Registered Society No: 13991R
Regulator of Social Housing Registration No: L0717

OCTAVIA HOUSING LIMITED

Annual Report and Financial Statements

Year Ended 31 March 2024

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OCTAVIA HOUSING LIMITED

GENERAL INFORMATION

BOARD OF DIRECTORS

Stephen Jack	Chair	
Debbie Sorkin	Vice-Chair	
Matthew Bailes		appointed 23 April 2024
Sheila Fitzsimons		
Rob Griffiths		appointed 6 November 2023
Terrence Gallagher		
John Holman		
Sandra Skeete		resigned 4 January 2024
Lara Sonola-Omitowoju		appointed 25 September 2023
Visakha Sri Chandrasekera		resigned 8 May 2024
Graham Stanley		appointed 1 April 2024
Hugh Thornbery		
Paul Williams		

SECRETARY

Paul Hackett	Interim Chief Financial Officer	resigned 9 May 2023
Adam Barrett	Chief Financial Officer	appointed 12 June 2023

EXECUTIVE MANAGEMENT

Sandra Skeete	Chief Executive	resigned 4 January 2024
Kevin Bolt	Interim Chief Executive	appointed 5 January 2024
Paul Hackett	Interim Chief Financial Officer	resigned 9 May 2023
Adam Barrett	Chief Financial Officer	appointed 12 June 2023
Caroline Roberts	Executive Director of People and Culture	appointed 3 April 2023 resigned 31 May 2024
Alison Muir	Chief Operating Officer	appointed 14 August 2023
Denize McGregor	Executive Director of Customer and Community Services	resigned 31 July 2023
Stephen Kirrage	Executive Director of Development Sales and Asset Management	resigned 5 September 2023

REGISTERED OFFICE

Emily House
202-208 Kensal Road
London
W10 5BN

BANKERS	**AUDITOR**	**INTERNAL AUDITOR**	**LEGAL ADVISERS**
HSBC 90 Baker Street London W1U 6AX	KPMG LLP Gateway House Tollgate Eastleigh SO53 3TG	Mazars Tower Bridge House St Katharine's Way London E1W 1DD	Devonshires 30 Finsbury Circus London EC2M 7DT

INTRODUCTION FROM THE CHAIR OF OCTAVIA

The last year has been a most difficult year for Octavia. The Board's priority has been the safety and wellbeing of residents while taking the necessary steps to strengthen governance arrangements, improve financial and operational resilience and safeguard the long-term provision of Octavia's social and affordable homes predominantly in West London.

The operating environment for all housing associations continued to be extremely challenging, and especially so for smaller providers like Octavia that operate exclusively in London. The impact of high interest rates and inflation, and higher operating costs in general, has been exacerbated by demands for record levels of investment in Octavia's housing stock to meet new building and fire safety standards and ensure that its homes are fit for the future.

In September 2023, the Regulator of Social Housing (RSH) downgraded Octavia to G3 and V3 in relation to its Governance and Financial Viability Standard because of the quality and timeliness of its financial information and planning. A key focus for the Board has therefore been overseeing progress on a recovery plan agreed with the Regulator. This included the appointment of several new, experienced Board members.

While the Octavia Board remains fully committed to addressing the challenges facing the organisation, it concluded that this will be best achieved by moving into a partnership with a stronger and more resilient housing association.

Following a robust process, Octavia identified Abri, a financially strong organisation that holds the highest possible regulatory ratings of G1 and V1, as its preferred merger partner in autumn of 2023.

Since the end of last year, Octavia has been working closely with Abri and has received considerable operational support for its recovery efforts. A compelling business case has been developed and approved by both Boards and shareholders following supportive resident consultation. Subject to the necessary legal, financial and regulatory consents the plan is for Octavia to join the Abri Group in December 2024. The Octavia Board believe firmly that the best strategy to deliver the services its residents and communities deserve is a partnership with Abri.

In January 2024, a serious fire took place at one of Octava's homes in Elm Road, Wembley. Thankfully, all residents were safely evacuated, and no one was seriously injured. This incident was, and continues to be, disruptive and distressing for all the residents affected. On behalf of the Board, I would like to thank all residents for their patience and understanding as we continue to recover from the impacts of the fire.

In March 2024, as a result of the fire and issues discovered during Abri's due diligence work, Octavia made a self-referral to the RSH. The Board was not satisfied that Octavia could evidence compliance with all its landlord health and safety obligations. This resulted in the Regulator issuing Octavia a C3 grading under the new consumer standards citing serious failings in relation to the new Safety and Quality Standard. This judgment, while disappointing, reinforces the rationale for the proposed partnership with Abri as it will deliver most effectively and swiftly the necessary improvements to homes and services, continue to keep residents safe and restore its resident satisfaction levels and regulatory gradings.

Notwithstanding the challenges described above, the Board is confident that Octavia, with the support of its preferred merger partner Abri, is making sound progress on its recovery plan. Completion of the partnership with Abri, anticipated at the end of 2024, will provide operational and financial resilience and secure the quality of our services and homes.

I am also grateful to the RSH, who have rightly required regular and detailed reporting on our progress to recover our regulatory downgrades, but have provided support and guidance along the journey, and at time have exercised pragmatic judgements on matters that have alleviated pressure on resources and helped expedite the partnership with Abri.

INTRODUCTION FROM THE CHAIR OF OCTAVIA (continued)

In the meantime and before we take this next step, I would like to thank everyone at Octavia for their continued efforts and above all, to thank our residents for their patience and understanding while we make the improvements they should expect and deserve.

Stephen Jack
Chair

INTRODUCTION FROM THE CHIEF EXECUTIVE

I would like to start by issuing a sincere apology to our residents for not delivering the standards they expect and deserve – the standards to which Octavia holds itself to account and has done so successfully for the majority of its 160-year history.

I can assure residents, colleagues and other stakeholders that the challenges Octavia faces are now being addressed with the utmost urgency by a new executive team and with the help and support of our preferred merger partner Abri – an organisation that is both financially strong and operationally resilient.

Having said that, there is no escaping from the fact that Octavia's financial and operational performance in 2023/24 was disappointing.

The in-year trading performance was hampered through planned efficiency savings not being implemented, unbudgeted expenditure on one-off property related costs and essential health and safety measures.

In common with most housing providers, resident satisfaction fell, but the results for Octavia place it in the bottom quartile when compared against its London peers. Recruitment and retention of staff has also been difficult; exacerbated by the regulatory downgrades in September 2023 and again in July 2024 and the uncertainty over the future of the Society.

A formal collaboration agreement with Abri has allowed Octavia to draw upon Abri's resources and expertise with a range of key individuals being seconded into senior positions within the organisation. The overall recovery plan is being overseen through a new governance body, the Joint Recovery Group, which is chaired by Octavia and made up of a shared non-executive director membership from both organisations. This overall approach to Octavia's recovery plan was the subject of consultation and collaboration with the Regulator of Social Housing.

Notwithstanding these difficulties, Octavia has continued to invest in its properties, keep residents safe, create new homes and is prepared to meet the challenges of the new regulatory environment that began on 1 April 2024.

I am confident that Octavia will, with the support of Abri, continue to make substantial progress on its recovery in the coming year. The organisation is justifiably proud of its heritage and the legacy and example of Octavia Hill and is working with energy, commitment and diligence to restore its reputation with residents, colleagues and other stakeholders. The partnership with Abri will help Octavia to secure its future. I hope and expect that 2024/25 will see the start of a new and exciting chapter in Octavia's long and proud history.

Kevin Bolt
Interim Chief Executive

STRATEGIC REPORT

INTRODUCTION

At the start of the year, Octavia's Board was becoming increasingly concerned about the organisation's ability to meet its service delivery and property maintenance responsibilities due to mounting financial pressures. Furthermore, the Regulator of Social Housing (RSH) had put the organisation on notice through its Gradings Under Review (GUR) process.

Faced with these pressures, the Board initiated a process to identify a larger partner organisation with whom it could work to create a stable base for the future prosperity of Octavia. This search was supported by Savills housing consultancy and was conducted against a series of success criteria which centred on resources to support the development of customer services and a sustainable asset management programme along with a desire to protect the Octavia Hill legacy which dates back to the 1860s and the founding of the social housing movement and profession.

On 22 November 2023 this process to identify a possible partner process came to a conclusion with the announcement that Octavia was working to form a partnership with the southern based Housing Association, Abri.

On 6 September 2023, the RSH concluded its review of Octavia and downgraded its governance standing from G1 to a non-compliant G3 grade and its financial viability rating from V2 to a non-compliant V3 grade.

Whilst maintaining its attention on the safety and wellbeing of its customers, the strategic focus of the Board throughout 2023/24 has been on the recovery of Octavia's regulatory gradings and the protection of its long-term future through the establishment of its partnership with Abri.

ABOUT ABRI

Abri's origins date back to the 1920s and it is the largest housing association operating exclusively in the south of England. Today, Abri owns and manages more than 50,000 homes and community assets, has 114,000 customers and 2,000 employees. Abri retains the highest possible rating (G1/V1) from the RSH, is a strategic partner of Homes England and a founding member of the Greener Futures Partnership. It features prominently in the UK's top 100 best large companies to work for and recently obtained an Investors in People Platinum accreditation.

Abri organises delivery of its services on a regional basis with a dedicated regional Board and a regional customer panel to help influence decisions and services that may impact its customers.

Abri values Octavia's heritage and shares its charitable purpose, values and vision for a customer and community offer. Should the partnership go ahead, Abri has made a commitment to protect Octavia Hill's legacy, retain the Octavia name, and maintain a strong, local presence in London.

Abri shares Octavia's commitment to ensuring residents have a strong voice to influence what it does and how it does it, to build on the work of the organisation, including its charitable foundation, and to continue to invest in its communities.

The Octavia Board strongly believes that a long-term partnership is in the best interests of residents and other customers, colleagues, and other stakeholders.

At the time the proposed Abri partnership was announced in November 2023, Octavia was working through its Governance Recovery and Improvement Plan (GRIP), a process that was being supported through external advisers and proactive engagement with the RSH.

ABOUT ABRI (continued)

The Partnership Process

Abri's initial due diligence processes flagged further concerns with Octavia's Landlord Health and Safety compliance and as a result, Octavia self-referred to the RSH in March 2024. This ultimately led to an up-dated regulatory judgement in July 2024 that confirmed Octavia's G3 and V3 gradings and the award of a C3 Consumer Standards grading for failure to comply with the Safety and Quality Standard.

In response to its due diligence findings, Abri offered Octavia's Board an Enhanced Collaboration Agreement whereby it would support Octavia through a recovery plan augmented with significant resources in terms of skills, experience and capacity. In April 2024, a five-point recovery plan was established to achieve the strategic improvement outcomes required to enable the partnership process to progress. This recovery plan was aligned to the overall partnership plan. This process has been undertaken with significant regulatory oversight, and with the Recovery Plan building on from the already established GRIP. Throughout, a comprehensive communication and engagement programme has been run to ensure the organisation's key stakeholders (customers, employees, lenders, local authorities, etc.) have been briefed on the challenges faced by Octavia, the recovery and partnership plans and the overall progress that is being made. The responses that the organisation has been given through this process has been supportive, encouraging and constructive.

OUR PRINCIPAL ACTIVITIES

Octavia was founded by Octavia Hill, the Victorian philanthropist and social reformer, whose ideas have had a significant influence on the development of the housing association sector and the housing profession.

Octavia Hill began her work with the poor of London in the 1860s; she was a pioneer of social housing, a founder of the National Trust and the first clean air campaigner for London. Octavia Hill's aim was 'to make homes happy, lives noble and family life good'. She believed that communities were about the people living in them and not just the buildings they lived in.

At Octavia we know that Octavia Hill's aim is as relevant today as it was over 160 years ago. Operating in some of the most expensive parts of the capital, we have built on this legacy through our unique offer that puts people and communities first. Through our work covering homes, support, and care, we empower people with opportunities for a better life and enable communities to be thriving places to live. Like our founder, we believe in the power of connections to improve lives. We believe in building and sustaining diverse communities that enrich the lives of everyone.

GROUP STRUCTURE

Octavia Housing is registered as a Co-operative and Community Benefit Society with the Financial Conduct Authority and as a Private Registered Provider of social housing with the Regulator of Social Housing. As an exempt charity, Octavia enjoys the benefits of full charitable status. Octavia has four subsidiaries:

- Octavia Foundation, a registered charity which raises funds to provide services, often to Octavia residents, in central and west London.
- Octavia Living Limited, which develops homes for outright sale on housing developments led by Octavia. It is currently dormant.
- Octavia Development Services Limited, which develops social housing for Octavia on a design and build basis and is currently dormant.
- Octavia Hill Limited, a subsidiary which is currently dormant.

OUR VISION

The homes and services we provide directly benefit individuals and neighbourhoods and make for a more equal society. We support mixed communities by helping people to live in the areas where they feel connected, while empowering them to be independent and make their own contribution to their neighbourhoods.

The Octavia Board believes that achieving this vision is best achieved through partnership with Abri and the additional organisational and financial capacity this will bring to supporting Octavia's current and future residents and communities.

OVERVIEW OF FINANCIAL RESULTS

An overview of the financial performance of both the Group for the year ended 31 March 2024, and the financial position at that date is included below.

Financial Performance

	FY24	FY23	Variance	
	£'000s	£'000s	£'000s/%	%
Turnover	62,049	57,239	4,810	8%
Operating surplus	775	10,848	(10,073)	(93%)
(Deficit)/Surplus before Tax	**(10,017)**	**2,961**	**(12,978)**	**(438%)**
Operating Margin	1.2%	19.0%	(17.8%)	(94%)
Operating Margin (excl. asset sales)	(9.2%)	4.4%	(13.6%)	(309%)
Net margin	(16.1%)	5.2%	(21.3%)	(410%)
EBITDA MRI	(24.6%)	19.3%	(43.9%)	(227%)

Turnover has increased by £4.8m year on year. Income from rentals increased by £5.7m, with property sales increasing marginally. Turnover from social tenures has increased by £4.8m to £52.2m and contributes 84% of the Group's turnover.

A total of £4.0m of turnover was also generated from student accommodation and investment properties, contributing 6% of total turnover.

Income from first tranche sales contributes £2.7m, an increase of £0.1m, delivering 4% of total turnover, with the low volumes in keeping with the reduced development activity within the Group. Cost of sales were consistent year on year at £2.1m, with margins on sales improving from 20% to 23% given the increasing turnover.

Operating costs increased by £14.7m to £66.3m, driven by exceptional items. Management costs (£1.2m), service charge expenditure (£3.3m) and repair costs £4.0m) all increased, with write offs identified during year end reviews of assets and liabilities contributing to the increases. In the year, specific provisions for remedial works and associated costs at two schemes were also booked and charges for bad debts and depreciation also increased by £1.5m and £1.1m respectively.

Surpluses generated on the sale of fixed assets have reduced from £8.3m to £6.5m, due to a reduction in other housing property disposals.

OVERVIEW OF FINANCIAL RESULTS (continued)

Financial Performance (continued)

Operating surpluses have reduced from £10.8m to £0.8m, driven by the significant increase in operating expenditure, with margins falling from 19.0% to 1.2%.

Net interest costs have increased by £2.2m, with increases in interest income offset by £1.6m of additional borrowing costs and a £0.5m reduction in capitalised interest. Our portfolio of loans and borrowings have been stable during the year; increasing interest rates relative to the prior year have driven up the cost of borrowing on variable interest rates.

The Group has recorded a deficit before and after tax of £10.0m, compared to a £3.0m surplus in the prior year, with margins reducing from 5.2% to -16.1% accordingly.

In other comprehensive income, there have been actuarial losses of £0.8m, including the capping of irrecoverable assets of local government pension schemes, against a loss of £0.1m in the prior year. Positive movements on the cash flow hedge of £0.4m have been generated, down from £2.9m in the prior year.

Financial Position

	FY24	FY23	Variance	
	£'000s	£'000s	£'000s	%
Fixed Assets	622,573	622,198	375	0%
Current Assets	33,058	35,237	(2,179)	(6%)
Current Liabilities	(307,127)	(44,618)	(262,509)	588%
Long Term Liabilities	(194,839)	(448,688)	253,849	(57%)
Net Assets	**153,664**	**164,129**	**(10,465)**	**(6%)**

Housing properties have increased by £1.5m, driven by £9.2m of development spend, £5.1m of works to existing properties. Our social housing stock, with a carrying value of £595m, represents 95% of our fixed asset base.

Within current assets, our closing cash position of £11.5m is £2.6m lower than the prior year. Our housing properties available for sale are £1.0m higher than the prior year at £12.7m; the balance at year end is primarily attributable to shared ownership properties under construction, with only £3.8m of completed stock unsold at year end.

Following a breach of covenants at 31 March 2024, identified only subsequent to year end, at the reporting date all loans and borrowings have been reclassified as current liabilities, which saw £285.9m reallocated from amounts due in more than one year.

Provisions have increased from £2.7m to £6.8m year on year. Pension liabilities have increased from £1.4m to £1.9m, following an asset cap being introduced in the year in relation to the Royal Borough of Kensington and Chelsea local government pension scheme. In the prior year, other provisions of £1.3m related to restructuring activity, which has been undertaken in the current year, with unused provisions released accordingly. The new provisions in the year of £4.8m relate to fire remedial and building safety works, where the Group has demonstrated a constructive obligation exists at the reporting date.

Following the challenging results of the year, our Group funds are £153.7m, including £142.6m of revenue reserves, down from £164.1m and £153.3m respectively at 31 March 2023.

VALUE FOR MONEY (VfM)

Introduction

Octavia has faced significant challenges in recent years in managing its operating cost base. Some of these challenges have been external with Covid, Brexit and the war in Ukraine all contributing to constrained supply chains, rising inflation, affordability challenges for residents and reduced income.

Other challenges are more specific to Octavia, with a large proportion of older stock in high-cost locations, a significant care element to the housing provision and a strong commitment to funding wider community support. Planned efficiency savings in previous budgets and financial plans have not been delivered. During the 2023/24 financial year there was a steady drift downwards in forecast operational surplus due to the operational challenges outlined above.

The regulatory downgrade from G1/V2 to G3/V3 in September 2023 triggered far greater scrutiny in the organisation's cost base and viability of business streams. In addition, in October 2023 Octavia announced its intention to pursue partnership discussions with Abri. Since that point significant joint working has been undertaken as part of the due diligence process and subsequent recovery plan work. This has identified key improvement workstreams that are now being progressed to bring Octavia back to compliant regulatory ratings.

Our performance

Outlined below is a summary of our performance year on year, with the pressures on operating costs from in year write offs and provisions evident on a number of metrics.

	Metric	Actual 2023/24	Adjusted 2023/24	Actual 2022/23
1	Reinvestment	2.4%	2.4%	3.7%
2a	New Supply (Social housing units)	1.4%	1.4%	1.5%
2b	New Supply (Non-social housing units)	0.00%	0.00%	0.00%
3	Gearing	46.7%	46.7%	45.2%
4	EBITDA MRI interest rate cover	(24.6%)	29.0%	19.3%
5	Headline social housing cost per unit	£11,291	£9,898	£9,321
6a	Operating margin (social housing lettings only)	(13.6%)	0.1%	8.2%
6b	Operating margin (overall)	(9.2%)	2.3%	4.4%
7	Return on capital employed	0.2%	2.3%	1.8%

The results above include £7.1m of exceptional in year costs relating to provisions for fire safety and remedial works, provisions, impairments and in year write offs across various categories of assets and liabilities, less releases of excess restructuring provisions. The "adjusted" results column illustrates the impact these costs have had on value for money metrics in the year.

Given the exceptional circumstances in which the Group has operated in during the year, we have opted against performing an analysis of our performance against peers, due to the limited number of comparable organisations in the year.

VALUE FOR MONEY (VfM) (continued)

Looking forward

The 2024/25 budget and financial plan are prudent and deliverable. Priority is being given to resourcing landlord health and safety commitments where significant work is required to bring Octavia back into a position where it has reliable data and clear plans to deliver a compliant landlord service. This work has resulted in additional pressures being put into the plan through more prudent planning assumptions and increasing investment in fire safety and other landlord compliance programmes. The plan has been prepared on a standalone basis and no efficiencies from partnership are included.

This basis sees notable improvements in both social housing and operating margins, to 6.7% and 9.6% respectively, even above the adjusted results for the current year. The additional investment highlighted does however see cost per unit increase to £11,100 and a marginal reduction in underlying EBITDA MRI to 26.9%. All other measures are budgeted to be comparable to adjusted performance in 2023/24.

Summary

We remain committed to investing in the safety standard of our homes and communities. We have however scaled back our development programme to consist of the residual schemes currently being completed.

APPROVAL OF STRATEGIC REPORT

The Strategic Report was approved by the Board on 12 December 2024 and signed on its behalf by:

Stephen Jack
Director

DIRECTORS' REPORT

The Directors present their report for the year ended 31 March 2024.

Group Board Overview

Octavia is governed by a Board which on 31 March 2024 comprised 10 non-executives (these are listed on page 2 in this report). Each non-executive Board member holds one share. The day-to-day operational responsibility for Octavia is delegated to our Executive team, which comprises the Chief Executive, Chief Financial Officer, and Chief Operating Officer.

Two Group Board members sit on our subsidiary Board for the Octavia Foundation, which is a registered charity as well as a limited company, and has three independent trustees in addition to Group Board representation.

The Committees

During 2023/24, the Board was supported by five group committees, which included non-executive Board members as well as independent committee members.

- Estates Committee – Property related matters including landlord Health and Safety.
- Services Committee – Housing, Care and Support and Community matters.
- Corporate Committee – Technology, People, Culture, Corporate Health and Safety, VfM and Governance matters.
- Audit and Risk Committee – Compliance, Audit and Risk Management matters including assurance oversight of Health and Safety.
- Finance Committee – Strategic planning, financial oversight (until May 2023)

These committees were subsequently rationalised to three group committee as part of streamlining governance in 2024/25.

Code of Governance

The Board is committed to achieving the highest standards of corporate governance in its management of the Group's strategies, ethics, accountability, risk management and control. Octavia has adopted the National Housing Federation's 2020 Code. The Board is required to confirm compliance with the Code or explain any non-compliance.

The Board confirms that the Group was compliant with the code for the year ended 31 March 2024. There are comprehensive governance policies in place which apply to Board members as well as to employees and engaged residents.

Compliance with the Regulatory Standards

Octavia received a Regulatory Judgement from the Regulator for Social Housing in September 2024 deeming Octavia to be non-compliant with the Governance and Financial Viability Standard. It received a further updated judgement in July 2024 deeming it to be non-complaint with the Consumer Standards. In conjunction with the RSH, the Board and Executive Team have agreed a recovery plan which sets out the actions required to achieve compliance. The Board and RSH acknowledge that the partnership with Abri is the key plank to this recovery and ultimately a return to full regulatory compliance.

RISK AND INTERNAL CONTROLS

Our Key Risks

Our corporate risks substantially reflect the concerns raised by the RSH in the context of recovery and partnership activities that have been instigated since 2023. Since January 2024, the focus of these activities has been on a joint Octavia/Abri managed recovery plan to address the issues highlighted in the Regulatory Judgement and establish a pathway to Octavia joining the Abri Group. This plan is supported by the strengthening of the Governance arrangements at Octavia through the appointment of three new Board members with both merger and recovery experience and the creation of a Joint Recovery Group (JRG) consisting of members of both the Abri and Octavia Boards. The JRG is providing oversight and scrutiny of the recovery activities, and ensuring the outcomes are achieved in a timely and effective manner.

With Abri's help, we have taken steps to strengthen our governance and recovery performance and compliance across several workstreams covering IT, data quality, financial planning and landlord health and safety. There is much more work to be done but we are confident that through joining with Abri, we will have the skills and resources to provide the level of service that can deliver all that our residents need.

Directors' Indemnities

As permitted by the Companies Act 2006, the Society has indemnified the directors in respect of proceedings brought by third parties and qualifying third party indemnity insurance was in place throughout the year and up to the date of approval of the financial statements.

Group Board's statement on Effectiveness of Internal Control

The Board has overall responsibility for establishing and maintaining Octavia's system of internal controls and for reviewing its effectiveness. The system for internal control covers all aspects of Octavia's activities, not just internal financial control.

The Boards of Octavia and Abri are currently engaged in a joint recovery plan to address the priority issues identified in the Regulatory Judgement and the due diligence work. We are working with the Regulator to monitor and implement this plan.

Each year the Board requires the Chief Executive to prepare a detailed report on Risk Management and Internal Control Systems

The Board has reviewed the effectiveness of the system of internal controls and can confirm that there is an ongoing process for identifying, evaluating and managing significant risks facing Octavia – and that no deficiencies in controls have been identified that would lead to any material misstatement of the financial statements.

The Board acknowledges that progress has been made in improving internal controls through the additional scrutiny from the due diligence and recovery work. Work is underway in 2024/25 to deliver a stronger, documented and evidenced system of internal controls across Octavia, and as Octavia joins the Abri Group and adopts their systems and control framework.

CAPITAL AND TREASURY MANAGEMENT

Introduction

As a Co-operative and Community Benefit Society and an exempt charity, Octavia does not have access to equity capital. As such, all activities and investments are financed either by accumulated surpluses, grants or through borrowings. Given the long-term nature of the investments in social housing, our borrowings also tend to be long term in nature.

Capital Structure

During the year, gross borrowings increased from £282m to £289m. As of 31 March 2024, headroom available on fully secured borrowing facilities was £119m, (2023: £155m), which were available to draw immediately. The total Group committed facilities are £408m (2023: £437m).

Risks

- **Interest rate risk** is the risk that the Group is unable to service its loans and borrowings due to rises in interest rates. The Group manages interest rate risk through the requirements laid out in the Group treasury policy, including entering into interest rate swaps to fix a proportion of variable rate debt;
- **Liquidity risk** is the risk that the Group is unable to service its loans and borrowings, or meet repayment liabilities as they fall due, owing to insufficient cash. The Group manages liquidity risk through the requirements laid out in the Group treasury policy, including requirements for minimum levels of cash or immediately available facilities;
- **Counterparty credit risk** is the risk that the Group is unable to access cash deposits or undrawn facilities due to failure of counterparties. The Group manages counterparty credit risk by regularly monitoring and reviewing the credit rating of counterparties through the requirements laid out in the Group treasury policy;
- **Market risk** is the risk that the Group is unable to refinance loans and borrowings at an acceptable interest rate as they mature. The Group manages market risk by modelling the impact of interest rate rises in its long-term forecast and identifying mitigating actions; and
- **Currency risk** is not applicable as the Group borrows and invests surplus funds only in sterling.

Interest rate management

The proportion of variable rate debt has increased during the year to 31 March 2024 to 24% (2023: 21%), as funding was drawn down on a 'just in time' basis under our revolving credit facilities in order to finance housing developments and working capital requirements.

Rate fixing period	Target	31 March 2024	31 March 2023
Fixed for more than 10 years	At least 40%	65%	63%
Fixed for more than 1 year but less than 10 years	Between 10% and 30%	15%	16%
Variable/less than one year	Less than 25%	20%	21%

CAPITAL AND TREASURY MANAGEMENT (continued)

Financial loan covenants compliance

Following a detailed review of the balance sheet at 31 March 2024, a number of adjustments were made resulting in write off of costs and a deficit on ordinary activities being made. This deficit resulted in a number of breaches to lender interest cover covenants as at 31 March 2024, and as a result at the reporting date all loans and borrowings have been reclassified as current liabilities, reflecting the breach.

On 31 October 2024, waivers were received from all lenders impacted by covenant breaches, whether directly or by cross default guarantees. With effect from this date, all loans and borrowings are now reclassified to their original aging profile with amounts due in more than one year of £285.9m.

In the opinion of the Directors, the presentation of loans and borrowings in these accounts does not materially impact the assessment of going concern.

As at November 2024 it is forecast that Octavia will meet its covenant obligations in 2024/25.

Surplus assets for future debt security

At the end of the year, 55% (2023: 52%) of our properties had been used to secure current facilities. The unutilised security will enable us to increase borrowings to fund future additional development.

Future funding options

The current loan facilities will enable us to complete all contractually committed development schemes.

EMPLOYEES

The Group has a recruitment policy to ensure that all applications for employment, including those made by disabled persons, are given full and fair consideration in light of the applicants' aptitudes and abilities. There is also an equal opportunities policy to ensure that all employees are treated equally in terms of employment, training, career development and promotion. Where employees develop a disability during their employment, every effort is made to continue their employment and arrange for appropriate training as far as is reasonably practicable.

Our approach as an employer

We know there are inequalities that impact our people, and we are passionate about tackling these for our communities, residents, and staff. Striving to reduce our gender pay gap will help us achieve this aim.

This year's Gender Pay Gap report shows a gap between the mean average salary of male and female staff of 18% in favour of males. We have made progress especially in relation to our mean pay gap and we are committed to improving our gender pay gap further. Some of the activities that we believe have had a positive impact on our gender pay gap include the introduction of a self-service HR system, continued access to flexible working conditions, a learning management system, and the development of a leadership development programme.

We have launched an Equality, Diversity and Inclusion steering group which will be the key to driving forward our equality, diversity and inclusion strategy.

EMPLOYEES (continued)

Remuneration

Octavia seeks to have both clarity and consistency in the remuneration policy which will:

- assist in recruiting and retaining staff;
- reward responsibility and performance at an appropriate rate in relation to the sector and the market; and
- provide terms and conditions that meet statutory obligations and better these where appropriate.

Salaries are based on independent advice on the market and reviewed regularly. All members of staff are paid at or above the London Living wage. The salaries of the Executive Directors are set by the Remuneration Committee and by the Board for the Chief Executive. Octavia's policy is to offer fees to Board members. These are set in line with the guidance on fees given previously by the Regulator. Details of the remuneration paid, and the activities of individual Board members are given in note 8 of these financial statements.

Employee Numbers

The Group directly employed an average of 367 (2023: 365) full-time equivalent employees during the financial year, calculated on standard working hours per week for each employee.

ACQUISITION OF OWN SHARES

No Group entities have been party to the acquisition of shares in fellow subsidiaries in the current or prior year.

POST BALANCE SHEET EVENTS

On 25 April 2024, the assets and liabilities of the Octavia Hill Housing Trust Gift Fund were transferred to a standalone entity, registered with the charities commission.

On 16 and 17 October 2024 the Boards of Octavia and Abri approved the Final Business Case for Octavia to join the Abri Group as a subsidiary.

On 31 October 2024, waivers were received from all lenders impacted by covenant breaches, whether directly or by cross default guarantees. With effect from this date, all loans and borrowings are now reclassified to their original aging profile with amounts due in more than one year of £285.9m.

On 5 November 2024 the shareholders of Octavia approved the change of rules of Octavia to enable it to become a subsidiary of Abri Group, subject to the required funder consents.

GOING CONCERN

The Regulator for Social Housing downgraded Octavia to a G3 governance rating/V3 viability rating, reflective of the challenges the organisation has faced concerning landlord health and safety. The Board continues working with the Regulator on measures to improve both the governance processes and the financial strength of Octavia Housing, including working with Abri Group as a partner, and with the continued support from its funders.

Following a breach of covenants at 31 March 2024, identified only subsequent to year end, at the reporting date all loans and borrowings have been reclassified as current liabilities. On 31 October 2024, waivers were received from all lenders impacted by covenant breaches, whether directly or by cross default guarantees. With effect from this date, all loans and borrowings were reclassified to their original aging profile with amounts due in more than one year of £285.9m. In the opinion of the Directors, the presentation of loans and borrowings in these accounts does not materially impact the assessment of going concern.

The Board has assessed the Society's ability to continue as a going concern. The Board has noted that the projected cash flow from operations and sales, taken together with undrawn and secured loan facilities, exceed the projected cash requirements for operating expenditure and capital investment for at least the next twelve months from the date of signing these financial statements. Stress testing identified the level of support that the Society would require in such scenarios, and agreements in principle are in place to ensure the Society continues to retain viability whilst merger discussions continue with Abri.

The Boards of both Abri and Octavia have agreed to a disposal of tenanted properties from Octavia to Abri to support the financial position of Octavia in the 2024/25 financial year. A portfolio of properties has been identified that would generate a surplus on disposal of £22m if required.

The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis for the 12 months from the signing date.

DISCLOSURE OF INFORMATION TO AUDITOR

At the date when this report is approved each of the Board Members confirm the following:

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

APPROVAL OF THE BOARD

The Directors' Report was approved by the Board on 12 December 2024 and signed on its behalf by:

Stephen Jack
Director

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD'S REPORT AND THE ANNUAL FINANCIAL STATEMENTS

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.
In preparing each of the Group and the Association financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTAVIA HOUSING LIMITED

Opinion

We have audited the financial statements of Octavia Housing ("the Association") for the year ended 31 March 2024 which comprise Group and Association Statements of Comprehensive Income, the Group and Association Statements of Financial Position, the Group Cash Flow Statement, the Group and Association Statements of Changes in Reserves, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Group and the Association as at 31 March 2024 and of the income and expenditure of the Group and the Association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Board have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Association or to cease their operations, and as they have concluded that the Group's and the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of the Board, the Audit and Risk committee and internal audit as to the Group's high level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board and Audit and Risk committee meeting minutes; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular that the Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the non-complex nature of material revenue streams and the limited opportunity for management to manipulate revenue transactions.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.
- assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Board and other management (as required by auditing standards).

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation) and taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and data protection laws, recognising the regulated nature of the Group's activities.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Board is responsible for the other information, which comprises Annual Report, Strategic Report and Directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 17, the Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group and the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Group and Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Group and Association those matters we are required to state to it 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 Group and Association, for our audit work, for this report, or for the opinions we have formed.

Harry Mears
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Gateway House
Tollgate
Eastleigh
SO53 3TG

13 December 2024

GROUP STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	62,049	57,239
Cost of sales	3	(2,124)	(2,091)
Operating costs	3	(66,309)	(51,582)
Surplus from disposal of fixed assets	3	6,464	8,332
Restructuring costs	4	695	(1,050)
Operating surplus		**775**	**10,848**
Finance income	5	418	170
Finance costs	6	(11,407)	(8,918)
Fair value movement on investments	13	67	(37)
Fair value movement on investment properties	12	130	898
(Deficit)/Surplus on ordinary activities	**7**	**(10,017)**	**2,961**
Other comprehensive income/(expenditure)			
Actuarial losses on defined benefit pension schemes	24	(814)	(61)
Fair value movement on cash flow hedge	29	366	2,873
Total comprehensive (expenditure)/income		**(10,465)**	**5,773**

All activities derive from continuing operations.

The notes on pages 29 to 66 form part of these financial statements.

SOCIETY STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	61,318	56,144
Cost of sales	3	(2,123)	(2,090)
Operating costs	3	(64,815)	(50,189)
Surplus from disposal of fixed assets	3	6,464	8,332
Restructuring costs	4	695	(1,050)
Operating surplus		**1,539**	**11,147**
Finance income	5	404	171
Finance costs	6	(11,407)	(8,918)
Fair value movement on investment properties	12	130	898
(Deficit)/Surplus on ordinary activities	**7**	**(9,334)**	**3,298**
Other comprehensive income/(expenditure)			
Actuarial losses on defined benefit pension schemes	24	(814)	(61)
Fair value movement on cash flow hedge	29	366	2,873
Total comprehensive (expenditure)/income		**(9,782)**	**6,110**

All activities derive from continuing operations.

The notes on pages 29 to 66 form part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Housing properties	10	595,007	593,521
Other fixed assets	11	10,363	11,667
Investment properties	12	16,456	16,326
Investments	13	747	684
		622,573	**622,198**
Current assets			
Properties for sale	14	12,642	11,651
Inventory		39	-
Receivables – amounts due within one year	15	8,223	9,170
Receivables – amounts due after one year	15	702	336
Cash and cash equivalents		11,451	14,080
		33,057	**35,237**
Payables: amounts due within one year	16	(307,127)	(44,618)
Net current liabilities		**(274,070)**	**(9,381)**
Total assets less current liabilities		**348,503**	**612,817**
Payables: amounts due after one year	17	(188,069)	(445,997)
Provisions	22	(6,770)	(2,691)
Net assets		**153,664**	**164,129**
Capital and reserves			
Share Capital	26	0	0
Revenue reserve		142,567	153,338
Restricted Reserve		10,355	10,415
Cash flow hedge reserve		742	376
Group funds		**153,664**	**164,129**

The notes on pages 29 to 66 form part of these financial statements.

The consolidated financial statements of Octavia Housing Limited, registered society number 13991R, on pages 22 to 66 were approved by the Board and authorised for issue on 12 December 2024 and signed on its behalf by:

Stephen Jack
Chair

Terrence Gallagher
Board Member

Adam Barrett
Company Secretary

SOCIETY STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Housing properties	10	585,776	583,417
Other fixed assets	11	10,363	11,667
Investment properties	12	16,456	16,326
Investments	13	10	10
		612,605	**611,420**
Current assets			
Properties for sale	14	12,642	11,651
Receivables – amounts due within one year	15	8,665	9,571
Receivables – amounts due after one year	15	702	336
Cash and cash equivalents		11,211	13,604
		33,220	**35,162**
Payables: amounts due within one year	16	(307,164)	(44,711)
Net current liabilities		**(273,944)**	**(9,549)**
Total assets less current liabilities		**338,661**	**601,871**
Payables: amounts due after one year	17	(193,383)	(450,890)
Provisions	22	(6,770)	(2,691)
Net assets		**138,508**	**148,290**
Capital and reserves			
Share Capital	26	0	0
Revenue reserve		127,411	137,499
Restricted Reserve		10,355	10,415
Cash flow hedge reserve		742	376
Group funds		**138,508**	**148,290**

The notes on pages 29 to 66 form part of these financial statements.

The consolidated financial statements of Octavia Housing Limited, registered society number 13991R, on pages 22 to 66 were approved by the Board and authorised for issue on 12 December 2024 and signed on its behalf by:

Stephen Jack	**Terrence Gallagher**	**Adam Barrett**
Chair	Board Member	Company Secretary

GROUP STATEMENT OF CHANGES IN RESERVES

	Share capital £'000	Revenue reserve £'000	Restricted reserve £'000	Cash flow hedge reserve £'000	Total £'000
At 31 March 2022	**0**	**151,183**	**9,670**	**(2,497)**	**158,356**
Surplus on ordinary activities after tax	-	2,961	-	-	**2,961**
Transfer between restricted and unrestricted reserves		(745)	745	-	**-**
Movement in fair value of hedged financial instrument		-	-	2,873	**2,873**
Actuarial losses on defined benefit pension schemes	-	(61)	-	-	**(61)**
At 31 March 2023	**0**	**153,338**	**10,415**	**376**	**164,129**
Deficit on ordinary activities after tax	-	(10,017)	-	-	**(10,017)**
Transfer between restricted and unrestricted reserves	-	60	(60)	-	**-**
Movement in fair value of hedged financial instrument	-	-	-	366	**366**
Actuarial losses on defined benefit pension schemes	-	(814)	-	-	**(814)**
At 31 March 2024	**0**	**142,567**	**10,355**	**742**	**153,664**

The notes on pages 29 to 66 form part of these financial statements.

SOCIETY STATEMENT OF CHANGES IN RESERVES

	Share capital £'000	Revenue reserve £'000	Restricted reserve £'000	Cash flow hedge reserve £'000	Total £'000
At 31 March 2022	**0**	**134,186**	**9,670**	**(2,497)**	**141,359**
Surplus on ordinary activities after tax	-	3,298	-	-	**3,298**
Transfer from Octavia Foundation		-	821	-	**821**
Transfer between restricted and unrestricted reserves		76	(76)	-	**-**
Movement in fair value of hedged financial instrument		-	-	2,873	**2,873**
Actuarial losses on defined benefit pension schemes	-	(61)	-	-	**(61)**
At 31 March 2023	**0**	**137,499**	**10,415**	**376**	**148,290**
Deficit on ordinary activities after tax	-	(9,334)	-	-	**(9,334)**
Transfer to the gift fund	-	(28)	28	-	**-**
Transfer between restricted and unrestricted reserves	-	88	(88)	-	**-**
Movement in fair value of hedged financial instrument	-	-	-	366	**366**
Actuarial losses on defined benefit pension schemes	-	(814)	-	-	**(814)**
At 31 March 2024	**0**	**127,411**	**10,355**	**742**	**138,508**

The notes on pages 29 to 66 form part of these financial statements.

GROUP STATEMENT OF CASH FLOWS
Year ended 31 March 2024

	2024 £'000	2023 £'000
(Deficit)/Surplus for the financial year	**(10,017)**	**2,961**
Adjustments for:		
Accelerated depreciation on components	462	126
Loss on disposal of Other Fixed Assets	456	-
Depreciation of fixed assets – housing properties	8,230	7,511
Depreciation of fixed assets – other	1,203	1,297
Impairment	523	986
Amortised grant	(2,727)	(1,980)
Interest payable and finance costs	11,407	8,918
Interest receivable	(417)	(170)
Movement in value of investments	(67)	37
Movement in the fair value of investment properties	(130)	(898)
Sale of current investments	-	106
Movement in trade and other debtors	947	(684)
Movement in pension creditor	(318)	(521)
Movement in provisions	3,583	1,250
Movement in trade & other creditors	(183)	(1,580)
Sale of fixed assets – cost element	2,541	3,371
Net cash generated from operating activities	**15,493**	**20,730**
Cash flows from investing activities		
Purchase of fixed assets – housing properties	(12,432)	(19,441)
Purchases of fixed assets – other	(355)	(1,292)
Receipt of grant	681	420
Repayment of grant	(1,333)	-
Interest received	417	170
Proceeds from sale of investments	5	996
Net cash outflow from investing activities	**(13,017)**	**(19,147)**
Cash flows from financing activities		
Interest and breakage paid	(12,145)	(11,009)
New loans – bank	7,040	3,282
Net cash generated by financing activities	**(5,105)**	**(7,727)**
Net Increase in cash and cash equivalents	**(2,629)**	**(6,144)**
Cash and cash equivalents at beginning of year	14,080	20,224
Cash and cash equivalents at end of year	**11,451**	**14,080**

The notes on pages 29 to 66 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. LEGAL STATUS

Octavia Housing Limited (the “Society”) is registered in England with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider. Details of its registered office are set out on page 1.

2. ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Group and Society have been prepared in accordance with applicable law and UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing Statement of Recommended Practice (SORP) 2018 for registered social housing providers and comply with the Accounting Direction for private registered providers of social housing 2022. The financial statements are presented in pounds sterling and have been prepared on the historical cost basis except for a modification to amortised cost or a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below.

Going Concern

The Regulator for Social Housing downgraded Octavia to a G3 governance rating/V3 viability rating, reflective of the challenges the organisation has faced concerning landlord health and safety. The Board continues working with the Regulator on measures to improve both the governance processes and the financial strength of Octavia Housing, including working with Abri Group as a partner, and with the continued support from its funders.

Following a breach of covenants at 31 March 2024, identified only subsequent to year end, at the reporting date all loans and borrowings have been reclassified as current liabilities. On 31 October 2024, waivers were received from all lenders impacted by covenant breaches, whether directly or by cross default guarantees. With effect from this date, all loans and borrowings were reclassified to their original aging profile with amounts due in more than one year of £285.9m. In the opinion of the Directors, the presentation of loans and borrowings in these accounts does not materially impact the assessment of going concern.

The Board has assessed the Society’s ability to continue as a going concern. The Board has noted that the projected cash flow from operations and sales, taken together with undrawn and secured loan facilities, exceed the projected cash requirements for operating expenditure and capital investment for at least the next twelve months from the date of signing these financial statements. Stress testing identified the level of support that the Society would require in such scenarios, and agreements in principle are in place to ensure the Society continues to retain viability whilst merger discussions continue with Abri.

The Boards of both Abri and Octavia have agreed to a disposal of tenanted properties from Octavia to Abri to support the financial position of Octavia in the 2024/25 financial year. A portfolio of properties has been identified that would generate a surplus on disposal of £22m if required.

The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis for the 12 months from the signing date.

Disclosure Exemptions

In preparing the separate financial statements of the parent Society, advantage has been taken of the disclosure exemption under FRS 102 paragraph 1.12(b) in not preparing a Statement of Cash Flows on the basis that this is included in the consolidated financial statements.

2. ACCOUNTING POLICIES (continued)

Consolidation

The Group financial statements consolidate the financial statements of the parent Society and all its subsidiaries at 31 March. Intercompany transactions are eliminated on consolidation.

Octavia Housing Limited is the ultimate parent and transactions with subsidiaries which are not registered providers regulated by the Regulation Committee of the Regulator of Social Housing as disclosed in note 34.

The consolidated financial statement incorporates the results of the business combination using the purchase method (see business combination policy).

Turnover

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

- Rental income receivable (after deducting lost rent from void properties available for letting), including letting of commercial properties,
- First tranche sales of Low-Cost Home Ownership housing properties developed for sale,
- Sales of other residential property developed for sale,
- Service charges receivable,
- Revenue charges for supported housing as they fall due per the contract,
- Proceeds from the sale of land and property,
- Sales in charity shops, and
- Charitable donations from third parties.

Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from all property sales is recognised at the point of legal completion of the sale. Charity shop sales are recognised on the date of sale.

Supported housing schemes

The Group receives Supporting People fees from a number of London Boroughs in connection with the provision of supported housing. The income relating to the period as well as costs incurred by the Group in the provision of support services have been included in the Statement of Comprehensive Income. Any excess of cost over the fee received is borne by the Group where it is not recoverable from tenants.

Schemes managed by agents

Income from schemes managed by agents represents rent receivable. Any management or other fees payable to agents are included in operating costs.

Cost of Sales

Cost of sales relates to first tranche sales and represents those costs, including direct overheads, capitalised interest and other incidental costs, incurred during development, construction, and marketing of those properties. The percentage of equity purchased determines the percentage of total unit costs recognised in the Statement of Comprehensive Income.

2. ACCOUNTING POLICIES (continued)

Revenue Grant

The Group receives grants in respect of revenue expenditure, and these are credited as appropriate to income in the same period as the expenditure to which they relate.

Service Charge Income and Expenditure

The Group adopts the fixed cost method for calculating and charging service charges to its tenants, but for shared owners and leaseholders the variable cost method is used. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the actual or estimated amounts chargeable respectively.

Surplus/(Deficit) from Disposal of Fixed Assets

Subsequent sales of existing properties and other fixed assets are included in operating surplus as they are deemed to be part of ongoing operating activities.

Staircasing events include both partial and final transactions, where the purchaser increases or fully acquires the equity in their property. Final staircasing events on houses will involve the disposal of the freehold, whereas on flats, the Group will retain the freehold on the property, reclassifying the unit as a leasehold unit.

The surplus recognised on the sale of other housing properties and other fixed assets is the difference between the proceeds received and the carrying value of the property or asset.

Repairs and Maintenance

The Group capitalises items of expenditure on housing properties if they result in an enhancement to the economic benefits from the property or if they replace an identifiable component. Works to existing properties which do not meet the above criteria are charged to the Statement of Comprehensive Income.

Finance Costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the loan. Issue costs are recognised as a reduction in the proceeds of the associated loan and are amortised on a straight-line basis over the term of the loan.

Capitalisation of Finance Costs

The Group capitalises interest costs incurred because of development activities, with the amounts presented net of finance costs in the Statement of Comprehensive Income and included within the carrying value of assets in the Statement of Financial Position.

Disclosure of the calculation basis and amounts capitalised is included in notes 6 and 10.

Value Added Tax (VAT)

Value Added Tax (VAT) is charged on some income and some of the VAT incurred on expenditure is recovered. The financial statements include VAT as an expense to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from chargeable and partially exempt activities and is credited to Income or Fixed Assets as appropriate.

2. ACCOUNTING POLICIES (continued)

Pensions

Under defined benefit accounting the Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Contributions to the Group’s defined contribution pension schemes are charged to the Statement of Comprehensive Income the year in which they become payable.

Business Combinations

Where there is a business combination that is in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the Statement of Comprehensive Income. This gain represents the gift of the value of one entity to another and is recognised as income. Where the fair value of the liabilities exceeds the fair value of the assets, the loss represents net obligations assumed and is recognised as an expense.

Fixed Assets – Housing Properties

Housing properties constructed or acquired (including land) are stated at cost less depreciation and impairment (where applicable). The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable costs of acquisition include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is on-going and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where major components are replaced or where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through a reduction in future maintenance costs, or a subsequent extension in the life of the property.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in property under construction. They are recorded at the lower of cost and recoverable amount and held at cost less any impairment and are transferred to completed properties when ready for letting.

Completed housing properties acquired from subsidiaries are held at cost at the date of acquisition. Commercial properties within mixed developments are held as investment properties.

2. ACCOUNTING POLICIES (continued)

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is donated by a public body, an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary grant and recognised in the Statement of Financial Position as a liability. Where the donation is from a non-public source, the value of the donation is included as income when the asset being financed comes into use.

Depreciation

Freehold Buildings and Components

Freehold land is not depreciated on account of its indefinite useful economic life.

The portion of shared ownership property retained or expected to be retained is not depreciated on the expectation that the net realisable value at the time of disposal will be in excess of historic cost. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

Assets in the course of construction are not depreciated until they are completed and ready for use so as to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

- 100 years – structure,
- 50 years – roofs,
- 30 years – bathrooms, central heating systems, electrics, externals (including steps, handrails and paths), windows and doors, service chargeable components (long life, including fire systems, TV aerials, communal heating and passenger lifts),
- 20 years – energy improvements, kitchens,
- 15 years – boilers, and
- 10 years – service chargeable components (short life, including warden call system, CCTV, hoists and door entry systems).

Depreciation is not charged on housing assets in the year of completion but in subsequent years including the year of disposal.

Other Fixed Assets

Other tangible fixed assets are stated at historic cost less accumulated depreciation. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

2. ACCOUNTING POLICIES (continued)

Other Fixed Assets (continued)

Freehold building

Office buildings are depreciated at 1.33% per annum of the cost; other premises held for their service potential are depreciated at 2% per annum of the cost.

Fixtures, fittings and equipment

Office fixtures, fittings and equipment are depreciated at 10% per annum of the cost; computer equipment is depreciated at 25% per annum of the cost and computer software costing more than £10,000 is depreciated at 33.3% per annum of the cost.
Motor vehicles

Motor vehicles are depreciated at 25% per annum of the cost.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'surplus on disposal of assets' in the Statement of Comprehensive Income.

Investment Properties

Investment properties consist of commercial properties and other properties within social housing schemes which are not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers or assessed by the Board. Valuations are based on the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in income or expenditure.

Investments in subsidiaries

Investments in subsidiaries and associates are accounted for using the cost model in the Society's financial statements.

Properties Held for Sale

Properties held for sale represents work in progress and completed properties developed for outright sale and shared ownership properties. For shared ownership properties, the carrying value is the estimated cost of the element to be sold as a first tranche.

Units are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

2. ACCOUNTING POLICIES (continued)

Inventories

Inventory represents materials and replacement components held prior to use in repair works. Items are held at the lower of cost and net realisable value and periodic stock counts ensure that damaged and obsolete items are identified and written off.

Cash and Cash Equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consist of cash at bank, in transit and in hand and money market and bank deposits with an original maturity of three months or less.

The Group has also identified some assets, which meet the definition of cash and cash equivalents but are restricted in their use; these assets have been classified as trade and other receivables – amounts held by lenders as security for borrowings and other debts.

Provisions

Where the Group makes commitments which can be viewed as constructive obligations to incur expenditure and which can be reliably quantifiable, provisions are created at the time the commitment is made and charged as an expense in the Statement of Comprehensive Income.

Receivables and Payables

Receivables and payables with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment of receivables are recognised in the Statement of Comprehensive Income in other operating expenses.

Recoverable Amount of Rental and Other Trade Receivables

The Group estimates the recoverable amount of receivables and provides for the balance based on the value and class of the debt.

Sinking Funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in trade and other payables.

Financial Instruments

Financial instruments are recognised when the Group or Society becomes a party to the contractual provisions of the instrument and are classified according to their substance.

2. ACCOUNTING POLICIES (continued)

Deferred Capital Grant

Government capital grants received in relation to housing properties are accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the Housing SORP 2018, the useful economic life of the housing property structure has been selected as the basis for grant recognition.

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets, any unamortised grant remaining within liabilities is released and recognised as income within the Statement of Comprehensive Income.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant (RCGF)

On the occurrence of certain relevant events, primarily the sale of dwellings, the Greater London Authority (GLA) can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate RCGF fund is maintained. If unused within a three-year period, it will be repayable to the GLA with interest. Any unused recycled capital grant held within the RCGF, which it is anticipated will not be used within one year, is disclosed in the Statement of Financial Position under "Trade and other payables – due after more than one year". The remainder is disclosed under "Trade and other payables – due within one year".

Hedge Accounting

The Group holds variable rate loans which expose the Group to interest rate risk. To mitigate against this risk the Group uses either the option to fix interest rates within the loan facility or stand-alone fixed rate interest rate swaps.

Stand-alone interest rate swaps are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative. No revaluation is made of embedded fixed rate agreements.

The Group has designated each stand-alone swap against existing drawn variable rate debt. To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counter party credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness and adjustments for our own or counter party credit risk are recognised in income and expenditure.

2. ACCOUNTING POLICIES (continued)

Contingent liabilities

A contingent liability is recognised for:

- a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or
- for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation; or
- when a sufficiently reliable estimate of the amount cannot be made.

Financial Assets and Liabilities

Loans and Borrowings

All loans, investments and short-term deposits held by the Group, are classified as basic financial instruments as they meet the criteria set out in FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate.

Leases

There being no finance leases, all leases are treated as operating leases. Their annual rentals are charged to income or expenditure on a straight-line basis over the term of the lease.

Critical Judgements, Estimates, and Uncertainty

Preparation of the financial statements requires management to make the following significant judgments and estimates:

Impairment of fixed assets

The housing property portfolio for the Group is assessed for indicators of impairment at each reporting date. Where impairment indicators are identified, then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An options appraisal is carried out to determine the option which produces the highest net realisable value. Valuations based on rental return or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned, or the present value of future cash flows to be derived from them, appropriately adjusted to account for any restrictions on their use. No properties have been valued at Value in Use.

The Group defines cash generating units as schemes, except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value, an impairment is recorded through a charge to the Statement of Comprehensive Income. The Group considers a scheme to represent the appropriate level of cash generating units when assessing for impairment, in accordance with the requirements of FRS 102 and SORP 2018.

2. ACCOUNTING POLICIES (continued)

Provisions for Fire Safety works

A provision for remedial works has been included in accounts where the following criteria has been met:

- the requirement to undertake work as a result of past events is clearly demonstrated,
- our intention to remedy the situation has been clearly communicated to affected residents; and
- The value of remedial works is reliable and informed by quotes from independent third parties.

In aggregate, these factors give rise to a constructive obligation, the value of which can be reliably measured, at the reporting date.

Provisions for Arrears and Other Debtors

Judgement is applied in the process of provisions for doubtful debts, to ensure that a charge is recognised in the accounts, equivalent to future losses from amounts written off, which are uncertain in both timing and amount.

Classification of Investment Properties

Judgement is exercised in determining which housing and commercial properties and other assets let at market rates and are classified as investment properties as a result. This judgement has a significant impact on the carrying value of properties, consequently held at fair value and not cost, in the financial statements.

Capitalisation of Property Development Costs

Judgement is involved in determining the appropriate allocation of costs between tenures on developments with multiple tenures. Costs are allocated to each unit on their size, relative to the total size of the scheme. For shared ownership properties, further judgement is applied on the split between current and fixed assets, dependent upon the equity anticipated to be purchased in the first tranche.

Recoverable amount of Properties developed for sale

The expecting selling price is based on estimates received from suitably qualified professionals and are kept under review during the development stage to ensure they exceed total forecast development costs. At the reporting date, judgement is exercised that these selling process remain appropriate in determining that the net realisable value of each property exceeds its cost and is thus not impaired.

Fair Value Measurement

The Society uses external professional advisers to determine the fair value of financial instruments and investment properties.

Whilst the fair value of financial instruments is based on quoted prices, investment properties are valued according to the methodologies and assumptions applied by the adviser.

2. ACCOUNTING POLICIES (continued)

Housing Properties and Components – values and useful economic lives

In the process of developing or acquiring housing properties, where no land value is separately identifiable, an estimation of the land value is derived from a Red Book Valuation by a qualified surveyor.

Each unit is assigned relevant components, which are separately identifiable from the structure of the property at the point of handover. Each component is assigned a standard cost and an estimation of the useful life is made, informing the depreciation charges each unit receives in aggregate.

Defined Benefit Pension Obligations

Financial and actuarial assumptions underlying accounting estimates of the Society's defined benefit obligations are informed by actuarial advice, based on best estimates according to scheme duration, and applied consistently across accounting periods.

3. TURNOVER, COST OF SALES, OPERATING COSTS, SURPLUS FROM DISPOSAL OF FIXED ASSETS AND OPERATING SURPLUS

Group	2024					2023				
Social housing lettings, other social housing and non-social housing activities	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**
Social housing lettings	**52,223**	**-**	**(59,332)**	**-**	**(7,109)**	**47,380**	**-**	**(43,501)**	**-**	**3,879**
Other social housing activities										
First tranche sales	2,749	(2,124)	(217)	-	**408**	2,616	(2,091)	(300)	-	**225**
Disposal of fixed assets	-	-	-	6,464	**6,464**	-	-	-	8,332	**8,332**
Support services	99	-	(377)	-	**(278)**	-	-	(355)	-	**(355)**
Student Accommodation	2,432	-	(107)	-	**2,325**	2,174	-	(164)	-	**2,010**
Impairment	-	-	(523)	-	**(523)**	-	-	(686)	-	**(686)**
Other	312	-	(3,206)	-	**(2,894)**	1,463	-	(3,530)	-	**(2,067)**
	57,815	**(2,124)**	**(63,762)**	**6,464**	**(1,607)**	**53,633**	**(2,091)**	**(48,536)**	**8,332**	**11,338**
Non-social housing activities										
Market rent properties	1,585	-	(486)	-	**1,099**	974	-	(518)	-	**456**
Other	2,649	-	(1,366)	-	**1,283**	2,632	-	(3,578)	-	**(946)**
	4,234	**-**	**(1,852)**	**-**	**2,382**	**3,606**	**-**	**(4,096)**	**-**	**(490)**
Total	**62,049**	**(2,124)**	**(65,614)**	**6,464**	**775**	**57,239**	**(2,091)**	**(52,632)**	**8,332**	**10,848**

Operating expenditure of £65,614k (2023: £52,632k) includes a credit of £695k (2023: debit of £1,050k) in relation to restructuring provisions disclosed separately on the face of the Statement of Comprehensive Income.

The prior year has been reanalysed to separate surpluses on disposal of fixed assets from other within other social housing lettings and separate impairments on shared ownership properties under construction within first tranche sales from impairments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

3. TURNOVER, COST OF SALES, OPERATING COSTS, SURPLUS FROM DISPOSAL OF FIXED ASSETS AND OPERATING SURPLUS (continued)

Group	**2024**					**2023**				
Social housing lettings	**General needs housing £'000**	**Supported housing £'000**	**Keyworker £'000**	**Shared ownership £'000**	**Total £'000**	**General needs housing £'000**	**Supported housing £'000**	**Keyworker £'000**	**Shared ownership £'000**	**Total £'000**
Turnover										
Rent receivable net of identifiable service charges (net of voids)	29,460	1,944	3,336	3,381	**38,121**	27,870	1,481	3,019	3,113	**35,483**
Service charge income	4,126	1,676	58	1,495	**7,355**	2,813	1,415	58	1,777	**6,063**
Amortisation of capital grant	2,334	214	0	179	**2,727**	1,587	214	-	179	**1,980**
Net rental income	**35,920**	**3,834**	**3,394**	**5,055**	**48,203**	**32,270**	**3,110**	**3,077**	**5,069**	**43,526**
Grants taken to income	-	102	-	-	**102**	-	97	-	-	**97**
Fee income for care and support	-	3,546	-	-	**3,546**	-	3,294	-	-	**3,294**
Other Income	-	372	-	-	**372**	24	392	-	47	**463**
Net turnover	**35,920**	**7,854**	**3,394**	**5,055**	**52,223**	**32,294**	**6,893**	**3,077**	**5,116**	**47,380**
Operating costs										
Management	(8,957)	(1,298)	(10)	(475)	**(10,740)**	(7,604)	(1,327)	(25)	(581)	**(9,537)**
Service charge costs	(7,759)	(5,593)	(6)	(2,463)	**(15,821)**	(6,319)	(5,013)	(5)	(1,221)	**(12,558)**
Routine maintenance	(10,969)	(68)	(35)	(1)	**(11,073)**	(9,669)	(15)	(60)	(2)	**(9,746)**
Planned maintenance	(3,919)	-	-	-	**(3,919)**	(2,536)	10	-	-	**(2,526)**
Major repairs expenditure	(6,516)	-	-	-	**(6,516)**	(448)	-	-	-	**(448)**
Bad debts	(1,705)	-	-	(866)	**(2,571)**	(1,049)	-	-	-	**(1,049)**
Depreciation of housing properties	(7,838)	(392)	-	-	**(8,230)**	(7,327)	(184)	-	-	**(7,511)**
Loss on disposal of components	(462)	-	-	-	**(462)**	(126)	-	-	-	**(126)**
	(48,125)	**(7,351)**	**(51)**	**(3,805)**	**(59,332)**	**(35,078)**	**(6,529)**	**(90)**	**(1,804)**	**(43,501)**
Operating (deficit)/surplus	**(12,205)**	**503**	**3,343**	**1,250**	**(7,109)**	**(2,784)**	**364**	**2,987**	**3,312**	**3,879**
Void losses	*(388)*	*(137)*	*(137)*	*(279)*	***(941)***	*(50)*	*(160)*	*(57)*	*(365)*	***(632)***

Included within major repairs expenditure is £4,833k (2023: £nil) of provisions relating to fire safety and remedial works as outlined in note 23. Included within operating costs is a total of £2,266k (2023: £nil) of amounts written off from the Statement of Financial Position following a review at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

3. TURNOVER, COST OF SALES, OPERATING COSTS, SURPLUS FROM DISPOSAL OF FIXED ASSETS AND OPERATING SURPLUS (continued)

Society	2024					2023				
Social housing lettings, other social housing and non-social housing activities	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**
Social housing lettings	**51,804**	**-**	**(58,459)**	**-**	**(6,655)**	**47,474**	**-**	**(43,501)**	**-**	**3,973**
Other social housing activities										
First tranche sales	2,749	(2,123)	(217)	-	**409**	2,616	(2,090)	(300)	-	**226**
Disposal of fixed assets	-	-	-	6,464	**6,464**				8,332	**8,332**
Support services	99	-	(377)	-	**(278)**	-	-	(355)	-	**(355)**
Student Accommodation	2,432	-	(107)	-	**2,325**	2,174	-	(164)	-	**2,010**
Impairment	-	-	(523)	-	**(523)**	-	-	(686)	-	**(686)**
Other	-	-	(1,678)	-	**(1,678)**	(45)	-	(1,852)	-	**(1,897)**
	57,084	**(2,123)**	**(61,361)**	**6,464**	**64**	**52,219**	**(2,090)**	**(46,858)**	**8,332**	**11,603**
Non-social housing activities										
Market rent properties	1,585	-	(486)	-	**1,099**	974	-	(518)	-	**456**
Other	2,649	-	(2,273)	-	**376**	2,951	-	(3,863)	-	**(912)**
	4,234	**-**	**(2,759)**	**-**	**1,475**	**3,925**	**-**	**(4,381)**	**-**	**(456)**
Total	**61,318**	**(2,123)**	**(64,120)**	**6,464**	**1,539**	**56,144**	**(2,090)**	**(51,239)**	**8,332**	**11,147**

Operating expenditure of £64,120k (2023: £51,239k) includes a credit of £695k (2023: debit of £1,050k) in relation to restructuring provisions disclosed separately on the face of the Statement of Comprehensive Income.

The prior year has been reanalysed to separate surpluses on disposal of fixed assets from other within other social housing lettings and separate impairments on shared ownership properties under construction within first tranche sales from impairments.

3. TURNOVER, COST OF SALES, OPERATING COSTS, SURPLUS FROM DISPOSAL OF FIXED ASSETS AND OPERATING SURPLUS (continued)

Society	2024					2023				
Social housing lettings	**General needs housing £'000**	**Supported housing £'000**	**Keyworker £'000**	**Shared ownership £'000**	**Total £'000**	**General needs housing £'000**	**Supported housing £'000**	**Keyworker £'000**	**Shared ownership £'000**	**Total £'000**
Turnover										
Rent receivable net of identifiable service charges (net of voids)	29,460	1,944	3,336	3,381	**38,121**	27,870	1,481	3,019	3,113	**35,483**
Service charge income	4,126	1,676	58	1,495	**7,355**	2,813	1,415	58	1,777	**6,063**
Amortisation of capital grant	1,915	214	-	179	**2,308**	1,681	214	-	179	**2,074**
Net rental income	**35,501**	**3,834**	**3,394**	**5,055**	**47,784**	**32,364**	**3,110**	**3,077**	**5,069**	**43,620**
Grants taken to income	-	102	-	-	**102**	-	97	-	-	**97**
Fee income for care and support	-	3,546	-	-	**3,546**	-	3,294	-	-	**3,294**
Other Income	-	372	-	-	**372**	24	392	-	47	**463**
Net turnover	**35,501**	**7,854**	**3,394**	**5,055**	**51,804**	**32,388**	**6,893**	**3,077**	**5,116**	**47,474**
Operating costs										
Management	(8,957)	(1,298)	(10)	(475)	**(10,740)**	(7,620)	(1,327)	(25)	(581)	**(9,553)**
Service charge costs	(7,759)	(5,593)	(6)	(2,463)	**(15,821)**	(6,303)	(5,013)	(5)	(1,221)	**(12,542)**
Routine maintenance	(10,969)	(68)	(35)	(1)	**(11,073)**	(9,669)	(15)	(60)	(2)	**(9,746)**
Planned maintenance	(3,920)	-	-	-	**(3,920)**	(2,536)	10	-	-	**(2,526)**
Major repairs expenditure	(6,516)	-	-	-	**(6,516)**	(447)	-	-	-	**(447)**
Bad debts	(1,705)	-	-	(866)	**(2,571)**	(1,050)	-	-	-	**(1,050)**
Depreciation of housing properties	(6,965)	(392)	-	-	**(7,357)**	(7,327)	(184)	-	-	**(7,511)**
Loss on disposal of components	(461)	-	-	-	**(461)**	(126)	-	-	-	**(126)**
	(47,252)	**(7,351)**	**(51)**	**(3,805)**	**(58,459)**	**(35,078)**	**(6,529)**	**(90)**	**(1,804)**	**(43,501)**
Operating (deficit)/surplus	**(11,751)**	**503**	**3,343**	**1,250**	**(6,655)**	**(2,690)**	**364**	**2,987**	**3,312**	**3,973**
Void losses	*(388)*	*(137)*	*(137)*	*(279)*	***(941)***	*(50)*	*(160)*	*(57)*	*(365)*	***(632)***

Included within major repairs expenditure is £4,833k (2023: £nil) of provisions relating to fire safety and remedial works as outlined in note 23. Included within operating costs is a total of £2,266k (2023: £nil) of amounts written off from the Statement of Financial Position following a review at the reporting date.

3. TURNOVER, COST OF SALES, OPERATING COSTS, SURPLUS FROM DISPOSAL OF FIXED ASSETS AND OPERATING SURPLUS (continued)

Group and Society		2024			2023	
Surplus on disposal of fixed assets	**Sale proceeds £'000**	**Cost of Sales £'000**	**Surplus/ (Deficit) £'000**	**Sale proceeds £'000**	**Cost of Sales £'000**	**Surplus £'000**
Staircasing	1,839	(1,188)	**651**	3,700	(1,865)	**1,835**
Other property sales	7,413	(1,144)	**6,269**	8,003	(1,506)	**6,497**
Other fixed assets	-	(456)	**(456)**	-	-	**-**
Total	**9,252**	**(2,788)**	**6,464**	**11,703**	**(3,371)**	**8,332**

The cost of sales of other fixed assets in 2024 relate to the write off of previously capitalised amounts; following review at the reporting date.

Group and Society – Stock Units	2023 Number	2024 Additions	2024 Disposals	2024 Reclass	2024 Number
Social Housing Properties – Owned and managed					
General needs housing					
- Social	3,280	-	(3)	(9)	**3,268**
- Affordable	493	39	-	-	**532**
Supported	225		(5)	-	**220**
Shared ownership	524	33	(1)	(43)	**513**
Keyworker	170	-	-	36	**206**
Student Accommodation	125	-	-	-	**125**
Housing for older people	137	-	-	-	**137**
	4,954	**72**	**(9)**	**(16)**	**5,001**
Owned and managed - non-social					
Market rent housing	19	1	(1)	(1)	**18**
	4,973	**73**	**(10)**	**(17)**	**5,019**
Other					
Owned/Not Managed – Leasehold	315		(2)	16	**329**
Owned/Not Managed – Supported	96	-	-	-	**96**
Total Units	**5,384**	**73**	**(12)**	**(1)**	**5,444**
Properties under construction	*132*				*163*

Opening stock units have been reanalysed to remove 96 units which are owned but not managed from social housing properties owned and managed, which are now disclosed separately, with no change to total units.

4. RESTRUCTURING COSTS

In 2023, restructuring costs of £1.050k were provided for in relation to the downsizing of Octavia which completed during 2024, £695k of which was not utilised and was released in the year.

5. FINANCE INCOME

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest receivable from cash and cash equivalents	418	170	404	146
Interest receivable from group undertakings	-	-	-	25
	418	**170**	**404**	**171**

6. FINANCE COSTS

Group and Society	2024	2023
	£'000	£'000
Interest costs on loans and borrowings	12,439	10,827
Servicing fees of loans and borrowings	727	304
Capitalised interest	(1,838)	(2,273)
	11,328	**8,858**
Interest on Recycled Capital Grant Fund	17	13
Interest on pension scheme liabilities	62	47
	11,407	**8,918**

The weighted average cost of capital for the period is 4.67% (2023: 3.90%) with reference to its effective interest costs on loans and borrowings against the carrying value of loans and borrowings during the year.

7. (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES

Surplus/(deficit) on ordinary activities is stated after charging/(crediting):

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation of fixed assets	9,433	9,620	8,560	9,620
Amortisation of social housing grant	(2,727)	(1,980)	(2,308)	(2,074)
Impairments	740	300	740	300
Defined benefit cost	554	469	554	469
Defined contribution cost	814	870	796	862
Operating lease expense:				
Land and buildings	564	735	564	735
Auditors remuneration (excluding VAT):				
In their capacity as auditors				
- Society's financial statements	235	153	225	143
- Society's subsidiaries	-	-	10	10
In respect of other assurance related services	-	12	-	12

8. DIRECTORS' EMOLUMENTS

Non-Executive Board members receive a fee in respect of services provided to all Group entities and committees; it is not possible to disaggregate their renumeration at a constituent entity level.

Name	Appointed	Resigned	Remuneration
Stephen Jack	1 April 2023	-	£12,361
Debbie Sorkin	17 March 2014	-	£6,500
Visakha Sri Chandrasekera	23 April 2018	8 May 2024	£6,500
John Holman	31 October 2019	-	£5,333
Hugh Thornbery	31 October 2019	-	£6,500
Paul Williams	1 January 2020	-	£6,500
Terrence Gallagher	1 January 2020	-	£6,500
Sheila Fitzsimons	22 July 2019	-	£5,333
Lara Sonola-Omitowoju	25 September 2023	-	£3,173
Robert Griffiths	6 November 2023	-	£2,634
Sandra Skeete	1 September 2019	4 January 2024	N/A

The Key Management Personnel of the Group are identified as:

- The legal Directors, as outlined above; and
- The members of the Executive Board, including the Chief Executive.

Shown below are the aggregate emoluments (including pensions and benefits in kind) paid to:

Group and Society	**2024 £'000**	**2023 £'000**
Board Members	63	62
Executive Team (including amounts paid to third parties)	805	744
	868	**806**
Compensation for loss of office	134	-
	1,002	**806**
Amount payable to the highest paid Director (excluding pension contributions)	**170**	**166**

Included within amounts payable to the highest paid Director above, is an amount of £30k relating to compensation for the loss of office in 2024 (2023: £nil).

The Chief Executive, who resigned on 4 January 2024, was a member of a defined contribution scheme, into which the employer made contributions of £13k (2023: £16k), on the same basis as other employees. The Interim Chief Executive was appointed on an agency basis on 5 January 2024 and was therefore not a member of any pension schemes up to 31 March 2024.

During the year ended 31 March 2024 there were five (2023: five) Directors within pension schemes in which the Group participates and none (2023: none) were in defined benefit schemes.

9. STAFF COSTS

The average number of employees expressed as full-time equivalents (calculated on standard working hours per week for each employee) during the year was as follows:

	Group		Society	
	2024	2023	2024	2023
	FTE	FTE	FTE	FTE
Administration	48	56	48	56
Charity Shops	31	30	31	30
Marketing and Sales	6	8	6	8
Development	21	12	21	12
Housing, Care and Support	257	256	257	256
Foundation	4	3	-	-
	367	**365**	**363**	**362**

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	13,758	13,634	13,548	13,533
Social security costs	1,353	1,418	1,330	1,407
Pension costs	1,368	1,339	1,350	1,331
	16,479	**16,391**	**16,228**	**16,271**

The following number of full-time equivalent staff had remuneration (including compensation for loss of office and pension contributions) of £60,000 of more, shown in bands of £10,000:

	Group and Society	
	2024	2023
Salary banding	FTE	FTE
£60,000 - £69,999	14	19
£70,000 - £79,999	14	8
£80,000 - £89,999	6	5
£90,000 - £99,999	2	2
£100,000 - £109,999	2	1
£110,000 - £119,999	2	-
£120,000 - £129,999	1	-
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1
£150,000 - £159,999	-	1
£180,000 - £189,000	1	1
	43	**38**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

10. HOUSING PROPERTIES

Group	Completed properties			Properties in course of construction			
	Social housing lettings	Shared ownership	Total	Social housing lettings	Shared ownership	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2023	528,336	90,856	**619,192**	38,358	26,797	**65,155**	**684,347**
Additions	-	-	**-**	837	8,367	**9,204**	**9,204**
Additions - works to existing properties	5,052	-	**5,052**	-	-	**-**	**5,052**
Transferred into management	13,446	6,857	**20,303**	(13,446)	(6,857)	**(20,303)**	**-**
Disposals and demolitions	(3,655)	(1,152)	**(4,807)**	-	-	**-**	**(4,807)**
Net movement to current assets	-	-	**-**	-	(368)	**(368)**	**(368)**
At 31 March 2024	**543,179**	**96,561**	**639,740**	**25,749**	**27,939**	**53,688**	**693,428**
Accumulated depreciation							
At 1 April 2023	(89,363)	(713)	**(90,076)**	(750)	-	**(750)**	**(90,826)**
Charge for the year	(8,230)	-	**(8,230)**	-	-	**-**	**(8,230)**
Impairment	-	(523)	**(523)**	-	-	-	**(523)**
Disposals and demolitions	1,158	-	**1,158**	-	-	**-**	**1,158**
At 31 March 2024	**(96,435)**	**(1,236)**	**(97,671)**	**(750)**	**-**	**(750)**	**(98,421)**
Net book value							
At 31 March 2024	**446,744**	**95,325**	**542,069**	**24,999**	**27,939**	**52,938**	**595,007**
At 31 March 2023	**438,973**	**90,143**	**529,116**	**37,608**	**26,797**	**64,405**	**593,521**

Octavia Housing is the corporate trustee of the Octavia Hill Housing Trust Gift Fund, which has been registered with the Charities Commission in April 2024. Completed Housing properties held for letting relating to the Gift Fund have a cost of £780k (2023: £780k) and depreciation of £204k (2023: £188k).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

10. HOUSING PROPERTIES (continued)

Society	**Completed properties**			**Properties in course of construction**			
	Social housing lettings	**Shared ownership**	**Total**	**Social housing lettings**	**Shared ownership**	**Total**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost							
At 1 April 2023	517,154	90,740	**607,894**	38,361	26,796	**65,157**	**673,051**
Additions	-	-	**-**	837	8,367	**9,204**	**9,204**
Additions - works to existing properties	5,052	-	**5,052**	-	-	**-**	**5,052**
Transferred into management	13,446	6,857	**20,303**	(13,446)	(6,857)	**(20,303)**	**-**
Disposals and demolitions	(3,655)	(1,152)	**(4,807)**	-	-	**-**	**(4,807)**
Net movement to current assets	-	-	**-**	-	(368)	**(368)**	**(368)**
At 31 March 2024	**531,997**	**96,445**	**628,442**	**25,752**	**27,938**	**53,690**	**682,132**
Accumulated depreciation							
At 1 April 2023	(87,480)	(713)	**(88,193)**	(1,441)	-	**(1,441)**	**(89,634)**
						-	**-**
Charge for the year	(7,357)	-	**(7,357)**	-	-	**-**	**(7,357)**
Impairment	-	(523)	**(523)**	-	-	**-**	**(523)**
Disposals and demolitions	1,158	-	**1,158**	-	-	**-**	**1,158**
At 31 March 2024	**(93,679)**	**(1,236)**	**(94,915)**	**(1,441)**	**-**	**(1,441)**	**(96,356)**
Net book value							
At 31 March 2024	**438,318**	**95,209**	**533,527**	**24,311**	**27,938**	**52,249**	**585,776**
At 31 March 2023	**429,674**	**90,027**	**519,701**	**36,920**	**26,796**	**63,716**	**583,417**

Octavia Housing is the corporate trustee of the Octavia Hill Housing Trust Gift Fund, which has been registered with the Charities Commission in April 2024. Completed Housing properties held for letting relating to the Gift Fund have a cost of £780k (2023: £780k) and depreciation of £204k (2023: £188k).

10. HOUSING PROPERTIES (continued)

Impairment

At the reporting date, the Group and Society have considered the current valuations of two land led developments where current valuations indicate a net impairment loss of £523k (2023: £686k) against the carrying amount of cost to date.

Freehold and leasehold properties

At 31 March, the net book value of properties held on a freehold and leasehold basis was split as follows:

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Freehold	351,168	357,620	341,064	347,516
Long leasehold	221,951	213,351	222,824	213,351
Short leasehold	21,888	22,550	21,888	22,550
	595,007	**593,521**	**585,776**	**583,417**

Interest capitalisation

Group and Society	2024	2023
	£'000	£'000
Interest capitalised in the year	1,838	2,273
Cumulative interest capitalised	9,171	7,333
Rate used for capitalisation	4.67%	3.90%

Expenditure on works to existing housing properties

Group and Society	2024	2023
	£'000	£'000
Capitalised	5,052	7,387
Charged to Statement of Comprehensive Income	21,508	12,720

In 2024, the amounts incurred in the statement of comprehensive income included £4,833k (2023: £nil) of provisions relating to fire safety and remedial works.

Security

The Society had 3,444 (2023: 3,173) housing properties with a net book value of £205m (2023: £226m) pledged as security at 31 March 2024.

11. OTHER FIXED ASSETS

Group and Society	Freehold land and premises £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 April 2023	11,335	53	10,612	**22,000**
Additions	(23)	-	378	**355**
Disposals	(33)	-	(1,101)	**(1,134)**
At 31 March 2024	**11,279**	**53**	**9,889**	**21,221**
Accumulated depreciation				
At 1 April 2023	(1,975)	(53)	(8,305)	**(10,333)**
Charge for the year	(147)	-	(1,056)	**(1,203)**
Disposals	(49)	-	727	**678**
At 31 March 2024	**(2,171)**	**(53)**	**(8,634)**	**(10,858)**
Net book value				
At 31 March 2024	**9,108**	**-**	**1,255**	**10,363**
At 31 March 2023	**9,360**	**-**	**2,307**	**11,667**

12. INVESTMENT PROPERTIES

Group and Society	2024 £'000	2023 £'000
Value		
At 1 April	16,326	15,394
Additions	-	34
Revaluation	130	898
At 31 March	**16,456**	**16,326**

The surplus on revaluation of investment property has been credited to the Statement of Comprehensive Income for the year.

If the investment properties had not been revalued, they would have been accounted for on the historical cost basis and held at the following amounts:

Group and Society	2024 £'000	2023 £'000
Cost	6,297	6,297
Depreciation	(2,810)	(2,690)
Net book value	**3,487**	**3,607**

12. INVESTMENT PROPERTIES (continued)

Property valuation

Completed investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer; Jones Lang LaSalle (RICS), 30 Warwick Street, London, W1B 5NH.

The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. In valuing investment properties, a discounted cash flow methodology was adopted, factoring in gross rental income less deductions for reasonable operating costs, based on the following key assumptions:

• Discount rate (rental income)	5.0% - 7.5%
• Annual inflation rate	0.5%
• Level of long-term annual rent increase	0.5% - 1.0%
• Bad Debts and Voids	2.25% - 3.5%

13. INVESTMENTS

The Group, via Octavia Foundation has a £747k (2023: £684k) investment in a fund managed by CCLA Investment Management; during the year Octavia Foundation did not dispose of any investments (2023: £985k).

The Society holds all the share capital of Octavia Living Limited, at a cost of £10k (2023: £10k).

14. PROPERTIES FOR SALE

Group and Society	**2024**	**2023**
	£'000	**£'000**
In the course of construction		
Cost	9,347	8,932
Impairment	(517)	(300)
	8,830	**8,632**
Completed	**3,812**	**3,019**
	12,642	**11,651**

Impairment

At the reporting date, the Group and Society have considered the current valuations of properties in the course of construction and have provided for £217k (2023: £300k) in relation to future expected losses on first tranche sales.

15. RECEIVABLES

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Gross arrears of rent and service charges		3,755	2,250	3,755	2,250
Bad debt provision		(2,583)	(1,378)	(2,583)	(1,378)
Net tenant arrears		**1,172**	**872**	**1,172**	**872**
Amounts due from Group undertakings		-	-	460	481
Short-term non-liquid assets		719	690	719	690
Other debtors		3,985	5,006	3,967	4,926
Prepayments and accrued income		2,347	2,602	2,347	2,602
Amounts due within one year		**8,223**	**9,170**	**8,665**	**9,571**
Interest rate swap – cash flow hedge	29	702	336	702	336
Amounts due after one year		**702**	**336**	**702**	**336**
		8,925	**9,506**	**9,367**	**9,907**

The prior year has been reanalysed to show amounts previously included in other debtors within gross arrears of rent and service charges and bad debt provisions.

Short-term non-liquid assets relate to cash held by the Affordable Housing Finance Company, equivalent to one year's interest.

16. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Capital creditors		552	741	552	741
Loans and borrowings	17	289,120	20,993	289,120	20,994
Accruals and deferred income		1,295	5,028	1,295	5,028
Other creditors		761	2,030	704	2,028
Trade creditors		6,308	820	6,308	820
Rent and service charges received in advance		1,577	1,610	1,577	1,610
Accrued interest		2,335	2,040	2,335	2,040
Leasehold repairs funds		2,033	1,679	2,033	1,679
Taxation and social security		471	468	471	468
Deferred capital grant	20	2,214	2,196	2,308	2,290
Recycled capital grant fund	21	461	1,481	461	1,481
Social Housing Grant		-	5,532	-	5,532
		307,127	**44,618**	**307,164**	**44,711**

17. PAYABLES: AMOUNTS DUE AFTER ONE YEAR

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Loans, borrowings, and accrued interest		-	261,085	-	261,085
Deferred capital grant	20	183,968	184,451	189,282	189,344
Recycled Capital Grant Fund	21	4,101	461	4,101	461
		188,069	**445,997**	**193,383**	**450,890**

Borrowings are repayable or will be released to the Statement of Comprehensive Income as follows:

Group and Society	2024 Bank loans £'000	2024 Private placement £'000	2024 Total £'000	2023 Bank loans £'000	2023 Private placement £'000	2023 Total £'000
Multiple instalments						
One year or less	-	-	-	20,988	5	20,993
One to two years	-	-	-	3,163	18	3,181
Two to five years	-	-	-	41,046	47	41,093
More than five years	-	-	-	44,402	514	44,916
	-	-	-	**109,599**	**584**	**110,183**
Single instalment						
One year or less	167,974	121,146	**289,120**	-	-	-
More than five years	-	-	-	4,524	167,371	**171,895**
	167,974	**121,146**	**289,120**	**4,524**	**167,371**	**171,895**
	167,974	**121,146**	**289,120**	**114,123**	**167,955**	**282,078**

Following a breach of covenants at 31 March 2024, identified only subsequent to year end, at the reporting date all loans and borrowings have been reclassified as current liabilities. On 31 October 2024, waivers were received from all lenders impacted by covenant breaches, whether directly or by cross default guarantees. With effect from this date, all loans and borrowings were reclassified to their original aging profile with amounts due in more than one year of £285.9m.

In the opinion of the Directors, the presentation of loans and borrowings in these accounts does not materially impact the assessment of going concern.

Overview of loans and borrowings

Loans are secured by specific charges on the housing properties of the Group and cash deposited in sinking funds managed by Affordable Housing Finance PLC. Loans bear interest at fixed rates ranging between 2.5% and 12.4% or at variable rates calculated at a margin over the Sterling Overnight Index Average (SONIA).

At 31 March 2024 the Society had undrawn, secured and available loan facilities of £117.0m (March 2023: £154.7m).

18. CONTINGENT LIABILITIES

Government grants of £5.8m associated with housing properties acquired from Ducane Housing Association Limited as part of a business combination have been recognised as a contingent liability. As these properties were included at fair value on acquisition, any fall in value for which the grant is compensating has already been reflected in the valuation and therefore no deferred capital grant has been recognised in long term liabilities.

In the event of the housing properties being disposed, the Group is responsible for the repayment or recycling of the grant.

19. ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 April 2023 £'000	Cash flows £'000	Non-cash changes £'000	At 31 March 2024 £'000
Cash and cash equivalents				
Cash at bank	**14,080**	**(2,629)**	**-**	**11,451**
Loans and borrowings				
Payables: due within one year	(20,993)	-	(268,127)	**(289,120)**
Payables: due after one year	(261,085)	(7,042)	268,127	**-**
	(282,078)	**(7,042)**	**-**	**(289,120)**
Financial derivatives				
Interest rate swap	**336**	**-**	**366**	**702**
	(267,662)	**(9,671)**	**366**	**(276,967)**

20. DEFERRED CAPITAL GRANT

-	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
At 1 April		186,647	189,263	191,635	194,344
Grants received during the year		515	601	515	601
Grants transferred to RCGF	21	(740)	(1,450)	(740)	(1,450)
Grants released to income during the year	3	(2,727)	(1,980)	(2,307)	(2,073)
Other adjustments		2,487	213	2,487	213
At 31 March		**186,182**	**186,647**	**191,590**	**191,635**
Deferred capital grant due within one year		2,214	2,196	2,308	2,290
Deferred capital grant due after one year		183,968	184,451	189,282	189,345
		186,182	**186,647**	**191,590**	**191,635**

Other adjustments in 2024 relate to the reallocation of Greater London Authority (GLA) grant, previously disclosed within creditors due in greater than one year.

21. RECYCLED CAPITAL GRANT FUND

Group and Society	2024 £'000	2023 £'000
At 1 April	1,942	886
Net inputs to fund		
Grants recycled	891	1,468
Other adjustments	1,712	-
Interest accrued	17	13
Recycling of grant		
New build	-	(425)
At 31 March	**4,562**	**1,942**
Recycled capital grant due within one year	461	1,481
Recycled capital grant due after one year	4,101	461
	4,562	**1,942**

Other adjustments in 2024 relate to the reallocation of Greater London Authority (GLA) grant, previously disclosed within creditors due in greater than one year.

Included within payables due in less than one year is £nil (2023: £nil) which have been held for more than three years and would normally be due for repayment to Homes England.

22. PROVISIONS

Group and Society	Note	2024 £'000	2023 £'000
Provisions relating to future operating costs	23	4,833	1,250
Provisions relating to pension liabilities	24	1,937	1,441
		6,770	**2,691**

23. PROVISIONS FOR FUTURE OPERATING COSTS

Group and Society	2024 £'000	2023 £'000
Balance brought forward at 1 April	**1,250**	**-**
Amounts utilised	(555)	-
Amounts unused and released	(695)	-
Provisions relating to restructuring activity	-	1,250
Provisions relating to fire safety and remedial works	4,833	-
Balance carried forward at 31 March	**4,833**	**1,250**

24. PENSIONS

Defined Benefit Schemes

During the year, the Group participated in the following schemes, both of which were closed to new entrants.

- The Social Housing Pension Scheme (SHPS); and
- The Royal Borough of Kensington and Chelsea (RBKC)

The Social Housing Pension Scheme (SHPS)

The Society participates in the Social Housing Pension Scheme (the Scheme). This is a multi-employer, defined benefit scheme in the U.K. and provides benefit to some 500 non-associated employers.

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

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

For accounting purposes, two actuarial valuations for the Scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Limited against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The implications of the case for the Scheme are being considered. In addition, the Association has been informed by the scheme's trustee that this will be affected by questions which are being put to the High Court in the case of Verity Trustees Limited v Wood and others, which will be heard by the High Court in February 2025. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

24. PENSIONS (continued)

The Royal Borough of Kensington and Chelsea (RBKC)

The Association is also an admitted body to the LGPS administered by the Royal Borough of Kensington and Chelsea (RBKC). The LGPS is a multi-employer defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

Membership of the Scheme is restricted to former RBKC employees who were transferred under Transfer of Undertakings Protection of Employment (TUPE) Regulations on 1 December 2014 at which there were no past service deficits. Any future service deficits are guaranteed by a bond (£135,000) underwritten by HSBC Plc.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The last actuarial valuation of the Fund was carried out as at 31 March 2022 and set contributions for the period from 1 April 2023 to 31 March 2026.

There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

In addition, as many unrelated employers participate in the Royal Borough of Kensington and Chelsea Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g., higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

At the reporting date the schemes across the Group had the following net liabilities:

Group and Society	**2024**	**2023**
	£'000	**£'000**
SHPS defined benefit deficit	1,937	1,848
RBKC defined benefit surplus	-	(407)
	1,937	**1,441**

24. PENSIONS (continued)

Main financial assumptions adopted for ongoing schemes for FRS 102 purposes:

Group and Society	**SHPS**		**RBKC**	
	2024	**2023**	**2024**	**2023**
	%	**%**	**%**	**%**
Discount rate	4.89	4.88	4.85	4.75
Inflation (RPI)	3.17	3.20	-	-
Inflation (CPI)	2.77	2.74	-	-
Pension Increase	-	-	2.75	2.95
Salary Growth	3.77	3.74	3.75	3.95

Post retirement mortality assumptions:

Group and Society	**SHPS**		**RBKC**	
	2024	**2023**	**2024**	**2023**
Current male pensioners	20.5	21.0	21.9	22.1
Current female pensioners	23.0	23.4	23.3	23.5
Future male pensioners	21.8	22.2	19.2	19.4
Future female pensioners	24.4	24.9	25.1	25.3

The assets in the schemes were:

Group and Society		**2024**			**2023**	
	SHPS	**RBKC**	**Total**	**SHPS**	**RBKC**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Global Equity	838	1,371	**2,209**	149	1,225	**1,374**
Absolute Return	328	-	**328**	86	-	**86**
Distressed Opportunities	297	-	**297**	241	-	**241**
Credit Relative Value	276	-	**276**	301	-	**301**
Alternative Risk Premia	267	-	**267**	15	-	**15**
Emerging Markets Debt	109	-	**109**	43	-	**43**
Risk Sharing	492	-	**492**	586	-	**586**
Insurance-Linked Securities	43	-	**43**	201	-	**201**
Property	338	171	**509**	343	118	**461**
Infrastructure	850	-	**850**	910	-	**910**
Private Equity	7	-	**7**	-	-	**-**
Private Debt	331	-	**331**	354	-	**354**
Opportunistic Illiquid Credit	329	-	**329**	341	-	**341**
High Yield	1	-	**1**	28	-	**28**
Opportunistic Credit	-	-	**-**	1	-	**1**
Cash	166	86	**252**	57	133	**190**
Long Lease Property	54	-	**54**	240	-	**240**
Secured Income	251	-	**251**	366	-	**366**
Liability Driven Investment	3,424	-	**3,424**	3,668	-	**3,668**
Currency Hedging	(3)	-	**(3)**	15	-	**15**
Net Current Assets	14	-	**14**	20	-	**20**
Bonds	-	86	**86**	-	-	**-**
Total assets	**8,412**	**1,714**	**10,126**	**7,965**	**1,476**	**9,441**

24. PENSIONS (continued)

Defined Benefit Schemes (continued)

Group	2024 SHPS £'000	2024 RBKC £'000	2024 Total £'000	2023 SHPS £'000	2023 RBKC £'000	2023 Total £'000
Fair value of scheme assets	8,412	1,714	**10,126**	7,965	1,476	**9,441**
Present value of obligation	(10,349)	(1,091)	**(11,440)**	(9,813)	(1,069)	**(10,882)**
Application of asset ceiling	-	(623)	**(623)**	**-**	**-**	**-**
Group share of (deficit)/surplus in the scheme	**(1,937)**	**-**	**(1,937)**	**(1,848)**	**407**	**(1,441)**
Movements in fair value of assets						
Opening fair value of scheme assets	7,965	1476	**9,441**	11,521	1,587	**13,108**
Interest income on scheme assets	389	70	**459**	322	44	**366**
Actuarial (losses)/gains	83	165	**248**	(3,923)	(89)	**(4,012)**
Contributions from employers	396	17	**413**	378	28	**406**
Contributions from scheme members	-	5	**5**	2	7	**9**
Benefits paid	(421)	(19)	**(440)**	(335)	(78)	**(413)**
Assets acquired in a business combination	-	-	**-**	**-**	(23)	**(23)**
Closing fair value of scheme assets	**8,412**	**1,714**	**10,126**	**7,965**	**1,476**	**9,441**
Movements in value of obligations						
Opening defined benefit obligation	(9,813)	(1,069)	**(10,882)**	(13,449)	(1,548)	**(14,997)**
Service cost	-	(26)	**(26)**	2	(51)	**(49)**
Expenses	(7)	-	**(7)**	(7)	-	**(7)**
Interest cost	(470)	(51)	**(521)**	(370)	(43)	**(413)**
Contributions by scheme members	-	(5)	**(5)**	(2)	(7)	**(9)**
Actuarial (gains)/losses due to scheme experience	(596)	(32)	**(628)**	58	(117)	**(59)**
Actuarial losses/(gains) due to changes in demographic assumptions	121	6	**127**	24	91	**115**
Actuarial losses/(gains) due to changes in financial assumptions	(5)	67	**62**	3,596	583	**4,179**
Benefits paid	421	19	**440**	335	23	**358**
Closing defined benefit obligation	**(10,349)**	**(1,091)**	**(11,440)**	**(9,813)**	**(1,069)**	**(10,882)**

24. PENSIONS (continued)

Defined Benefit Schemes (continued)

Analysis of amounts charged to the Statement of Comprehensive Income:

Group and Society		**2024**			**2023**	
	SHPS £'000	**RBKC £'000**	**Total £'000**	**SHPS £'000**	**RBKC £'000**	**Total £'000**
Current service cost	-	26	**26**	(2)	51	**49**
Expenses	7	-	**7**	7	-	**7**
Net interest expense	81	(19)	**62**	48	(1)	**47**
	88	**7**	**95**	**53**	**50**	**103**
Experience gain/(loss) on plan assets	83	165	**248**	(3,923)	(89)	**(4,012)**
Experience gain/(loss) on plan liabilities	(596)	(32)	**(628)**	58	(195)	**(137)**
Changes in demographic assumptions	121	6	**127**	24	91	**115**
Changes in financial assumptions	(5)	67	**62**	3,596	583	**4,179**
Changes in surplus recoverability	-	(623)	**(623)**	-	-	**-**
Amounts previously not recognised	-	-	**-**	(85)	(121)	**(206)**
	(397)	**(417)**	**(814)**	**(330)**	**269**	**(61)**

25. GIFT AID

Society	**2024 £'000**	**2023 £'000**
Octavia Living Limited	**-**	**319**

Octavia Housing accrued for £nil (2023: £319k) in Gift Aid donations from Octavia Living.

26. SHARE CAPITAL

Each member of Octavia Housing holds a non-equity share from one of the following classes of allotted, issued and fully paid shares:

	Class "A" £1		**Class "C" £5**	
Group and Society	**2024 £**	**2023 £**	**2024 £**	**2023 £**
Issued at 1 April	43	44	25	25
Shares issued during the year	3	-	-	-
Shares cancelled during the year	(1)	(1)	-	-
Shares issued and fully paid at 31 March	**45**	**43**	**25**	**25**

All shares carry equal voting rights but have no entitlement to interest, dividend or bonus and are cancellable on death, expulsion or withdrawal of a member from Octavia Housing.

27. CAPITAL AND OTHER COMMITMENTS

Group and Society	2024 £'000	2023 £'000
In contract	2,282	22,163
Approved but not contracted	10,563	11,116
Total capital commitments	**12,845**	**33,279**
Other commitments	4,225	-
Total commitments	**17,070**	**33,279**

Capital commitments represent expenditure on housing properties and other fixed assets not provided for in the financial statements. Other commitments represent expenditure on properties being developed for sale.

Capital commitments at the reporting date will be funded as outlined below:

Group and Society	2024 £'000	2023 £'000
Social Housing Grant	-	10,983
Sale of properties	1,368	11,180
Secured loans and borrowings	11,477	-
	12,845	**22,163**

28. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

Group and Society	2024 £'000	2023 £'000
Within one year	591	751
Within two to five years	1,574	2,350
More than five years	361	129
	2,526	**3,230**

The amounts payable as a lessee principally relate to rental obligations on charity shops.

28. OPERATING LEASES (continued)

Amounts committed to be received in the next year under operating leases are as follows:

Group and Society	2024 £'000	2023 £'000
Within one year	945	823
Within two to five years	3,236	2,793
More than five years	5,157	4,937
	9,338	**8,553**

The amounts receivable as a lessor comprises rental obligations on the Society's investment properties. In addition to minimum lease receivables set out above, the Society and Group have entered into tenancy agreements and shared ownership leases as a registered provider of social housing. The minimum amounts receivable under these arrangements cannot be reliably estimated.

29. FINANCIAL INSTRUMENTS

Included below are financial assets held at fair value.

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Investments	746	684	-	-
Interest rate swaps	702	336	702	336
	1,448	**1,020**	**702**	**336**

30. DERIVATIVE FINANCIAL INSTRUMENTS

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, the Group and Society uses a stand-alone variable to fixed interest rate swap with a nominal value of £12.0m, with the similar term as certain underlying variable rate loans and with interest re-pricing dates similar to those of the variable rate loans.

These result in the Group and Society paying 3.39% and receiving SONIA (cash flows are settled on a net basis) and effectively fixing the total interest cost on loans and the interest rates swap at 4.05% per annum. The cash flows arising from the interest rate swaps will continue until their maturity in November 2037.

The fair value of the swap at the reporting date is shown below.

Group and Society	2024 £'000	2023 £'000
Asset		
Interest rate swap	**702**	**376**

The amount of the change in fair value of the hedging instrument that was recognised in Other Comprehensive Income during the year was a gain of £366k (2023: £2,873k).

31. RELATED PARTY TRANSACTIONS

Pension Schemes

All defined benefit schemes in which the employees of the Group and Society participate are deemed to be related parties. Full disclosure on these can be found in note 24.

Board and Executive Management

In the year, the Society made a contribution of £3,000 to PlaceShapers, a national network of housing associations committed to supporting thriving communities and places, with whom the Chief Executive of the Society was a serving Director.

In the prior year, there was one tenant member of the Board who retired on 18 October 2022, with no outstanding arrears; they did not benefit from any other special arrangements.

Transactions with other entities

The Group accounts are prepared on a consolidated basis, all intercompany transactions are eliminated on consolidation.

The following disclosure has been included to comply with the accounting direction for social housing, which requires transactions between registered providers and the following other entities in the Group to be disclosed.

- Octavia Living Limited (OL)
- Octavia Foundation (OF)

The following transactions and balances are shown prior to any Group level consolidation and from the perspective of the Society (OH).

	Society	
	2024	**2023**
Transactions	**£'000**	**£'000**
Income - OH running services for community benefit on behalf of OF	170	222
Income – OH receiving Gift Aid from OL	-	319
Income – OH interest received from loans to OL	-	24
Expenditure – OH providing corporate services (finance, IT and HR) to OF	36	36

	Society	
	2024	**2023**
Balances	**£'000**	**£'000**
Receivables – amounts owed by OL to OH	31	349
Receivables - Gift Fund amounts owed by OF to OH	229	-
Receivables - other amounts owed by OF to OH	200	132

The Society owed an amount of £44k to the Gift Fund for the net rental income earned.

32. POST BALANCE SHEET EVENTS

On 25 April 2024, the assets and liabilities of the Octavia Hill Housing Trust Gift Fund were transferred to a standalone entity, registered with the charities commission.

On 16 and 17 October 2024 the Boards of Octavia and Abri approved the Final Business Case for Octavia to join the Abri Group as a subsidiary.

On 31 October 2024, waivers were received from all lenders impacted by covenant breaches, whether directly or by cross default guarantees. With effect from this date, all loans and borrowings are now reclassified to their original aging profile with amounts due in more than one year of £285.9m.

On 5 November 2024 the shareholders of Octavia approved the change of rules of Octavia to enable it to become a subsidiary of Abri Group, subject to the required funder consents.

33. THE OCTAVIA HILL HOUSING TRUST GIFT FUND

Included within the results of Octavia Housing are the following amounts relating to the Octavia Hill Housing Trust Gift Fund.

Pursuant to a Charity Commission Scheme and uniting direction, Octavia Foundation was the corporate trustee of the Octavia Hill Housing Trust Gift Fund. The Gift Fund was deregistered from the Charity Commission and delinked from Octavia Foundation on 31 March 2022, with assets transferred to Octavia Housing. The Gift Fund has been registered with the Charities Commission on 25 April 2024.

Statement of Comprehensive Income	**2024**	**2023**
	£'000	**£'000**
Turnover	51	-
Operating costs	(23)	-
Total comprehensive income for the year	**28**	-

Statement of Financial Position	**2024**	**2023**
	£'000	**£'000**
Fixed assets		
Cost of freehold property	780	780
Depreciation of freehold property	(204)	(188)
	576	**592**
Current assets		
Amount owed from Octavia Foundation	229	229
Amount owed from Octavia Housing	44	-
	273	**229**
Net assets	**849**	**821**
Capital and reserves	**849**	**821**

34. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Octavia Housing Limited is the ultimate parent company, with a registered office at Emily House, 202-208 Kensal Road, London, W10 5BN. Below is a list of all entities which make up the Group:

Type	Subsidiary	Registration status	Holding
Registered charities	Octavia Foundation	Public limited company by Guarantee	100%
Dormant Companies	Octavia Living Limited	Limited Company	100%
	Octavia Hill Limited	Limited company	100%
	Octavia Development Services Limited	Limited company	100%