

Ongo Homes

Report and Financial Statements

Year Ended

31 March 2024

FCA Registration Number 7639

Regulator of Social Housing Registration Number L4486

Ongo Homes

Report and financial statements for the year ended 31 March 2024

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Executives and advisors for the year ended 31 March 2024

Board Members

The following members have held office during the period and to the date of this report unless otherwise stated:

R Walder	J Wright
S Hepworth	G Oakley
R Cook	N Cresswell
M Finister-Smith	P Gouldthorpe
P Warburton	K Merta
H Lennon (resigned 31 March 24)	M Kenyon (resigned 31 March 24)

Executive leadership team:	Chief Executive	S Hepworth
	Property Director	P Stones (retired 31 Mar 24)
	Property Director	S Ellard (appointed 9 July 24)
	Director of Resource and Commercial	A Harrison
	Director of Corporate & Compliance Services	J Sugden
	Director of Customer Services	K Hornsby

Secretary and registered office: J Sugden

Ongo House, High Street, Scunthorpe, North Lincolnshire, DN15 6AT

Auditor: Crowe U.K. LLP
3rd floor
56 Peter St
Manchester
M2 3NQ

Bankers: Barclays Bank plc
One Snowhill
Snow Hill Queensway
Birmingham B4 6GN

NatWest Bank plc
119 High Street
Scunthorpe
North Lincolnshire
DN15 6LT

Solicitors:

Devonshires Solicitors Park House Park Square Leeds LS1 2PW	Forbes Solicitors Rutherford House 4 Wellington Street (St Johns) Blackburn BB1 8DD	Knights Professional Services The Lexicon Munt Street Manchester M2 5FA
Bermans Exchange Station Titheburn Street Liverpool L2 2QP	Trowers and Hamblins 55 Princess Street Manchester M2 4EW	Wilkin Chapman LLP Cartergate House 26 Chantry Lane Grimsby DN31 2LJ

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Financial Statements

The Board of Management present their report and audited financial statements of the Group for the year ended 31 March 2024. Following a group restructure on 31 March 2023, this is the first time that Ongo Homes has produced consolidated financial statements for the group. Note 32 to the financial statements provides further information.

Nature of business

The Ongo Group is constituted of the following:

- Ongo Homes Limited, the parent company, is a charitable Community Benefit Society (CBS) regulated by the Financial Conduct Authority (FCA) and a Registered Provider of social housing regulated by the Regulator of Social Housing. The primary role of the Society is to provide social housing in North Lincolnshire and surrounding areas having taken over the ownership and management of North Lincolnshire Council's homes in February 2007.
- Ongo Commercial Limited is a private company limited by shares with a role to generate trading income by delivering commercial services.
- Ongo Communities Limited is a not-for-profit company limited by guarantee, a registered charity that delivers community development activities.
- Ongo Roofing Limited (trading as Ashbridge Roofing) is a private company limited by shares and owned by Ongo Commercial Limited delivering roofing services.
- Ongo Heating & Plumbing Limited (trading as Hales & Coultas Heating and Plumbing) is a private company limited by shares and owned by Ongo Commercial Limited, concerned with delivering heating and plumbing services.
- Ongo Recruitment Limited, a wholly owned subsidiary of Ongo Communities Limited, is a social enterprise employment agency supplying temporary and permanent staff.
- Crosby Brokerage Limited is a private company limited by shares and a wholly owned subsidiary of Ongo Recruitment Limited offering business services.
- Ongo Home Sales Limited is a private company limited by shares and wholly owned by Ongo Homes. Its role is to develop properties for the commercial market to enable Ongo Homes to achieve its build programme aspirations in the most efficient and economic manner.
- Ongo Developments Limited is a private company limited by shares which are wholly owned by Ongo Homes. Its role is to help Ongo Homes deliver its new build programme

The directors of Ongo Home Sales Limited and Ongo Commercial Limited concluded that the companies should cease trading and be struck off the register at Companies House. It was concluded that the shares held by Ongo Commercial Limited in its subsidiaries should be transferred to Ongo Homes Limited.

The corporate structure of the Ongo group is clearly defined and the relationship between Ongo Homes and its subsidiaries is set out in Intra Group Agreements which were considered and approved by each of their Boards.

Board and Executive Directors

The Board Members and Executive Leadership Team serving during the period and up to the date of signing the Financial Statements are listed on page 3. None of the Board Members and Executive Leadership Team hold any interests in the capital of Ongo Homes Limited or any of its subsidiaries.

Executive Leadership Team members act as executives within the authority delegated by the Board. The group's insurance policies indemnify Board Members and officers against liability when acting on its behalf.

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Report of the Board of Management for the year ended 31 March 2024

The Chief Executive is appointed on a permanent contract with a six month notice period. Other Executive Directors have a three month notice period but are otherwise employed on the same terms as other staff. We review the contractual terms of the Executive Team every two years and make any recommendations to the Board to approve any changes.

The Executive Directors are all members of either the East Riding Pension Fund, a defined benefit pension scheme, or the defined contribution scheme provided for the employees, currently through Aviva. They contribute on the same terms as all other eligible staff and the Society contributes to the schemes on behalf of these employees.

Financial Statements

The Board present their report and audited Financial Statements of the group and Ongo Homes as an entity for the year ended 31 March 2024.

Results

The Group made a surplus before taxation and actuarial gains of £6.0m for the year (2023: £5.8m). The Directors consider this to be an acceptable performance.

The Society made an operating surplus of £7.1m for the year (2023: £9.9m). The Directors consider this to be an acceptable performance.

Reserves

Total reserves for the Group at the year end were £127.0m at the year end (2023: £122.4m). The corporate plan dictates that these reserves will be utilised for the furtherance of the stated corporate objectives

Revenue reserves for the entity total £131.0m at the year-end (2023: £125.4m). The business plan dictates that these reserves will be utilised for the furtherance or the stated corporate objectives.

External Factors

We carry out extensive sensitivity and combined stress scenario testing of the business plan. This includes identification of a range of mitigating actions which could be taken upon onset of the identified, or other, factors which may have a detrimental impact on the financial position of the business. When applied to the stress tests carried out these mitigating measures show that both the group and the entity are in a position to operate sustainably and within our financial covenants.

Going Concern

The group and the Society's business activities, the current financial position and factors likely to affect future development are set out in this report. The Society has in place long term debt facilities which provide adequate resources to finance committed reinvestment and development programmes along with day-to-day operations. The Society also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. The board approved the 2024/25 budget for each entity within the group and the Society's business plan in March 2024 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

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Report of the Board of Management for the year ended 31 March 2024

The executive leadership team and the board have reviewed financial assumptions in the budgets and business plan, particularly focusing on the next five years to ensure the Group and the Society remain a going concern. The long-term business plan is stress tested to assess the possible financial impacts and the resilience of the plan including the range of available mitigation plans. This multi-variate stress testing did not cause a breach in bank covenants, which remained compliant even in the most severe of scenarios once identified mitigations were applied.

The financial performance of entities within the group in 2023/24 proved resilient and this, alongside the budgets provide evidence that the board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Governance

The Regulator of Social Housing (RSH) undertook an In Depth Assessment in August 2022 and concluded Ongo Homes had further strengthened its governance arrangements and simplified its governance structures and upgraded Ongo Homes to G1, with V1 for financial viability. These ratings were confirmed via a stability check from the RSH in January 2024. This means Ongo Homes continues to hold the highest rating available for both governance (G1) and financial viability (V1).

Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from rental income. Bearing in mind that rents are payable in advance, it is Group policy, implemented locally, to assess the credit risk of new tenants before entering contracts. Enquiry is made into previous history with the Group and each new tenant is appraised on their ability to meet rental payments from their income.

At a local level, a monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed periodically in order to recover any outstanding amounts or commence recovery proceedings. Existing customers that become "high risk" as a result of the periodic reassessment are placed on a restricted customer list and future lettings are made only with approval of the local management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The institutions comply with the approved treasury policy as overseen by the treasury committee. Outside of the Group's bankers as set out in page 3 of the accounts a significant amount of cash was held with the following institutions:

	Balance at 31 March 2024 £'000	Balance at 31 March 2023 £'000
Lloyds Bank	-	5,000
Sumitomo Mitsui Banking Corp	-	7,000
QNB	-	13,000
First Abu Dhabi Bank	-	10,000
Mitsubishi UFJ	5,000	15,000
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Report of the Board of Management for the year ended 31 March 2024

In addition to the above, funds of £1.5m (2023: £1.5m) were held by bLEND on behalf of Ongo Homes. These funds were held at different institutions.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board is provided with information around cash position and cash flow projections within the Management Accounting information. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section below.

Market risk

Market risk arises from the Group's use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), or other market factors (other price risk).

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. It is currently group policy that at least 50% of external group borrowings (excluding short-term overdraft facilities and finance lease payables) are fixed rate borrowings. This policy is managed centrally. Local operations are not permitted to borrow long-term from external sources. The Board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

The Group's borrowings are denominated in Sterling.

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Report of the Board of Management for the year ended 31 March 2024

Statement of the Board's Responsibilities in Respect of the Accounts

The board members are responsible for preparing the report of the board, the strategic report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the members, who are the Board of Management, to prepare financial statements for each financial year. Under that law the Board of Management have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under law the Board of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the Society and of the profit or loss of the group and Society for that period.

In preparing these financial statements, the Board of Management are required to:

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

The Board of Management are responsible for keeping adequate accounting records that are sufficient to show and explain Ongo Homes Limited's transactions and disclose with reasonable accuracy at any time the financial position of the entity and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the entity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the entity's website is the responsibility of the Board of Management. The Board of Management' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Assessment of the effectiveness of Ongo Homes' system of internal control

The Board is ultimately responsible for the group's system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of group's assets and interests.

The Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the group is exposed and is consistent with good practice and regulatory requirements.

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Report of the Board of Management for the year ended 31 March 2024

The main area in which this is evidenced is as follows:

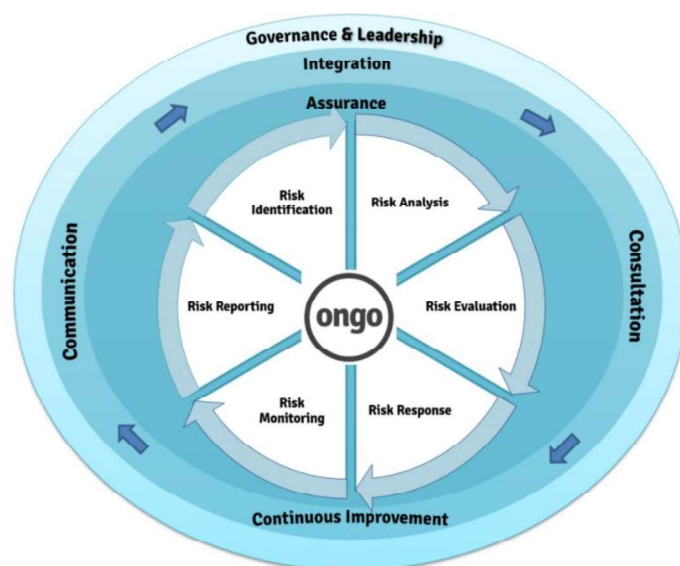
Risk Management

Our approach

Risk is the possibility of an event and the consequences it has on the achievement of objectives, at a strategic, operational and project level. Risk creates uncertainty which we must understand, control, and monitor to reduce the uncertainty to an acceptable level.

Risk is part of everyday life and directly linked the decisions we make. The management of risk is therefore essential in ensuring the group meets its strategic objectives and remains legally and regulatory compliant.

Our risk management framework provides a clear and robust approach to managing risk. It provides a structure to integrate risk management into all aspects of Ongo activity, with the aim of protecting our assets, complying with all relevant laws and regulation, successfully achieving our corporate plan and creating a truly vibrant and resilient organisation.



Our principles of risk management

The overarching principle of risk management is to add value, and to support the successful delivery of objectives.

At Ongo, we use **GUARDED** principles to set our approach to risk management:

- **Governed** – Risk management is integral to governance and leadership at Ongo, it is fundamental to how Ongo is directed and managed.
- **Understood** – Risks are comprehensive, well-articulated and understood by all.
- **Aligned** – Risk management is aligned with other business activities and is not a separate activity.
- **Relevant** – Risks are relevant to objectives and the management of risk is proportionate to the level of risk.
- **Discussed** – Risk is communicated and discussed with all interested parties.
- **Embedded** – Risk management is part of everyday life, activities and decision making at Ongo,
- **Dynamic** – The management and reporting of risk is responsive to change and can adapt and identify emerging risks quickly.

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Report of the Board of Management for the year ended 31 March 2024

Our risk appetite

Our risk appetite is reviewed and set by Board, as high-level statements which sets the tone for risk taking. Detailed statements are then provided as guide for decision making to ensure we do not take risks outside of our agreed boundaries. Our risk appetite for 2023-24 is shown below:

- **Financial (medium risk appetite):** We ensure that we remain financially strong and not take risks outside of our golden rules. We will seek to take risk only where the benefits outweigh potential costs.
- **Compliance (low risk appetite):** We understand our compliance obligations and have a very low appetite for any action or decision that would result in a breach of our statutory or regulatory obligations.
- **People (high risk appetite):** We empower and trust our colleagues to make the right decisions and look to take risks where benefits can be justified and any potential risks are managed.
- **Reputation (medium risk appetite):** Being a great landlord, employer, partner, company is at the heart of our corporate plan. Although we recognise that we cannot control how others view us, we will work together to understand and manage the expectations of all stakeholders.
- **Infrastructure (low risk appetite):** We rely on our technological infrastructure and will look for innovative ways of working. However we have a low appetite for any risks resulting in security vulnerabilities, critical system downtime, data inaccuracies and loss of personal data.
- **Governance (low risk appetite):** We will ensure that our governance structures are strong and all decisions are risk based, we will not enter into any activity that puts our social assets at risk.
- **Growth (high risk appetite):** We are open to growth opportunities that align with our corporate objectives, and will look at innovative ways of working and new technologies. Where the benefits can be demonstrated and outweigh the potential costs we will manage the risk.

Stress testing

To ensure we understand the effect of risk on our business plan, we use possible scenarios taken from our strategic risk register. Our Board has an active role in developing additional scenarios and agreeing on multivariate scenarios based on likelihood and onset. These tests are intended to identify and model situations that could arise and enable us to then identify where management action could be required to rectify a situation.

Various individual stress tests are modelled, followed by multivariate tests on the most likely combinations. In respect of the financial covenants the results of the tests are rated as Fail, Breach of golden rule (but pass of covenant test) or pass of both measures, and the position re peak debt is advised. The following combinations were assessed:

- **Economic stress**
This model looks at the combined effect of income and expenditure, including rent policy change, inflation and interest rate change, macro-economic difficulties (inflationary pressure and increased borrowing rates), and local economic slowdown.
- **Operational stress**
This model looks at the combined effect of various operational factors moving in an adverse manner due to either internal or external factors (increased voids and bad debts, maintenance and capital spend, decarbonisation, changes to legal compliance and building safety).

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- **Development stress**

This model looks at the combined effect of a number of adverse situations affecting the development programme of the business; property build and acquisition and investment in current stock (increased costs for new builds and investment in existing properties, quantity of new properties brought into service, overspending on our capital programme and decarbonisation).

- **People stress**

This model looks at the combined effects on the business of changes in specific factors around the costs of employing our Ongo colleagues, specifically pensions' provision, salary increases and operational issues requiring recruitment of additional colleagues.

Following the modelling of multi-variate scenarios on the business plan, we consider the mitigating actions that could be taken to recover the situation and return the business plan to a financially viable position. Our Asset and Liability Register is vital in understanding our options.

Golden Rules

Based on our risk appetite the Board have approved a number of "Golden Rules", which are monitored at each Board meeting. These indicators are intended to set out the lines which the business will not cross in terms of its financial performance and position and will be used as parameters for both financial control and financial planning.

Operating environment and risk management

To help identify emerging risks, we assess the external and internal environments using a variety of tools and techniques. Our performance management framework runs in line with our risk management framework to help identify areas of concern or emerging risks. We have a suite of key risk indicators (KRIs) which provide intelligence on the key areas of risk facing our business and act as early warning indicators. Our key financial ratios and stress testing indicators are monitored monthly in our management accounts. We also map the annual sector risk profile with our existing risk registers as a comparison aid.







Our principal risks

Our principal risks are ultimately owned by our Board and monitored through our strategic risk registers. Our Executive Leadership Team have direct ownership of specific risks to ensure that they are effectively managed. The risks on the strategic risk register are continually reviewed and linked directly to achieving our corporate objectives.

Each of the strategic risks below are fully assessed to identify the cause and consequence of the risk occurring. A likelihood and impact score has been applied before and after reviewing current controls in place. Risk is assessed within each Board report and the strategic risk register is reviewed at alternate Board meetings. The Board seeks assurance to understand the wider strategic impact and to inform the decision-making process. Additional assurance is gained from reviews, overseen by our Group Audit and Risk Committee. The Strategic Risk Register is reviewed at each committee meeting. The table below provides a brief overview of our current Strategic risks and risk appetite:





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<p>Risk: Health and Safety Compliance </p> <p>Risk Description: Poor internal control leads to a breach of health and safety legislation results in harm and prosecution.</p> <p>Risk Appetite: Low</p> <p>Corporate Objective: Be a great landlord</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ H&S policy and arrangements in place ✓ Building safety management and arrangements ✓ Management System and plans in place for H&S ✓ Qualified H&S manager and advisors ✓ Risk assessments in place ✓ Mandatory training and qualifications assessments ✓ Incident investigation process in place ✓ Stock condition surveys undertaken. ✓ Qualified Building Compliance Manager and Specialist Compliance officers in place. 	<p>Risk: Legal and Regulatory Compliance </p> <p>Risk Description: Poor internal control leads to a breach in legal and regulatory obligations leads to prosecution and/or regulatory intervention.</p> <p>Risk Appetite: Low</p> <p>Corporate Objective: Be a great landlord</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Strong governance systems and internal control in place. ✓ Legal registers and review in place. ✓ Policies and processes in place to control risk. ✓ Mandatory training identified and monitored. ✓ Monitoring controls in place ✓ Legal compliance control checks and corrective actions ✓ Core controls monitoring and various assurance activities
<p>Risk: Financial Resilience </p> <p>Risk Description: Uncertain economic pressures and fluctuations to income leads to reduction in operating margin, and our ability to deliver our strategic plan</p> <p>Risk Appetite: Medium</p> <p>Corporate Objective: Be a great landlord</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Business plan stress testing and recovery plans ✓ Budgetary management and controls ✓ Policy and process for arrears management ✓ Policy and process for void turnaround and letting ✓ Proactive welfare support ✓ Treasury management 	<p>Risk: Business Continuity </p> <p>Risk Description: Significant disruption leads to loss in core service delivery for extended period.</p> <p>Risk Appetite: Medium</p> <p>Corporate Objective: Be a great landlord</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Business continuity plan (BCP) ✓ Crisis management plan ✓ Disaster recovery plan ✓ Risk assessments ✓ Contract management ✓ Inspection regime
<p>Risk: Cyber </p> <p>Risk Description: Ongo is the victim of a cyber incident which results in a significant loss of systems or data impacting our ability to deliver our services.</p> <p>Risk Appetite: Medium</p> <p>Corporate Objective: Be a great landlord</p>	<p>Risk: People </p> <p>Risk Description: We are unable to recruit, retain and engage colleagues and are unable to successfully deliver the Corporate Plan.</p> <p>Risk Appetite: High</p> <p>Corporate Objective: One Ongo</p>

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Report of the Board of Management for the year ended 31 March 2024

<p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Cyber security preventative controls in place ✓ Mandatory cyber security training for all employees ✓ Incident response plans ✓ Disaster recovery plan ✓ Cyber security response controls in place 	<p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Management and leadership development programmes in place ✓ Recruitment and induction programme in place ✓ Coaching training programme in place ✓ Clear job descriptions and personal development reviews in pace ✓ One Ongo strategy in place
<p>Risk: Quality Homes </p> <p>Risk Description: We are unable to maintain quality homes leading to poor living conditions, higher costs, and reputational damage.</p> <p>Risk Appetite: Medium</p> <p>Corporate Objective: Offer quality homes</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Asset management plan in place ✓ Rolling stock condition survey programme in place ✓ Stress testing carried out to understand impact of investment requirements ✓ Robust building compliance programme in place monitored by Board. ✓ Energy Performance Certificate (EPC) information attached to each property 	<p>Risk: Customer Expectations </p> <p>Risk Description: We are unable to deliver our services to meet expectations leading to a failure in service and dissatisfaction.</p> <p>Risk Appetite: Medium</p> <p>Corporate Objective: Be a great landlord</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Accredited customer engagement systems in place ✓ Community Voice structure in pace ✓ Complaints and resolution team in place ✓ Root cause analysis and complaint learning exercises ✓ Customer complaint panel ✓ My Home access and chat bot in place ✓ Performance monitoring and quality checks ✓ Customer journey mapping ✓ Customer satisfaction tracking and learning
<p>Risk: Subsidiary Performance </p> <p>Risk Description: Subsidiary action or decision adversely impacts Ongo Homes resulting in reputational damage or financial loss.</p> <p>Risk Appetite: Medium</p> <p>Corporate Objective: Creating Opportunities</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Subsidiary board and governance structure in place ✓ Ongo Homes Board oversight ✓ Subsidiary business plans and robust monitoring ✓ Key management information monitored. 	<p>Risk: Development </p> <p>Risk Description: Delays in the development programme or funding arrangements leads to stagnant growth, financial loss and additional management expense.</p> <p>Risk Appetite: Medium</p> <p>Corporate Objective: Offer Quality Homes</p> <p>Key Risk Mitigations:</p> <ul style="list-style-type: none"> ✓ Strong governance control over approvals. ✓ Development Board scrutiny ✓ Financial planning and monitoring ✓ Programme management skills controlled programme

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Risk: Decarbonisation



Risk Description:

We are unable to affect culture and the pace of change to meet our carbon reduction plan targets, leading to expensive investment decisions and limited progress.

Risk Appetite: Medium

Corporate Objective: Creating Opportunities

Key Risk Mitigations:

- ✓ Chief Executive Officer (CEO) leadership of decarbonisation
- ✓ Carbon Reduction and Sustainability Manager in place
- ✓ Knowledge of EPC ratings on each property
- ✓ Carbon Reduction Plan Net Zero Action Plan approved (these actions will manage this risk)
- ✓ Smart technology pilots underway
- ✓ Internal Net Zero Steering Group
- ✓ Environmental and Sustainability Policy
- ✓ SHIFT silver accreditation

Assurance framework

To ensure that risk management is effective and that we have a sound and effective system of internal control we have a control framework in place. As Boards have ultimate responsibility for risk management, it is essential that Board members understand the risks facing Ongo and receive assurance on the effectiveness of controls. Strategic and emerging risks are discussed at each Board meeting as a separate agenda item (alternate meetings), but also embedded within each report. The Ongo Homes Board have delegated assurance reviews to the Group Audit and Risk Committee. This enables the committee to focus on key areas of risk and assurance.

Assurance can come from many sources within an organisation. Developed from the three lines of defence, we have adopted four lines of assurance (FLA), which helps identify and understand where these different contributions arise:

- **First line of assurance**

This comes directly from our business operational areas. Various controls are in place, designed or directing processes and behaviours to ensure that operational objectives are achieved. The responsibility is to ensure procedures are followed, identify risks and improvement actions, implement controls and report on progress.

- **Second line of assurance**

This comes from corporate oversight. It is separate from those responsible for delivery, but not independent to the organisation. There are various teams that provide this assurance, including health and safety, finance, compliance, legal and audit and risk. The responsibility is to ensure that compliance obligations and commitments are understood and met.

- **Third line of assurance**

This comes from independent, objective and expert sources. It provides independent challenge. It places reliance upon assurance mechanisms in the first and second lines of defence, and request evidence to confirm assurance is in place. Assurance is gained from internal and external audit, regulators, and accreditations.

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- **Fourth line of assurance**

Our customers provide a fourth assurance level. As they directly receive certain services, they are in the ideal position to assess and review service delivery. We have strong customer engagement arrangements, including a Resident Scrutiny Panel, Community Voice, Property Services Panel, and Complaints Monitoring Panel.

All assurance activities are co-ordinated centrally to provide assurance maps. The assurance map of the strategic risk register is used to inform the internal audit programme and assurance work for the next financial year.

Internal controls assurance

Internal audit

Our internal auditors are appointed by the Group Audit and Risk Committee to provide an objective evaluation and opinion on the overall adequacy and effectiveness of our risk management and internal control environment.

The annual internal audit plan is set using a risk-based approach and is approved by the Group Audit and Risk Committee. The plan includes a range of internal audits and assurance appraisals.

The findings within the Internal Audits informs both an individual assurance assessment and the annual assurance opinion statement, provided by the Head of Internal Audit.

The annual plan is subject to ongoing review and could change as the risks change throughout the year. Any changes are formally reviewed with the Executive Leadership Team and the Group Audit and Risk Committee should a significant issue arise.

Internal audit reports carried out are signed off at each Group Audit and Risk Committee, where members have the opportunity to discuss and challenge the findings. Progress on any recommendations made are monitored by the committee and once implemented are verified by internal audit for final sign off. The internal auditors have an opportunity at every committee meeting to discuss matters without the presence of executives.

Our internal auditors provide an annual report on the internal control environment at Ongo. The annual report summarises the outcomes of the reviews that have been carried out on the Ongo group's framework of governance, risk management and control. The Head of Internal Audit's annual opinion states:

"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the Group's risk management, control and governance processes.

In our opinion Ongo Homes did have adequate and effective risk management, control and governance processes to manage its achievement of the Group's objectives at the time of our audit work. In our opinion, the Group has proper arrangements to promote and secure value for money. We would however highlight that we provided a weak level of assurance surrounding the repairs review and the damp and mould review that are scheduled to be followed up on during 2024/25. "

This opinion is based solely on the matters that came to the attention of internal audit during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Ongo from its various sources of assurance.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Our internal auditors carried out seven reviews, of which five resulted in strong or substantial assurance. These were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Ongo's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented. Progress with internal audit recommendations are monitored by the Group Audit and Risk Committee and implementation is verified by internal audit twice a year. All audit recommendations have been accepted and implemented.

External audit

The external auditors have an opportunity to meet with the Group Audit and Risk Committee without the presence of executives.

Fraud

The fraud register is reviewed at each Group Audit and Risk Committee. To assess our internal control framework, assurance tests are built in to the internal audit plan each year.

The fraud register is updated as necessary for all actual and potential frauds committed or attempted to be committed against the group.

Reporting, review and corrective action

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

The Group Audit and Risk Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. This Committee makes an annual report on this matter to the Board. The Board has received this report and has included it within the Financial Statements.

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

Employment and equal opportunities

Employee information is set out in the notes to the financial statements.

The group is committed to the principles of equal opportunities.

Employment of disabled persons

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Ongo is accredited with the Disability Confident Employers and this means we are recognised as going the extra mile to make sure disabled people get a fair chance. The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable adjustments are put in place to ensure that the individual can sustain their role and continued employment within the group.

Engagement with employees

We aim to involve staff and keep them engaged with decisions that will impact them and seek their continuous feedback.

We continue to drive up colleague engagement levels, measuring this through quarterly pulse surveys, exit interviews, health and wellbeing surveys and Q&A's to identify common themes and each Head of Service has developed their own team engagement plans. 80% or more colleagues continually said that Ongo is a great place to work over the last 12 months.

Ongo participated in Best Companies employee engagement survey in December 2023 and received a two-star rating which recognises outstanding levels of colleague engagement. Since taking part in the survey since 2017 Ongo has improved their position year on year. Using the results and the outcomes from colleague focus groups we are developing an action plan to make Ongo an even better workplace.

Ongo's policies set out clearly how our employees should act and what they should do if they need to raise any concerns, as well as meeting any legislation or regulatory requirements. Policies are reviewed in line with the Policy Development and Review Framework and staff consultation is always part of any policy review.

The group recognises three unions: Unison, GMB and Unite the Union, and the company holds a Joint Consultative Committee (JCC) on a regular basis, led by the Society's executive leadership team. The purpose of this committee is to jointly agree effective collective bargaining, negotiation, consultation and communication in order to maintain good employment relations. We successfully negotiated a pay award of 5.1% with an overwhelming vote in favour across all three recognised unions.

The One Ongo strategy focuses on our internal culture and the way we work as an organisation with a clear focus on our people. These are the key achievements against our One Ongo strategy over the last twelve months:

- **Corporate Plan** – Ongo's new Corporate Plan has been approved and published both internally and externally. The strategies that underpin the plan will soon be finalised and an action plan created with yearly deliverables and targets. The Customer Focus strand of the new plan will focus on our colleagues being professional, competent, and suitably qualified.
- **Fair reward and recognition** – In line with our reward and recognition policy we undertook a salary benchmarking exercise and made an uplift to salaries where it was below the median. Overall, an uplift was applied to around 400 colleagues with the average difference between current and the median point being 2.3%.
- **Health and Wellbeing framework** - A Health and Wellbeing Framework has been developed to bring together details of the support and interventions available to colleagues in one central place.

In addition, the group has a number of employee forums including a health and safety and equality, diversity and inclusion (EDI) forum which is represented by employees across different areas of the business. This provides an opportunity for employees to put forward their views and suggestions on how we can improve working practices.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Our environmental impact

As a social landlord and responsible employer we have an important role in ensuring that new and existing homes are built or adapted to meet the climate change challenge and reduce our CO² emissions. This is far reaching from how we procure products and conduct our business to ensuring our homes are as energy efficient as possible.

Our Board has recognised that a commitment to reducing the carbon impact of the business must be a key component of the corporate plan/business plan. It recognises that it will touch every aspect of the business and will affect all aspects of decision making across the organisation.

Our approach to carbon reduction, has three specific areas of operation to ensure a holistic solution is found:

- **Existing homes** – 10,000 + stock, new Decent Homes standards, challenge to get all stock to Energy Performance Certificate (EPC) B etc. engagement, awareness and culture.
- **New build homes** – establishing specification for the future, modern methods of construction
- **Corporate** – offices, fleet, procurement, purchase of utilities, engagement, awareness and culture

We have five key principles that support delivery of our carbon reduction plan:

- **Availability of quality data** – ensuring the accuracy and completeness of data helps us to understand our requirements and support planning and funding.
- **Maximise available public funding opportunities** – financing the necessary works within the business plan is one of the key challenges and access to public funding will be essential in this.
- **Scale up activities at the right pace** – there will be a need to gradually increase activity, as confidence, skills and technology improves within the sector and in the organisation. Carrying out pilot schemes will be a key part of this journey to help make the right choice.
- **Carbon literacy** – promoting a cultural change amongst staff and tenants is essential on the carbon reduction journey.
- **Social value** – decarbonisation requires long term investment and provides opportunities to create significant growth areas in the economy, thereby creating meaningful employment and training opportunities.

During the financial year 2023-24, we have continued to move forward on our path to achieve net zero, with some highlights during the year being:

- The continuation of our Ongo Net Zero Steering Group, led by the Chief Executive with a cross-team membership of internal stakeholders
- Review of our Environmental and Sustainability Policy and Net Zero Action Plan to ensure both are fit for purpose and cover all aspects that can contribute to having a positive impact on the environment.
- Continuation of our membership with the Off Site Housing Alliance (OHSA) to progress opportunities to develop new properties using modern methods of construction (MMC)
- The commissioning and completion of SECR compliance reports which provide a year-on-year position, identifying energy use and carbon emissions for each financial year (the SECR framework being a mandatory UK-wide energy and carbon reporting scheme)
- Continuing our SHIFT accreditation (SHIFT being the environmental sustainability standard for the housing sector)
- The development of a pilot and phased plan for the replacement of fleet with hybrid or electric vehicles
- Securing a £2.3m grant from the Social Housing Decarbonisation Fund to improve the EPC rating to 169 properties.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

- Capital investment projects during 2023/24 included installing low energy lighting to communal areas and street lighting, improving loft insulation and a variety of heating projects that will help tenants reduce their fossil fuel consumption.
- Embarking on a culture change, raising net zero awareness to tenants via promotional articles in our tenants' newsletter and social media, developing a dedicated page on our website and forming an Environmental and Sustainability Panel with encompasses members of Community Voice and tenant representatives.
- Commencing a project to merge two office locations that will have a positive impact on the emissions produced by our office environment

SECR (Streamlined Energy and Carbon Report)

The SECR framework is a mandatory UK-wide energy and carbon reporting scheme, implemented to create a straightforward carbon reporting framework. SECR seeks to improve transparency and help reduce UK carbon emissions associated with business and industry. From 1st April 2019, all large UK organisations are mandated to make an annual public disclosure within their Directors' Annual Report and Accounts of their UK energy use and carbon emissions

Why calculate a carbon footprint?

To support the management and reduction of greenhouse gas (GHG) emissions an organisation needs to understand which business activities generate GHG emissions and the magnitude of the generated emissions.

A carbon footprint provides a quantitative assessment of the GHG emissions arising from an organisation's business activities. Once a carbon footprint has been created, an organisation can begin identifying areas with the greatest potential for emission reductions.

The footprint includes the 'Scope 1' (e.g. combustion of fuel, fugitive and process emissions) and 'Scope 2' (electricity) emissions associated with the activities for which Ongo Partnership Ltd are responsible. For the purposes of the report only 'Scope 1' (Direct) and 'Scope 2' (indirect) emissions sources are required.

Methodology

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Activity data has been converted into carbon emissions using published emissions factors. The data used has been provided by Ongo Partnership Ltd.

The results below included figures for the Ongo Group. The figures also includes energy used in our communal areas (such as heating and lighting, in over 400 sites) we have not made any adjustments for recharges.

Intensity ratio

The intensity ratio constitutes a simple measure of energy efficiency, as opposed to total energy or emissions.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Usage

Streamlined Energy and Carbon Reporting (SECR)

Energy consumption	2023-24
Mains gas (KWh)	10,759,238
Mains electric (KWh)	1,479,913
Transport – direct (KWh)	7,506,656
Total energy consumption (KWh)	19,745,807
Emissions – mandatory SECR reporting	
Combustion of fuels (Scope 1) tCO ₂ e	4,175
Combustion of fuel for transport (Scope 1 – Direct) (tCO ₂ e)	1,900.7
Purchased electricity (Scope 2, location-based) (tCO ₂ e)	306
Total gross emissions for which SECR reporting required (tCO₂e)	4,481
Intensity ratio – mandatory emissions reporting	
Total gross emissions divided by turnover (tCO ₂ /turnover)	34.07

Previous year

The financial statements for the year ended 31 March 2023 included the following data:

Energy consumptions: gas - 6,299,605 KWh, mains electric – 1,157,960 KWh, transport direct – 741,489 KWh and total energy consumption – 8,199,054 KWh.

Emissions: 1,328 tCO₂e for combustion of fuels, 178.0 tCO₂e for combustion of fuel for transport, 34 tCO₂e for purchased electricity with total gross emissions of 1,362 tCO₂e

Intensity ratio: 23.9 tCO₂e.

The figures detailed in the table above for the year ended 31 March 2024 incorporate a revised method of calculation for carbon conversion factors and, for the first time, the inclusion of scope 3 emissions

Methodology

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Activity data has been converted into carbon emissions using published emissions factors.

Energy efficient action statement

Action taken during the year:

- 471 new gas condensing combi boilers installed
- 5 new ASHPs (6 additional ones in new builds) installed
- 1 new electric storage heater installed
- 1 new electric radiant heater (Ideal Accessio) installed
- 141 new heating distribution radiators with programmable thermostat and TRVs on mains gas properties installed
- Lincoln Court district heating system replaced - new communal gas boilers and 68 flats with individual HIUs
- 124 loft insulation lofts topped up or replaced

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Engagement with suppliers, customers and others

We are a partnership of companies with a shared vision to create and sustain truly vibrant communities.

At Ongo, we understand that getting the very best value we can from our services and homes means we can invest more in opportunities for local people by creating jobs, training and neighbourhood services – things our tenants told us are important to them.

We believe that working together produces better and more efficient results, and underpinning everything we do are core values of:

- **Partnership**
- **Drive**
- **Responsibility**

As a Registered Provider of Social Housing, our purpose is to provide a great service to our customers, tenants and communities.

We strive to create long-term value for our stakeholders but in order to do this, it is important to understand who our stakeholders are, their diverse requirements and what matters to them.

Our work generates value for the local economy through, for example, job creation and delivering environmental improvements to develop the communities and natural environment in the region in order to create desirable places to live.

Our main stakeholders in all areas in which we have homes are:

- Tenants and customers
- Colleagues
- The communities in which we operate
- Suppliers and contractors
- Regulators
- Auditors
- Third party partners
 - Local authorities
 - Police
 - NHS
 - Fire services
 - Schools and colleges
- The environment

We recognise that we do not operate in isolation and it is not our decision alone to determine what the region needs us to deliver. This is why it is essential we engage with stakeholders across the areas we operate, to identify shared solutions to shared challenges.

We value the diverse perspectives that a broad range of stakeholders, representing different and often competing interests, can bring to our decision-making. The relationships we build are subject to robust governance to ensure the insights generated are taken into account in decision making at executive and Board level.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

How we engage with, and are influenced by our...

Tenants and customers

Our tenants are at the heart of everything we do, with all our decisions made. We aim to deliver a great service in a way that customers value, and we listen to and engage with them to grow and improve our services.

We engage with our customers through a variety of methods, including our Community Voice panel, various other tenant panels, via our Customer Engagement and Communities teams and through our digital channels. We engage on many areas of the organisation including consultation, business decisions and shaping services moving forward. This is via surveys, focus groups, panels and digital feedback methods.

Our tenant magazine, Key News, aims to engage with and inform our tenants on matters important and relevant to them.

We also have digital champion and environmental champion groups of tenants to help shape our services in these areas.

How we engage with, and are influenced by our...

Colleagues

We have a highly engaged, diverse and skilled team of colleagues who take pride in their work, value opportunities to learn new skills, and maintain an open and honest dialogue with unions and the business. Managers play a vital role in supporting their teams, with regular one-to-one meetings, and our engagement survey regularly scores above the UK norm.

We continue with regular leadership team updates through a weekly email from our Chief Executive and a weekly video from either him or another member of the leadership team. These updates share important company news, ways for colleagues to get involved and have their say. We also hold a regular live CEO Q&A for colleagues to ask questions and hear about key company news.

Our colleagues are very involved and we have several forums that are represented by colleagues to give their views and ideas. We also have a staff suggestion scheme for colleagues to put forward suggestions that are reviewed at our Managers' Forum.

How we engage with, and are influenced by our...

Communities

Everything we do aims to improve our communities and create places that people are proud to live, and can thrive in. The work we do puts us at the heart of local communities. We tackle issues through engagement and investment, and by identifying the issues that matter most to the people living in our communities we can develop solutions in partnership with them.

Our community hubs - The Arc and Viking Centre support tenants in vulnerable circumstances or that need support to access opportunities. We've also held events such as Ongo action days, school holiday activities and other local events to improve our presence in the community, give tenants the chance to get involved and give us feedback and to make our communities even better places to live.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

How we engage with, and are influenced by our...

Suppliers and contractors

As well as our colleagues, we rely on our suppliers and contractors to deliver our services, and the availability of goods and services in the market influences our strategy and how we operate. Good relationships with suppliers ensure projects are delivered on time, to a high standard, at efficient costs, and can bring innovative approaches and solutions.

We use procurement to generate, build, and maintain business relationships with suppliers. As we carry out some duties on behalf of the public sector, we must always ensure that we contract with suppliers in an open, fair, and transparent manner whilst conforming to the Public Procurement Regulations 2015 (PCR). We actively seek to engage with local suppliers, local contractors, and local service providers whenever possible and run active marketing, meet the buyer events, and supplier workshops so that we generate local interest and competition.

We maintain an electronic procurement and tendering portal for running all procurement processes, and conduct due diligence on suppliers ahead of contracting and permitting them onto our approved supplier list.

How we create value for our suppliers...

Short term

- We spend significant amounts with our suppliers each year to help deliver maintenance and enhancement projects across our asset base, and this helps support thousands of jobs in our region.
- By investing in our infrastructure we are helping to keep the economy flowing. We generate jobs through our capital programme and provide income for workers in the region

Long term

- Supporting jobs through our supply chain in the short term catalyses the development of skills and jobs in the region, providing a stimulus to benefit the regional economy in the long term.
- Working together to develop innovations and new technologies means we can identify solutions that will make our services better in the future.

We act with integrity, giving suppliers confidence in the way we do business, which translates to transparency and fairness for our suppliers.

How we engage with, and are influenced by our...

Regulator

Through proactive, constructive engagement with The Regulator of Social Housing, we agree to deliver commitments over specified time frames. We actively engage to shape the policy and regulatory framework within which we operate, covering customer, economic, environmental, social and governance matters. These priorities need to be balanced and viewed over a long-term horizon and maintaining relationships is key to this. The priorities and objectives of the Regulator can change over time so active engagement to provide our perspective around future policy is important to us.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

How we engage with, and are influenced by our...

Auditors

We conduct audits to assess, interrogate, and test our internal processes. This aids with ensuring good governance, and makes sure that any weaknesses in our processes and practices are identified prior to critical failure. In turn, this provides assurance to our customers, regulators, and our board and helps us to identify, assess, and manage our operational risks.

We have a small team of staff dedicated to the delivery of audit and risk management, and also engage the services of independent, third-party auditors in order to provide assurance that internal control is in place and effective.

How we engage with, and are influenced by our...

NHS

Despite not running, maintaining, or operating traditional 'care' facilities, we maintain a close working partnership with our local NHS providers. The care, wellbeing, and welfare of our tenants and customers is vital to us, and if society on a whole is to cope with an ageing population and the growing number of people with multiple long-term conditions then it is also essential for us to help maintain care services for people across our wider communities wherever we can.

As a registered provider of social housing, we are in a good position to form innovative partnerships with the local NHS care teams enabling us to help direct services to where they are most urgently required.

Services such as our Ongo Talk mental health support service will directly have a positive impact on the NHS due to the pressure they already face on their own mental health service.

Police

We have a long standing and collaborative working relationship with the police. We regularly support each other with issues of anti-social behaviour (ASB) and crime. We regularly run joint initiatives to improve our local communities.

Our community hubs often have a police presence with officers working from the buildings to be available for tenants to speak to, report any issues and learn more about the support available from them. We also invite the police along to community events when relevant.

Fire services

As a provider of social housing, fire safety has always been of paramount importance to us and we ensure that we maintain a positive relationship with the local fire and rescue services across our regions. We regularly share information with them, have undertaken training with operation watches in our high risk properties and we always keep them appraised of any changes to our systems or working practices that may affect fire safety.

We have a legal duty to ensure our properties are safe and meet the requirements of the Regulatory Reform (Fire Safety) Order 2005 (RRFSO) and to achieve this we carry out fire risk assessments annually to all of our high-risk buildings. In addition to this we also carry out weekly health and safety checks to ensure we are aware of any new or potential risks.

All of this information, together with any other relevant safety information relating to our properties, is shared with the fire service to help them develop their standard operating procedures for dealing with emergencies in our buildings.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Local authorities

In order to be successful and good at what we do, it is vital that we maintain close working relationships with the local authorities in all the areas we operate. Whether it is for facilitating housing need and planning requirements for our development team, highways access for our grounds maintenance teams, the safeguarding of our tenants, or the co-ordination and liaison of our homeless services we need to maintain professional close working relationships with all of the local councils under which the jurisdiction of our properties fall. We also work with local authorities on their green agenda to ensure we have a joined up approach. We also host school holiday activities funded by local authorities, ensuring our tenants benefit from free sessions provided by them.

Schools and colleges

As a major local employer, we have a responsibility to help prepare the next generation of talent for the workplace.

Our structured partnerships with local schools and colleges include the provision of opportunities for work experience and apprenticeships, school placements and supporting with industry days held in local secondary schools.

These arrangements not only prepare young people for the world of work, they also help to raise their aspirations. We endeavor to give young people ambition and the motivation they require to continue their studies and to perform well at all levels of their education journey.

How we engage with, and are influenced by our...

Environment

In the last twelve months, our 'net zero working group' has progressed with its action plan making progress in all areas of the organisation. The group is led by our Chief Executive with representatives across Ongo to feed in and drive our plan forward. The action plan created continues to focus on key areas including:

- Existing homes
- New homes
- Our offices and buildings
- Corporate
- Education and awareness

The plan has targets in all of the above areas to achieve by 2028, 2030 and the national targets to meet by 2050.

How we create value for our environment...

Short term

- We meet increasingly stringent environmental standards which help to improve the quality of our services and improve sustainability.
- We adopt best practices to avoid generating waste and contract with waste partners to assist with recycling and effective waste disposal.
- We reduce energy consumption to our corporate offices and adopt environmental practises into our operational activities.
- We adopt sustainable forms of transport by transitioning our fleet to hybrid or electric vehicle and encourage employees to reduce their journeys and travel in a sustainable manner.
- We achieve our short-term targets set out in the net zero action plan.

Ongo Homes

Report of the Board of Management for the year ended 31 March 2024

Long term

- Our investment in renewable energy generation is reducing our carbon footprint and contribution to climate change.
- We innovate and invest in our properties more efficient and environmentally friendly.
- We plan far ahead to ensure our activities and investment enhance the long-term resilience of the environment.
- We achieve our longer-term targets set out in the net zero action plan.

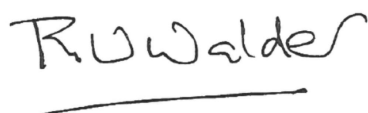
Auditors

All of the current Board of Management members and Executive Management Team have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The current Board of Management and Executive Management Team are not aware of any relevant information of which the auditors are unaware.

Following a tender process during 2021/22 Crowe UK LLP were appointed as auditors for three years. They are in the third year of their appointment to serve as auditors for the Company and the Group.

By order of the Board

R Walder
Director



A handwritten signature in black ink that reads "R Walder". Below the signature is a horizontal line.

Date: 11 September 2024

Ongo Homes

Audit and Risk Committee report for the year ended 31 March 2024

From 1 April 2023 to 31 March 2024 there were five meetings held on

13 June 2023

10 August 2023

26 September 2023

7 December 2023

19 March 2024

These meetings were attended by:

Name	Number of meetings eligible to attend	Number of meetings attended
Cook, Rachel	5	5
Finister-Smith, Michael	5	5
Wright, John	5	5
Gore, Martin	5	5

Michael Finister-Smith served as chair of the Committee for the full year. The Committee has continued to focus on risk management as a key part of its terms of reference.

The key responsibilities of the Group Audit and Risk Committee, which enable it to assist the Board in fulfilling its oversight responsibilities, are:

- Reviewing the effectiveness of the Community Benefit Society's (CBS) and the wider Group's financial reporting and internal control policies.
- Reviewing procedures for the identification assessment and reporting of risk and the effectiveness of risk management.
- Monitoring the integrity of financial statements for the Group.
- Monitoring compliance with applicable legal and regulatory requirements.
- Agreeing the scope of the internal auditors annual audit plan.
- Agreeing the scope of the external auditors audit plan.
- Monitoring the qualifications, expertise, resources, independence, performance and effectiveness of the internal and external auditors.
- Making recommendations to the Board on the reappointment or otherwise of both the external and internal auditors and keeping their fees, terms of engagement and independence under review.

The minutes of each Group Audit and Risk Committee meeting are available to Ongo Homes Board and a written update provided by the Chair on key decisions of each committee meeting is made available to all Board members immediately following meetings to ensure Board members are promptly informed on the matters considered by the Committee. This update is provided to the following Ongo Homes Board meeting.

The Committee has asked that the Chief Executive and the Director of Resource and Commercial Services attend its meetings. Other members of the Executive Team attend as and when required.

Members of the Committee have the opportunity to meet alone and/or to meet with both the internal and external auditors who have direct access to the Chair of the Committee.

The Committee may, at Ongo's expense, obtain independent professional advice on any matters covered by its terms of reference.

The Committee accepts that certain work of a non-audit nature is best undertaken by the external auditors. The Committee reviews the amount of non-audit work they perform on an annual basis.

Ongo Homes

Audit and Risk Committee report for the year ended 31 March 2024

The principal activities undertaken by the Committee in the period under review were as follows:

Internal controls and risks:

- Regularly reviewing the strategic risk register of the organisation and receiving updates on the operational risk registers.
- Considering reports from the internal audit partners on work undertaken in reviewing and auditing the control environment related to various functions of the business, to assess the effectiveness of the internal control systems. Specific subject matters covering; rent and service charge setting, staff wellbeing, repairs, purchasing, damp and mould, data protection and gas servicing.
- Considered work in relation to the compilation of the annual business plan and related sensitivity and stress scenario analysis.
- Monitoring compliance with general data protection regulations.
- Regularly monitoring direct award procurement actions to ensure appropriateness of the actions and receiving a report on overall procurement activity for a twelve month period.
- Reviewed the business continuity framework.
- Considered information on the Group's cyber security plans.
- Considered matters that fall under Ongo's charitable donations and probity policies.
- Monitored fraud attempts.
- Monitored health and safety as regards to compliance.

Finance reporting:

- Reviewed the financial statements of the CBS and other entities within the Group and as part of this process the significant financial judgements contained therein.
- Reviewed the assumption regarding the preparation of the financial statements on a going concern basis, including the supporting information and disclosures contained therein.

External audit:

- Agreed the approach and scope of the audit work to be undertaken by the external auditors
- Received, reviewed and considered the interim and final management reports of the external auditors.
- Monitored the progress the CBS and the Group has made to implement any recommendations made by the external auditors.

Internal audit:

- Agreed the internal audit plan for the period aimed at assessing the effectiveness of policies and processes relating to the key areas of operational and financial risk.
- Received, reviewed and considered the reports from the internal auditors with respect to the work they had done with regard to their agreed audit plan.
- Monitored the progress the CBS and the Group had made to implement any recommendations made by the Internal Auditors

AUDIT AND RISK COMMITTEE CHAIR

DATE: 11 September 2024

M Finister-Smith



Ongo Homes

Strategic report for the year ended 31 March 2024

VISION

“To create and sustain truly vibrant communities.”

CORPORATE OBJECTIVES

Our 2019-23 corporate plan focused on three key objectives:

- Being a great landlord – involving tenants in our decision making, providing excellent services to tenants and running an efficient landlord service.
- Offering quality homes – enhancing our environments to make them places people want to live in, investing in our existing homes to meet future demand and building new homes to help address housing need.
- Creating opportunities – increasing the employment potential of tenants, raising the aspirations of young people in our communities and investing £1m each year in programmes which improve communities.

Nature of business

The Association was formed on 28 April 2006. It became operational with the transfer of the housing stock of North Lincolnshire Council on 26 February 2007 and its head office is located in the town of Scunthorpe.

The largest component of the Group's business is the provision of social housing and related services via Ongo Homes. The Society's housing stock at 31 March 2024, which is located in North and Greater Lincolnshire, Yorkshire, Bassetlaw and the East Midlands, consisted of 9,822 units for general needs, 1,083 affordable rent units, 60 intermediate rent units, 115 units for supported housing/housing for older people and 147 units for shared ownership. Included within these numbers is a dementia care scheme. The Society has a high exposure to the risks associated with a large number of general needs housing in a concentrated area.

The condition of the stock was reviewed as part of the stock transfer, and became the platform on which the Society built its refurbishment and improvement programme for the following five years. This was designed to exceed Decent Homes Standard and was successfully completed in March 2012 and continues to be attained now.

Ongo Communities Limited's role within the Group is to deliver that company's wider social objectives by co-ordinating community development activity and developing social enterprises. At the end of the financial year Ongo Communities had two wholly owned subsidiaries – Ongo Recruitment Limited and Crosby Brokerage Limited.

Ongo Commercial Limited was set up to develop commercial business opportunities to generate income on a profit basis to enhance the business of the group. At the end of the financial year Ongo Commercial had two wholly owned subsidiaries – Ongo Roofing Limited (trading as Ashbridge Roofing) and Ongo Heating & Plumbing Limited (trading as Hales & Coultas Heating and Plumbing).

Ongo Home Sales Limited was set up to develop properties for the commercial market to enable Ongo Homes to achieve its build programme aspirations in the most efficient and economic manner. It has not traded since its incorporation.

Ongo Developments Limited role within the group is to develop properties for sale to Ongo Homes and to the commercial market.

Ongo Homes

Strategic report for the year ended 31 March 2024

Compliance with Governance and Financial Viability Standard – Ongo Homes

We have carried out an assessment against the standard for 2023/24 and have self-assessed Ongo Homes as being fully compliant against the Governance and Financial Viability Standard.

NHF Code of Governance – Ongo Homes

The Board has adopted the National Housing Federation (NHF) Code of Governance and following an assessment against the code is fully compliant.

Ongo Homes is the group's parent and is registered, meaning section 2.7.1 is not applicable. Sections 2.8, 2.8.1 and 2.8.2 are not applicable as there are no joint ventures.

All subsidiaries within the group have adopted the NHF Code of Governance meaning section 3.11.3 does not apply.

Governance

The group is governed by a Board of Management comprised of up to eleven non-executive members plus the chief executive officer. The current list of members is included on page 3 of these financial statements. The group strives to ensure it is able to recruit members from a diverse background to bring together the necessary skills and expertise required to lead a successful and high performing organisation. All Board Members are subject to individual assessments. The Board run a Board Trainee programme delivered in conjunction with the Housing Diversity Network. The programme aims to equip individuals to be Board Members of the future, giving them the skills and experience to apply for future Board vacancies.

The following non-executive directors received remuneration for their services on the Ongo Homes Board in the year.

	£
R Walder	13,250
P Gouldthorpe	6,000
R Cook	7,833
H Lennon	6,000
J Wright	6,000
M Kenyon	7,666
M Finister-Smith	7,500
N Cresswell	6,000
P Warburton	7,500
K Merta	6,000
G Oakley	7,500

In addition, the following received remuneration in the year as independent committee members of the Ongo Homes Board committees:

	£
M Gore	3,500
T O'Neill	3,500

Ongo Homes

Strategic report for the year ended 31 March 2024

The following received remuneration in the year as independent board trainees on the Ongo Homes Board committees:

	£
C James	1,500
L Whelan	1,500

The following non-executive received remuneration for their services on the Ongo Developments Limited Common Board in the year

	£
S Jones	3,500

The Board delegates the day to day running of the entities within the group to an Executive Leadership Team, headed by a Chief Executive and supported by a Director of Property, a Director of Customer Services, a Director of Resource and Commercial and a Director of Corporate and Compliance Services. Members of the Executive Leadership Team also attend the Board meetings.

Employees

The group recognises that fulfilment of its corporate objectives is underpinned by the quality and contributions of its Board and all the people it employs across the organisation. The group is committed to investing in its employees and through its annual performance and development process it is able to identify and build upon each and every employee's development needs to equip them with the necessary skills and experience they require.

The group shares information on its objectives, progress and activities through a series of meetings involving executive directors, the senior management team and its employees, and by means of the intranet and other social media sites. It also participates in a Joint Consultative Committee with elected employee representatives and meets regularly to discuss issues relevant to them.

As an equal opportunity employer, the group is committed to the equality and diversity agenda regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex or sexual orientation. We see it as fundamental to the way that we operate to ensure that we:

- a) aim to eliminate discrimination, harassment and victimisation;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) foster good relations between persons who share a protected characteristic and those who do not.

As such it invites interests from all of its stakeholders and believes that this commitment is fundamental across its organisation and integral in what it seeks to achieve. The group currently holds Disability Confident accreditation and Leaders in Diversity demonstrating its commitment to employing staff with disabilities.

Business planning

The business planning process is centred on achieving the Society's key corporate objectives, as well as those of the subsidiaries. This includes an assessment of strengths and weaknesses, opportunities and threats related to these objectives. These are discussed annually between the Executive Leadership Team and the Board and appropriate measures are included within the business plan.

Ongo Homes

Strategic report for the year ended 31 March 2024

OPERATIONAL HIGHLIGHTS

There are a number of positives to take from 2023-24, with the main highlights below:

Corporate Plan 2024-2029: Over the last 12 months we have worked in partnership with tenants, customers, colleagues and our Board to create our new Corporate Plan. Through feedback sessions and focus groups we created a plan which sets ambitious but achievable targets under the following three objectives:

- Be a great landlord
- Customer focus
- Growth and sustainability

You can read the full plan on our website www.ongo.co.uk/corporateplan

Acquiring 841 homes: Following a competitive process we were selected as the preferred bidder by The Guinness Partnership and purchased 841 homes from that housing association. We acquired the properties and welcomed our new tenants during March 2024.

The homes are based in North Lincolnshire, North East Lincolnshire and East Midlands, within or neighbouring areas in which we currently operate.

The move supports our aims of increasing our stock size through development and acquisition so we can continue to grow and offer more services to more people in the region.

Four colleagues from The Guinness Partnership also joined Ongo.

Note 16 to the accounts details the cost to the Society was £65.8m. This includes £20.7m of deferred capital grants acquired through the purchase, as set out in note 25 to the accounts.

New development highlights: 138 new homes were completed in 23-24 with a further 270 new homes started to be built. The main highlights for this year include completion of the sixteen new homes at Ashtree Close, Belton – a £5million project which, once complete, will completely regenerate the area.

Further growth in Doncaster, building on the number of homes we have in that area, with 27 new homes added to the stock. And also the growth in and around Gainsborough – with a further 42 new homes added to the stock.

Best Companies: In October 2023, all colleagues had the opportunity to complete the Best Companies survey and have their say on how they believe we are performing as an employer. We were rated as a 'two-star organisation' which demonstrates outstanding levels of engagement.

We were scored against eight factors (leadership, my company, my manager, personal growth, my team, wellbeing, fair deal and giving something back) and since our last survey in 2021, we have improved or maintained on all factors other than wellbeing – which will be a focus in 2024-25. An action plan will be created an implemented addressing areas we should continue with, and ways in which we can be an even better place to work.

Ongo Homes

Strategic report for the year ended 31 March 2024

Equality, diversity and inclusion: We were ranked 24th in the National Centre for Diversity's 'top 100 most inclusive workspaces 2023' for our achievements and commitment to building an inclusive culture at work.

We were ranked against over 300 organisations from all different sectors and it reinforces our commitment to embed our good practices around the FREDIE (fairness, respect, equality, diversity, inclusion and engagement) model.

Rent arrears: Tenants have been supported by our Income team to receive an additional £796,627 in financial support thanks to the help of the team. They also supported tenants with almost £750,000 of debt and 222 tenants were supported with energy advice. We spent just over £75,000 of our hardship fund supporting 126 tenants – great work by the team and all the other teams making sure our tenants receive all the guidance and advice they need.

£25k grant funding: We ran two lots of community grant funding in the last 12 months. A specific 'cost of living support' funding pot and our regular annual community grant funding. We have supported 40 local groups (local being anywhere in which we have homes).

Social Housing Decarbonisation Fund: We secured £2.3 million from the Government's Social Housing Decarbonisation Fund. This significant investment will drive essential improvements to 169 homes, enhancing energy efficiency, tenant comfort, and affordability.

The allocated funds will address critical issues faced by residents. The project aims to alleviate fuel inefficiency challenges by implementing targeted improvements that will directly benefit our valued tenants.

Impact of operations on the community and environment: In the last 12 months, 1,114 individuals received employment support from us, with 429 of these people being Ongo tenants. We were able to offer mental health support to 225 people which is above the target set – due to the significant demand for this service.

1,649 tenants were supported to claim over £645,000 in additional benefits and grants with an average income boost of £395 per tenant.

Other work which has contributed to a more positive community over the last 12 months includes:

- Forming a new partnership with Scunthorpe United which in 2024-25 will see lots of opportunities for local people and Ongo tenants whilst supporting a local organisation
- Continuing to offer volunteering opportunities, training initiatives and £25,000 given to community groups throughout the year
- We signed up to Housing Perks, an app designed to support colleagues and social housing tenants during the cost-of-living crisis to receive discounts on their shopping. In the short time this has been running, there have been thousands of pounds worth of savings made
- We were successful in gaining a grant of £140k to deliver the Multiply project, a three year programme to help improve the numeracy level of people with a qualification below level 2. It has been successful to date, with delivery of courses held in local employers' premises, focusing on those who do not have English as their first language, supporting the learners and the employers at the same time.. We also delivered the final year of our European Social Fund project, Endeavour, which provided 187 customers with mental health issues, offering counselling and life skills, and supported them into work, or closer to the labour market.
- Using the HACT (Housing Associations' Charitable Trust) model, we calculate that for every £1 Ongo Communities Limited invested in community projects, we achieved £26.08 worth of value in return. This is higher than the previous year (£15.54), which was due to the revised calculations provided by HACT and the outcomes achieved from supporting over 1,200 people with mental health support, employability

Ongo Homes

Strategic report for the year ended 31 March 2024

skills, providing “warm spaces“ to help with the cost of living crisis, and working with young people from our disadvantaged estates delivering mentoring and youth activities, and supporting them into apprenticeships.

Commercial businesses

Both Ongo Roofing and Ongo Heating and Plumbing finished the year in a strong financial position.

Ongo Roofing Limited, trading as Ashbridge Roofing, supported Ongo Homes’ reactive repairs, with Ashbridge Roofing undertaking over 1,600 repairs in the year.

Outside of Ongo Homes, work with external builders stayed strong despite a difficult trading environment for the construction industry. Relationships with established customers remain strong and work is also progressing with new customers.

Ashbridge Roofing welcomed another four apprentices to the business, three roofers and one quantity surveyor, to support the business’ growth plans. We have also seen the first of our trainee roofers completing their NVQ Level 2 in Roofing as part of our programme to develop and upskill our workforce.

There has also been a continued support of local community projects, with donations made, including to Myos House, Ongo Homes’ dementia care scheme.

Ongo Heating and Plumbing continued to support Ongo Homes with scheduled and ad-hoc heating installations and out-of-hours emergency support. The company continued to grow its commercial presence in the academy sector, securing key pieces of work during the year.

Ongo Heating and Plumbing also continued its investment in apprentices, raising its intake from four to nine apprentices to support its long-term growth plan.

As part of their commitment to giving back, Hales and Coultas invested directly into the community. This supported critical initiatives, including the Ongo Winter Communities Fund and the Ongo Recruitment Skills and Personal Development team. Additionally, they distributed WiFi dongles to connect people in rural areas to the internet, bridging the digital divide and fostering community connectivity. All of these activities led to Hales and Coultas winning the Caring for the Community award at the prestigious Quality Plumber Week Awards 2023.

FINANCIAL REVIEW

The principal aim of this section is to explain the group’s financial performance during the last year and how this is linked and influenced by its:

- capital structure,
- treasury policy,
- sources of liquidity and
- investment plans.

Ongo Homes

Strategic report for the year ended 31 March 2024

Our duty to promote the success of the company for the benefit of its members as a whole, has regard to:

Likely consequence of any decision in the long term

The Ongo Group Corporate Plan was extended for a further 12 months and ran until 31 March 2024. It was made up of three simple objectives:

- Be a great landlord
- Offer quality homes
- Create opportunities

By 2024 we aim to have achieved the following:

- For more than 80% of our tenants to say they feel their views are listened and acted upon
- For 97% of our customers to be happy with the maintenance service they receive
- For more than 90% of our tenants to be happy with their neighbourhood
- To achieve 100% in all our compliance and safety checks
- In line with our 2019- 2023 (now 2024) corporate plan objectives, to be on track to invest £199.8 million into our existing homes over the next 10 years following the year of the adoption of the plan
- In line with our 2019-2023 (now 2024) corporate plan objectives, to be on track to build 225 new homes on average every year for the next 10 years from 2024/25

Act fairly between members of the company

We believe in involving our tenants in our big decisions to ensure the best outcomes for service improvements to truly benefit our tenants. Our Community Voice group discuss and approve all operational policies, having the opportunity to shape the way we develop as an organisation to improve our services to tenants.

Our Equality, Diversity and Inclusion (EDI) group is made up of colleagues and tenants who meet on a quarterly basis to discuss matters surrounding equality and diversity. In the last twelve months, we have hosted events and awareness sessions on a number of different EDI topics including Pride, Black History Month and signing up to the White Ribbon campaign to raise awareness of male violence towards women and the steps we are taking to put a stop to it.

We have been announced as the 44th most inclusive place to work on The National Centre for Diversity 'Top 100 Most Inclusive Workplaces Index 2022 and worked towards securing Leaders in Diversity again.

We have also published our annual gender pay gap report online.

Our Board composition statement also ensures that we include tenant experience as a key attribute, ensuring that tenants' views are represented on our Board at a higher, strategic level. We have tenant representation on our Board, meaning tenants have a say at every level within Ongo

Ongo Homes

Strategic report for the year ended 31 March 2024

Maintain a reputation for high standards of business conduct

We strive to continuously improve and offer the highest possible services for our tenants. Below gives detail around some external recognition we received over the last twelve months and accreditations we currently hold across the whole group:

- CHAS
- Mindful Employer
- Disability Confident
- Which Trusted Traders
- Matrix Standard
- Leaders in Diversity
- Cyber Essentials
- Tpas – *currently reapplying for this*
- Construction Line

Foster business relationships with suppliers, customers and others

Our Executive Leadership Team actively encourage positive business relationships with our suppliers, customers and partners to ensure we are offering the best services to our tenants and customers.

To help with this, Ongo operate several procurement frameworks for colleagues from multiple internal departments across our business to access and use. The use of frameworks helps us to develop reactive and responsive relationships with our suppliers whilst ensuring that core agreement terms, pricing mechanisms, and service delivery parameters are maintained to underpin the agreements with suppliers, in a structured way. All of our procurement frameworks have been procured compliantly utilising fair and transparent processes in accordance with the Public Procurement Regulations 2015. The use of frameworks encourages the rotation of projects and work to all the suppliers who are present, therefore allowing all of our suppliers a fair opportunity to work with us.

Ongo engage with local suppliers whenever and wherever possible. This reinforces our commitment to supporting the local community, and we actively encourage our suppliers to get involved in our community work including supporting any local events and/or initiatives that we run.

Partnership working is just another way we build positive relationships with those living in our communities and the partners we work with in the areas in which we operate. This includes police, local authorities, schools and colleges and other relevant organisations. Through these partnerships we have seen many positive outcomes to benefit our tenants and our local communities. This way of working happens across the business, with many of our leadership team sitting on local Boards and representing Ongo at partnership meetings. Other colleagues play key roles in multi-agency meetings to improve issues in our estates and communities. Areas of work in the last 12 months have included the provision of financial support for tenants, increased safeguarding, and working in partnership with North Lincolnshire Council.

We involve our tenants in key business decisions and ways to help us improve as an organisation. We engage with our tenants through a number of channels including our Community Voice group, other tenant panels, our group of 'tenant testers' who trial our latest services and we also carry out consultation with wider tenants using direct communication and social media promotion.

Ongo Homes

Strategic report for the year ended 31 March 2024

Interests of employees

We aim to involve colleagues and keep them engaged with decisions that will impact them. All our policies relating to staff are always put out for consultation and feedback when reviewing and creating new policies.

We continue to deliver against our corporate plan and the strategies that underpin the plan. We engage staff in the actions needed and the best way we can achieve our objectives and these are incorporated in to the operational plan and objective setting at team level. Regular updates are published and praise and recognition given for the teams delivering these as part of One Ongo.

Our reward and recognition policy and guidance sets out our approach to how we determine pay and the other elements of our overall package. We are committed to undertaking salary benchmarking every two years and pay fair market rates for all roles. We continually look at how we can enhance the overall package we offer colleagues and have recently introduced a scheme to offer discounts to many retailers both for colleagues and tenants.

Financial performance

The Group's turnover increased from £57.0m in the year to 31 March 2023 to £61.6m in the year to 31 March 2024 and profit after tax and actuarial movements was £4.6m (2023: £7.5m)

The Society's turnover increased from £52.0m in the year ended 31 March 2023 to £57.5m in the year to 31 March 2024.

Rent losses from voids and bad debt (expressed as void and bad debt as a percentage of income from lettings) was 1.8% (2023: 1.5%). The Board considers void management to be a key performance measurement and, in addition to bad debt and void losses, continually reviews the percentage of void stock in management and void turnaround (re-let) time.

The group produces internal benchmarking for a number of areas with a cumulative position calculated for the year. The following areas are included within the monthly reporting and are considered to be key indicators:

Vacant dwellings as a percentage of stock (standard void) stood at 1.3% (2023: 0.97%) with total rent loss from vacant dwellings reducing to £674k (2023: £447k)

Rent arrears represents a key form of data and at the year end current tenant rent arrears, excluding housing benefit, as a percentage of rent was 0.95% (2023: 1.57%) with former tenant arrears increasing to 1.32% (2023: 0.90%).

The net movement in housing stock saw an increase to 11,227 (2023: 10,289). During the year 26 tenants exercised their right to buy their home (RTB/RTA). The surplus on the sale of properties was £1.6m (2023: £3.1m).

The operating surplus for Ongo Homes before interest, gift aid income and right to buy was £5.5m (2023: £6.8m), with operating margin changing from 19.0% (2023) to 12.7% (2024). This was impacted by increases in all costs as a result of higher inflation combined with a greater volume of repairs due to backlogs resulting from the Covid-19 pandemic and increased costs relating to damp and mould

The surplus on ordinary activities before taxation for Ongo Homes for the year was £6.8m (2023: £6.6m). This includes a gift aid receipt from Ongo Developments Limited of £257k. After the actuarial loss on the defined benefits pension scheme of £1.1m (2023: gain of £1.8m) this leaves a gain to reserves of £5.8m compared to £8.4m in the previous year.

Ongo Homes

Strategic report for the year ended 31 March 2024

During the year donations from group subsidiaries to Ongo Homes or Ongo Communities totalled £0.4m.

Capital structure and treasury policy

Drawn borrowings from a UK bank at the period end were £70m (2023: £50m), and unused available facilities with that bank at that time totalled £25m. This debt is borrowed using a mixture of fixed interest and variable rate loans. After the year end Ongo Homes extended the available facilities by a further £25m and the term by an additional 12 months and in July 2024 had a drawdown from this facility of £10m.

The Society has a further £50m of borrowings from proceeds of bonds issued by bLEND at a premium to par. The nominal value of funds secured in a previous year was £50m with a bond premium of £7.8m. The debt is a fixed coupon rate with repayment due in March 2054. At the year end the Society had an additional £25m of unused available facilities with bLEND.

The treasury strategy is set annually and approved by the Ongo Homes Board. Normal policy is to maintain a minimum of 50% of borrowings at fixed rates of interest. At the end of the financial year 83% of the Society's drawn borrowings were at fixed rates of interest, with the overall borrowing portfolio including 69% of debt at fixed rates. This ratio includes the bLEND bond funding.

The Society does not use hedging instruments other than to fix variable rate debt at the time of drawdown.

The fixed rates of interest on the bank loans range from 6.47% to 6.78% at the year end. Margins above SONIA (Sterling Overnight Index Average) are now at their maximum levels and will not increase again until maturity of the loans other than via a renegotiation of our facilities. The currently undrawn revolving credit facility incurs a commitment fee of 0.43% on undrawn facilities, and when drawn a margin of 1.075% above SONIA. The loan from bLEND is at a coupon rate of 2.922%, fixed for the life of the loan.

The Bank's and bLEND's lending agreements require compliance with a number of covenants. Ongo Homes' position is monitored on an on-going basis and reported to the Board. Recent reports confirmed that the Society was compliant with all its loan covenants throughout the year under review and the Board expects to remain compliant in the foreseeable future.

Surplus funds are invested in approved institutions and monitored by the Ongo Homes Board.

The Society's principal credit risk relates to tenant arrears. This risk is actively managed by providing support and advice to those tenants who are struggling to maintain payments and to closely monitor arrears that do occur whilst still providing support and assistance with the aim of bringing accounts back into credit for those tenants who are able to self-fund some or all of their rent.

Cash flows

Cash inflows and outflows for the period under review are set out in the statements of cash flows. It details:

- net cash inflows from operating activities for the Group of £14.0cm and for Ongo Homes £15.8m, which is generated in the main from the management of housing stock;
- outflows on investment and servicing of finance for the Group of £53.7m and for Ongo Homes £55.5m as the Society continues to invest in its housing portfolio and in particular the purchase of 841 properties from The Guinness Partnership; and
- the net movement in cash.

Ongo Homes

Strategic report for the year ended 31 March 2024

Current liquidity

The Group's cash and bank balances at the year-end were £23.7m (2023: £63.4m). Net assets were £127.2m (2023: £122.4m). Ongo Homes' cash and bank balances at the year-end were £20.1m (2023: £59.7m). Net assets were £131.2m (2023: £125.4m).

The Board does not consider there to be any seasonal effects on borrowing requirements. The main factor influencing the amount and timing of borrowings is the pace of the development programme. Cash flow forecasts are monitored closely to ensure sufficient funds are available to meet liabilities when they fall due, whilst not incurring unnecessary finance costs, by only drawing on loan facilities when required.

PRINCIPAL RISKS

The principal key risks to the Group, and in particular Ongo Homes, are:

- Health and safety: relating to occupational health and safety and building safety, changes to regulation.
- Legal and regulatory compliance: relating to compliance with legal and regulatory obligations.
- Financial resilience: relating to our income, economy and financial strength
- Business continuity: relating to significant business disruption.
- Cyber: relating to cyber security
- People: relating to recruitment, retention and morale
- Quality homes: relating to decent homes standard, data integrity, and providing safe and secure homes.
- Customer expectations: relating to the quality of service and satisfaction
- Development: relating to the development programme, and growth of our stock profile.
- Decarbonisation: relating to our commitment to reducing our carbon footprint
- Subsidiaries: relating to the performance of the subsidiaries

FUTURE PLANS

With the launch of our new Corporate Plan which runs from 2024-2029, this year will be the beginning of our journey to achieve year one of the five-year plan.

A key focus for this year will be our repairs and maintenance service, and getting this to a standard our customers are satisfied with and remaining within budgets set.

Other key priorities for 2024-25 include:

- Our Cole Street team moving into Ongo House to offer our tenants and customers all our services from one central location
- We will also begin delivering the work funded by the Social Housing Decarbonisation Fund
- We will be completing our self-assessment against the new Consumer Standards and implementing our action plan, ensuring we are compliant in all areas
- Ongo Communities has a funding strategy in place to continue to seek further opportunities to bid for funds and match fund projects that meet the needs of our customers and the wider communities within our area of benefit
- For the two commercial businesses 2024-25 will see a continued focus on organic growth from outside of work undertaken for Ongo Homes, with a specific priority on developing a solar power offering and the development of an in-house scaffolding resource

Ongo Homes

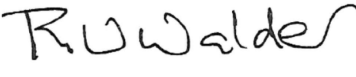
Strategic report
for the year ended 31 March 2024

STATEMENT OF COMPLIANCE

The Board confirms that the Strategic Report has been prepared in accordance with the principles set out in the Co-operative and Community Benefit Societies Act 2014.

By Order of the Board

R Walder
Director



Date: 11 September 2024

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

The Regulator for Social Housing requires providers to annually report on their performance against a suite of measures defined by the Regulator and expects a value for money statement to be included within the financial statements of the provider. The following report relates to Ongo Homes as an entity and all values, unless otherwise stated, represented below relate solely to Ongo Homes.

Value for Money Statement 2023/24

Ongo Homes Limited is a Registered Provider of Social Housing (RP). We currently own and maintain over 11,000 homes across North and Central Lincolnshire, South Yorkshire, and neighbouring areas. As an exempt charitable Community Benefit Society Ongo Homes does not trade for profit. All income is reinvested back into the organisation for the provision of homes maintenance, improvements in service and the financing of building new homes. We are in business to create and sustain truly vibrant communities, which is why we promise that everything we do is put back into local communities.

On 31 March 2023, the group structure of Ongo changed. Ongo Partnership Limited, Ongo Homes' parent company at that date, undertook a Transfer of Engagements (ToE) to Ongo Homes. A ToE is a statutory process through which Ongo Partnership transferred all its assets and liabilities to Ongo Homes. Ongo Homes became the parent company of the Ongo Group

At the year end the Ongo Group comprised Ongo Homes Limited, which is the parent of Ongo Commercial Limited, Ongo Communities Limited, Ongo Home Sales Limited, and Ongo Developments Limited.

Ongo Commercial Ltd has two subsidiary companies - Ongo Roofing Limited (trading as Ashbridge Roofing Solutions) and Ongo Heating and Plumbing Limited (trading as Hales & Coultas Heating and Plumbing).

Ongo Communities has two subsidiary companies - Ongo Recruitment Limited and Crosby Brokerage Ltd.

Formed in February 2007 following the successful stock transfer of homes from North Lincolnshire Council, Ongo Homes currently employs over 300 staff dedicated to delivering our core vision and values.

All entities within Ongo have adopted the National Housing Federation (NHF) Code of Governance (2020 edition). This code ensures there are structures, systems, and processes in place to deliver the agreed aims, objectives, and intended outcomes for our customers in an effective, transparent, and accountable way. For us to meet these requirements, the Group must establish and maintain clear roles, responsibilities, and accountabilities for the Board, Chair and Chief Executive, and report such arrangements annually to the Regulator for Social Housing as the government's regulatory body for social housing providers.

It is Ongo Homes' role to provide homes and services which offer value for money (VFM) for our tenants and customers. Each year we update our tenants and customers on our performance by publishing our Value for Money Statement on our website, within our annual statutory accounts, and within our Annual Report.

This statement includes details of our performance and costs for the 2023/24 financial year, and how we compare with other similar organisations.

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

For this statement we have selected to compare ourselves against a peer group of 32 housing associations¹ which had a stock size of between 5,000 and 20,000 (we have approximately 11,000), which are similar to Ongo and are located in the Northeast, Northwest or Yorkshire and Humber regions. These include Believe Housing, Beyond Housing, Broadacres Housing, Lincolnshire Housing Partnership, Living Homes, and Yorkshire Housing.

Throughout the course of the 2023/24 financial year, we have continued to focus our attentions on carbon reduction, sustainability, and our environmental impact as an organisation. As part of this, we have further developed the role of our Sustainability and Carbon Reduction Manager and have continued to incorporate more environmental assessments and due diligence into our procurement processes. As part of this focus, Ongo applied for Wave 2.2 carbon reduction funding and completed an assessment process for the SHIFT environmental accreditation scheme. Our bid for the funding was successful with grant funds being received and works undertaken in the 2024/25 financial year. The value of this funding will be recorded within our 2024/25 VFM statement.

Throughout much of the course of the 2023/24 financial year, Ongo have seen a significant increase in the rise of issues caused by damp and mould (D&M). D&M has been a significant issue across the entire housing sector over the past few years with an increased media focus due to the tragic, and preventable, deaths of several people nationally, including children. As a result of this, Ongo have invested heavily in our D&M detection, treatment, and prevention services including recruiting additional trades staff dedicated to delivering D&M works, engaging with specialist contractors for D&M treatment and remedy works, and appointing an internal D&M co-ordinator role to manage cases, actions, and any complaints received.

Since autumn 2023, Ongo has seen a significant increase in the number of disrepair claims being made against us. As a result of this increase, Ongo have engaged with several specialist subcontractors to assist us with improving these properties as we strive for all our homes to be of a high standard and be in good state of repair and safe and secure.

Our Corporate Plan

Ongo is a partnership of companies with one shared vision, “to create and sustain truly vibrant communities.”

In 2018/19, we published our corporate plan which focussed on three key objectives: being a great landlord, providing quality homes, and creating opportunities for people and communities to thrive. The plan was developed through extensive consultation with tenants, employees, and partners.

Under each objective we developed several indicators which drive the activity needed to achieve our aims. The 2023/24 financial year was the final year of the current corporate plan, and we have recently published our new corporate plan which takes effect from 2024/25.

We understand that getting the best value we can from our services and homes means we can invest more in creating opportunities for people in areas such as jobs, training, and neighbourhood services – things our tenants told us are important to them during the most recent corporate planning consultation.

¹ A full list of the housing associations included within Ongo’s peer benchmarking group is available from Ongo Homes on request.

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Underpinning everything we do at Ongo are our values, these guide the way we work:

- **Partnership**
- **Drive**
- **Responsibility**

What really makes us different is how we go beyond just being a landlord.

We believe in providing opportunities, as well as homes, and working in true partnership with our tenants, customers, and business partners to make lasting change.

Our vision is to create and sustain truly vibrant communities, and to achieve this, we have three simple aims.

- **Be a great landlord**
 - By... Involving tenants in our decision making.
 - Providing excellent services to tenants.
 - Running an efficient landlord service.
- **Offer quality homes**
 - By... Enhancing our environments to make them places people want to live in.
 - Investing in our existing homes so they meet future demand.
 - Building new homes to help address housing need.
- **Create opportunities**
 - By... Increasing the employment potential of people in our communities.
 - Raising the aspirations of young people in our communities.
 - Investing £1million each year in programmes which improve communities.

One Ongo

In June 2020, we introduced the One Ongo strategy, with the intention of creating one team across Ongo through which every single person can work together, contributing to achieving our corporate objectives.

This strategy brings with it a shift in mind set for some. Many Ongo teams work well in delivering their own piece of the jigsaw but 'One Ongo' is about everyone working together as one team to deliver one goal. It is about making life simple and easy whilst removing barriers and non-value activities.

The switch to digital

It will be obvious from the tables and graphs included within the following sections of this report that over the last couple of years Ongo have experienced a significant drop in overall customer satisfaction.

The main reason for this decline may be attributed to us switching to a digital only delivery model for our STAR customer surveys from the start of the 2021/22 financial year. The digital only model replaced the more traditional 'telephone survey' methodology through which we used to obtain our customer feedback. It is supported and acknowledged by Housemark that following the introduction of digital methodology, and the subsequent use of SMS and email for the gathering of tenant feedback, providers are likely to see an approximate 15% drop in overall satisfaction scores for both transactional and perception surveys. This is due to the digital platforms allowing us to reach a significantly larger audience than the traditional methods and the anonymity the digital platforms given to the individuals completing the survey responses. This empowers people to be more honest and direct with their feedback and assessments of the provider.

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Value for Money Statement For the year ended 31 March 2024

By using the digital platform, Ongo have been able to reach out to a larger customer base with 109,546 contacts made in 2023/24 through a combination of SMS text messaging and email for both perception and transactional surveys. Ongo have had an overall engagement rate of 19%, where customers have started or successfully completed the surveys.

Corporate plan objective: Be a great landlord

To be a great landlord, we will provide excellent services to tenants, run an efficient landlord service, and involve tenants in our decision making.

In our drive to be a great landlord, we have been putting a greater emphasis on changes we can make to improve our services. Over the last year this has included a greater focus on our self-help digital tools (my home) a new digital end-to-end tenancy sign up process, removing the need for paper, as well as the introduction of a new customer resolution team to resolve tenant queries at first contact. We are also looking over the next few months to bring all our landlord functions together to create wider efficiencies across the team.

Below are our VFM metrics against which we measure our performance in delivering a great landlord service. We have compared these with the median scores achieved by those housing associations that reported into HouseMark in 2022/23, which is the latest available comparison data.

Ongo switched to digital only methodology to obtain customer feedback from April 2021. Inside Housing published an article in June 2023 stating those who measure TSMs solely online experienced a heavy negative bias in satisfaction scores. Jonathan Cox, Director of Data at Housemark was also quoted as saying, "collection method has a big impact, with online surveys in particular carrying a heavy negative survey bias, around 15 percentage points". This applies to all customer satisfaction measures referred to in this document for 2021/22, 2022/23, and 2023/24.

Ongo Homes

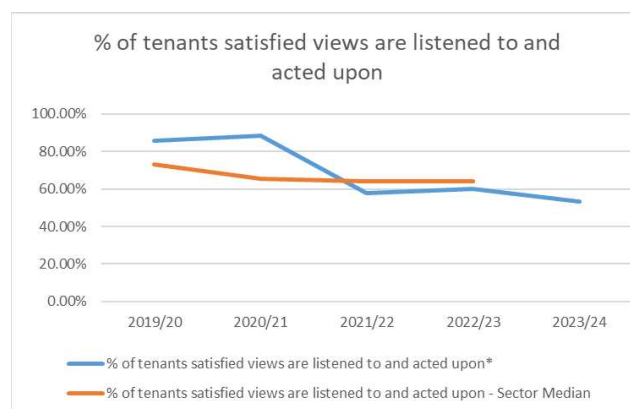
Value for Money Statement For the year ended 31 March 2024

Internal performance measures: Be a great landlord						
Indicator	2020/21 actual	2021/22 actual	2022/23 actual	2022/23 sector median ²	2023/24 actual	2023/24 corporate plan target
% of tenants satisfied with overall landlord services (TSM)	92.5%	74.0%	68.0%	78.1%	68.8%	No internal target available for 2023/24
% of tenants satisfied views are listened to and acted upon (TSM)	88.6%	58.0%	60.0%	64.0%	53.4%	No internal target available for 2023/24
% of tenants who received a repair in the last 12 months who report they are satisfied with the overall repairs service (TSM)	88.0%	76.0%	74.0%	77.5%	67.7%	No internal target available for 2023/24
Current tenant arrears as % of debit (exc. housing benefit)	1.62%	1.41%	1.57%	3.35%	0.95%	2.00%
% of rent loss from lettable empty homes	1.12%	1.17%	0.97%	1.37%	1.30%	1.00%

Graph 1



Graph 2

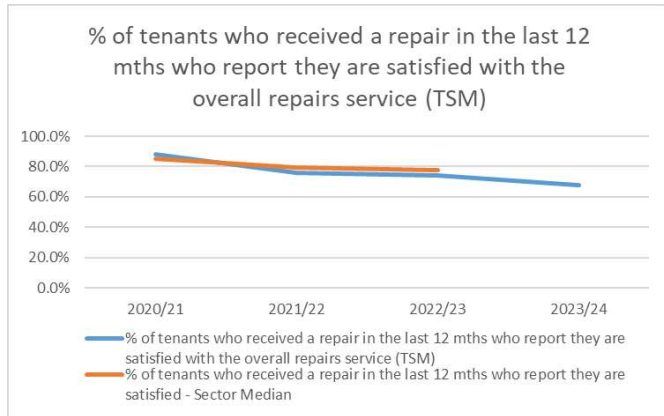


² 2022/23 Sector Median Data is the most recent data available at the time of writing. No sector median data is available for the 2023/24 financial year.

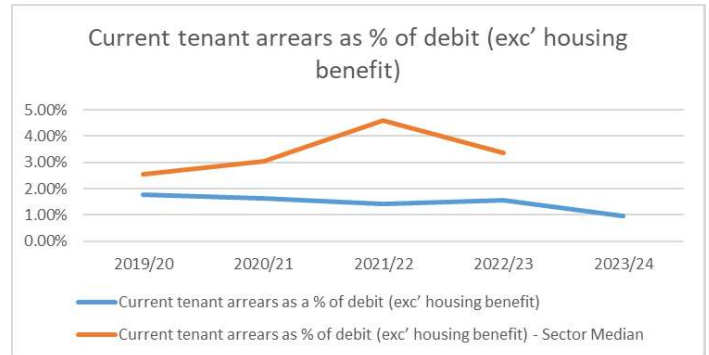
Ongo Homes

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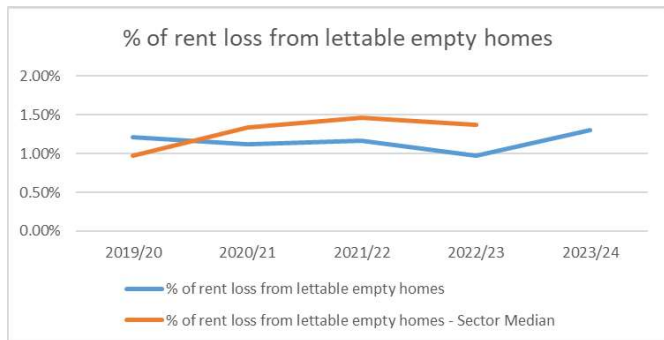
Graph 3



Graph 4



Graph 5



Graph 1 – Percentage of Tenants Satisfied with the Overall Landlord Services

Graph 1 above indicates that we have achieved a slight increase (+0.8%) in our customer satisfaction from 2022/23 to 2023/24. We previously saw a decline in Customer Satisfaction in 2022/23 (-6%) due in part to the introduction of digital customer satisfaction surveys in the previous year, however the marginal increase seen this year may suggest that Ongo’s efforts to improve our overall landlord services are working however we know there is still have a lot of work to do to restore customer satisfaction back to previous levels.

The slight increase in customer satisfaction is out of alignment with the increased number of customer complaints and reports made to the Ombudsman. To counter this negativity, Ongo have invested heavily into their repairs and maintenance team over the last 12 months, further increasing our directly employed trade personnel, and engaging with several new external contractors to assist with our service delivery. As a result of this investment, Ongo expect to see a continued improvement to this metric within the forthcoming years.

Graph 2 - Percentage of tenants satisfied that their views are listened to and acted upon

Graph 2 shows that there has been a decline (-6.6%) in the number of tenants who believe their views are being listened to and acted upon. This is a significant drop and takes us below the levels seen in 2022/23 following the switch to digital.

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Value for Money Statement For the year ended 31 March 2024

Many of the complaints we received from customers are centred on our repairs service. This is primarily stated as being due to a perceived lack of communication and the view that we are not listening to our tenants, and with the number of days being taken to carry out a repair a particular concern. We engaged our Resident Scrutiny Panel to carry out a review of the average number of days taken for a repair and they came back with some excellent actions and thoughts for us to consider, including the investment we have made in resources. This investment is expected to have a positive impact on this metric over the forthcoming years.

Work has also been undertaken on improving communications with tenants, through the increased use of text messaging in the lead up to the repair timeslot and afterwards, to gauge tenant satisfaction.

Graph 3 – Percentage of tenants who received a repair in the last 12 months who report they are satisfied with the overall repairs service (TSM)

Graph 3 indicates that Ongo have seen a further decline in customer satisfaction relating to the standard of the repairs service being delivered. However, the trend with this metric coincides with the pattern for other metric declines that Ongo have seen over the past financial year, with the increase of complaints received and negative reports etc. It is expected that the investments which we have made to our repairs and maintenance team will have a positive impact on this metric over the forthcoming years.

During 2023/24 our in-house maintenance team carried out 43,856 jobs, which exceeds the number undertaken last year by 12,003.

Graph 4 - Current tenant arrears as percentage of debit (exc. housing benefit)

Graph 4 indicates that Ongo have achieved a positive decrease in the financial metric of our 'current tenant arrears as a percentage of debit' from 1.57% in 2022/23 to 0.95% in 2023/24. With the exception of the 2022/23 figures, our performance around tenant arrears has been strong since 2019, and we are significantly better than our own target, and significantly better than the peer group median. The previous year's increase in arrears is believed to have been influenced by the cost-of-living crisis experienced nationally, and the subsequent rise in costs and increased debt for many of our customers.

In 2018 we implemented a revised strategy to reduce our arrears, which has seen a gradual incremental adaptation through to 2023/24.

The principles of the strategy were to implement a rent first culture with our tenants whereby they would always seek to have credit positions on accounts, to change the tenant conversation from a procedure written to adhere to the pre-court protocol, ending in eviction, to a process that focussed on the sustainability of tenancies; and to use technology and data to identify algorithms and transform the service from a reactive one dealing with arrears to a proactive one preventing arrears from happening in the first place.

In 2022/23, as part our approach to managing the impact of the UK Financial Crisis on tenants we implemented a partnership working program with the Citizens Advice Bureau (CAB). This joint working initiative has continued throughout 2023/24 and has helped to provide a dedicated debt and benefit advisor role to directly assist our customers, provide food vouchers for some of our most vulnerable customers working in partnership with local foodbanks; issued support bundles and fuel vouchers to customers; and enabled our customers to access grants and other benefits more easily.

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Graph 5 – Percentage of rent loss from lettable empty homes

Graph 5 indicates that the percentage of rent lost from empty lettable homes has increased quite significantly from 0.97% in 2022/23 (having previously seen a significant decrease), to 1.30% this year. 2023/24 saw an unprecedented perfect storm which attributed to the increase in void rent loss. The number of void properties and the relet times of properties had increased due to a variety of factors. Such factors included the UK wide cost of living crisis (refusing applicants due to affordability), the impact of damp and mould on decants and associated resources, an increase in the volume of new build developments which impacted our internal resources, and a significant increase in high priority applicants with complex needs resulting in longer times taken to allocate and let. To address these issues, we implemented a recovery plan in July 2023 for a 6-week period to address the oldest voids. This plan was an enormous success and helped us to reduce the number of voids from 171 to 132. The recovery plan also helped us to reduce the average number of void days from 80 to 50 allowing us to continue to improve our performance and to bring our internal workload to a manageable level thereby aiding to improve the wellbeing and moral of the team at the same time.

The recovery plan was not just down to the lettings team alone. It was a cross-team success with colleagues from all areas of the business volunteering to help and was a demonstration of 'One Ongo' at its best. Not only did we implement the recovery plan, but we also streamlined our processes to ensure we delivered a much more efficient service in future.

The Ongo lettings team have now started to use the data we hold to forecast emerging risks. In February 2024, the acquisition of the new stock properties from Guinness, combined with an influx of new build developments, was forecasted to increase of number of void properties by end of Ongo's fiscal year. This would have had a significant impact on our void relet times and rent loss. To minimise this risk, we reinstated the recovery plan from July 2023, which again was a success and helped to reduce the number of void properties to under 1% again by the end of March 2024.

Corporate plan objective: Offer quality homes

For us to be able to 'offer quality homes,' we need to understand how satisfied our tenants and customers are with the quality of their home and with the standard of their neighbourhood.

We will always seek to enhance our environments to make them places people want to live in, invest in our existing homes so they meet future demand, and build new homes to help address local housing need.

A total of 151 new homes were completed in 2023/24 with a further 321 committed to and under contract at the end of March 2024. In addition, during March 2024 we acquired a further 841 properties from The Guinness Partnership (another housing association).

Eight shared ownership properties were sold (first tranche) during 2023/24 generating £893k of income and a surplus of £305k after our costs were deducted. There were no sales recorded of any shared ownership properties which were subject to staircasing.

At the year end 60 properties were being let on a rent-to-buy basis.

Below are our VFM metrics against which we measure our performance in delivering a great landlord service. We have compared these with the median scores achieved by those housing associations that reported into HouseMark in 2022/23, which is the latest available comparison data.

Our targets are the minimum level of service we plan to achieve. Our aim is to exceed these targets as much as we are able, based on the availability of external funding and partnership opportunities year on year.

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Internal performance measures: Offer quality homes						
Indicator	2020/21 actual	2021/22 actual	2022/23 actual	2022/23 sector median ³	2023/24 actual	2023/24 corporate plan target
% of tenants satisfied that Ongo makes a positive contribution to neighbourhoods (TSM) ⁴	-	-	-	67.0%	54.4%	No internal target available for 2023/24
% of tenants satisfied that Ongo provides a home which is well maintained (TSM) ⁵	-	-	-	72.0%	66.1%	No internal target available for 2023/24
Investment into existing housing stock	£5,945k	£6,085k	£6,230k	N/A	£9,328k	£83.1m over 10yrs
Number of new build homes delivered	179	213	99	N/A	151	2,313 over 10yrs from 2024/25

% of tenants satisfied that Ongo makes a positive contribution to neighbourhoods (TSM)

No graph has been provided for this metric as this is a new KPI metric for Ongo, and therefore we hold no past data against which we can measure trends in performance.

However, the data provided does indicate that we are currently below the 2022/23 sector median for this performance metric, but this fits with the general trend of the other metrics we have analysed above. Ongo will continue to review this metric annually and will map and analyse any future trends which may become apparent.

% of tenants satisfied that Ongo provides a home which is well maintained (TSM)

No graph has been provided for this metric as this is a new KPI metric for Ongo, and therefore we hold no past data against which we can measure trends in performance.

However, the data provided does indicate that we are currently below the 2022/23 sector median for this performance metric, but this fits with the general trend of the other metrics we have analysed above. Ongo will continue to review this metric annually and will map and analyse any future trends which may become apparent.

Corporate plan objective: Create Opportunities

The more efficient our business is, the more resources we will have to invest in making a real difference to people's lives and futures by creating new opportunities for them. We plan to increase the employment potential of tenants and raise the aspirations of young people.

³ 2022/23 Sector Median Data is the most recent data available at the time of writing. No sector median data is available for the 2023/24 financial year.

⁴ This is a new PI introduced ahead of 2023-24 and replaced the former PI "of tenants satisfied with their neighbourhood as a place to live".

⁵ This is a new PI introduced ahead of 2023-24 and replaced the former PI "of tenants satisfied with the quality of their home".

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During the year ended 31 March 2024, Ongo Homes contributed £1m to Ongo Communities Limited, part of the Ongo Group of companies, and a registered charity delivering programmes of work that provide a social return.

The funding received by Ongo Communities was used to create opportunities to engage customers. Initiatives such as breakfast chat groups, confidence building courses, CV development workshops, plus a range of other activities that were run during the 2023/24 financial year to create a positive outcome for our customers and tenants.

By providing our customers with important 'life' skills such as how to cook a healthy meal at home, or how to manage the household budget, we can help them generate a sense of achievement. By also assisting them with getting a job, finding work, or simply obtaining a training certificate, we can help to promote self-worth and break the cycle of disengagement.

Using the HACT (Housing Associations' Charitable Trust) model, we calculate that for every £1 Ongo Communities invested in community projects, we generated £26.08 worth of value in return. This is an increase on the previous year (£15.54) for two reasons. Firstly, is that although there have been fewer external grant opportunities this year, the team have worked with a similar number of customers as the previous year, but more in depth, thus increasing the outcomes and scores. The second reason is that the calculator we use has been updated by our provider, HACT, who have updated their algorithms and Social Return on Investment (SROI) calculators within their software.

More detail on our SROI for 2023/24 is displayed later in this statement.

The amount of social return by Ongo Communities is attributed to the £1m funds from Ongo Homes plus grants and other income received by the charity from several external funders. The excellent outcomes achieved by our teams has meant continuation of the 'Multiply' project, funded from the UK government to support local people to improve their maths and adding to the track record of achievements that support future grant applications.

Raising the aspirations of young people is a key target and we are pleased to report that we have provided one-to-one mentoring to 124 people and appointed 41 onto new apprenticeships. Throughout 2023/24, 1,158 people accessed employment support via Ongo Journey to Work. The skilled staff and facilities in the Arc have enabled us to engage with people on the Westcliff estate, including some people who are disengaged and furthest from the labour market who we are supporting long term to help improve their lives.

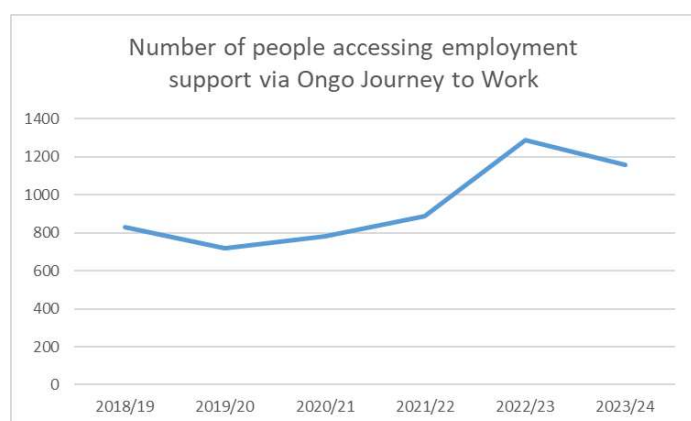
Below are our VFM metrics against which we measure our performance, through Ongo Homes funding of Ongo Communities, in *creating opportunities*. As these are unique to Ongo there is no comparable data recorded.

Ongo Homes

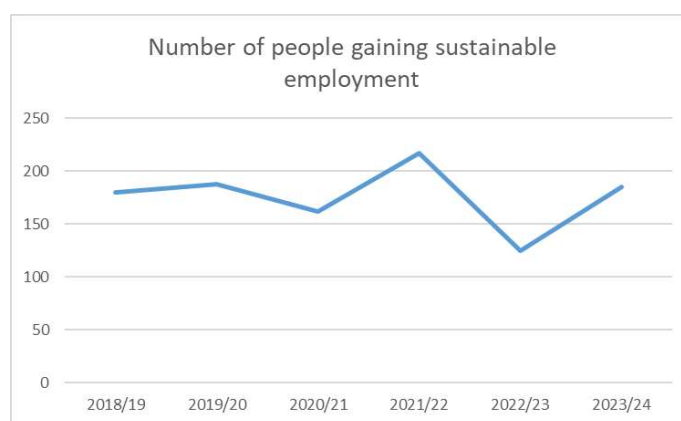
Value for Money Statement For the year ended 31 March 2024

Internal performance measures: Create opportunities					
Indicator	2020/21 actual	2021/22 actual	2022/23 actual	2023/24 actual ⁶	2023/24 Corp Plan Target
Number of people accessing employment support via Ongo Journey to Work	780	888	1289	1158	696
Number of people gaining sustainable employment	162	217	125	185	156
Number of young people engaged in one-to-one mentoring	112	116	118	124	96
Number of new apprenticeships	27	35	39	41	24
Total invested by Ongo Homes into community/creating opportunities projects	£1.02m	£1.03m	£1.05m	£1.07m	£1.07m

Graph 6



Graph 7

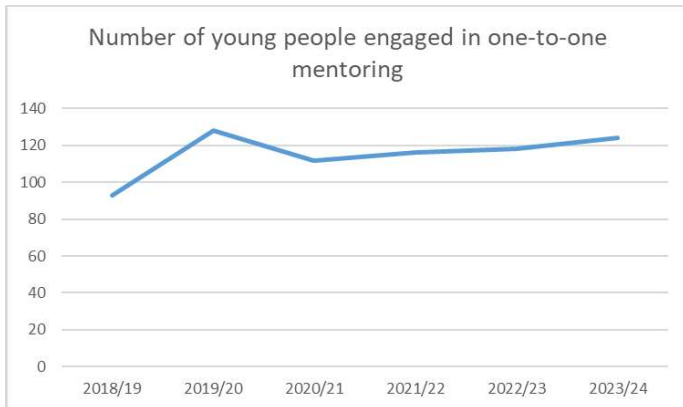


⁶ 2022/23 Sector Median Data is the most recent data available at the time of writing. No sector median data is available for the 2023/24 financial year.

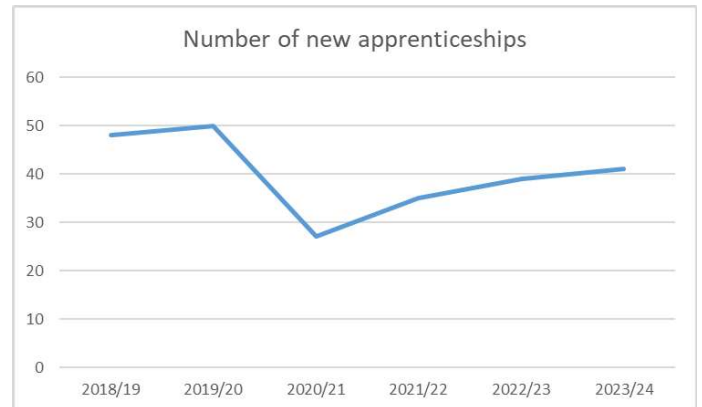
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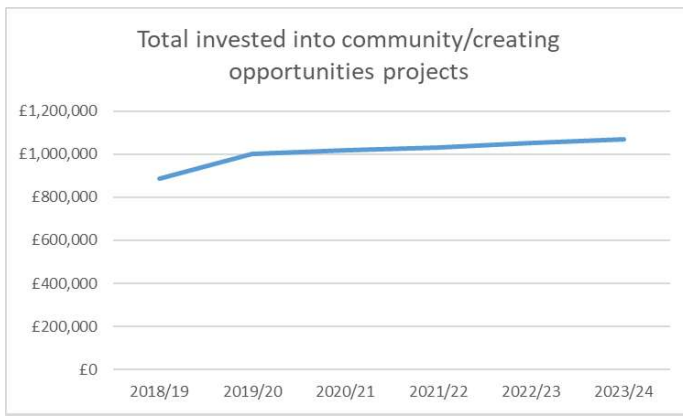
Graph 8



Graph 9



Graph 10



Graph 6 - Number of people accessing employment support via Ongo Journey to Work

Graph 6 above demonstrates a decrease in performance against the previous year. However, the number of people who have engaged with us for employment support is still high due to the excellent service offered, even though due to limited grant funding opportunities the range of projects and programmes available for our customers has reduced. We have opened a digital only programme for customers in rural areas and those who cannot easily access our premises, with access to free laptops and tablets, to help customers access the services they need. We also offer a safe warm space for people to access help during the cost-of-living crisis, including food, hot drinks and access to the Internet enabling us to offer further support and opportunities through our projects.

Graph 7 - Number of people gaining sustainable employment

Graph 7 indicates that we have seen a positive increase in the number of people gaining sustainable employment through Ongo. This is due to the team working with customers furthest from the labour market who require more intense support, including mental health specialist support prior to starting their Ongo Journey to Work for them.

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Graph 8 - Number of young people engaged in one-to-one mentoring

Graph 8 above clearly demonstrates a consistent performance over the last 3 years. The number of young people who have engaged with us through one-to-one mentoring has been successful due to the relationships the youth mentors have built with individuals and with local schools plus the youth club sessions that are delivered weekly on two of our most disadvantaged estates.

Graph 9 - Number of new apprenticeships

The target for apprenticeships has been achieved again this year with young and older apprentices taking on the roles available. During the year, we supported 13 internal apprenticeships across Ongo and have continued to work with SMEs to employ apprentices on their behalf in a wide range of businesses including medical, transport, construction, and accountancy.

Graph 10 - Total invested into community/creating opportunities projects

Graph 10 demonstrates the continued positive impact of work we do, demonstrating a small increase in the amount of money Ongo Homes have invested in creating opportunities and community projects during the 2023/24 financial year.

With our corporate plan, and an emphasis on creating more opportunities, we will continue to focus on our tenants and their families, along with customers in our wider communities.

Our in-house social enterprise Ongo Recruitment donated £107k which helps to support our Skills and Personal Development team. This comprises of mental health specialists, life coaches and employment coaches with the aim of being person centred, coaching 500 individuals per year. This team focuses on our tenants and their families, to develop the skills they need to move forward in their lives and achieve their aspirations and ambitions.

Delivering value

Integral to delivering our plan is knowing we are doing so in a way which offers us the best value for money.

For us, delivering VFM is understanding the relationship between four things:

- Economy – the price we pay for providing a service.
- Efficiency – how much we get for what we pay.
- Effectiveness – the outcomes we achieve.
- Sustainability – the impact we have on the environment and society.

To provide good value, we always seek to understand our assets, know our customers, track our markets, monitor our performance, and manage risk.

We must always demonstrate that we consider VFM across our whole business. Wherever we invest in non-social housing activity (such as through our commercial and subsidiary businesses), we must still ensure that the returns generated are proportionate to the risk involved and that VFM is still always considered.

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Because we want to...

- Ensure we successfully achieve our corporate objectives.
- Ensure that we maximise the value of every £ spent.
- Ensure that we improve our levels of efficiency and the benefits we bring to others when intended.
- Ensure our approach is consistent and effective across the Ongo Group.
- Ensure all our decisions help us comply with any relevant guidance set out by regulatory bodies or legislation.

In embedding VFM across our group, we have set out the key principles which form the basis of our VFM framework. We will:

- Maximise our return on and protect and understand our assets.
- Consider VFM in everything we do and set targets to achieve it.
- Understand what customers want and deliver objectives to meet this.
- Be transparent and inclusive.
- Have effective governance and VFM structures.

The way we manage VFM

The way Ongo manages VFM has changed over the past few years. This regulated aspect of our business now commands a significantly greater level of focus than ever before, and as such we have several practices in place to assist us with ensuring that we not only meet but exceed our regulatory expectations.

- **VFM Framework**

Ongo maintain a VFM framework which was revised in 2022 with input from two third party specialist consultancies. This framework replaced Ongo's previous model of policy and strategy and ensures compliance with the VFM Regulatory Standard and the accompanying Code of Practice. The purpose of the framework is to set out our strategic approach to VFM and provide guidance on how we identify, deliver, manage, and embed VFM across all aspects of the Group.

- **VFM Reports to Board**

VFM progress reports are presented to the Ongo Homes Board (OHB) at least every six months, and then generally at least one more report is produced each year to propose the VFM savings targets and other documentation (e.g. VFM Framework, RSH VFM standard self-assessment etc.).

- **VFM Savings target**

Annually Ongo set a VFM savings target ahead of commencing the new financial year. The VFM savings target is based on actual forthcoming procurement projects scheduled for delivery over the course of the year. The figure is calculated by assessing which procurement contracts are due to expire and/or be re-procured over the course of the forthcoming year, combined with the 'none' procurement-based savings recorded during the previous financial year. These are typically made up of staffing changes, efficiency savings, and other similar gains, and together equate to approximately 50% of all savings recorded. Once calculated, the VFM savings target is presented to the OHB for their approval ahead of being utilised as an operational target.

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- **VFM Statement**

Annually, Ongo Homes produces a VFM Statement. This document presents VFM performance against our value for money targets and any metrics set out by the regulator and demonstrates how our performance compares to that of our peers. The statement is presented within the annual statutory accounts to board in line with the requirements of the 2018 VFM Standard.

- **VFM Steering Group**

Ongo has an organisational wide cross cutting VFM Steering Group. Its purpose is to create a VFM culture across Ongo, oversee the delivery of the VFM Framework, and identify cost and efficiency gains that can be made from every day working practices. The steering group is made up of representatives from across the business who act as VFM champions.

- **VFM Action Plan**

Ongo's VFM action plan is monitored by the VFM Steering Group and shared with OHB for comment and challenge.

- **VFM Report It Button**

Ongo operate a VFM 'Report It' button on our intranet. This provides all individuals across the business with a platform to log VFM savings, or ideas and suggestions for potential VFM savings to the attention of their manager or head of service. People often have ideas about how to save money or improve the efficiency of a process and the 'Report It' button allows them to bring these suggestions into focus allowing them to be discussed and investigated further.

- **VFM Savings Register**

Ongo maintain a VFM Savings register against which all operational VFM gains are recorded. Performance of savings is tracked against the annual savings target and broken down by internal operational teams. The total annual savings figure is presented in the VFM statement each year.

- **VFM Training**

New board members and staff complete VFM eLearning as part of the induction process. Refresher training is also carried out, e.g. externally facilitated training to board members and managers, or the Procurement and VFM Manager delivering VFM refresher awareness training to teams across the business.

- **Team Meetings**

VFM has become a standard agenda item for all team meetings across all departments of our business. This is to aid with keeping VFM in focus, and to always ensure VFM is considered by all staff members and for all business functions and decisions, and to ensure that VFM is obtained from all transactions made across the Ongo Group.

- **Personal Development Reviews (PDR)**

VFM should now be a standard item on all individual staff members annual PDR's. This may just be a request for them to identify a single VFM saving or make a proposal for consideration, or it may be to achieve a

Ongo Homes

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minimum value of savings for their department or business area. But by having VFM considered by all staff on an operation level, means that it becomes part of the Ongo culture and not just a requirement we have to do to 'tick a box.'

Cash flow

We need to maintain and protect our financial strength if we are to deliver our corporate objectives. The Regulator of Social Housing judges us to be V1 compliant for financial viability.

Ongo Homes recorded a statutory surplus (before actuarial gains/losses) of £6,785k for the year. Net operating margin was 10.5%, against a budget of 15.4%, as a result, primarily of greater spend on repairs to properties. Rent payments from social housing account for 87.7% of income. The bank balance at the year-end stood at £20,068k.

To ensure funds are being fully utilised we manage cash requirements by use of short and long-term forecasting, which are regularly reviewed and updated where necessary. This ensures that funds held are used to support our tenants effectively, whether that is to invest in the houses in which they live or the communities within which they reside, building more quality homes, or any other areas where the Board or executive leadership team consider that funds should be directed. Assets are managed to ensure funds are held for a purpose.

The Value for Money Standard

In April 2018, the Regulator of Social Housing (RSH) published its new Value for Money Standard requiring all registered housing providers to:

- Clearly articulate their strategic objectives.
- Have an approach agreed by their board to achieving value for money in achieving these objectives and demonstrate their delivery of VFM to stakeholders.
- Through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs.
- Ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency, and effectiveness in the delivery of their strategic objectives.

Specifically, seven metrics were agreed as the most appropriate set of measures to capture performance across the sector in a fair and comparable way.

Our comparative performance and future budget

Our benchmarking information is taken from HouseMark, Housing Quality Network and the Global Accounts, published by the Regulator of Social Housing each year. The latest figures available at the time this statement was written were from 2022/23. Our comparisons are listed below:

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Value for Money Statement For the year ended 31 March 2024

Metric 1	2022/2023				Our actual 23/24	Our budget 24/25	Business plan 25/26
	Global Account s median	Benchmark group median	Sector scorecard median	Our actual			
Reinvestment VFM theme: outcomes delivered Risk theme: Effective asset management Corporate objective: Offering quality homes, creating opportunities	6.7%	8.30%	6.99%	9.59%	12.13%	18.01%	8.59%
What is it telling us?	Reinvestment considers what we spend on new developments and improvements to existing properties as a percentage of our housing properties at cost. In our corporate plan we have made a commitment to tenants to reinvest in our existing homes and neighbourhoods. In 2023/24 we reinvested £9.3m in our current housing stock and £29.4m in the development of new homes. We are expecting to reinvest a further £26.3m in current stock and £80.7m in new development over the next two years, including £6.8m in decarbonisation works. These investments are in line with our corporate plan objectives, with new properties delivered through our development company, Ongo Developments Limited. We compare well against the sector and our peers, with the sector averaging 7.0% reinvestment in 2022/23.						

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Metric 2	2022/2023				Our actual 23/24	Our budget 24/25	Business plan 25/26
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual			
2a. New supply (social) VFM theme: development capacity Risk theme: development Corporate objective: Offering quality homes	1.30%	1.14%	1.62%	0.94%	1.31%	2.42%	1.77%
2b. New supply (non-social) VFM theme: development capacity Risk theme: development Corporate objective: Offering quality homes	0%	0%	0%	0%	0%	0%	0%
What is it telling us?	<p>New supply is the number of new housing units we have acquired or developed as a percentage of the total housing we own.</p> <p>During 2023/24 we delivered 151 new homes compared with 99 in 2022/23. In addition, we acquired a further 841 homes from another housing association. Our development programme has a healthy building pipeline of schemes in progress and in the planning stages. We are increasing our development programme in the coming years and plan to deliver an average of 236 new homes per year over the next decade, with 496 of these coming in the next two years.</p>						

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Metric 3	2022/2023						
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual	Our actual 23/24	Our budget 24/25	Business plan 25/26
Gearing VFM theme: development capacity Risk theme: development Corporate objective: Offering quality homes	45.5%	44.7%	48.7%	17.0%	30.9%	35.4%	34.7%
What is it telling us?	<p>Gearing is the long and short-term borrowing as a percentage of the homes we own, at cost.</p> <p>Not only do we reinvest into our existing homes, but we have also described above how we are developing new homes too. Our development levels are comparable with others in our benchmarking group and the wider sector. As our development plans grow, we will require additional funding for these investments.</p> <p>Despite increasing in the current year, following the significant investment in new properties, our gearing is still low compared to our peers and the sector averages due to sound financial management in the years since the housing stock was transferred to us in 2007, resulting in low levels of borrowing.</p> <p>However, as we borrow more and spend our cash balances to fund the development of new homes, as agreed in our corporate plan, gearing will increase.</p>						

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Metric 4	2022/2023				Our actual 23/24	Our budget 24/25	Business plan 25/26
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual			
EBITDA MRI interest cover VFM theme: business health Risk theme: reduced income Corporate objective: Be a great landlord	124.4%	117.5%	134.7%	228.6%	224.1%	123.4%	196.3%
What is it telling us?	<p>The EBITDA MRI measure demonstrates business health and our capacity to support borrowing costs.</p> <p>Our performance in this metric in recent years has been good and has continued to give us capacity to support further borrowing. A slightly modified version of EBITDA MRI also forms one of our key borrowing covenants and performance provides adequate headroom to this.</p> <p>Having utilised cash to invest in new properties and drawn down an additional £20m borrowing in March 2024 (therefore increasing our interest costs), we expect to see a reduction in this metric during 2024/25. This will be further impacted in 2024/25 by a combination of additional borrowing and increased investment in existing stock. A reduction in reinvestment in 2025/26 will see the metric increase for that year.</p>						

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Metric 5	2022/2023				Our actual 23/24 £	Our budget 24/25 £	Business plan 25/26 £
	Global Accounts median £	Benchmark group median £	Sector scorecard median £	Our actual £			
Headline social housing cost per unit VFM theme: operating efficiencies Risk theme: asset management Corporate objective: Be a great landlord	4,568	4,258	3,958	3,631	4,057	4,787	4,539
What is it telling us?	<p>This metric represents social housing costs divided by the number of social housing homes we own.</p> <p>In 2023/24 we saw our overall related costs increase. This was due to a combination of increased maintenance costs caused by additional works following the impact of the Coronavirus pandemic in 2020/21 and addressing works relating to damp and mould, an increase in all costs because of inflation and a rise in depreciation charge arising from our further investments in our property stock. These increased costs have been partially offset by an increased property base delivered by our investment programme, but still lead to an increase in cost per property.</p> <p>Our cost per property is comparable with our peers and the sector median.</p> <p>We have budgeted and planned for costs to rise in future years under inflationary pressure and from continuing investment in the business and have stress tested the business plan to ensure that this is within our financial capacity.</p> <p>In summary, we recognise we are operating efficiently because our costs continue to remain comparable with our peers. We are, however, planning to increase our spending to meet our commitments in the corporate plan.</p>						

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Metric 6	2022/2023				Our actual 23/24	Our budget 24/25	Business plan 25/26
	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual			
6a. Operating margin (SHL) VFM theme: business health Risk theme: reduced income Corporate objective: Be a great landlord	19.9%	18.1%	24.0%	11.8%	8.1%	24.8%	22.2%
6b. Operating margin (overall) VFM theme: business health Risk theme: reduced income Corporate objective: Create opportunities	18.8%	15.9%	21.0%	13.9%	10.5%	18.7%	17.8%
What is it telling us?	<p>This measures the amount of surplus generated from turnover, first for social housing activities and then overall. It shows profitability before exceptional expenses are considered.</p> <p>As expected, our operating margin decreased in 2023/24, largely because of the increased activity in the year because of the additional maintenance works combined with cost increases due to inflation.</p> <p>We expect our operating margins to improve during 2024/25 as we benefit from a rise in income from more rental homes, anticipate a reduction in maintenance works and continue to improve our efficiency. We will continue to deliver our corporate plan, particularly investing in communities and new homes whilst allowing for increased costs following a period of inflationary pressure.</p>						

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

2022/2023							
Metric 7	Global Accounts median	Benchmark group median	Sector scorecard median	Our actual	Our actual 23/24	Our budget 24/25	Business plan 25/26
ROCE VFM theme: asset management Risk theme: asset management Corporate objective: Be a great landlord	2.8%	3.4%	3.3%	3.4%	2.1%	4.1%	3.6%
What is it telling us?	<p>ROCE stands for return on capital employed. It compares the operating surplus to total assets, less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.</p> <p>We have historically shown an elevated level of ROCE due to the low net value of assets, due to no transfer value being included in our asset valuations. The measure has declined during 2023/24 because of the reducing margin levels identified in metric 6 combined with the increase in assets due to the additional £20m funding drawn down as expected, and our increasing capital base through our continuing investment programme.</p> <p>We anticipate the metric to improve in 2024/25 as the level of operating surplus increases, meaning we expect to compare well once again to the sector and expect this to continue to be the case even accounting for the planned changes brought about by our current corporate and business plans.</p>						

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Value for money savings

Each year we set a target for VFM savings and measure the efficiencies we have achieved through our VFM register, which is reported annually to board members.

For the 2023/24 financial year, the Ongo Group savings target was set at £500k, which was a reduced target compared with the £869k target set for the previous year. This is always a theoretical target saving based on anticipated savings from procurement contracts due for renewal in the period, plus the average 'non-procurement' savings taken from across the previous couple of years. The reduction in target was agreed because of significant rising costs across all supply streams throughout our business. These rising costs, together with significant rates of inflation seen across the country throughout the 2023/24 financial year saw our focus change to one of cost avoidance and limitation as opposed to generating savings. This difficult market has meant that VFM savings have been harder to achieve than ever before.

The actual total savings recorded for the 12-month period from 1st April 2023 through to 31 March 2024 was £2.242m, however £1.8m of this figure is accountable to just a single contract.

The total figure recorded is made up of both cashable savings, when money is saved which can then be spent elsewhere, and non-cashable savings, made up of efficiency and time savings, external funding and/or external finance for our tenants, and other gains which are deemed to add value but do not give us money to spend on other services.

Showing how different teams contributed to this saving indicates the efforts we have gone to in order to embed a VFM culture across the organisation.

A breakdown of the savings across Ongo Homes different departments is provided below.

Cashable Savings

Department	Cashable Savings 2023/24
Communities	£16,636
People & Culture	£88,108
Finance	£1,800,000
Corporate Services	£18,040
Housing	£496
Development	£54,310
PR & Comms	£21,524
Technology & Innovations	£153,649
Investments	£89,362
Ongo Homes Total	£2,242,125

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

The most significant headline VFM saving made this year was due to a reduction in the East Riding Pension Fund (ERPF) pension contributions, paid through payroll. Estimated savings equate to £1.8m per annum because of a negotiated pooling arrangement agreed with North Lincolnshire Council reducing our employer contribution rate from 41.5% to 20% as well as removing the requirement to pay secondary contributions. This will continue in perpetuity.

In addition to the headline saving above, other significant savings include: a £136k saving on our business mobile telephony and data contract (over the contract period), made by our Technology and Innovations team as a result of running a market test in a highly competitive market; a combined £83k saving on our company corporate benefits contract as a result of a negotiated reduction for a contract extension followed by delivery of a competitive procurement exercise; a £44k saving made by Ongo's Development team by tendering for the provision of architectural services for one of our larger development sites; and Ongo's Marketing and Communications team securing a £10k grant from external funding sources for the provision of digital marketing services.

How we invest our savings

All the monies we save each year are reinvested into our communities. A proportion of the savings recorded will be invested into our extensive development program, thereby allowing us to build more homes, with other savings being invested with our Ongo Communities team to help to increase our social value and improve the lives of our customers and tenants.

In addition to making both cashable and non-cashable financial and efficiency gains, Ongo also generate social value returns on the investments we make. These gains are referred to as our Social Return on Investment (SROI) and are calculated in social value £'s gain against every £ spent. Our activity here is through our investment in Ongo Communities; all our calculations for social value gains are made using the HACT social bank calculator specifically designed for Housing Associations. <https://www.hact.org.uk/value-calculator>

Our SROI for 2023/24 has been calculated to be £26.08 for every £1 we have spent. This is higher than the previous year (£15.54). One reason is that the HACT calculator we use has been updated with some outcomes attracting a higher value. Although there have been fewer external grants this year, the team have worked with a similar number of customers as the previous year, but more in depth, including up to eight counselling sessions per person for 242 customers thus increasing the outcomes and scores.

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

Activity	Overall budget spent	Overall social impact returned	Analysis of benefit	
			Budget: social impact	Net benefit
Ongo Communities	£1,314k	£34,295k	1: 26.08	£32,980k

Reviewing our assets and liabilities

Assets, which are mainly housing stock, and liabilities, mostly made up of bank loans, are recorded in a register and regularly reviewed to make sure that when taking decisions or managing risks, it is done so with a clear understanding of our financial viability.

At the end of 2023/24, we had 11,227 homes in our portfolio. These included 115 homes classified as supported housing, 1,083 charged at affordable rent including 60 rent to buy, and 147 shared ownership properties.

During 2023/24, we sold a total of 26 properties including 18 right to buy sales and 8 right to acquire sales, and generated a total income in sales receipts of £1,395k.

During 2023/24 Ongo continued to operate in line with our asset management plan which sits under our Offering Quality Homes strategy. The plan is intended to address the changing environment, and how the organisation needs to plan for it whilst still carrying on and trying to improve the traditional aspects that previous asset management strategies covered such as elemental replacement programmes (kitchens, bathrooms etc.), and effective and efficient repairs services. The Asset Management Plan lays out the actions needed to allow us to continue to invest intelligently in our assets; to continue to adhere to building legislation and regulatory standards; and progress with our carbon reduction plans; all whilst still ensuring value for money, still looking to improve through innovation and still meeting customer expectations and achieving elevated levels of satisfaction.

Our strategy for Offering Quality Homes also sets out our approach to understanding our assets by using several tools:

Asset and liability register

An asset and liability register (ALR) is a key document that provides central access to all assets, liabilities, and governance arrangements. Access to this information supports a wider understanding of our financial position for decision making and risk management.

Compliance against the information held in the ALR is checked on a quarterly basis and the findings are reported to our Group Audit and Risk Committee.

Asset management system

We have further implemented elements of the asset management system which continues to give us the ability to collect and maintain comprehensive stock data and will further enhance our management of decent

Ongo Homes

Value for Money Statement For the year ended 31 March 2024

homes investment, asset compliance, monitor the sustainability of our stock, cost forecasting, manage health and safety compliance, SAP ratings, energy efficiency and stock condition.

Sustainability Index

Our Sustainability Index assesses the ongoing viability of properties and estates against several indicators, including cost, income projections, management activity, performance, and environmental information.

Net present value (NPV)

Using information from the Sustainability Index, we calculate the NPV of properties before any major investment decisions are made. This includes where we should invest, disinvest, dispose, or convert properties.

Sustainability Working Group

To ensure low demand stock is actively assessed by the organisation, this group, which includes representatives from across the business, meets to determine how we maximise the life of our assets.

External audits

Asset management data is essential in informing the business plan and ensuring the business has enough financial resources to manage and maintain its assets to the necessary standards. To satisfy lenders, an annual stock valuation survey is carried out.

Keeping tenants updated

We will update tenants on our progress in delivering our corporate objectives and how we offer value for money through our quarterly tenants' magazine, at monthly tenant meetings, in our next VFM statement and using our digital channels such as our website and social media.

Ongo Homes

Independent auditor's report to the members of Ongo Homes for the year ended 31 March 2024

Opinion

We have audited the financial statements of Ongo Homes (the "Association") and its subsidiaries (the "Group") for the year ended 31 March 2024 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Association's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

Ongo Homes

Independent auditor's report to the members of Ongo Homes for the year ended 31 March 2024

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- a satisfactory system of controls over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 8, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Association and determined the most significant are the appropriate accounting standards in conformity with the requirements of the Companies Act 2006 and the Financial Services legislation;

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience, through discussion with the Board, and from inspection of the Association's board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Chief Financial Officer;

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered the potential for management to manage earnings and influence the perceptions of the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the timing of recognition of income.

Ongo Homes

Independent auditor's report to the members of Ongo Homes for the year ended 31 March 2024

Audit procedures performed by the engagement team included:

- Evaluation of the design of controls established to address the risks related to material irregularities in the financial statements; Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to non-routine transactions.
- Evaluation of income recognition policies and any judgements made around income recognition; reviewing the income system for significant deficiencies or susceptibility to fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Making enquiries of management;
- Review of minutes of board meetings throughout the period;

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

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the Association's members, as a body, 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 Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
3rd floor
56 Peter St
Manchester
M2 3NQ

19th September 2024

Ongo Homes Limited

Consolidated statement of comprehensive income for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	61,571	56,961
Cost of sales		(4,115)	(3,901)
Operating costs		(52,407)	(46,678)
Surplus on sale of fixed asset housing properties	11	1,620	3,075
<hr/>			
Operating surplus	7	6,669	9,457
Other interest receivable and similar income	12	2,861	1,236
Interest payable and similar charges	13	(4,557)	(4,762)
Other finance income/(costs)	28	1,027	(48)
Movement in fair value of investment properties	18	(35)	(130)
<hr/>			
Surplus on ordinary activities before taxation		5,965	5,753
Taxation on ordinary activities before taxation	14	(238)	8
<hr/>			
Surplus for the financial year		5,727	5,761
Actuarial gains/(losses) on defined benefit pension scheme	28	(1,121)	1,769
<hr/>			
Total comprehensive income for year		4,606	7,530

The notes on pages 79 to 106 form part of these financial statements

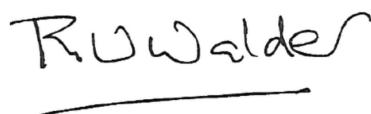
Ongo Homes Limited

Consolidated statement of financial position at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed Assets			
Intangible assets	15	9	20
Tangible fixed assets - housing properties	16	312,948	224,307
Tangible fixed assets - other	17	2,326	2,517
Investment properties	18	1,360	1,395
Investments - other	19	30	30
		316,673	228,269
Current assets			
Stocks	20	3,039	2,401
Debtors - receivable within one year	21	3,684	3,710
Cash and cash equivalents		23,731	63,418
		30,454	69,529
Creditors: amounts falling due within one year	22	(15,733)	(13,304)
		14,721	56,225
Net current assets			
		14,721	56,225
Total assets less current liabilities			
		331,394	284,494
Creditors: amounts falling due after more than one year	23	(204,344)	(162,050)
		127,050	122,444
Net assets excluding pension liability		127,050	122,444
Pension liability	28	-	-
		127,050	122,444
Net assets			
		127,050	122,444
Capital and reserves			
Income and expenditure reserves		127,050	122,444
		127,050	122,444

The financial statements were approved by the Board and authorised for issue on 11 September 2024

R Walder
Director



R Cook
Director



S Hepworth
Chief Executive



J Sugden
Company secretary



The notes on pages 79 to 106 form part of these financial statements

Ongo Homes Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2023	122,444	122,444
Surplus for the year	5,727	5,727
Actuarial gains/(losses) on defined benefit pension scheme	(1,121)	(1,121)
Other comprehensive income for the year	(1,121)	(1,121)
Balance at 31 March 2024	127,050	127,050

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2022	114,914	114,914
Surplus for the year	5,761	5,761
Actuarial gains/(losses) on defined benefit pension scheme	1,769	1,769
Other comprehensive income for the year	1,769	1,769
Balance at 31 March 2023	122,444	122,444

The notes on pages 79 to 106 form part of these financial statements

Ongo Homes Limited

Consolidated statement of cash flows for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Surplus for the financial year		5,727	5,761
Adjustments for:			
Depreciation of fixed assets - housing properties	16	11,879	11,468
Impairment of fixed assets - housing properties	16	171	-
Depreciation of fixed assets - other	17	185	200
Impairment of fixed assets - other	17	23	-
Amortisation	15	11	11
Amortised grant	25	(3,046)	(3,165)
Net fair value losses/ (gains) recognised in statement of comprehensive income	18	35	130
Interest payable and finance costs	13	4,671	4,894
Interest received	12	(2,861)	(1,236)
Taxation expense	14	238	(8)
Difference between net pension expense and cash contribution	28	(1,121)	3
Surplus on the sale of fixed assets - housing properties	11	(1,397)	(2,698)
(Increase)/decrease in stocks		173	(1,262)
(Increase)/decrease in trade and other debtors		(766)	87
Increase/(decrease) in trade and other creditors		161	378
Cash from operations		14,083	14,563
Taxation paid		(72)	(131)
Net cash generated from operating activities		14,011	14,432
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties		2,765	3,732
Purchase of fixed assets - housing properties		(80,737)	(20,246)
Purchase of fixed assets - other		(17)	(11)
Receipt of capital grants		6,223	3,793
Interest received		2,861	1,236
Net cash used in investing activities		(68,905)	(11,496)
Cash flows from financing activities			
Interest paid		(4,793)	(4,998)
Repayment of bank loan		-	(10,000)
New borrowings		20,000	-
Debt issue costs incurred		-	(180)
Net cash used in financing activities		15,207	(15,178)
Net increase / (decrease) in cash and cash equivalents		(39,687)	(12,242)
Cash and cash equivalents at beginning of year		63,418	75,660
Cash and cash equivalents at end of year		23,731	63,418
Cash and cash equivalents comprise:			
Cash at bank and in hand		23,731	63,418
		23,731	63,418

The notes on pages 79 to 106 form part of these financial statements

Ongo Homes Limited

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

	Note	2024 £'000	2023 £'000
Turnover	4	57,494	51,978
Cost of sales	4	(588)	(75)
Operating costs	4	(51,385)	(45,109)
Surplus on sale of fixed asset housing properties	11	1,620	3,075
Operating surplus	7	7,141	9,869
Other interest receivable and similar income	12	2,973	1,268
Interest payable and similar charges	13	(4,554)	(4,762)
Other finance income/(costs)	13	1,027	(48)
Gift aid		257	430
Movement in fair value of investment properties	18	(35)	(130)
Surplus on ordinary activities before taxation		6,809	6,627
Taxation on ordinary activities before taxation	14	(24)	5
Surplus for the financial year		6,785	6,632
Actuarial (losses)/gains on defined benefit pension scheme	28	(1,121)	1,769
Total comprehensive income for year		5,664	8,401

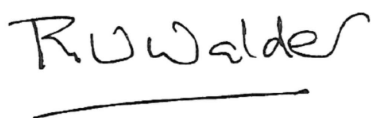
The notes on pages 79 to 106 form part of these financial statements

Ongo Homes Limited
Entity Statement of Financial Position
at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed Assets			
Tangible fixed assets - housing properties	16	319,563	229,576
Tangible fixed assets - other	17	2,308	2,495
Investment properties	18	1,360	1,395
Investments - other	19	30	30
Investments - subsidiaries	19	50	77
		323,311	233,573
Current assets			
Stock	20	1,057	271
Debtors - receivable within one year	21	3,087	3,000
Debtors - receivable after one year	21	1,551	1,551
Cash and cash equivalents		20,068	59,705
		25,763	64,527
Creditors: amounts falling due within one year	22	(13,706)	(10,690)
		12,057	53,837
Net current assets			
		12,057	53,837
Total assets less current liabilities			
		335,368	287,410
Creditors: amounts falling due after more than one year	23	(204,344)	(162,050)
		131,024	125,360
Net assets excluding pension liability			
Pension asset/(liability)	28	-	-
		131,024	125,360
Net assets			
		131,024	125,360
Capital and reserves			
Income and expenditure reserves		131,024	125,360
		131,024	125,360

The financial statements were approved by the Board and authorised for issue on 11 September 2024

R Walder
Director



R Cook
Director



S Hepworth
Chief Executive



J Sugden
Company secretary



The notes on pages 79 to 106 form part of these financial statements

Ongo Homes Limited

Entity Statement of Changes in Equity for the year ended 31 March 2024

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2023	125,360	125,360
Surplus for the year	6,785	6,785
Actuarial gains/(losses) on defined benefit pension scheme	(1,121)	(1,121)
Other comprehensive income for the year	(1,121)	(1,121)
Balance at 31 March 2024	131,024	131,024

	Income and expenditure reserve £'000	Total £'000
Balance at 1 April 2022	116,959	116,959
Surplus for the year	6,632	6,632
Actuarial gains/(losses) on defined benefit pension scheme	1,769	1,769
Other comprehensive income for the year	1,769	1,769
Balance at 31 March 2023	125,360	125,360

The notes on pages 79 to 106 form part of these financial statements

Ongo Homes Limited

Entity statement of cash flows for the year ended 31 March 2024

	2024 £'000	2023 £'000
Note		
Cash flows from operating activities		
Surplus for the financial year	6,785	6,632
Adjustments for:		
Depreciation of fixed assets - housing properties	12,154	11,681
Impairment of fixed assets - housing properties	171	-
Depreciation of fixed assets - other	174	195
Impairment of fixed assets - other	23	-
Impairment of investments	7	-
Amortised grant	(3,046)	(3,165)
Non-cash donations received	-	-
Net fair value losses/ (gains) recognised in statement of comprehensive income	35	130
Interest payable and finance costs	4,668	4,894
Interest received	(2,973)	(1,268)
Taxation expense	24	(5)
Difference between net pension expense and cash contribution	(1,121)	3
Surplus on the sale of fixed assets - housing properties	(1,397)	(2,698)
(Increase)/decrease in stocks	25	(39)
(Increase)/decrease in trade and other debtors	(925)	(350)
Increase/(decrease) in trade and other creditors	1,230	353
Cash from operations	15,834	16,363
Taxation paid	(16)	(22)
Net cash generated from operating activities	15,818	16,341
Cash flows from investing activities		
Proceeds from sale of fixed assets - housing properties	2,765	3,732
Purchase of fixed assets - housing properties	(82,682)	(21,805)
Purchase of fixed assets - other	(10)	(11)
Receipt of capital grants	6,223	3,793
Interest received	2,973	1,268
Loans repaid by group companies	66	900
Loans to group companies	-	(1,551)
Net cash used in investing activities	(70,665)	(13,674)
Cash flows from financing activities		
Interest paid	(4,790)	(4,998)
Repayment of bank loan	-	(10,000)
New borrowings	20,000	-
Debt issue costs incurred	-	(180)
Net cash used in financing activities	15,210	(15,178)
Net increase / (decrease) in cash and cash equivalents	(39,637)	(12,511)
Cash and cash equivalents at beginning of year	59,705	72,216
Cash and cash equivalents at end of year	20,068	59,705
Cash and cash equivalents comprise:		
Cash at bank and in hand	20,068	59,705
	20,068	59,705

The notes on pages 79 to 106 form part of these financial statements

Ongo Homes Limited

Notes forming part of the financial statements
for the year ended 31 March 2024

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Ongo Homes Limited

Notes forming part of the financial statements for the year ended 31 March 2024

1 Significant accounting policies

Ongo Homes is a CBS registered with the Financial Conduct Authority under the Co-operative and Community Benefit Society Act 2014. It is registered with the Regulator of Social Housing as a social housing provider. The CBS, which is classed as a public benefit entity, was incorporated in England. It is the ultimate parent company of the Ongo Group. The Society's separate financial statements are presented alongside those of the group, which consolidates the financial statements of the CBS and entities controlled by it.

The address of the registered office is given on the contents page and the nature of the Society's operations and its principal activities are set out in the strategic report.

The presentation currency of the financial statements is the Pound Sterling (£), rounded to the nearest £1,000.

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Ongo Homes includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers" 2014, the Accounting Direction for Private Registered Providers of Social Housing 2022. The group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations to prepare consolidated group accounts.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies which are set out in note 1.

Parent entity disclosure exemptions

In preparing the separate financial statements of the parent entity, advantage has been taken of the following disclosure exemptions available in FRS

- The parent entity does not operate any share-based payment arrangements; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent entity as their remuneration is included in the totals for the group as a whole.

The presentation currency of the financial statements is the Pound Sterling (£), rounded to the nearest £1,000

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Ongo Homes Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group entities are therefore eliminated in full. The comparatives are for the Ongo Group that was previously headed by Ongo Partnership Limited. Note 32 to the financial statements provides further information.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day-to-day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

However, the increase in inflation, particularly its impact on cost of living, has meant that the Executive Leadership Team and Board have been reviewing financial plans for the period to 31 March 2026. The Group has modelled a number of scenarios based on current estimates of rent collection, property sales and expenditure in Ongo Homes as well as the projected trading position of the subsidiary companies. The board will continue to review plans with management to make the necessary changes to continue to work with our customers and stakeholders to deliver exceptional services in a friendly, solution-focused way.

Borrowing covenants are constantly monitored as part of the Group's golden rules, to ensure that they will continue to be met based on the forecasts and projections that are prepared throughout the year. As detailed in the Strategic Report, the Board have set a number of golden rules which apply to the different entities within the Group. As with the borrowing covenants these are monitored and reported against each month and are assessed as part of forecasting and budget setting.

Given the strength of the balance sheet and availability and liquidity of undrawn loan facilities, the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Group's or the Society's ability to continue as a going concern. On this basis, the Board has a reasonable expectation that the Group and the Society have adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Ongo Homes Limited

Notes forming part of the financial statements for the year ended 31 March 2024

1 Significant accounting policies (continued)

Turnover

Turnover for Ongo Homes comprises rents, service charges and support charge income receivable in the year along with other income and revenue grants received in the year. Rental income is recognised from the point where properties are formally let. Property sale income is recognised on legal

The group contains a number of subsidiaries concerned with commercial activities and these recognise turnover from activities such as roofing works and heating and plumbing works. This income is recognised when the goods are delivered to the buyer and when the services are provided. Revenue is recognised on construction contracts undertaken on the basis of the assessed completion of works at the accounting date. Revenue from the sale of properties is recognised on legal completion.

The group contains a charitable company where incoming resources are accounted for when receivable. Grants are recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. Increases in incremental benefits may arise in the net rental stream through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation

Land is not depreciated.

Housing properties held by the group 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:

Description	Economic useful life (years)
Housing improvements	5 – 60
Structure	125
Kitchen	20
Bathroom	30
Roofs (pitched)	70
Roofs (flat)	20
External doors	30
Boiler	15
Electrics	40
External windows	40
Mechanical systems	20
Communal (including lifts)	20

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:

Freehold buildings	40 years
Leasehold land and buildings	The term of the lease
Plant, machinery and vehicles	2 – 10 years
Fixtures, fittings, tools and equipment	4 – 20 years
Computers	2 – 3 years

In the fixed asset note below, computers are included within fixture, fittings, tools and equipment.

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 in the statement of comprehensive income.

Ongo Homes Limited

Notes forming part of the financial statements for the year ended 31 March 2024

1 Significant accounting policies (continued)

Development expenditure

Housing properties in the course of construction are included in assets in the course of construction and held at cost less any impairment, and are transferred to completed properties when ready for letting. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Association disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as a tangible fixed asset; tranches are treated as a part disposal of fixed assets. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Where the Association is responsible for shared ownership accommodation the policy is to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

On the occurrence of certain relevant events, primarily the sale of dwellings, the RSH can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to the RSH with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Ongo Communities Limited receives grants that are recognised in the statement of comprehensive income once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and gifts-in-kind are accounted for when receivable.

Ongo Communities received grants which are classed as restricted. Restricted funds are funds which are subject to specific restrictions imposed by the funder or donor. The notes to the accounts provide further information

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Work in progress is valued at the cost of work performed plus attributable overheads less progress payments received.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised

Ongo Homes Limited

Notes forming part of the financial statements for the year ended 31 March 2024

1 Significant accounting policies (continued)

Finance costs

Finance costs are charged to statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Intangible assets - Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from 3 to 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Current and deferred taxation

The tax expense for the period comprises only current, and not, deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity's subsidiaries operate and generate taxable income.

Value added tax

Ongo Homes and other companies in the group are registered for VAT and reclaim VAT on most inputs using a special partial exemption method. The majority of the group income is derived from rental income which is "exempt output" for VAT purposes which restricts the group's ability to reclaim VAT input tax in full.

Leases

All leases are deemed to be operating leases. Their annual rentals are credited to the statement of comprehensive income on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable.

Two of the group's entities participate in the multi-employer Local Government Pension Scheme (LGPS) 'East Riding Pension Fund' a group defined benefit pension plan. There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs are recognised by individual group companies in accordance with that policy.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Service charge sinking funds

Service charge sinking funds are dealt with as creditors due within one year.

Investment property

Investment property is carried at fair value determined annually by external valuers and derived from 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 profit or loss.

Ongo Homes Limited

Notes forming part of the financial statements for the year ended 31 March 2024

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation, such as standard rates of inflation, mortality, discount rates and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets the assets are broken down into components based on the management's assessment of the properties. Individual useful economic lives are assigned to these components.

- Rental and other trade receivables

The estimate for receivables relates to the recoverability of balances outstanding at year end, with provisions for doubtful debt made in accordance with agreed policy.

3 Analysis of turnover - group

	2024	2023
	£'000	£'000
<hr/>		
Registered social landlord (Ongo Homes)		
Social Housing Lettings (Note 4)	55,151	50,499
Other Social Housing Activities	1,197	392
Activities other than Social Housing Activities	736	946
	<hr/>	<hr/>
	57,084	51,837
Charitable entity (Ongo Communities Limited)	310	608
Trading companies (Ongo Developments Limited, Ongo Roofing Limited, Ongo Heating and Plumbing Limited, Ongo Recruitment Limited, Crosby Brokerage Limited)	4,177	4,516
	<hr/>	<hr/>
	61,571	56,961
<hr/>		

Turnover for Ongo Communities includes charitable restricted income of £167,119 (2023: £531,524). All of this income was spent by 31 March 2024 and therefore no restricted funds were carried forward at the year end (2023: £nil).

The above turnover is after inter-group eliminations.

Ongo Homes Limited

Notes forming part of the financial statements
for the year ended 31 March 2024

4 Registered social landlord - analysis of turnover, cost of sales, operating costs and operating surplus

The following tables relate to Ongo Homes as an entity and includes all inter-group transactions.

Current year	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating costs 2024 £'000	Surplus/(deficit) on disposal of fixed assets 2024 £'000	Operating surplus / (deficit) 2024 £'000
Social housing lettings (note 5)	55,151	-	(50,666)	-	4,485
Other social housing activities					
First tranche shared ownership sales	893	(588)	-	-	305
Surplus on sale of fixed asset housing properties (note 11)	-	-	-	1,620	1,620
Supporting People	141	-	(141)	-	-
Other	163	-	(271)	-	(108)
	1,197	(588)	(412)	1,620	1,817
Activities other than social housing activities					
Lettings	307	-	(106)	-	201
Donations received (note 35)	382	-	-	-	382
Other	457	-	(201)	-	256
	1,146	-	(307)	-	839
Total	57,494	(588)	(51,385)	1,620	7,141

Previous year	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Surplus/(deficit) on disposal of fixed assets 2023 £'000	Operating surplus / (deficit) 2023 £'000
Social housing lettings	50,499	-	(44,525)	-	5,974
Other social housing activities					
First tranche shared ownership sales	138	(75)	-	-	63
Surplus on sale of fixed asset housing properties	-	-	-	3,075	3,075
Supporting People	123	-	(123)	-	-
Other	131	-	(175)	-	(44)
	392	(75)	(298)	3,075	3,094
Activities other than social housing activities					
Lettings	313	-	(107)	-	206
Donations received	115	-	-	-	115
Other	659	-	(179)	-	480
	1,087	-	(286)	-	801
Total	51,978	(75)	(45,109)	3,075	9,869

Ongo Homes Limited

Notes forming part of the financial statements
for the year ended 31 March 2024

5 Income and expenditure from social housing lettings - Group

The following table relates to the group and excludes inter-group transactions.

	General needs £'000	Supported housing £'000	Affordable housing £'000	Low cost home ownership £'000	Rent to buy £'000	2024 £'000
Income						
Rents net of identifiable service charges	43,676	216	6,035	117	350	50,394
Service charge income	1,314	377	-	20	-	1,711
Amortised government grants	1,955	5	991	31	64	3,046
Turnover from social housing lettings	46,945	598	7,026	168	414	55,151
Expenditure						
Management	13,430	187	1,591	94	88	15,390
Service charge costs	1,896	278	-	29	-	2,203
Routine maintenance	12,402	12	451	9	7	12,881
Planned maintenance	3,422	14	188	1	5	3,630
Major repairs expenditure	1,485	9	5	3	-	1,502
Bad debts	191	11	39	17	(6)	252
Depreciation of housing properties	8,348	45	3,070	208	207	11,878
Impairment of housing properties	171	-	-	-	-	171
Other costs	515	-	14	-	-	529
Operating expenditure on social housing lettings	41,860	556	5,358	361	301	48,436
Operating surplus/(deficit) on social housing lettings	5,085	42	1,668	(193)	113	6,715
Void losses	580	38	53	-	3	674

	Total 2024 £'000	Total 2023 £'000
Income		
Rents net of identifiable service charges	50,394	46,119
Service charge income	1,711	1,215
Amortised government grants	3,046	3,165
Turnover from social housing lettings	55,151	50,499
Expenditure		
Management	15,390	14,722
Service charge costs	2,203	1,770
Routine maintenance	12,881	8,681
Planned maintenance	3,630	3,544
Major repairs expenditure	1,502	1,360
Bad debts	252	138
Depreciation of housing properties	11,878	11,468
Impairment of housing properties	171	-
Other costs	529	455
Operating expenditure on social housing lettings	48,436	42,138
Operating surplus/(deficit) on social housing lettings	6,715	8,361
Void losses	674	553

Ongo Homes Limited

Notes forming part of the financial statements
for the year ended 31 March 2024

5 Income and expenditure from social housing lettings - Ongo Homes entity

The following tables relate to Ongo Homes as an entity and include all inter-group transactions.

	General needs £'000	Supported housing £'000	Affordable housing £'000	Low cost home ownership £'000	Rent to buy £'000	2024 £'000
Income						
Rents net of identifiable service charges	43,676	216	6,035	117	350	50,394
Service charge income	1,314	377	-	20	-	1,711
Amortised government grants	1,955	5	991	31	64	3,046
Turnover from social housing lettings	46,945	598	7,026	168	414	55,151
Expenditure						
Management	14,419	199	1,700	109	94	16,521
Service charge costs	1,896	278	-	29	-	2,203
Routine maintenance	13,194	13	480	10	7	13,704
Planned maintenance	3,422	14	188	1	5	3,630
Major repairs expenditure	1,485	9	5	3	-	1,502
Bad debts	191	11	39	17	(6)	252
Depreciation of housing properties	8,589	48	3,097	212	208	12,154
Impairment of housing properties	171	-	-	-	-	171
Other costs	515	-	14	-	-	529
Operating expenditure on social housing lettings	43,882	572	5,523	381	308	50,666
Operating surplus/(deficit) on social housing lettings	3,063	26	1,503	(213)	106	4,485
Void losses	580	38	53	-	3	674

	Total 2024 £'000	Total 2023 £'000
Income		
Rents net of identifiable service charges	50,394	46,119
Service charge income	1,711	1,215
Amortised government grants	3,046	3,165
Turnover from social housing lettings	55,151	50,499
Expenditure		
Management	16,521	16,361
Service charge costs	2,203	1,770
Routine maintenance	13,704	9,216
Planned maintenance	3,630	3,544
Major repairs expenditure	1,502	1,360
Bad debts	252	138
Depreciation of housing properties	12,154	11,681
Impairment of housing properties	171	-
Other costs	529	455
Operating expenditure on social housing lettings	50,666	44,525
Operating surplus/(deficit) on social housing lettings	4,485	5,974
Void losses	674	553

Ongo Homes Limited

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6 Units of housing stock - Group and entity

	2024 Number	2023 Number
General needs housings		
- social	9,822	9,236
- affordable	1,083	921
- rent to buy	60	45
Low cost home ownership	147	51
Supported housing	115	36
Total social housing units	11,227	10,289
Total owned	11,227	10,289
Residential leasehold	318	296
Accommodation managed for others	13	13
Total managed accommodation	331	309
Total owned and managed accommodation	11,558	10,598
Units under construction	321	273

	General needs housing - social	General needs housing - affordable	Supported housing - affordable	Rent to buy
Total owned				
At start of the year	9,236	844	77	45
Additions in the year	-	112	-	15
Acquired from other Registered Provider	617	51	-	-
Disposals in the year	(26)	(1)	-	-
Off debit (pending demolition)	(5)	-	-	-
At the end of the year	9,822	1,006	77	60

	Low cost home ownership	Supported housing - social	Housing for older people - social	Total owned
Total owned				
At start of the year	51	36	-	10,289
Additions in the year	19	-	-	146
Acquired from other Registered Provider	77	-	79	824
Disposals in the year	-	-	-	(27)
Off debit (pending demolition)	-	-	-	(5)
At the end of the year	147	36	79	11,227

	Residential leasehold	Accommodat- ion managed for others - social	Total managed accommodation
Total managed accommodation			
At start of the year	296	13	309
Additions in the year	5	-	5
Acquired from other Registered Provider	17	-	17
Disposals in the year	-	-	-
Off debit (pending demolition)	-	-	-
At the end of the year	318	13	331

The Board report provides further details on the 841 properties acquired from The Guinness Partnership.

Ongo Homes Limited
Notes forming part of the financial statements
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7	Operating surplus	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
This is arrived at after charging/(crediting):					
	Depreciation of housing properties	11,879	11,468	12,154	11,681
	Impairment of housing properties	171	-	171	-
	Depreciation of other tangible fixed assets	185	200	174	195
	Impairment of other tangible fixed assets	23	-	23	-
	Impairment of investments	-	-	6	-
	Impairment of investment properties	35	130	35	130
	Amortisation of intangible assets	11	11	-	-
	Operating lease charges - land and buildings	55	52	40	37
	Operating lease charges - other	445	370	445	364
	Auditors' remuneration:				
	- fees payable for the audit of the group's annual accounts	97	96	97	-
	- fees for tax advice	29	29	29	-
	- fees for other advice	-	6	-	-

All fees for the audit of the entities' annual accounts are paid by the ultimate parent entity of the group

Ongo Homes has some operating leases where the costs are recharged to other group entities. The above values relating to the entity represent the net cost to Ongo Homes. The values in the group columns relate to the cost to the group as a whole

8	Employees	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Staff costs consist of:					
	Wages and salaries	11,776	14,473	7,870	6,929
	Social security costs	1,082	1,433	756	699
	Cost of defined benefit scheme (see note 28)	956	2,213	949	1,477
	Cost of defined contribution scheme	785	720	547	295
		14,599	18,839	10,122	9,400

The costs of the defined benefit scheme include the adjustments required as a result of the year end actuarial calculation. The pensions note below provides further details on employer's contributions during the year.

Ongo Homes employs staff that work for other group companies, recharging the appropriate costs of labour to those companies. The above table represent the net cost incurred as this best reflects the cost of staff undertaking work on behalf of Ongo Homes. The total cost of the defined benefit scheme across all group companies is disclosed in the note to the accounts headed "Pensions".

The average number of employees expressed as full time equivalents (calculated based on a standard working week of 37 hours, based on headcount) during the year was as follows:

	Group 2024	Group 2023	Ongo Homes 2024	Ongo Homes 2023
Housing, support and care	302.8	299.2	192.2	175.5
Craft	33.0	32.0	-	-
Development	28.7	28.9	28.7	28.9
Administration	169.2	164.7	128.3	33.1
	533.7	524.9	349.2	237.5

Ongo Homes Limited
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8 Employees (continued)

A defined contribution pension scheme is operated by Ongo Homes Limited on behalf of the employees of the Ongo group. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension charge represents contributions payable by the group to the fund and amounted to £785k (2023: £720k). Contributions amounting to £81k (2023: £43k) were payable to the fund by Ongo Homes Limited and £114k (2023: £95k) by the group at the year end and are included in creditors. Also included in creditors is £115k (2023: £147k) payable to the fund by Ongo Homes Limited in respect of the defined benefit scheme and £116k (2023: £157k) by the group.

The remuneration paid to staff, including the executive leadership team, earning over £60,000 upwards:

	2024 No.	2023 No.
£60,000 - £69,999	6	6
£70,000 - £79,999	5	4
£80,000 - £89,999	2	-
£110,000 - £119,999	-	2
£120,000 - £129,999	3	2
£140,000 - £149,999	1	-
£160,000 - £169,999	-	1
£170,000 - £179,999	1	-

9 Key management personnel

The key management personnel are defined as the members of the Board of Management, the Chief Executive and the executive leadership team disclosed on page 3. Where board members work across the group the table below reflects the cost to the group.

	2024 £'000	2023 £'000
Directors' and senior executive emoluments	794	724
Contributions to defined contribution pension scheme	25	21
Contributions to defined benefit pension scheme	86	118

The total amount payable to the Chief Executive, who was the highest paid director in respect of emoluments, was £179,476 (2023: £169,887). Pension contributions of £35,895 (2023: £49,220) were made to a defined benefit pension scheme on his behalf.

As a member of the LGPS pension scheme, the pension entitlement of the Chief Executive is identical to those of other members with no enhanced or special terms applying.

There were two directors in the group's defined contribution pension scheme (2023: two) and three (2023: three) of the directors accrued benefits under the group's defined benefit pension scheme during the year.

10 Board members

Non-executive directors received remuneration for their services on the different Group boards. Details of remuneration paid in the year can be found on the Strategic Report.

The directors received expenses during the period of £5,767 relating to reimbursement of travel costs.

The Chief Executive Officer is an Ongo Homes board member. Details of their salary can be found above. Other members of staff are directors of other companies within the Ongo Group. They received salaries for their roles as employees, they did not receive any remuneration for their position as directors. Their pension entitlements are identical to those of other members with no enhanced or special terms applying.

Ongo Homes Limited
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11 Surplus on disposal of fixed assets

	Housing properties 2024 £'000	Housing properties 2023 £'000
Disposal proceeds	1,933	3,972
Cost of disposals	(313)	(897)
Surplus on disposal of fixed assets	1,620	3,075

Transactions relating to housing properties relate solely to Ongo Homes.

In addition to the above, fixed assets - housing properties components valued at £530k were written off to operating costs as a result of components being replaced or properties demolished.

12 Interest receivable

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Interest receivable from group undertakings	-	-	112	37
Interest receivable and similar income	2,861	1,236	2,861	1,231
	2,861	1,236	2,973	1,268
Net interest on net defined benefit asset (note 28)	1,027	-	1,027	-
	3,888	1,236	4,000	1,268

13 Interest payable and similar charges

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Bank loans and overdrafts	3,332	3,537	3,329	3,537
Other interest	1,225	1,225	1,225	1,225
Net interest on net defined benefit liability (note 28)	-	48	-	48
	4,557	4,810	4,554	4,810

Ongo Homes Limited
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14 Taxation on surplus on ordinary activities

Ongo Homes Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Society has 'charitable status' and is potentially exempt from taxation in respect of income and capital gains arising from certain categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
UK corporation tax				
Current tax on surplus for the year	238	(8)	24	(5)
Taxation charge/(credit) on surplus on ordinary activities	238	(8)	24	(5)

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to surplus before tax. The differences are explained below:

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Surplus/(loss) on ordinary activities before tax	5,965	5,753	6,809	6,627
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 25% (2023 - 19%)	1,491	1,093	1,294	1,259
Expenses not deductible for tax purposes	1	4	-	-
Income not taxable	(1,586)	(1,237)	(1,270)	(1,264)
Adjustments to prior periods	(10)	(19)	-	-
Tax adjustments, reliefs and transfers - net	342	151	-	-
Total tax charge for period	238	(8)	24	(5)

15 Intangible assets

Group	Goodwill £'000
Cost or valuation	
At 1 April 2023	112
Additions	-
At 31 March 2024	112
Amortisation	
At 1 April 2023	(92)
For the year	(11)
At 31 March 2024	(103)
Net book value	
At 31 March 2023	20
At 31 March 2024	9

Ongo Homes does not own any intangible assets.

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16 Tangible fixed assets - Housing properties - Group

Group	Land and buildings completed £'000	Land and buildings under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total £'000
Cost:					
At 1 April 2023	315,211	20,677	2,566	737	339,191
Additions:					
- construction costs	-	25,434	-	3,644	29,078
- replaced components	8,063	-	-	-	8,063
- transfers on completion	28,880	(28,880)	2,971	(2,971)	-
- outright purchase	61,924	-	3,868	-	65,792
Disposals:					
- replaced components	(1,699)	-	-	-	(1,699)
- other	(576)	-	(607)	-	(1,183)
- transfer from/(to) stock	-	-	(811)	-	(811)
At 31 March 2024	411,803	17,231	7,987	1,410	438,431
Depreciation:					
At 1 April 2023	(114,611)	-	(273)	-	(114,884)
Charge for the year	(11,667)	-	(212)	-	(11,879)
Eliminated on disposals:					
- replaced components	1,169	-	-	-	1,169
- other	263	-	19	-	282
Impairment	(171)	-	-	-	(171)
At 31 March 2024	(125,017)	-	(466)	-	(125,483)
Net Book Value:					
At 31 March 2023	200,600	20,677	2,293	737	224,307
At 31 March 2024	286,786	17,231	7,521	1,410	312,948

The net book value of housing properties may be further analysed as:

	2024 £'000	2023 £'000
Freehold	312,948	224,307

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16 Tangible fixed assets - Housing properties (continued)

Ongo Homes - entity only	Land and buildings completed £'000	Land and buildings under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total £'000
Cost:					
At 1 April 2023	319,971	21,524	2,638	774	344,907
Additions:					
- construction costs	-	25,608	-	3,826	29,434
- replaced components	9,328	-	-	-	9,328
- transfers on completion	29,203	(29,203)	3,004	(3,004)	-
- outright purchase	61,924	-	3,868	-	65,792
Disposals:					
- replaced components	(1,699)	-	-	-	(1,699)
- other	(576)	-	(607)	-	(1,183)
- transfer from/(to) stock	-	-	(811)	-	(811)
At 31 March 2024	418,151	17,929	8,092	1,596	445,768
Depreciation:					
At 1 April 2023	(115,058)	-	(273)	-	(115,331)
Charge for the year	(11,942)	-	(212)	-	(12,154)
Eliminated on disposals:					
- replaced components	1,169	-	-	-	1,169
- other	263	-	19	-	282
Impairment	(171)	-	-	-	(171)
At 31 March 2024	(125,739)	-	(466)	-	(126,205)
Net Book Value					
At 31 March 2023	204,913	21,524	2,365	774	229,576
At 31 March 2024	292,412	17,929	7,626	1,596	319,563

The net book value of housing properties may be further analysed as:

	2024 £'000	2023 £'000
Freehold	319,563	229,576

Works to properties

Improvements to existing properties capitalised	9,328	6,230
Major repairs expenditure to statement of comprehensive income	1,502	1,360
	10,830	7,590

Outright purchases - the Board report provides additional details on the acquisition of 841 properties from The Guinness Partnership

Included in operating costs is an impairment loss relating to housing properties of £171k. This relates to a block of flats containing 18 properties where it was deemed to be uneconomical to undertake the structural repairs required to avoid future significant health and safety concerns arising. The Board took the decision that the property should be demolished. That will take place after 31 March 2024. In calculating the impairment the Association assessed the estimated income from rents until such time as all flats are void as well as the cash outflows from potential future expenditure. As a result the property has been fully impaired in the year.

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17 Other tangible fixed assets

Group	Office buildings £'000	Plant, machinery and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost				
At 1 April 2023	2,817	1	1,582	4,400
Additions	10	-	7	17
Disposals	-	-	-	-
At 31 March 2024	2,827	1	1,589	4,417
Depreciation				
At 1 April 2023	(526)	(1)	(1,356)	(1,883)
Charge for year	(101)	-	(84)	(185)
Impairment	(23)	-	-	(23)
At 31 March 2024	(650)	(1)	(1,440)	(2,091)
Net Book Value				
At 31 March 2023	2,291	-	226	2,517
At 31 March 2024	2,177	-	149	2,326

The net book value of office buildings may be further analysed as:

	2024 £'000	2023 £'000
Freehold	1,784	1,860
Long leasehold	393	431
	2,177	2,291

Ongo Homes entity	Office buildings £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost			
At 1 April 2023	2,817	1,544	4,361
Additions	10	-	10
At 31 March 2024	2,827	1,544	4,371
Depreciation			
At 1 April 2023	(526)	(1,340)	(1,866)
Charge for year	(101)	(73)	(174)
Impairment	(23)	-	(23)
At 31 March 2024	(650)	(1,413)	(2,063)
Net Book Value			
At 31 March 2023	2,291	204	2,495
At 31 March 2024	2,177	131	2,308

The net book value of office buildings may be further analysed as:

	2024 £'000	2023 £'000
Freehold	1,784	1,860
Long leasehold	393	431
	2,177	2,291

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18 Investment properties

	Commercial £'000	Total £'000
Cost:		
At 1 April 2023	1,395	1,395
Revaluations	(35)	(35)
At 31 March 2024	1,360	1,360

The investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were carried out by a RICS registered surveyor and were calculated on market value subject to tenancy, based on his knowledge of our commercial stock, recent valuations of similar properties and extensive knowledge of the local market.

The deficit on revaluation of investment property arising of £35k has been debited to the Statement of Comprehensive Income.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2024 £'000	2023 £'000
Historic cost	1,197	1,197
Accumulated depreciation	(132)	(110)
	1,065	1,109

The investment properties are owned by Ongo Homes.

19 Fixed asset investments

Group	Other £'000	Total £'000
Cost:		
At 1 April 2023	30	30
Additions	-	-
At 31 March 2024	30	30

Other investments relate to the following:

Name	Country of incorporation	Proportion of ordinary share capital held	Nature of business	Nature of entity
MORhomes PLC	England	0.65%	Funding vehicle for social housing	Incorporated company

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19 Fixed asset investments (continued)

Ongo Homes entity	Subsidiaries £'000	Other £'000	Total £'000
Cost			
At 1 April 2023	77	30	107
Disposals	(21)	-	(21)
Impairment	(6)	-	(6)
At 31 March 2024	50	30	80

Details of subsidiary undertakings and other investments

The principle undertakings in which the entity had an interest at the year end were as follows:

Name	Country of incorporation	Proportion of voting rights held	Nature of business	Nature of entity
Ongo Developments Limited	England	100%	Development company	Incorporated company
Ongo Communities Limited	England	100%	Community investment	Incorporated charity
Ongo Recruitment Limited	England	100%	Employment services	Incorporated company
Crosby Brokerage Limited	England	100%	Business services	Incorporated company
Ongo Roofing Limited	England	100%	Roofing	Incorporated company
Ongo Heating & Plumbing Limited	England	100%	Heating and plumbing	Incorporated company
Ongo Home Sales Limited	England	100%	Dormant	Incorporated company
Ongo Commercial Limited	England	100%	Dormant	Incorporated company

See note 32 for further details on the group structure.

The Directors have concluded that Ongo Home Sales Limited should be struck off the register at Companies House. The Directors have also concluded that Ongo Commercial Limited should go through a voluntary liquidation process, following which it will be removed from the register at

20 Stocks

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Raw materials and consumables	199	212	34	59
Work in progress	67	-	-	-
Property for resale - work in progress	1,750	1,735	-	-
Property for resale - stock	-	242	-	-
Properties - shared ownership first tranche	1,023	212	1,023	212
	3,039	2,401	1,057	271

Replacement cost

Included in the amount shown for stocks of raw materials and consumables are items valued at cost on a first in, first out basis. The replacement cost of these items at 31 March 2024 was equivalent to the amount at which they are included in the accounts.

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21 Debtors	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Due within one year				
Rent and service charge arrears	1,743	1,360	1,743	1,360
Less: Provision for doubtful debts	(1,200)	(784)	(1,200)	(784)
	543	576	543	576
Trade debtors	641	525	1	89
Amounts owed by group undertakings	-	-	390	569
Other debtors	974	1,289	825	1,108
Prepayments and accrued income	1,526	1,320	1,328	658
	3,684	3,710	3,087	3,000
Due after one year				
Amounts owed by group undertakings	-	-	1,551	1,551
	-	-	1,551	1,551

The amounts owed by group undertakings falling due after one year relates to a loan. The repayment of this loan is determined by future trading and as such there is no definitive repayment date. The amounts falling due within one year relate to a loan and balances due from inter-company trading. Interest is charged on the loans.

22 Creditors: amounts falling due within one year	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Trade creditors	1,194	1,252	510	316
Rent and service charges received in advance	2,748	2,573	2,748	2,573
Taxation and social security	714	542	291	207
Other creditors	977	947	393	328
Recycled capital grant fund (note 24)	8	-	8	-
Deferred capital grants (note 25)	3,633	3,060	3,633	3,060
Accruals and deferred income	6,459	4,930	6,123	4,206
	15,733	13,304	13,706	10,690

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23 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Loans and borrowings (note 26)	118,929	98,813	118,929	98,813
Premium on bLEND loan issue	7,067	7,303	7,067	7,303
Recycled capital grant fund (note 24)	11	19	11	19
Deferred capital grants (note 25)	78,337	55,915	78,337	55,915
	204,344	162,050	204,344	162,050

The loans and borrowings are secured by charges over a number of properties included within tangible fixed assets.

In a previous year the Society received the proceeds of bonds issued by bLEND at a premium to par. These premiums are amortised to the Statement of Comprehensive Income over the life of the loan to offset the interest paid.

24 Recycled capital grant fund (RCGF)

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
At 1 April 2023	19	8	19	8
Inputs: grants to recycle	-	11	-	11
Interest accrued	-	-	-	-
Recycling: grants recycled	-	-	-	-
At 31 March 2024	19	19	19	19
RCGF creditor falling due within one year	8	-	8	-
RCGF creditor falling due after one year	11	19	11	19
	19	19	19	19
Amount three years or older where repayment may be required	-	-	-	-

25 Deferred capital grant

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
At 1 April 2023	58,975	57,926	58,975	57,926
Grants received during the year	5,369	4,225	5,369	4,225
Acquired through stock purchase	20,672	-	20,672	-
Movement in recycled capital grant fund	-	(11)	-	(11)
Released to income during the year	(3,046)	(3,165)	(3,046)	(3,165)
At 31 March 2024	81,970	58,975	81,970	58,975

Ongo Homes Limited
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26 Loans and borrowings

Maturity of debt:	Other loans	Bank loans	Total
	2024	2024	2024
Group and Ongo Homes	£'000	£'000	£'000
In one year, or on demand	-	-	-
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	-	20,000	20,000
In more than five years	49,441	49,488	98,929
	49,441	69,488	118,929
	2023	2023	2023
Group and Ongo Homes	£'000	£'000	£'000
In one year, or on demand	-	-	-
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	-	-	-
In more than five years	49,422	49,391	98,813
	49,422	49,391	98,813

Ongo Homes is carrying loans as detailed below:

	Interest rate	2024	2023
		£'000	£'000
<u>Bank loans</u>			
Repayable October 2029	6.47%	12,000	12,000
Repayable October 2030	6.78%	10,000	10,000
Repayable October 2031	6.44%	10,000	10,000
Repayable October 2033	6.49%	18,000	18,000
<u>Revolving credit facility</u>			
Repayable February 2027	Sonia rate + 1.08%	20,000	-
<u>bLend</u>			
Repayable March 2054	2.92%	50,000	50,000
		120,000	100,000

Issue costs of the loans were incurred in previous years. These were deducted from the initial carrying value of the loans and are being charged to profit or loss as part of the interest charge calculated using the amortised cost method. Additional costs were incurred this year, which are being amortised on the same basis

The bank loans and the revolving credit facility are secured by specific charges over the Association's housing properties. They are repayable at varying rates of interest as detailed above.

The loan from bLEND is secured by specific charges over the Association's housing properties. The coupon rate of the bond issued by bLEND was 2.922%, however due to the bond premium received the effective rate for the Society is 2.251%

During March 2024 the Association secured a further loan of £25m from bLEND. No amount was drawn down on this loan at the end of the financial year.

Ongo Homes Limited
Notes forming part of the financial statements
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27 Financial instruments

The group's financial instruments may be analysed as follows:

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Financial assets				
Financial assets measured at historical cost				
- Trade receivables	1,184	1,101	544	665
- Other receivables	2,500	2,609	2,153	3,886
- Cash and cash equivalents	23,731	63,418	20,068	59,705
Total financial assets	27,415	67,128	22,765	64,256
Financial liabilities				
Financial liabilities measured at amortised cost				
- Loans payable	118,929	98,813	118,929	98,813
Financial liabilities measured at historical cost				
- Trade creditors	1,194	1,252	510	2,889
- Other creditors	10,906	8,992	9,563	4,741
Total financial liabilities	131,029	109,057	129,002	106,443

28 Pensions

Two pension schemes are operated by the group.

Defined contribution pension scheme (Aviva)

This scheme, which commenced in 2012, is open to all staff, excluding agency, employed by the group. The assets are held independently in a separately administered fund.

Defined benefit pension scheme (LGPS)

The Group participates in the multi employer Local Government Pension Scheme, 'East Riding Pension Fund', a final salary scheme, which was established under an irrevocable Deed of Trust. The Deed determines the appointment of trustees to the fund. The scheme is managed by a corporate trustee accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries.

At 31 March 2024 there were 134 active employees in the LGPS. This scheme is only offered to new employees who are already members of the scheme through previous employment.

During the year Ongo Homes entered into a pooled arrangement with North Lincolnshire Council. As a result the employer contribution rate decreased from an effective date of 1 April 2023.

Pension benefits depend upon age, length of service and salary level.

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2022 and updated to 31 March 2024 by a qualified independent actuary. Contributions to the scheme are made by the Society based on the advice of the actuary and with the aim of making good any deficit over the remaining working life of the employees.

The employer's contribution to the scheme during the year was £1,050k (2023: £2,258k) at a contribution rate of 20% of pensionable salaries. Estimated employer contributions for the year ending 31 March 2025 are £1,050k.

Ongo Homes Limited
Notes forming part of the financial statements
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28 Pensions (continued)

	2024 £'000	2023 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	48,231	70,161
Current service cost	956	2,213
Interest cost	2,285	1,947
Benefits paid	(1,574)	(1,170)
Participant contributions	364	353
Changes in financial assumptions	(3,097)	(25,884)
Changes in demographic assumptions	(281)	(1,359)
Other experience	1,516	1,970
At the end of the year	48,400	48,231
Reconciliation of fair value of plan assets		
At the beginning of the year	69,809	68,395
Interest income on plan assets	3,312	1,899
Contributions by employer	1,050	2,258
Participant contributions	364	353
Other experience	-	(6)
Return on assets (excluding amounts included in net interest)	2,618	(1,920)
Benefits paid	(1,574)	(1,170)
At the end of the year	75,579	69,809
Net pension scheme asset	27,179	21,578
In line with the requirements of section 28 of FRS102, and in accordance with the group's accounting policy, the plan surplus has not been recognised as a defined benefit asset. The balance sheet represents a nil asset/nil liability position		
Amounts recognised in statement of comprehensive income are as follows:		
Included in administrative expenses:		
Current service cost	956	2,213
	956	2,213
Amounts included in other finance income/costs		
Net interest receivable / (charge)	(1,027)	(48)

Ongo Homes Limited
Notes forming part of the financial statements
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28 Pensions (continued)

	2024	2023
	£'000	£'000
Analysis of actuarial gain/(losses) recognised in other comprehensive income:		
Actual return less interest included in net interest income	2,618	(1,920)
Changes in assumptions underlying the present value of the scheme liabilities	3,097	25,884
Changes in demographic assumptions	281	1,359
Other experience	(1,516)	(1,976)
Restrict net asset position, as detailed above	(5,601)	(21,578)
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Actuarial (losses)/gains on defined benefit pension scheme	(1,121)	1,769
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	2024	2023
	£'000	£'000
<hr/>		
Composition of plan assets		
European equities	56,684	50,262
European bonds	12,093	11,868
Property	6,046	6,283
Cash	756	1,396
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	75,579	69,809
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The actual return on plan assets during the year was 8.2%.

	2024	2023
Principal actuarial assumptions used at the balance sheet date		
Discount rates	4.85%	4.75%
Future salary increases	2.75%	2.95%
Future pension increases	2.75%	2.95%
Inflation assumption	2.75%	2.95%
Mortality rates (years)		
for a male aged 65 now	20.6	20.8
at 65 for a male aged 45 now	21.4	21.5
for a female aged 65 now	23.5	23.7
at 65 for a female aged 45 now	25.0	25.2

29 Share capital

The Association is limited by guarantee and does not issue shares.

The proportion of voting rights in Ongo Homes is as follows:

Tenant shareholders	56%
Independent shareholders	44%

Ongo Homes Limited
Notes forming part of the financial statements
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30 Operating leases

The group had minimum lease payables under non-cancellable operating leases as set out below:

Group	Land and buildings £'000	Vehicles £'000	2024 £'000	2023 £'000
Not later than 1 year	14	131	145	393
Later than 1 year and not later than 5 years	-	88	88	205
Later than 5 years	-	-	-	11
	14	219	233	609

Ongo Homes	Land and buildings £'000	Vehicles £'000	2024 Total £'000	2023 Total £'000
Not later than 1 year	-	131	131	364
Later than 1 year and not later than 5 years	-	88	88	194
Later than 5 years	-	-	-	6
	-	219	219	564

Ongo Homes operates from a building under a licence to occupy. There was no formal lease in place at the year end and therefore no amounts have been included in the above table, nor any shown as operating lease payments made during the year.

Ongo Homes has some operating leases where the costs are recharged to other group entities. The above values relating to the entity represent the total amounts payable for the leases, regardless of the recharges

31 Capital commitments

	Group 2024 £'000	Group 2023 £'000	Ongo Homes 2024 £'000	Ongo Homes 2023 £'000
Contracted but not provided for	51,684	22,603	53,778	24,292
Approved by the Board but not contracted for	19,768	18,463	20,353	19,277
	71,452	41,066	74,131	43,569

Capital commitments for the group will be funded as follows:

	Group 2024 £'000	Ongo Homes 2024 £'000
Social Housing Grant	4,660	4,660
Current undrawn loan facilities	50,000	50,000
Existing and future reserves *	16,792	19,471
	71,452	74,131

* The Society will utilise an element of the bank loan agreed after the year end towards funding the capital commitments.

Ongo Homes Limited
Notes forming part of the financial statements
for the year ended 31 March 2024

32 Related party disclosures

The ultimate controlling party of the group at 31 March 2023 was Ongo Partnership Limited. At midnight on 31 March 2023 Ongo Partnership Limited transferred its engagements to Ongo Homes Limited in accordance with section 110 of the Co-operative and Community Benefit Societies Act 2014. A transfer of engagements is a statutory process whereby all of the assets and liabilities of Ongo Partnership Limited automatically transferred to Ongo Homes Limited without the need for a formal conveyance or agreement. At that point Ongo Homes became the ultimate controlling party of the Ongo Group and Ongo Partnership Limited ceased to trade.

These financial statements represent Ongo Homes as the ultimate parent company throughout the year. The comparative figures included within these accounts replicate the values included in the Group's 2023 financial statements.

The board includes one tenant member. Tenant Board Members have a standard tenancy agreement and they are required to fulfil the same obligations and receive the same benefits as other residents. They cannot use their position to their advantage. The rent charged for the year was £6,750 and the tenant had a credit balance of £104 at the year end.

The following transactions took place between Ongo Homes and its other group members during the year:

	2024	2023
	£'000	£'000
Summary of transactions in the year		
Interest received on loans	112	37
Sales of goods and services	260	26
Purchase of goods and services, including capital costs	(18,763)	(15,417)
Community investment expended	(1,073)	(1,053)
Gift aid income	257	430
Donation received	-	115
Management fees received	329	-
Management fees paid	-	(7,812)
Summary of balances at the year end		
Intercompany loans and balances due from group members	1,941	2,120
Other creditors	(2,828)	(1,551)

Group companies for 2024 comprise those detailed in note 19 to the accounts. As detailed above, the comparatives include Ongo Partnership Limited.

See note 35 regarding a donation received from Ongo Partnership Limited following a transfer of engagements

33 Net debt reconciliation

Group	At 1 April 2023	Cash flows	At 31 March 2024
	£'000	£'000	£'000
Cash at bank and in hand	63,418	(39,687)	23,731
Borrowings	(98,813)	(20,116)	(118,929)
Net debt	(35,395)	(59,803)	(95,198)
<hr/>			
Ongo Homes	At 1 April 2023	Cash flows	At 31 March 2024
	£'000	£'000	£'000
Cash at bank and in hand	59,705	(39,637)	20,068
Borrowings	(98,813)	(20,116)	(118,929)
Net debt	(39,108)	(59,753)	(98,861)

34 Contingent assets

Under the Right to Acquire and Right to Buy schemes a discount is provided to the tenant/home owner. As part of the conditions of sale this discount becomes repayable if the property is sold within five years from the date of purchase.

Ongo Homes Limited
Notes forming part of the financial statements
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35 Transfer of engagements

On 1 April 2023 the activities of Ongo Partnership Limited, the previous group parent company, were transferred to Ongo Homes Limited through a transfer of engagements. There was no consideration. The assets and liabilities of Ongo Partnership Limited have been brought into Ongo Homes Limited at fair value and the net gain taken to the entity's Statement of Comprehensive Income, as follows:

	£'000
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Debtors: receivable within one year	466
Debtors: receivable after one year	66
Cash and cash equivalents	243
Creditors: amounts falling due within one year	(393)
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Net gain	-
	382
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