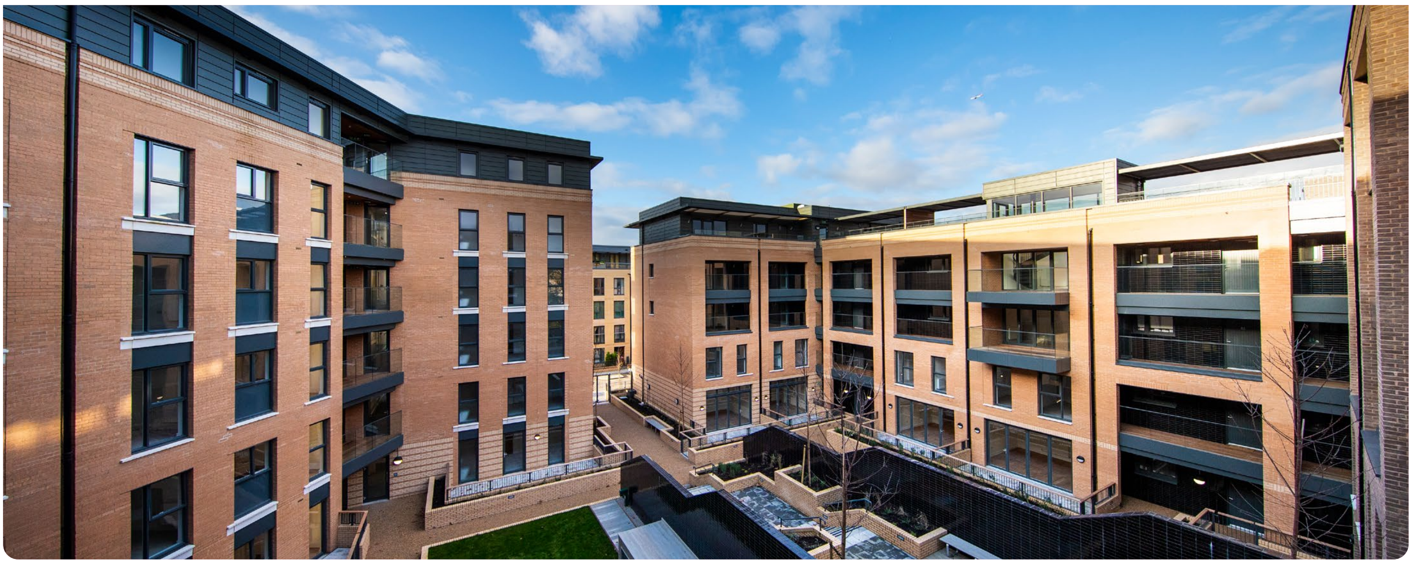
So far each person who was a director as at the date of approving this report is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board:

Ben Fry

Ben Fry
Director

Date: 7 March 2024



Independent Auditor's Report to the Board of Directors of ReSI Housing Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of ReSI Housing Limited ("the Company") for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 Company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Chairman's Statement, the Environmental, Social and Governance Statement and the Strategic Report, 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance ; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the REIT tax regime requirements, the Regulator of Social Housing's regulatory standards and legislation relevant to the rental of properties.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of REIT tax experts in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involvement of forensics specialists within the audit team to assess the susceptibility of the financial statements to material fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, revenue recognition relating to the treatment of first tranche sales and staircasing of shared ownership properties, the valuation of investment properties and the valuation of index linked debt.

Our procedures in respect of the above included:

- Assessing significant estimates made by management for bias, which included the valuation of the Company's investment property valuations and the valuation of the index linked debt;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing the index linked debt valuations with the assistance of our valuation experts; and
- Assessing the accounting treatment for a sample of first tranche sales and staircasing transactions in accordance with the requirements of the applicable accounting standards.

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

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

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Richard Levy
D73C2CC419E64AE...

Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

07 March 2024

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

Statement of Comprehensive Income

For the year ended 30 September 2023

	Notes	2023 £	2022 £
Revenue	3	10,941,366	10,419,288
Cost of sales		(5,524,960)	(5,836,742)
Gross profit		5,416,406	4,582,546
Administrative expenses		(336,473)	(213,028)
Operating profit before fair value movement	6	5,079,933	4,369,518
Change in fair value	11	(4,857,903)	5,653,794
Loss on disposal of investment properties		(81,619)	(19,032)
Operating profit after fair value movements		140,411	10,004,280
Finance income	9	189,356	64,956
Finance cost	10	(2,117,469)	(1,154,431)
(Loss)/profit before taxation		(1,787,702)	8,914,805
Income tax expense	13	–	–
(Loss)/profit and total comprehensive income for the year	22	(1,787,702)	8,914,805

All of the activities of the Company are classified as continuing.

The accompanying notes on pages 29 to 51 form an integral part of these financial statements.

Statement of Financial Position

At 30 September 2023

	Notes	2023 £	2022 £
Non-current assets			
Investment property	12	123,434,001	128,203,000
Current assets			
Inventories	16	430,691	1,203,235
Trade and other receivables	17	145,086	1,592,385
Cash and cash equivalents		5,212,793	12,745,438
		5,788,570	15,541,058
Total assets		129,222,571	143,744,058
Current liabilities			
Borrowing	18	(2,387,769)	(1,046,587)
Trade and other payables	19	(2,516,791)	(7,030,098)
		(4,904,560)	(8,076,685)
Net current assets		844,010	7,464,373
Non-current liabilities			
Recycled capital grant fund	19	(584,615)	(205,380)
Borrowing	18	(69,912,046)	(76,534,805)
		(70,496,611)	(76,740,185)
Total liabilities		(75,401,221)	(84,816,870)
Net assets		53,821,350	58,927,188
Equity			
Called up share capital	20	3	3
Retained earnings	22	53,821,347	58,927,185
Total Equity		53,821,350	58,927,188

The financial statements were approved and authorised for issue by the Board of Directors on 7 March 2024 and signed on its behalf by:

Ben Fry

Ben Fry
Director

The accompanying notes on pages 29 to 51 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 September 2023

	Notes	Share capital £	Share premium account £	Capital contribution reserve £	Retained earnings £	Total £
Balance at 1 October 2021		1	–	33,500,000	6,979,606	**40,479,607**
Year ended 30 September 2022:						
Profit for the year		–	–	–	8,914,805	**8,914,805**
Other comprehensive income		–	–	–	–	**–**
Total comprehensive income for the year		–	–	–	8,914,805	**8,914,805**
Contributions by shareholders:						
Issue of share capital	20	2	45,499,998	–	–	**45,500,000**
Cancellation of share premium		–	(45,499,998)	–	45,499,998	**–**
Dividends	14	–	–	–	(2,467,224)	**(2,467,224)**
Other movements		–	–	(33,500,000)	–	**(33,500,000)**
Balances at 30 September 2022		**3**	**–**	**–**	**58,927,185**	**58,927,188**
Year ended 30 September 2023:						
Loss for the year		–	–	–	(1,787,702)	**(1,787,702)**
Other comprehensive income		–	–	–	–	**–**
Total comprehensive income for the year		–	–	–	(1,787,702)	**(1,787,702)**
Dividends	14	–	–	–	(3,318,136)	**(3,318,136)**
Balances at 30 September 2023		**3**	**–**	**–**	53,821,347	**53,821,350**

The accompanying notes on pages 29 to 51 form an integral part of these financial statements.

Cash Flow Statement

At 30 September 2023

	2023		Restated 2022	
	£	£	£	£
Cash flows from operating activities				
(Loss)/profit for the year		(1,787,702)		8,914,805
Adjustment for items that are not operating in nature				
Loss/(Gain) in fair value of investment properties		10,594,807		(3,573,433)
Movement in rent smoothing adjustments		(1,191,240)		(1,148,375)
Gain in fair value of borrowings		(5,736,904)		(2,080,362)
Loss on disposal of investment properties		81,619		19,032
Finance income		(189,356)		(64,956)
Finance costs		2,117,469		1,154,431
Operating result before working capital changes		3,888,693		3,221,142
Changes in working capital				
Decrease/(increase) in trade and other receivables	620,136		(82,926)	
Decrease in inventories	772,544		2,597,013	
Increase/(decrease) in trade and other payables	645,229		(771,536)	
Net cash generated from operating activities		5,926,602		4,963,693
Cash flows from investing activities				
Disposal of investment properties	3,240,223		1,094,868	
Deposits paid for acquisition	–		(512,994)	
Interest received	189,356		64,956	
Purchase of investment property	(7,898,027)		(29,902,272)	
Grant received	1,148,000		672,000	
Net cash flow from investing activities		(3,320,448)		(28,583,443)
Cash flows from financing activities				
Proceeds from issue of shares	–		12,000,000	
Finance costs	(961,942)		(680,416)	
New borrowings raised	–		20,000,000	
Repayment of borrowings	(676,175)		–	
Payment (to)/from parent	(5,182,546)		4,238,760	
Loan note issue costs paid	–		(300,194)	
Dividend paid	(3,318,136)		(2,467,224)	
Net cash flow from financing activities		(10,138,799)		32,790,926
Net (decrease)/increase in cash and cash equivalents		(7,532,645)		9,171,176
Cash and cash equivalents at beginning of year		12,745,438		3,574,262
Cash and cash equivalents at end of year		5,212,793		12,745,438

Following a review of the Cash Flow Statement, it has been identified that transfers from the parent company in the comparative period were previously classified as operating cash flows in error. As these transactions relate to the funding of purchases on investment property by the company, they should have been classified as financing cash flow. The comparatives have been restated to reclassify £4,238,760 of operating cash flows as financing.

The accompanying notes on pages 29 to 51 form an integral part of these financial statements.

Notes to the Financial Statements

At 30 September 2023

1. Accounting policies

Company information

ReSI Housing Limited is a private company limited by shares incorporated in England and Wales. The Company's registration number is 10782983. The registered office is 5 New Street Square, London, England, EC4A 3TW.

On 5 July 2018, the Company registered as a profit-making private registered provider of social housing with the Regulator of Social Housing.

1.1 Accounting convention

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted International Financial Reporting Standards ("IFRS"), with reference to the considerations of the Statement of Recommended Practice (SORP) 'Accounting by Registered Social Housing Providers 2022', and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost basis, except for investment properties and bank borrowings which have been measured at fair value.

Changes to accounting standards and interpretations

Amendments to standards adopted during the year

The IASB and IFRIC have revised a number of standards. None of these amendments have led to any material changes in the Company' s accounting policies or disclosures during the year.

Standards in issue but not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 October 2023 and whilst the Directors are considering these, initial indications are that these changes will have no material impact on the Company's financial statements.

1.2 Going concern

The Directors have assessed the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. The Directors have carried out various stress tests and sensitivity analyses and have a great deal of headroom in its financial covenants and could withstand a prolonged drop of 19% in net rental income without breaching any loan covenants. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

Financial models have been prepared for the going concern period which consider liquidity at the start of the period and key financial assumptions at the Company level. These financial assumptions include expected cash generated, which includes inflows and outflows in relation to the external debt and interest payments expected, committed expenditure for investments and the ongoing administrative costs of the Company.

The Directors continue to monitor the highly inflationary environment and cost of living crisis and enact controls to reduce the impact on operations and financial performance.

1.3 Revenue

The Company recognises revenue on an accruals basis, and when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company. Revenue comprises rental income and First Tranche sales of shared ownership properties.

Gross rental income – Gross rental income is non-contingent rental income, recognised on a straight-line basis over the term of the underlying lease and is included in the Company Statement of Comprehensive Income. Any contingent element of rental income is recognised on an as-received basis. Lease incentives granted are recognised as an integral part of the net consideration for the use of the property and are therefore recognised on the same, straight-line basis over the term of the lease. Contractual fixed annual rent increases and lease incentives are recognised on a straight-line basis over the term of the lease.

Amounts received from residents to terminate leases or to compensate for dilapidations are recognised in the Company Statement of Comprehensive Income when the right to receive them arises.

Income from property sales is recognised when performance conditions are fulfilled which is usually at the point of legal completion.

Property sales consist of one performance obligation – the transfer of the property to the shared owner. The transaction price is fixed and specific in the sales contract. Revenue is recognised at a point in time, when control of the property passes. Control is considered to pass on legal completion of the property sale.

1.4 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost, being the fair value of the consideration given, including expenditure that is directly attributable to the acquisition of the investment property. After initial recognition, investment property is stated at its fair value at the Statement of Financial Position date adjusted for the carrying value of leasehold interests. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the Statement of Comprehensive Income.

Investment property is recognised as an asset when it is probable that the economic benefits that are associated with the property will flow to the Company and it can measure the cost of the investment reliably. This is usually on legal completion.

Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be obtained from the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recorded in profit or loss in the period in which the property is derecognised.

Significant accounting judgement, estimates and assumptions made for the valuation of investment properties are discussed in note 12.

1.5 Inventories

Inventories relate to properties held for delivery as to Shared Ownership which provides an affordable homes ownership through a part-buy, part-rent model where Shared Owners buy a stake in the home (with a lower deposit requirement as it is only required as a percentage of this stake) and pay a discounted rent on the portion of the property that the Shared Owner(s) does not own. In accordance with IAS 2 Inventories, they are held at the lower of cost and net realisable value.

1.6 Shared ownership

Shared ownership is where initially a long lease on a property is granted through a sale to the occupier, in return for an initial payment (the First Tranche).

First Tranche sales are included within turnover and the related proportion of the cost of the asset recognised as cost of sales.

Shared ownership properties are split proportionately between Inventories and Investment properties based on the current element relating to First Tranche sales. The assumptions on which the First Tranche proportion has been based include, but are not limited to, matters such as the affordability of the shared ownership properties, local demand for shared ownership properties, and general experience of First Tranche shared ownership sales within ReSI Housing and the wider the social housing sector.

Shared Owners have the right to acquire further tranches and any surplus or deficit on such subsequent sales are recognised in the Statement of Comprehensive Income as a part disposal of Investment properties.

Where a grant is receivable from government and other bodies as a contribution towards the capital cost of shared ownership investment property, it is recognised as a deduction in arriving at the cost of the property. Prior to satisfying any performance obligations related to grant, such grants are held as a liability on the Statement of Financial Position.

In some circumstances, typically when a Shared Owner staircases, there arises an obligation to recycle the grant into the purchase of new affordable properties within three years or to repay the grant to the relevant government body. Where such an obligation exists the grant will be held as a liability on the Statement of Financial Position.

1.7 Financial assets

Recognition of financial assets

All financial assets are recognised on a trade date which is the date when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement and classification of financial assets

Financial assets are classified into the following categories: 'financial assets at fair value through profit or loss' and 'financial assets at amortised cost'. The classification depends on the business model in which the asset is managed an on the cashflows associated with that asset.

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

At 30 September 2023 the Company had the following non-derivative financial assets which are held at amortised cost:

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank (including investments in money-market funds) and short-term deposits with an original maturity of three months or less.

Trade and other receivables

Trade and other receivables are recognised at their original invoiced value. Where the time value of money is material, receivables are discounted and then held at amortised cost, less provision for expected credit loss.

Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring the expected credit losses for trade and other receivables whereby the allowance or provision for all trade receivables are based on the lifetime expected credit losses ("ECLs").

The Company applies the general approach for initial recognition and subsequent measurement of expected credit loss provisions for the loan receivable and other receivables which have maturities of 12 months or more and have a significant finance component.

This approach comprises of a three-stage approach to evaluating expected credit losses. These stages are classified as follows:

Stage 1

Twelve-month expected credit losses are recognised in profit or loss at initial recognition and a loss allowance is established. For financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk at the reporting date, the loss allowance for 12-month expected credit loss is maintained and updated for changes in amount. Interest revenue is calculated on the gross carrying amount of the asset (i.e. without reduction for expected credit losses).

Stage 2

If the credit risk increases significantly and the resulting credit quality is not considered to be low credit risk, full lifetime expected losses are recognised and include those financial instruments that do not have objective evidence of a credit loss event. Interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3

If the credit risk of a financial asset increases to the point that it is considered credit impaired (there is objective evidence of impairment at the reporting date), lifetime expected credit losses continue to be recognised. For financial assets in this stage, lifetime expected credit losses will generally be individually assessed. Interest revenue is calculated on the amortised cost net carrying amount (amortised cost less impairment).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. If any interest in a transferred asset is retained then the Company recognises its retained interest in the asset and associated liabilities.

1.8 Financial liabilities

Fair value through profit or loss

This category comprises the first four tranches of the Company's borrowings. The Company's loan notes that are held at fair value through profit and loss may be recorded at a different value to the notional value of the borrowings due to changes in the expected future rate of inflation versus the date the debt was drawn, impacting gilt rates. The designation to value loan notes at fair value through profit and loss is irrevocable and was made to correct an accounting mismatch as the value of the loan notes is linked to the value of the shared ownership investment portfolio. The decision to link the loan notes to RPI was made to ensure that returns are matched to rent proceeds received (also linked to RPI). They are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Income as either a fair value movement (note 11) or in the finance income or expense line (note 10), except where the movement relates to a change in own credit risk which is recognised in other comprehensive income.

The fifth tranche of the Company's borrowings has not been designated as fair value through profit and loss and as such is held at amortised cost.

At 30 September 2023 the Company had the following non-derivative financial liabilities which are classified as other financial liabilities:

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently held at amortised cost.

Borrowings

Borrowings are either recognised initially at fair value less attributable transaction costs or at fair value, with attributable transaction costs fully expensed if an election is made to hold at Fair Value through profit or loss (FVTPL). Subsequent to initial recognition, borrowing costs are either stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method or at fair value if elected to hold at FVTPL.

De-recognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

1.9 Taxation

Taxation on the profit or loss for the period not exempt under UK REIT regulations comprises of current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised as direct movement in equity, in which case it would be recognised as a direct movement in equity. Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full using the balance sheet liability method on timing difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

1.10 Leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

The company as lessor

A lease is classified as a finance lease if substantially all of the risks and rewards of ownership transfer to the lessee. In the case of properties where the Company has a leasehold interest, this assessment is made by reference to the Company's right of use asset arising under the head lease rather than by reference to the underlying asset. If the Company substantially retains those risks, a lease is classified as an operating lease. Rentals receivable under operating leases are recognised in the income statement on a straight-line basis over the term of the relevant lease. In the event that lease incentives are granted to a lessee, such incentives are recognised as an asset. The aggregate cost of the incentives is recognised as a reduction in rental income on a straight-line basis over the term of the relevant lease.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the income statement.

2. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements Investment properties

The Company uses the valuation carried out by its independent valuers as the fair value of its property portfolio. The assumptions on which the property valuation reports have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions. Further information is provided in note 12.

The Company's properties have been independently valued by Savills (UK) Limited ("Savills" or the "Valuer") in accordance with the definitions published by the Royal Institute of Chartered Surveyors' ("RICS") Valuation – Professional Standards, July 2017, Global and UK Editions (commonly known as the "Red Book"). Savills in one of the most recognised professional firms within residential and social housing property valuation and has sufficient current local and national knowledge and has the skills and understanding to undertake the valuations competently.

If the assumptions upon which the external valuer has based its valuations prove to be inaccurate, this may have an impact on the value of the Company's investment properties, which could in turn have an effect on the Company's financial position and results. Further information is provided in note 12.

With respect to the Company's Financial Statements, investment properties are valued at their fair value at each Statement of Financial Position date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment. Specifically:

- Level 1 – Unadjusted, quoted prices for identical assets and liabilities in active (typically quoted) markets;
- Level 2 – Quoted prices for similar assets and liabilities in active markets.
- Level 3 – Inputs not based on observable market data (that is, unobservable inputs).

The Company's investment properties are included in Level 3 as the inputs to the valuation are not based on observable market data.

Shared Ownership Properties

The Company estimates the proportion of Shared Ownership properties that will be sold as First Tranche sales and therefore classified as inventory rather than investment property, the assumptions on which the proportion has been based include, but are not limited to, matters such as the affordability of the shared ownership properties, local demand for shared ownership properties, and general experience of First Tranche shared ownership sales in the social housing sector. The first tranche sales percentage used is consistent with values used by the valuers. As at 30 September 2023 the average first tranche sales percentage assumed for vacant shared ownership properties is 25%. If there is a change in percentage used, this will affect the proportion of inventory and investment property recognised with a higher assumed first tranche sale percentage resulting in a higher inventory value and lower investment property value.

Borrowings held at fair value

Most of the Company's borrowings are held at fair value. The inputs/assumptions on which these borrowings have been valued include the relevant inflation linked gilt rate at the date of valuation and the future rate of RPI inflation. Further information is provided in note 18. If these assumptions prove to be inaccurate, this may have an impact on the carrying value of the Company's borrowings held at fair value, which could in turn have an effect on the Company's financial position and results.

In the fair value hierarchy, borrowings valued at fair value are included in Level 2 as the inputs to the valuation are based on observable market data (inflation linked gilt yields).

3. Revenue

	2023 £	2022 £
Revenue analysed by class of business		
Gross rental income	**5,317,466**	4,303,938
First Tranche sales of shared ownership properties	**5,623,900**	6,115,350
	10,941,366	10,419,288

The total turnover for the Company has been derived from the principal activity wholly undertaken in the United Kingdom.

Included within gross rental income is a £1,191,000 (2022: £1,148,000) rent smoothing adjustment that has arisen as a result of IFRS 16 'Leases' which require rental income in respect of leases with rents increasing by a fixed percentage be accounted for on a straight-line basis over the lease term. During the year this resulted in an increase in rental income, with an offsetting entry being recognised in profit or loss as an adjustment to the investment property revaluation.

4. Social Housing turnover and costs

	2023 £	2022 £
Rent receivable	**5,317,466**	4,303,937
Service charge expenses	**(4,095)**	(7,311)
Property operating expenses	**(313,704)**	(224,094)
Operating surplus from Social Housing Activities	**4,999,667**	4,072,532
There were £nil void losses during the year (2022: £Nil).		
First Tranche sales of shared ownership properties	**5,623,900**	6,115,350
Cost of Sale	**(5,207,161)**	(5,605,335)
First Tranche sales profit	**416,739**	510,015

5. Accommodation in management and development

	2023 No of homes	2022 No of homes
Social housing:		
Shared ownership balance at period start	**739**	498
Additions	**41**	251
Disposals	**(14)**	(10)
Shared ownership balance at period end	**766**	739
Total owned	**766**	739

The Company owns 249 affordable home ownership homes (2022: 234) that are managed on its behalf, under management agreements, by Metropolitan Thames Valley Housing and 517 homes (2022:505) that are managed by ReSI Property Management Limited, a subsidiary of the fund manager of the ultimate parent company, Gresham House Asset Management Limited.

6. Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Exchange losses/(gains)	**739**	(91)
Audit fees	**99,248**	55,717
Cost of inventories recognised as an expense	**5,207,161**	5,605,336

7. Auditor's remuneration

Fees payable to the Company's auditor and associates:

	2023 £	2022 £
For audit services		
Audit of the financial statements of the Company	99,248	55,717

8. Employees

The Company had no employees during the year (2022: Nil) other than the Directors.

	2023 £	2022 £
Directors' remuneration	53,750	47,788

For the year ended 30 September 2023, the Company incurred £50,000 (2022: £45,788) in respect of non-executive Director's fees. There were no balances outstanding to the Directors at 30 September 2023 (2022: £nil). The highest paid director was paid £35,000 during the year (2022: £35,000). Nil pension contributions were made in respect of the directors. The company had no other staff who were remunerated.

The average number of Directors who received fees during the year was two (2022: two).

9. Investment income

	2023 £	2022 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	189,356	59,178
Other interest income on financial assets	–	5,778
Total interest revenue	189,356	64,956

Income above relates to assets held at amortised cost, unless stated otherwise.

10. Finance costs

	2023 £	2022 £
Loan interest	796,593	614,278
Amortisation of loan arrangement fees	6,981	3,491
Other interest	14,783	–
Effective interest on loans held at amortised cost	1,124,522	445,863
Loan arrangement fees	85,823	–
Debt programme costs	88,767	90,799
Total interest expense	2,117,469	1,154,431

11. Change in fair value

	2023 £	2022 £
(Loss)/gain on fair value adjustment of investment properties	(9,403,567)	4,721,808
Adjustments for lease incentive assets and rent straight line assets recognised	–	–
Start of the year	2,070,282	921,907
End of the year	(3,261,522)	(2,070,282)
	(10,594,807)	3,573,433
Gain on fair value adjustment of borrowings	5,736,904	2,080,361
	(4,857,903)	5,653,794

(Loss)/gain on fair value adjustment of borrowings arises from four tranches of debt raised against the shared ownership portfolio, which the Company has elected to fair value through Profit and Loss, in order to address an accounting mismatch as the value of the loan is linked to the shared ownership investment portfolio.

12. Investment property

	2023 £	2022 £
Cost		
At 1 October 2022	128,203,000	94,521,000
Additions through acquisition	8,725,190	30,746,091
Disposals	(2,942,622)	(1,113,899)
Fair value adjustment	(9,403,567)	4,721,808
Grant receivable	(1,148,000)	(672,000)
At 30 September 2023	123,434,001	128,203,000

Investment properties comprise of Shared Ownership properties that have been completed.

Included within the carrying value of investment properties at 30 September 2023 is £3,261,522 (30 September 2022: £2,072,282) in respect of the smoothing of fixed contractual rent uplifts as described in note 3. The difference between rents on a straight-line basis and rents actually receivable is included within the carrying value of the investment properties but does not increase that carrying value over fair value.

The historical cost of investment properties at 30 September 2023 was £117,283,742 (2022: £112,649,175).

In accordance with "IAS 40: Investment Property", the Company's investment properties have been independently valued at fair value by Savills (UK) Limited ("Savills"), an accredited external valuer with recognised and relevant professional qualifications.

In accordance with IFRS 13, the Company's investment property has been assigned a valuation level in the fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The Company's investment property as at 30 September 2023 and 30 September 2022 is categorised as Level 3.

The Company's Shared Ownership properties are valued by Savills using a discounted cashflow methodology applying a discount rate to estimated future cashflows.

There are multiple key unobservable inputs that play material roles in determining the Company's fair value of investment property:

1 The discount rates applied to projected rental cash flows (and to staircasing cash flows for shared ownership properties):

Effectively, the discount rate is representative of both the long-term cost of borrowing and the risks implicit in the properties concerned, as well as the risk associated with the cash flow assumptions reflected in the valuation.

Everything else being equal, there is a negative relationship between the discount rate and the property valuation, such that an increase in the discount rate will decrease the valuation of a property and vice versa.

Weighted average nominal rental discount rates applied across the shared ownership valuation at 30 September ranged from 6.0% to 7.0%.

2 Projected rates of inflation (both CPI and RPI):

The majority of ReSI's leases are inflation-linked (subject to inflation floors and, for some leases, inflation caps). Additionally, some of ReSI's operating expenses are subject to inflationary pressures. Changes in inflation assumptions can have a material impact on the Group's valuations.

The relationship between inflation and income growth (and resulting rental values) is generally positive, as the majority of the Group's revenues are inflation-linked (subject to certain inflation caps and floors in certain leases in ReSI's portfolio), however, inflation can also increase operating expenses, potentially offsetting some or all of inflation linked revenue growth, all else being equal.

Forecast inflation rates applied for different years across the portfolio valuations at 30 September ranged from 2.7% to 6.3% for RPI and 2.0% to 6.0% for CPI.

3 House price growth for shared ownership properties

Projected house price growth plays a significant role in determining the prevailing open market value at which shared ownership residents staircase.

Everything else being equal, there is a positive relationship between future house price growth and the property valuation, such that an increase in future house price growth will increase the valuation of a property and vice versa. HPI forecasts applied for different years to the shared ownership valuations ranged from -12.5% to +7.5%.

4 Staircasing rates for shared ownership properties:

a. Shared ownership residents have the option to incrementally purchase from ReSI additional shares in their homes at the prevailing open market value. This process, known as "staircasing", generates additional cash flow to the Group, and the rate of staircasing partly determines the amount of cash flow from equity purchases that the Group may receive in any given period of time.

b. The relationship between future staircasing rates and property valuation may be either positive or negative depending on the discount rate and house price growth assumptions used for a given property. If a zero rate of staircasing is assumed this would result in an increase in the valuation of ReSI's shared ownership properties as Savills apply a higher discount rate to staircasing cash flows as compared to rental cash flows. Equally, if it assumed that a property staircases immediately this would also result in increase in the valuation of ReSI's shared ownership properties as these properties are valued at a discount to their Open Market Value (the price at which shared owners staircase).

c. Staircasing rates applied to shared ownership valuations ranged from 2.0% to 3.0%

There are interrelationships between these inputs as they are determined by market conditions, and the valuation movement in any one period depends on the balance between them. If these inputs move in opposite directions (i.e. rental values increase and discount rates decrease) valuation movements can be amplified, whereas if they move in the same direction they may be offset, reducing the overall net valuation movement. The valuation movement is materially sensitive to changes in discount rates and rental values. The impact on valuation from the change in key factors has been modelled below by Savills:

Key inputs	Sensitivity modelled	Valuation at 30 September 2023 £mn	+ Updated valuation £mn	- Updated valuation £mn
Rental Discount Rate	+/- 25bps	**123,434**	121,733	125,025
Retail Price Index (RPI)	+/- 25bps	**123,434**	125,611	120,444
House Price Index (HPI)	+/- 25bps	**123,434**	124,985	121,765
Staircasing Sensitivity Analysis	+/- 100bps	**123,434**	121,807	124,886

13. Income tax expense

	2023 £	2022 £
Current tax	**–**	–
Deferred tax	**–**	–
Total tax charge	**–**	–

The charge for the period varies from the standard rate of corporation tax in the UK applied to the profit before tax. The differences are explained below.

	2023 £	2022 £
(Loss)/profit before taxation	(1,787,702)	8,914,805
Expected tax credit/charge based on a corporation tax rate of 25% (2022: 19%)	(446,925)	1,693,813
Investment property revaluation not taxable	2,648,702	(678,952)
Utilisation of tax losses (group relief)	(120,591)	(103,213)
UK tax not payable due to REIT exemption	(2,081,186)	(911,648)
Taxation charge for the year	–	–

The Company's ultimate parent company is Residential Secure Income plc which became a REIT on 12 July 2017 and as a result it, and all of its wholly owned subsidiaries do not pay UK corporation tax on the profits and gains from its qualifying property rental business in the UK provided it meets certain conditions. Non-qualifying profits and gains from the Company continue to be subject to corporation tax as normal. In order to achieve and retain group REIT status, several conditions have to be met on entry to the regime and on an ongoing basis, including as follows:

- At the start of each accounting period, the assets of the property rental business (plus cash and certain readily realisable investments) must be at least 75% of the total value of the Group's assets.
- At least 75% of the Group's total profits must arise from the tax exempt property rental business; and
- At least 90% of the tax exempt profit of the property rental business (excluding gains) of the accounting period should be distributed.

14. Dividends

Amounts recognised as distributions:

	2023 Total £	2022 Total £
Ordinary share		
Interim dividends paid	3,318,136	2,467,224

The Company adopts a conservative dividend policy to only pay out of net rental receipts after deducting appropriate costs and provisions of its homes and the Company, with capital receipts (such as staircasing) reinvested within the Company. The Company's dividend payment of £3,318,136 compares to £45.5mn investment from shareholders.

The Company seeks to maintain a secure viability position and deliver sustainable returns, supporting the company's financial position and allowing it to increase investment and deliver more affordable homes.

15. Grants receivable

	2023 £	2022 £
Grant receivable	1,148,000	672,000

Where a grant is receivable from government and other bodies as a contribution towards the capital cost of shared ownership investment property, it is recognised as a deduction in arriving at the cost of the property. Prior to satisfying any performance obligations related to grant, such grants are held as a liability on the Statement of Financial Position.

16. Inventory

	2023 £	2022 £
Shared Ownership properties:		
Completed properties	430,691	1,203,235

17. Trade and other receivables

	2023 £	2022 £
Trade receivables	91,959	274,348
Other receivables	36,117	362,673
Deposits	90	827,253
Prepayments and accrued income	16,920	128,111
	145,086	1,592,385

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a 12 month expected loss provision for rent receivables. To measure expected credit losses on a collective basis, rent receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Company's historical credit losses experienced since inception to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. Both the expected credit loss provision and the incurred loss provision in the current and prior years are immaterial. No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

There is no significant difference between the fair value and carrying value of trade and other receivables at the Statement of Financial Position date.

18. Borrowings

	2023 £	2022 £
Borrowings at fair value		
Bank loans	**51,186,323**	57,432,233
Borrowings at amortised cost – Bank loans	**21,113,491**	20,149,159
Total borrowings	**72,299,815**	77,581,392

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	**2,387,769**	1,046,587
Non-current liabilities	**69,912,046**	76,534,805
	72,299,815	77,581,392

Lender

Held at fair value	Original facility £	Outstanding debt £	Maturity date	Annual interest rate %
Universities Superannuation Scheme	34,000,000	30,133,353	May – 65	0.711%*
Universities Superannuation Scheme	10,000,000	8,730,148	May – 65	0.664%*
Universities Superannuation Scheme	10,000,000	9,113,452	May – 65	0.948%*
Universities Superannuation Scheme	3,500,000	3,209,371	May – 65	1.000%*
Held at amortised cost				
Universities Superannuation Scheme	20,000,000	21,113,491	May – 65	1.185%*
	77,500,000	**72,299,815**		

* The principal will increase at a rate of RPI+0.5% on a quarterly basis; RPI is capped between 0% and 5% on a pro-rated basis.

The loans are repayable as follows:

	2023 £	2022 £
Within one year	**2,387,769**	1,046,587
Between one and two years	**2,356,769**	2,389,193
Between three and five years	**6,877,332**	6,976,414
Over five years	**60,677,945**	67,169,198
	72,299,815	77,581,392

Movements in borrowings are analysed as follows:

	2023 £	2022 £
At the beginning of the period	77,581,392	59,512,594
Drawdown of facility	–	20,000,000
Repayment of borrowings	(676,175)	–
Capitalisation of loan arrangement fees	–	(300,194)
Fair value movement	(5,736,904)	(2,080,361)
Effective interest	1,124,522	445,863
Amortisation of loan arrangement fees	6,981	3,490
	72,299,815	77,581,392

The Company has elected to fair value through Profit and Loss four of the five tranches of the Universities Superannuation Scheme borrowings. The Company has not elected to fair value through Profit or Loss the fifth tranche of the Universities Superannuation Scheme borrowings, which is held at amortised cost. The notional outstanding debt at 30 September 2023 was £76.9mn (2022: £77.5mn).

The applicable Universities Superannuation Scheme borrowings have been fair valued by calculating the present value of future cash flows, using the gilt curve and a credit spread reflecting the high credit strength of the borrower at the date of valuation. The credit spread used for the valuation as at 30 September 2023 was 1.47% (2022: 1.81%).

In accordance with IFRS 13, the Company's borrowings held at fair value have been assigned a valuation level in the fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The Company's borrowings held at fair value as at 30 September 2023 are categorised as Level 2.

Everything else being equal, there is a negative relationship between the inflation linked gilt rate and the borrowings valuation, such that an increase in the inflation linked gilt rate (and therefore the future interest payable) will reduce the valuation of the borrowing liability and vice versa. A 10 basis point increase in the inflation linked gilt rate would result in a reduction of the liability by £0.7mn.

The Universities Superannuation Scheme facility is secured by a first charge over shared ownership properties with a fair value of £123.4mn, cash of £1.0mn and restricted cash balances of £4.2mn.

19. Trade and other payables

	Current		Non-current	
	2023 £	2022 £	2023 £	2022 £
Trade payables	1,643,387	1,009,181	–	–
Accruals and deferred income	190,647	160,393	–	–
Amount owed to parent company	323,333	5,506,179	–	–
Other creditors	359,424	354,345	–	–
Recycled capital grant fund	–	–	584,615	205,380
	2,516,791	7,030,098	584,615	205,380

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. For most suppliers interest is charged if payment is not made within the required terms. Thereafter, interest is chargeable on the outstanding balances at various rates. The Company has financial risk management policies in place to control that all payables are paid within the agreed credit timescale.

There is no significant difference between the fair value and carrying value of trade and other payables at the Statement of Financial Position date.

Amounts owed to parent company are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

ReSI's shared ownership portfolio has been supported by government grant funding to facilitate the delivery of affordable housing projects. In some circumstances, typically when a shared owner staircases, ReSI will be required to recycle the grant into the purchase of new properties within three years or to repay it to the grant providing body.

On disposal/staircasing of a grant funded property, the Group initially recognises a liability in the Recycled Capital Grant fund. If the disposal receipts are not subsequently recycled, the grant will be repaid. The balance at 30 September 2023 was £584,615 (2022: £205,380).

20. Share capital

	2023 £	2022 £
Issued and fully paid		
3 Ordinary share of £1 each	3	3
	3	3

The share capital account relates to amounts subscribed for share capital.

All Ordinary Shares carry equal rights, and no privileges are attached to any shares in the Company. All the shares are freely transferable, except as otherwise provided by law. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

21. Share premium account

	2023 £	2022 £
At the beginning of the year	–	–
Issue of new shares	–	45,499,998
Other movements	–	(45,499,998)
At the end of the year	–	–

On 18 May 2022, a resolution was passed authorising the reduction of the Company's share premium by £45,499,998 and the amount of the reduction to be credited to the Company's distributable reserves.

22. Retained earnings

	2023 £	2022 £
At the beginning of the year	**58,927,185**	6,979,606
(Loss)/profit for the year	**(1,787,702)**	8,914,805
Dividends	**(3,318,136)**	(2,467,224)
Cancellation of share premium	**–**	45,499,998
At the end of the year	**53,821,347**	58,927,185

Retained earnings incorporates all profits and losses and transactions with shareholders not recognised elsewhere.

23. Other leasing information

Lessor

The Company leases some of its investment properties under operating leases. At the balance sheet date, the Company has contracts with residents for the following future aggregate minimum rentals receivable under non-cancellable operating leases:

	2023 £'000	2022 £'000
Receivable within 1 year	**4,428**	3,798
Receivable between 1-2 years	**4,428**	3,798
Receivable between 2-3 years	**4,428**	3,798
Receivable between 3-4 years	**4,428**	3,798
Receivable between 4-5 years	**4,428**	3,798
Receivable after 5 years	**501,892**	430,702
Total undiscounted lease payments receivable	**524,032**	449,692

The total of contingent rents recognised as income during the period was £nil (2022: £nil).

The Company's Shared Ownership properties are let to Shared Owners on leases with initial lease terms of between 130 to 999 years.

24. Controlling party

The immediate parent undertaking is ReSI Portfolio Holdings Ltd, a company incorporated in England and Wales, whose registered office is 5 New Street Square, London, England, EC4A 3TW. The ultimate parent undertaking is Residential Secure Income plc, a company incorporated in England and Wales, whose registered office is The Pavilions, Bridgewater Road, Bristol, England, BS13 8FD.

Residential Secure Income plc prepares group financial statements and copies can be obtained from the registered office address.

25. Related parties

Name of entity	Relationship
Residential Secure Income Plc	Ultimate parent company
Resi Portfolio Holdings Limited	Immediate parent company
RHP Holdings Limited	Common immediate parent
The Retirement Housing Limited Partnership	Common intermediate parent
Wesley House (Freehold) Limited	Common immediate parent
Eaton Green (Freehold) Limited	Common immediate parent

With the exception of ReSI Housing Limited, no other entity within the group is registered with the Regulator of Social Housing.

During the year, the immediate parent of the Company made a net capital repayment of £5,182,846 (2022: £4,238,760 net capital contribution).

At the year end, the Company owed its immediate parent company £323,333 (2022: £5,506,179).

For the year ended 30 September 2023, the Directors of the Company are considered to be the key management personnel. Details of amounts paid to Directors for their services can be found within note 8, Employees.

26. Events after the reporting date

On 1 October 2023, Residential Secure Income PLC, the ultimate parent company to the Company, changed its alternative investment fund manager from ReSI Capital Management Limited (**RCML**) to Gresham House Asset Management Limited (**GHAM**). Both RCML and GHAM are wholly owned subsidiaries of Gresham House plc. The change of alternative investment fund manager arises as a result of a rationalisation of regulatory permissions within the Gresham House plc group and will have no impact on the day-to-day management of Residential Secure Income plc group portfolio, which includes the Company and its operations, as the current team will continue to manage its assets. The Company ratified this change of alternative investment fund manager on 1 October 2023.

There have been no other significant events that require disclosure in, or adjustment to the financial statements as at 30 September 2023.

27. Operating segments

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal financial reports about components of the Company that are regularly reviewed by the chief operating decision maker (which in the Company's case is the Board of Directors) in order to allocate resources to the segments and to assess their performance.

The Company's reporting to the chief operating decision maker does not differentiate by property type or location as the Company is considered to be operating in a single segment of business and in one geographical area.

No customers have revenue that is greater than 10% of the total Company revenue.

The internal financial reports received by the Board of Directors contain financial information at a company level and there are no reconciling items between the results contained in these reports and the amounts reported in the Financial Statements.

28. Contingent liabilities and commitments

ReSI's shared ownership portfolio has been supported by £15.0m government grant funding. In some circumstances, typically when a shared owner staircases, ReSI will be required to recycle the grant into the purchase of new properties within three years or to repay it to the grant providing body (see note 19).

There are no provisions for fines and settlements specified for ESG (Environmental, Social or Governance) issues.

29. Notes to the cash flow statement

	Borrowings due in less than one year £	Borrowings due in more than one year £	Intercompany loan from parent £	Total £
At 1 October 2022	–	77,581,392	5,506,179	**83,087,571**
Cash Flows				
Borrowings repaid	(676,175)	–	–	**(676,175)**
Intercompany Loan movement	–	–	(5,182,846)	**(5,182,846)**
Loan arrangement fees paid	–	–	–	**–**
Non-cash flows				
Reclassification of borrowings	3,063,944	(3,063,944)	–	**–**
Change in fair value of borrowings	–	(5,736,904)	–	**(5,736,904)**
Finance costs	–	1,124,522	–	**1,124,522**
Amortisation of loan arrangement fees capitalised	–	6,981	–	**6,981**
At 30 September 2023	**2,387,769**	**69,912,047**	**323,333**	**72,623,149**

	Borrowings due in less than one year £	Borrowings due in more than one year £	Intercompany loan from parent £	Total £
At 1 October 2021	–	59,512,594	1,267,419	60,780,013
Cash Flows				
Borrowings advanced	–	20,000,000	–	20,000,000
Intercompany Loan movement	–	–	4,238,760	4,238,760
Loan arrangement fees paid	–	(300,194)		(300,194)
Non-cash flows				
Change in fair value of borrowings	–	(2,080,361)	–	(2,080,361)
Finance costs	–	445,863	–	445,863
Amortisation of loan arrangement fees capitalised	–	3,490	–	3,490
At 30 September 2022	–	77,581,392	5,506,179	83,087,571

30. Financial Instruments

The table below sets out the categorisation of the financial instruments held by the Company as at 30 September 2023.

	2023 £	2022 £
Financial assets		
Loans and receivables		
Trade and other receivables	**128,166**	1,464,274
Cash and cash deposits	**5,212,793**	12,745,438
	5,340,959	14,209,712
Financial liabilities		
At amortised cost		
Borrowings	**21,113,491**	20,149,159
Trade and other payables	**2,516,791**	7,030,098
	23,630,282	27,179,257
At fair value through profit or loss		
Borrowings	**51,186,323**	57,432,233
	51,186,323	57,432,233
	74,816,605	84,611,490

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and capital risk management.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls, and to monitor risks and adherence to limits. When considered appropriate the Company uses derivative financial instruments to hedge certain risk exposures.

Risk management policies and systems are reviewed regularly by the Board and Fund Manager to reflect changes in the market conditions and the Company's activities.

The exposure to each financial risk considered potentially material to the Company, how it arises and the policy for managing the risk is summarised below:

a) Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holding of financial instruments.

The Company's activities will expose it to the market risks associated with changes in property and rental values.

Risk relating to investment in property

Investment in property is subject to varying degrees of risk. Some factors that affect the value of the investment in property include:

- changes in the general economic climate;
- changes in the general social environment;
- competition from available properties;
- obsolescence; and
- Government regulations, including planning, environmental and tax laws.

Variations in the above factors can affect the valuation of assets held by the Company and the rental values it can achieve, and as a result can influence the financial performance of the Company.

The Company mitigates these risks by entering into long term shared ownership leases for which rent reviews are contractually linked to inflation and are not impacted by market rents. Exposure to property values is mitigated by acquiring properties at a discount to their vacant possession value and the fact that staircasing by shared owners at open market value is countercyclical with higher rates of staircasing at times of rising prices.

As the Company operates only in the United Kingdom it is not exposed to currency risk.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations and arises principally from the Company's tenants (in respect of trade receivables arising under operating leases) and banks (as holders of the Company's cash deposits).

Exposure to credit risk

	2023 £	2022 £
Trade and other receivables	**128,166**	1,592,385
Cash and cash equivalents	**5,212,793**	12,745,438
	5,340,959	14,337,823

The Company engages third parties to provide day-to-day management of its properties including letting and collection of underlying rent from shared owners.

The credit risk of cash and cash equivalents is limited due to cash being held at banks considered credit worthy by the Company's fund manager, with high credit ratings assigned by international credit rating agencies.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and funding risks by considering cash flow forecasts and ensuring sufficient cash balances are held within the Company to meet future needs. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of financing through appropriate and adequate credit lines, and the ability of customers to settle obligations within normal terms of credit. The Company ensures, through forecasting of capital requirements, that adequate cash is available.

The following table details the Company's remaining contractual maturing for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities, including future interest payments, based on the earliest date on which the Company can be required to pay.

	Less than one year £	Two to five years £	More than five years £	Total £
2023				
Borrowings	2,387,769	9,234,101	60,677,945	**72,299,815**
Interest on borrowings	473,170	1,742,658	6,884,880	**9,100,708**
Payables and accruals	2,516,791	–	–	**2,516,791**
	5,377,730	**10,976,759**	**67,562,825**	**83,917,314**
2022				
Borrowings	1,046,587	9,365,607	67,169,198	**77,581,392**
Interest on borrowings	479,472	1,782,975	7,171,115	**9,433,562**
Payables and accruals	7,030,098	–	–	**7,030,098**
	8,556,157	**11,148,582**	**74,340,313**	**94,045,052**

d) Capital risk management

The Company manages its capital to ensure the Company will be able to continue as a going concern whilst maximising the return to the Group's shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to the shareholders of the Company (comprising share capital and retained earnings).

The Company is not subject to externally imposed capital requirements under the AIFMD regime.

The Company's management reviews the capital structure on a regular basis in conjunction with the Board. As part of this review management considers the cost of capital, risks associated with each class of capital and debt and the amount of any dividends to shareholders. The Company adopts a conservative dividend policy to only pay out of net rental receipts after deducting appropriate costs and provisions of its homes and the Company, with capital receipts (such as staircasing) reinvested within the Company. The Company's dividend payment of £3,318,136 compares to £45.5mn investment from shareholders.

The Company seeks to maintain a secure financial viability position and deliver sustainable returns, supporting the company's financial position and allowing it to increase investment and deliver more affordable homes.

Since 1857
Gresham House
Specialist asset management