Registered Society No: 8537
Regulator of Social Housing Registration No: L4172

ABRI GROUP LIMITED

Annual Report and Financial Statements

Year Ended 31 March 2024

ABRI GROUP LIMITED

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ABRI GROUP LIMITED

GENERAL INFORMATION

BOARD OF DIRECTORS

Jane Alderman	
Joanna Makinson	
Wayne Morris	
Simon Porter	resigned 31 March 2024
Jocelyn McConnachie	
Lou Taylor	
Mary-Kathryn Rallings Adams	
David Montague	
Margaret Porteous	appointed 2 October 2023
Stephen Skuse	appointed 2 October 2023
Veronica Gordon (Co-optee)	
John Gary Orr	
Caroline Moore	

SECRETARY

Gemma Burton-Connolly	resigned 1 September 2023
Sarah Pearson	appointed 2 September 2023

REGISTERED OFFICE

Collins House
Bishopstoke Road
Eastleigh
Hampshire
SO50 6AD

BANKERS

Lloyds Bank
25 Gresham Street
London
EC2V 7HN

AUDITOR

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

INTRODUCTION FROM THE GROUP BOARD CHAIR

I am pleased to report that Abri continued to make excellent progress in implementing its ambitious five-year strategy, despite a most challenging operating environment.

Four years into its five-year strategy, Achieving Together, Abri is well positioned to fulfil its strategic ambitions to build more homes, invest more in its existing homes, support its customers and communities, and make the organisation a great place to work for nearly 2,000 colleagues.

High interest rates and high inflation, especially food and energy prices, have continued to have an impact on Abri's customers. One of the board's continuing priorities over the last year has been to ensure that Abri has responded to the cost-of-living crisis and help those who need it most to maintain their tenancies, feed their families and keep their homes safe and warm by providing a range of financial and other support.

Abri has been able to do this because it remains a financially strong and resilient organisation, having retained a G1/V1 regulatory rating and strong credit ratings. A major factor in achieving this stability is a philosophy of achieving more by partnering with others who share the same aims.

Midway through the year, Abri welcomed Silva Homes to the group. It also entered talks about the possibility of a future partnership with Octavia, one of the founders of the housing association movement and the housing profession. As a founding member of the Greener Futures Partnership, Abri received a share of a £40m grant to retrofit some of our existing homes, with works to be completed by September 2025. Abri was also chosen as a partner for Southampton City Council's affordable housing framework.

During the year, we welcomed two new board members, both former board members of Silva Homes, Maggie Porteous, who also chairs our newly created South East Regional Board, and Stephen Skuse both joined on 2 October 2023 following the addition of Silva Homes to the group.

Sadly, we said farewell to Simon Porter who stepped down from the board on 31 March 2024 after a nine-and-a-half year tenue. Simon was also chair of Abri's Treasury Committee and a former chair of its Audit and Risk Committee. I would like to thank Simon for his valuable contribution to Abri's success over the years and to wish him the very best for the future.

In 2025 we'll celebrate the 100th anniversary of The Swaythling Housing Society, founded by Herbert Collins. Abri will take this opportunity to update and refresh its long-term strategy to ensure that it continues to meet the needs and priorities of its customers and communities. Abri's purpose - improving people's life chances through the provision of affordable, quality homes and support services - will very much remain the same.

Finally, on behalf of the board, I would like to thank all colleagues at Abri for their continued hard work and dedication to our customers.

Wayne Morris
Group Chair

INTRODUCTION FROM THE GROUP CHIEF EXECUTIVE

Against strong economic headwinds, Abri delivered an excellent operating performance this year, with group turnover rising to £300m and an operating surplus of £99m. Our financial performance, and in particular our exceptional surplus before tax, reflects the addition of Silva Homes to the group this year.

Rather than stepping back from or modifying our strategic ambitions, the strength and resilience of the group enabled Abri to lean into the challenges it faced. As a result, the group continued to make strong progress against its priorities and long-term goals.

Abri increased investment in its existing homes to the record level of £100m, including £5m in building and fire safety, £4m to make our homes more energy efficient, lower fuel bills for customers and contribute to our net zero commitments, and £1m in tackling the root causes of damp and mould. The Abri board approved the regeneration of Sawyer's Close in Windsor, the group's largest project to-date. It will provide 413 quality, affordable homes, including an additional 221 new homes for those that need them most.

Customer service remained a top priority. While there is always room for further improvement, Abri performed well against the new Tenant Satisfaction Measures compared with peers. I am especially proud of what Abri has done to support the vulnerable within our communities facing a cost-of-living crisis to maintain their tenancies and better cope with the pressures they face.

Following Silva joining the Group, we've commenced our transition to a regional operating model, overseen by Regional Managing Directors, accountable regional boards and local customer representation. Abri's pathfinder South East region is already making a positive impact with customers and partners and will help ensure that Abri remains local and relevant to its customers as it continues to grow.

In addition to investing in our customer's homes, Abri continued to invest in its community-based offer, including the provision of community action days, expanding the Good Grub Club and mobile community pantry, rolling out energy efficient cooking classes, appointing wellbeing coordinators, and providing employment support to customers.

During the year, in conjunction with its strategic partner Homes England, Abri delivered 686 new homes as part of a long-term commitment to create 10,000 new homes by 2030, while securing 820 plots for more new homes. At a difficult time for the construction industry, with rising costs, planning difficulties, skills and materials shortages, Abri's future homes pipeline is both robust and healthy.

Partnership remains an essential part of Abri's DNA. During the year, Abri was chosen by Octavia Housing as its preferred future partner. We remain excited at the prospect of Octavia joining the group, subject to the necessary consents and confirmation that this is in the best interests of our customers. In the meantime, our focus is very much on delivering business as usual and completing the full integration of Silva Homes into the group.

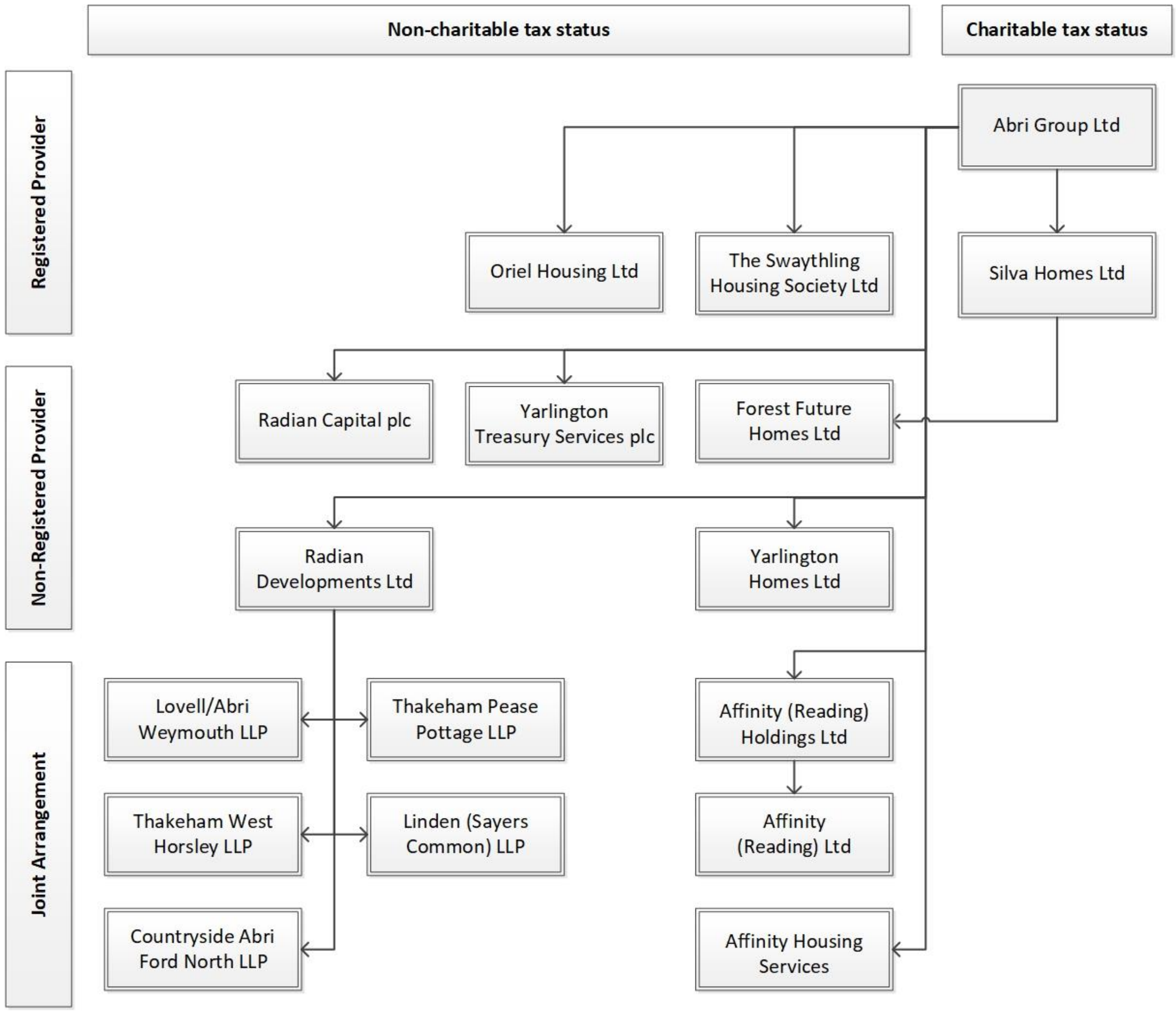
I should end by acknowledging that none of the above could be achieved without the full support, involvement, and dedication of our nearly 2,000 colleagues. I remain firmly of the view that making Abri a great place to work enables our people to do their very best for our customers.

Gary Orr
Group Chief Executive

STRATEGIC REPORT

GROUP STRUCTURE

The Group structure, excluding dormant and non-trading entities, as at the reporting date is shown below.



Changes in the financial year

The following changes in the Group structure took place during the financial year.

- On 2 October 2023, Silva Homes Limited became a subsidiary of Abri Group Limited, along with its subsidiary, Forest Future Homes Limited.
- On 21 March 2024, the Group, via Radian Developments Limited, became a 50% member of Countryside Abri Ford North LLP.
- On 31 March 2024, the Group, via Yarlington Homes, ceased to be a 25% member of Advantage South West LLP.

BUSINESS MODEL

Abri Group Limited (the "Society"), Silva Homes Limited – both of whom benefit from charitable tax status - and The Swaythling Housing Society Limited are the three primary registered providers in the Group. Abri Group Limited is the parent of the Abri Group and subsequently holds most of the housing stock within the Group. Silva Homes joined the Group on 2 October 2023.

Oriel Housing Limited owns no stock, is the fourth registered provider in the Group, and is engaged in the delivery of housing properties as Abri Build, our in-house construction team. Yarlington Homes Limited and Forest Future Homes Limited, through direct delivery, and Radian Developments Limited, through joint arrangements, also engage in development activity on behalf of the Group. Forest Future Homes is a subsidiary of Silva Homes Limited and joined the Group on 2 October 2023.

Radian Capital plc and Yarlington Treasury Services plc are funding vehicles through which finance is raised via corporate bonds for use in the wider organisation.

The Group utilises its structure to deliver a range of products and services, with surpluses reinvested to deliver more homes and services for customers across a range of tenures. Income is predominantly derived from rents from housing properties across social tenures, whilst income from non-social activities –including rental income and sale of units – contributes significantly to the Group's result.

KEY PERFORMANCE HIGHLIGHTS

Area	Performance Information	2024	2023
Development	New homes delivered	821 (144 with partners)	1,017 (233 with partners)
	Homes sold	288	328
	Homes England Strategic Partnership Grant claimed in year (cumulative claims to date)	£90m (£250m)	£82m (£160m)
Regulatory Ratings	Regulator of Social Housing rating	G1 & V1	G1 & V1
	Moody's credit rating	A3 (stable)	A3 (negative)
Colleague	Best companies	3-star	3-star
	Investors in People	Gold	Gold
Customer	Supporting people into employment	264	576
	Additional benefits secured for customers	£6.3m	£3.4m
	Social value created	£4.6m	£10.2m
	Customer satisfaction*	70%	-
	Repairs satisfaction*	75%	83%
	Customer contacts	450,000	362,000
	Satisfaction with complaint handling*	35%	49%
	Stage 1/2 Complaints resolved within timescales	62%/35%	63%/33%
	Arrears % - all tenures/social and affordable	2.5%/2.6%	2.4%/2.2%
Compliance	Repairs (non-emergency) completed on time	96%	94%
	No of repairs carried out (emergency/non-emergency)	29,333/104,221	27,771/106,294

* Metric for 2024 now align to new Tenant Satisfaction Measures (TSM) definitions; we have retained the most relevant prior year comparative from metrics collected prior to the introduction of TSM's

OVERVIEW OF FINANCIAL RESULTS

Group Financial Performance

	FY24	FY23	Variance	
	£'000s	£'000s	£'000s/%	%
Turnover	302,148	263,852	38,296	15%
Operating surplus	98,527	73,958	24,569	33%
Surplus before Tax	**520,234**	**43,877**	**476,357**	**1086%**
Surplus before Tax (excl. Gift on combination)	**55,811**	**43,877**	**11,934**	**27%**
Operating Margin	32.6%	28.0%	4.6%	16%
Operating Margin (excl. asset sales)	25.0%	21.0%	4.0%	19%
Net margin	172.2%	16.6%	155.5%	935%
Net margin (excl. Gift on combination)	18.5%	16.6%	1.8%	11%
EBITDA MRI	150.4%	141.8%	8.6%	6%

Silva Homes joined the Abri Group on 2 October 2023 as a subsidiary, a transaction which has been accounted for as a business combination which is in substance a gift. Subsequently, the financial results for the year ended 31 March 2024 and 2023 are not like-for-like as the current year results include both the gift arising on combination and the post-acquisition financial performance of the subsidiaries who joined the group. An overview of the post-acquisition financial performance is given in Note 36.

Turnover has increased by £38m year on year. Income from rentals increased by £44m, with property sales reducing by £4m. Within other revenue streams, Help to Buy income reduced by £3m as operations ceased midway through the year. Turnover from social tenures has increased by £43m to £244m and contributes 81% of the Group’s turnover.

Income from first tranche sales contributes £35m, a reduction of £10m, with market sales increasing by £6m to £9m in the year, delivering 15% of total turnover. Supply of and demand for property remained high in the year, despite the continued economic pressures. First tranche sales volumes decreased by 20% to 260 units and all market sales units built sold quickly.

The Group benefits from a range of other income streams, including the provision of support services, garage rental, photovoltaic panels, and the provision of other services, which in aggregate generate an additional £10m income.

Cost of sales have reduced by £3m, consistent with the reduction in sales. The margins on first tranche and market sales were consistent year on year at 20% and 21% respectively.

Operating costs increased by £21m to £193m. Employee costs increased by £9m to £76m, in line with the 10% increase in employee numbers, driven by Silva Homes joining the Group during the year. Costs associated with repairs and maintenance also increased by £9m as a result. During the year, cessation was triggered and settled on three of the Groups Local Government Defined Benefit Pension Scheme, resulting in an exceptional £4m of credits arising on the settlement of liabilities in the year.

Surpluses generated on the sale of fixed assets have increased from £19m to £23m. Existing Unit sales account for £17m, whilst staircasing transactions account for an additional £4m. Overall, margins increased from 55% to 70%, driven by margins on existing unit disposals achieving 80% due to the nature of the units.

OVERVIEW OF FINANCIAL RESULTS (continued)

Group Financial Performance (continued)

Operating surpluses have increased from £74m to £99m, supported by property sales activity, with margins improving from 28% to 33% in the process.

Net interest costs have increased by £8m, with increases in interest income from loans to joint ventures have been offset by additional borrowing costs. Our portfolio of loans and borrowings have been stable during the year, except for the Silva Homes portfolio coming into the Group; increasing interest rates relative to the prior year have driven up the cost of borrowing on variable interest rates.

The Group's share of underlying joint venture performance reduced notably during the year, with a surplus of £1m against £4m in the prior year; an element of the underperformance is offset by the additional interest earned by loans made to the same joint ventures as outlined above.

The Group result includes a gift of £464m, being the fair value of Silva Homes net assets at the acquisition date. The result includes £2m of unwinding of the gift in the form of additional depreciation and interest costs for the six-month period post-acquisition.

The Group has recorded an exceptional surplus before tax of £520m, £56m adjusting for gift, at a net margin of 19%, an improvement on the £44m at 17% in the prior year.

In other comprehensive income, there have been actuarial losses of £1m, with gains on cessation of the Hampshire Pension Fund and Somerset County Council Pension Fund offset by £4m of actuarial losses within the Abri Group Pension Scheme, following gains of £24m across the defined benefit pension scheme portfolio in the prior year.

Society Financial Performance

	FY24 £'000s	FY23 £'000s	Variance £'000s/%	%
Turnover	186,861	183,349	3,512	2%
Operating surplus	67,104	50,280	16,824	33%
Surplus before Tax	**58,516**	**35,124**	**23,392**	**67%**
Surplus before Tax (excluding Gift Aid)	**42,234**	**21,102**	**21,132**	**100%**
Operating Margin	35.9%	27.4%	8.5%	31%
Operating Margin (excl. asset disposal)	26.5%	20.3%	6.2%	30%
Net margin	31.3%	19.2%	12.2%	63%
Net margin (excluding Gift Aid)	22.6%	11.5%	11.1%	96%
EBITDA MRI	120.0%	125.3%	(5.3%)	(4%)

Turnover has increased by £4m year on year. Income from rentals increased by £13m, offsetting a £10m reduction in first tranche sales proceeds. Other revenue streams were in line with the previous year. Turnover from social tenures has increased by £13m to £166m and contributes 89% of the Society's turnover.

Income from first tranche sales contributes £15m, a reduction of £10m, and equates to 8% of turnover. Demand for property remained high in the year, despite the ongoing economic pressures, but first tranche sales volumes dropped by almost a half to 116 units, dictated by levels of supply.

OVERVIEW OF FINANCIAL RESULTS (continued)

Society Financial Performance (continued)

Cost of sales have reduced by £8m, consistent with the reduction in sales. The margins on first tranche sales also reduced from 17% to 14%, as inflationary pressures on development costs begin to reflect in expenditure.

Operating costs remained consistent at £126m; costs associated with repairs and maintenance reduced by £2m to £47m, due to job volumes and management costs – predominantly the Society’s share of Group costs – reduced by £1m to £35m. In 2023/24 management costs in the Group have benefitted from one-off credits of £3m relating to the cessation of legacy local government defined benefit pension schemes.

Surpluses generated on the sale of fixed assets have increased from £13m to £18m, with Existing Unit sales accounting for £16m of the total. Overall, margins increased from 60% to 73%, driven by margins on existing unit disposals of 80% due to the nature of the units sold.

Operating surpluses have increased from £50m to £67m, supported by property sales activity, with margins including asset disposals improving notably from 27% to 36%.

Net interest costs have reduced by £1m, driven by increases in interest income predominantly from loans to development joint ventures. Our portfolio of loans and borrowings have been stable during the year; increasing interest rates have driven up the cost of borrowing on variable interest rates but have been offset by increased capitalised interest, reflecting the volume of development activity.

In the year, the Society also received a total of £16m in Gift Aid payments from subsidiaries in the Group and saw the value of its investment properties increase by £2m.

The Society has recorded a surplus before tax of £59m at a margin of 31% (£42m at 23% adjusting for Gift Aid receipts), an improvement from the £35m at 19% (£21m at 12% adjusting for Gift Aid receipts) in the prior year.

In other comprehensive income, there have been actuarial gains of £3m across the defined benefit pension scheme portfolio, against gains of £29m in 2022/23, with three schemes settling cessation debts in the year.

Group Financial Position

	FY24	FY23	Variance	
	£'000s	£'000s	£'000s	%
Fixed Assets	3,161,501	2,370,015	791,486	33%
Current Assets	286,520	269,958	16,562	6%
Current Liabilities	(122,934)	(98,427)	(24,507)	25%
Long Term Liabilities	(2,191,318)	(1,927,580)	(263,738)	14%
Net Assets	**1,133,769**	**613,966**	**519,803**	**85%**

The results for the year ended 31 March 2024 now include the assets and liabilities of Silva Homes Limited at fair value, after joining the Group on 2 October 2023. Gains of £115m within housing properties and £60m within loans and borrowings, and reductions of £10m within deferred capital grant saw £175m of fair value in excess of carrying values recognised in the Statement of Financial Position.

OVERVIEW OF FINANCIAL RESULTS (continued)

Group Financial Position (continued)

Housing properties have increased by £800m, driven by £187m of development spend, £27m of works to existing properties and £631m of housing properties from Silva Homes. Our social housing stock, with a carrying value of £3.1bn, represents 96% of our fixed asset base.

The closing value of investment properties includes market rent units being actively marketed for sale at year end, with their fair values representing offers received from independent third parties prior to the reporting date.

Within current assets, our closing cash position of £63m is in line with the prior year. Our housing properties available for sale are £19m higher than the prior year at £99m; the balance at year end is primarily attributable to shared ownership properties under construction, with only £13m of completed stock unsold at year end, following over 100 handovers in Quarter 4.

Receivables are in line with the prior year at £123m, with additional amounts loaned to jointly controlled entities and £21m relating to a Stock Transfer Agreement within Silva Homes, which now forms part of the Group result. A minimal grant receivable balance exists at the reporting date, compared with £35m in the prior year, following all Homes England Strategic Grant being claimed by the end of Quarter 3.

Payables due within one year are £23m higher than the prior year at £121m due to higher trade payable and accruals balances.

Within long term liabilities, loans and borrowings are £173m higher than the prior year at £1,374m, following the inclusion of Silva Homes portfolio of borrowing. Deferred Capital Grant has increased by £86m with new grant received under our Strategic Partnership to close at £740m. The value of defined benefit pension liabilities has reduced to £19m at year end and relates solely to the Abri Group Pension Scheme following the cessation of all other schemes in the legacy Abri Group. The sole scheme in Silva Homes is valued in surplus at year end, with its position capped in the financial statements.

Following the positive results of the year, our Group funds are £1,133m, including £1,013m of revenue reserves.

Society Financial Position

	FY24	FY23	Variance	
	£'000s	**£'000s**	**£'000s**	**%**
Fixed Assets	1,821,262	1,702,179	119,083	7%
Current Assets	255,994	229,146	26,848	12%
Current Liabilities	(52,441)	(32,650)	(19,791)	61%
Long Term Liabilities	(1,308,830)	(1,244,599)	(64,231)	5%
Net Assets	**715,985**	**654,076**	**61,909**	**9%**

Housing properties have increased by £123m, driven by 369 additions, across affordable rents and shared ownership, lower than the 464 in 2022/23. Additions to Housing Properties of £132m are notably higher than the prior year, whilst handovers are a quarter lower year on year, reflecting the level of work in progress at the reporting date. Our social housing stock, with a carrying value of £1.8bn, represents 98% of our fixed asset base.

OVERVIEW OF FINANCIAL RESULTS (continued)

Society Financial Position (continued)

Within current assets, our closing cash position of £24m is £7m lower than the prior year; we retain sufficient access to various forms of funding to ensure we can meet our obligations as they fall due. Our housing properties available for sale are £22m higher than the prior year at £66m; the balance at year end is primarily attributable to properties under construction, with only £9m of completed stock unsold at year end. Of this balance, the majority relates to handovers in March 2024.

Receivables are £11m higher than the prior year at £165m, with additional amounts loaned to jointly controlled entities and owed by Group companies. The value of grant receivable at year end is notably lower than 2022/23, given the full claiming of Strategic Partnership grant by the end of Quarter 3 in the current year.

Payables due within one year are £20m higher than the prior year at £53m due to an increase in loans and borrowings and trade payables as the aging profile of existing borrowing has matured.

Within long term liabilities, loans and borrowings are £14m lower than the prior year at £923m. Deferred Capital Grant has increased by £90m with new grant received under our Strategic Partnership to close at £383m. The value of defined benefit pension liabilities, £11m at March 2023, is significantly reduced by the closure of schemes and settlement of cessation debt in the year.

Following the positive results of the year, our Society funds are £716m, including £595m of revenue reserves.

CORPORATE STRATEGY

Our strategic objectives, our values and our day-to-day service delivery are all underpinned by three overarching priorities, namely:

1. improving our homes, services, and communities
2. building more new homes
3. the commitment to create a united and resilient organisation

While our strategic objectives remain unchanged, the way in which we will achieve them has evolved. The creation of a pathfinder regional model in the South East, following the addition of Silva Homes to the Group, will ensure that Abri can continue to meet the specific needs of local communities and stay relevant to all customers, notwithstanding its increasing size. In December 2023 we added a ninth corporate strategy, to 'retain a local focus as we grow'.

Our triple 10 objectives

Longer term, Abri has three primary, simple, and ambitious goals. We want to be:

- Top 10 for customer satisfaction;
- Top 10 place to work; and
- Top 10 housing association by scale.

Together these goals will enable Abri to continue delivering for our customers, with empowered colleagues continually improving how we deliver our services. In doing so we'll remain influential and able to deliver more homes and keep investing in our properties, both new and existing.

CORPORATE STRATEGY (continued)

Achieving Together 2020-2025

This strategy will take us up to our centenary year in 2025; if fully realised, we believe it will place Abri as the landlord, developer, partner, and employer of choice, honouring our primarily custodian responsibility to leave our organisation better than we found it.

During the year, Abri operated under nine strategic objectives:

1. Build more homes;
2. Invest more in our existing homes;
3. Get really good at customer service;
4. Create thriving communities;
5. Enhance inclusion and diversity
6. Create a great place to work;
7. Manage our business to the highest standards;
8. Climate crisis: creating a sustainable future; and
9. Retain a local focus as we grow.

Progress against our Strategic Objectives

<u>Strategic Objective #1 – Build more homes</u>

In 2023/24 we built 677 homes, including 651 affordable homes with 267 for shared ownership and 384 for affordable and social rent. We also developed a further 142 homes for outright sale in conjunction with our joint venture partners.

We have also secured plots for a further 1,694 new homes, with this strong pipeline helping us progress towards building 10,000 new homes by 2030.

Strategic Partnership with Homes England

Abri is proud to work with Homes England to accelerate the delivery of affordable homes in the south of England. We've started on site to deliver 1,467 new homes, completed 467 new homes and have now claimed 100% of our £250m Strategic Partnership grant. Looking ahead, we've identified 1,568 new homes, of which we anticipate 476 to be built using Modern Methods of Construction.

Helping people into homeownership

In the year, we sold 288 new homes - 260 first tranche sales of shared ownership units and 28 for market sale. Surpluses made from these sales are reinvested to deliver more affordable housing and enhance our communities. Higher interest rates and the cost-of-living challenges have resulted in buyers becoming more cautious, but with shared ownership offering an affordable route to home ownership we remain committed to helping customers onto the housing ladder.

As well as new home sales we've also helped customers own more of their home with 108 staircasing completions and 148 home resales.

CORPORATE STRATEGY (continued)

Progress against our Strategic Objectives (continued)

Strategic Objective #1 – Build more homes (continued)

Building homes with our inhouse construction team

To deliver consistently high-quality homes for our customers we know it's important to be in control of the build process which is why we have our own in-house construction team. This year they handed over 38 homes, with a further 274 homes under construction across six developments, and it's our aim to deliver 250 units a year by 2026.

Our collaborative approach to building

Abri is contributing to the delivery of 2,300 homes through joint ventures, 756 of which have been delivered to date. In March 2024, the Group entered its fifth development joint venture with Vistry to deliver 960 new homes on the former Ford Airfield in West Sussex. Abri is also working with Vistry in mid-Sussex to build 120 homes at Sayers Meadow.

The Group has two sites in progress with Thakeham, with Pease Pottage and West Horsley delivering 619 and 139 homes respectively, in addition to a range of facilities for the local communities. We are also working with Lovell to build 500 homes in Weymouth.

Strategic Objective #2 – Invest more in our existing homes

Over 3,200 Abri homes have benefited from a planned component renewal this financial year, this includes our planned programmes around new roofs, doors, windows, kitchens, and bathrooms. In 2023/24 we've spent a total of £100m across all categories of repairs and maintenance.

Damp and mould

This year we've transitioned away from subcontracted work to insource our damp and mould team and have invested £1m in works to treat and prevent further issues arising, evolving our approach to reflect changes in the legislative landscape around us. We've worked hard to train and empower colleagues to recognise and address the signs of damp and mould in customers' homes with our 'see something, say something' initiative.

Regeneration schemes – Sawyers Close

The Royal Borough of Windsor & Maidenhead approved Abri's plans for the regeneration of Sawyers Close in Windsor. The proposals, which are overwhelmingly supported by Abri's customers, will see the existing blocks containing 192 units demolished and 413 new high-quality affordable homes built.

All of the new homes will be affordable housing, either through reprovision of existing social rented homes, affordable rent or shared ownership, and every Abri household at Sawyers Close is guaranteed one of the new properties. The homes that are planned will respond directly to the aspirations of Abri's customers: lower energy costs, more storage and private amenity space for everyone.

CORPORATE STRATEGY (continued)

Progress against our Strategic Objectives (continued)

Strategic Objective #3 – Delivering outstanding customer service

During the year we've worked with colleagues from around the organisation to design and develop a set of expectations that help shape our approach to customer service. The service style expectations will be threaded through the recruitment of our customer facing colleagues, used for coaching observations and feedback, and used to highlight learning needs. Alongside investment in the team, with further recruitment planned, since 2022/23 we've reduced complaints by 59%, all supported by a new telephony provider to give us a more reliable, efficient platform for handling customer contact.

Tenant Satisfaction Measures

In April 2023 the Regulator of Social Housing introduced the Tenant Satisfaction Measures (TSMs): a set of 22 performance and satisfaction measures. Each year these are reported back to the Regulator and provide visibility to our customers, letting them see how well we're doing and enabling them to hold us to account.

We've published our 2023/2024 results in our Customer Annual Report which is available on our website.

See something, say something

At Abri, customer satisfaction is the responsibility of everyone. See Something Say Something is an internal reporting tool that encourages Abri colleagues to raise concerns on things that may need attention in our neighbourhoods or in customers' homes.

To embed the initiative into our behaviours, dedicated e-learning was created and made accessible to all colleagues; empowering them to make a 360 visual observation when they visit customers in their homes or communities. Since its launch, we have processed over 1,000 reports from colleagues – providing us with an opportunity to intervene earlier than we otherwise may have done.

Customers First

We're now into year four of our five-year housing strategy, Customers First. The strategy is focussed on driving customer satisfaction through quality customer service: well-maintained homes backed up with a high effective housing management and repairs service.

This year we launched our regional model, splitting our operating area into separate geographic regions. As a growing organisation, it keeps us rooted in our communities and helps us meet the diverse needs of our customers. The regional model enables us to use local customer feedback, data and research to set our priorities for each region, reduce the patch sizes our housing colleagues are responsible for, and to utilise regional customer panels to amplify customer voices and drive change.

CORPORATE STRATEGY (continued)

Progress against our Strategic Objectives (continued)

Strategic Objective #4 – Create thriving communities

We asked our customers what mattered most to them about their neighbourhood and used their feedback to shape our new Neighbourhood Policy and Procedure, which sets out how we manage our neighbourhoods and communal spaces, to create safe, clean and welcoming environments where communities can thrive, and people want to live.

We're committed to doing all we can, within our powers, to prevent, investigate, and tackle ASB in our communities. Our specialised in-house team works closely with the police, partnering with support agencies and those in the surrounding community to tackle ASB, and find solutions that work for all. We've continued our pioneering partnership with Crimestoppers, to increase awareness of different types of crimes, and encourage our communities to feel safe in reporting them.

Community Action Days

Our Community Action Days give customers and members of the community the opportunity to work face-to-face with Abri colleagues and makes Abri more visible and accountable to its customers. Support at the action days included carrying out minor repairs, supporting customers with advice to sustain their tenancy and a tidy up of their local shared and public spaces.

Supporting customers into employment

We're really pleased that we've achieved our five-year target of helping more than 2,000 people into employment. This target was achieved 15 months early, changing the lives of many families for the better.

Social value

We use social value, informed by HACT's UK social value bank, to understand how the work we do impacts people's lives. This enables us to calculate the impact of our work on our customers and communities in monetary terms by measuring our social and environmental impact through improvements to wellbeing.

Abri's social value generated for 2023/24 is £4.6m; for every £1 invested to create this social value we have returned £8.55 of additional benefit. This year, for the first time, we have included the social value generated from our Retrofit Energy Efficient upgrades and we have begun measuring the additional activities offered in our Independent Living spaces.

Abri is also asking our suppliers to give something back to our communities. Whether it be materials, funding, equipment, employment opportunities or volunteering hours, we have a target to raise £2.5m by 2025/26.

Progress against our Strategic Objectives (continued)

Strategic Objective #5 – Make all of our communities more inclusive

Abri remains committed to fostering an inclusive environment and to do this, it is important to understand the demographics of both our customers and colleagues. This year, Abri completed the validation exercise for the customer data collection project in which 8,000 customers were contacted. Abri also implemented a revised approach to collecting Abri colleague EDI data through an "Update Your Details" week which asked colleagues to review and update all their personal data fields.

Changes to recruitment

Abri has now removed biased language from job advertisements and is using inclusive language that appeals to a wide range of candidates. Gendered terms or assumptions are also being avoided.

Community safety

In October 2023, bespoke hate crime training was delivered by Stop Hate UK to the community safety team. The purpose of the training was to deepen the learning of hate crime, and to open authentic discussion amongst colleagues to help support the delivery of our services to customers.

Strategic Objective #6 – Create a great place to work

Creating a great place to work is so important to us. Our colleagues make Abri what it is, and we want our people to feel empowered to do the right thing, feel safe to raise issues and feel part of a team that makes a difference to people's lives. We actively seek feedback from our colleagues, and we send our regular surveys, each with a different focus, during the year.

We've retained our three-star employer rating by Best Companies, which is the highest standard of workplace engagement, and we continue to provide personal and professional learning opportunities, to help our colleagues grow.

ConneXus and the Silva Colleague Forum – our colleague representatives

Our team of ConneXus representatives have continued to develop, with plenty of training and shadowing opportunities on offer whilst still giving support to our existing team. Their active participation and engagement in committee meetings has helped them stay up to date with what's going on in the organisation and more importantly, the voice of colleagues is heard at a senior level.

Our refreshed Silva Colleague Forum, who continue to represent employees of Silva Homes, have been pivotal in supporting the recent collective consultation. They are continuing to receive support to enable them to work in alignment with ConneXus, and we look forward to integrating the two groups this year.

Wellbeing

This year we launched a new mental health and wellbeing phoneline, which is available for our colleagues to talk to our Wellbeing Ambassadors and Mental Health First Aiders in confidence and to receive information on resources that may be helpful. We also want to ensure that all colleagues enjoy and maintain healthy lives and lifestyles. We encourage colleagues to make healthy choices by providing an environment which supports and promotes all aspects of mental, emotional, and physical wellbeing.

Progress against our Strategic Objectives (continued)

Strategic Objective #7 – Managing our business to the highest standard

We believe that all colleagues want to perform to their highest abilities and having a clear and consistent approach to coaching and reviewing performance is central to that. That's why we are committed to continually investing in the skills, knowledge, and aspirations of our colleagues. We also want to ensure that we have a motivated, productive, and engaged colleague group.

Building safety

In October 2023, we completed the cladding remedial works at Park Reach, Southampton and we have completed similar works at Berry Court, Bournemouth in June 2024.

This year we were awarded a Certificate of Commitment and Progress – Building Safety Stage One: Leadership and Culture, following an in-depth survey. The process has given us valuable insight into safety at Abri and will help us to improve building safety for all those living and working in our properties. Abri is fully compliant for all fire and water risk assessments, lift servicing and asbestos block surveys. This reflects a strong performance by our Customer Safety Team to ensure our homes are compliant and safe for all our customers.

Prioritising professional and personal development

We're committed to delivering the requirements raised in the new competency and conduct standards, and we aim to support colleagues to be highly effective and to empower them to reach their full potential.

We're dedicated to creating exceptional housing professionals, and to do this, we've refreshed and relaunched our Housing Professional of the Future programme. The self-led programme gives our colleagues knowledge and skills on a variety of housing related topics such as housing policy, managing a housing association and understanding our customers.

Strategic Objective #8 – Climate change: the challenge of a generation

As a developer and provider of housing, we're more than aware of the impact our activities have on the environment, balanced against the needs to provide those in need with suitable homes; we're also one of the five founding members of the Greener Futures Partnership. Abri published its third ESG report in November 2023, outlining its performance against the Sustainability Reporting Standard for Social Housing to promote consistency and transparency across the sector.

Building sustainably

Our developments include homes and street lighting powered by solar panels, heat pumps in place of gas boilers and increasingly electric vehicle charging points. We're also seeking to increase the use of Modern Methods of Construction in our developments, to reduce inefficiency and waste from the construction process. MMC also helps to minimise defects due to the precision engineering involved and speeds up delivery to give communities the homes they need to thrive.

CORPORATE STRATEGY (continued)

Progress against our Strategic Objectives (continued)

Strategic Objective #8 – Climate change: the challenge of a generation (continued)

Retrofitting customers' homes

In the year we retrofitted 61 homes, with more than 360 in progress at year end, to make them more energy efficient, protect customers against high energy bills, and progress towards our net-zero commitments. Abri received £9.6m of grant funding through Wave 2 of the Social Housing Decarbonisation Fund, as part of wider £40.4m grant allocation to the Greener Futures Partnership. In addition to grant funding, we have invested a further £3.6m over the course of the year.

A consortium between Silva Homes and the Society of St. James has secured £1.4m in funding from the Department for Energy Security and Net Zero as part of Wave 2.2 of the Social Housing Decarbonisation Fund. The funding will retrofit 300 homes across the South East over the next two years and see the Energy Performance Certificates ratings increase in homes that are currently rated below Band C and deliver savings for customers on their energy bills.

Strategic Objective #9 – Retain a local focus as we grow

October 2023 marked a significant shift in Abri's service delivery when Silva Homes joined the Group and the regional model was launched. The South East region – covering areas such as Windsor, Bracknell, Slough and Woking - is the pathfinder for Abri's regional model, paving the way for the other regions which will follow this year.

Each region will have its own leadership and governance structures, including a local Customer Panel ensuring customers can influence and shape decisions made by the Regional Board. As part of the implementation, housing colleagues in the South East will benefit from a reduced patch size, allowing them to be more visible and improve customer service.

KEY STAKEHOLDERS

Abri places much value of engaging its stakeholders to help build its reputation and support the delivery of our corporate objectives. Here's how we engage with some of our key stakeholders:

Customers

- Customer consultations undertaken to influence changes to our services, processes, and policies
- Resident led scrutiny embedded in our formal governance structure.
- Steering groups and forums, placing their ideas and opinions at the heart of our organisation.
- Local action plans where there are changes (or issues to be addressed) that affect many customers in a particular neighbourhood, development or scheme.
- Stage two complaint handling reviewed by a panel including customers (where requested).

Communities

- Working groups and partnership consortiums to understand local sentiment.
- Designated Community Investment Zones.
- Community Action Days, events, stock visits.
- Surveys and consultations.
- Partnership working with local authorities and local employers.

KEY STAKEHOLDERS (continued)

Regulator of Social Housing (RSH) and Housing Ombudsman

- Proactive engagement in line with co-regulatory approach.
- Tracking of key changes, announcements, and publications.
- Participation in stakeholder surveys and consultations.

Members of Parliament, councillors, local authorities, trade associations

- Responding to statutory and non-statutory government consultations.
- Quarterly overview of Abri's news and performance
- Thought leadership pieces, roundtables and site visits
- Hosted and attended events at the House of Commons.

Investors

- Briefings after Regulatory News Service announcements.
- Timely updates on our performance and sharing budgets and long-term forecasts.
- Regular meetings and presentations, including quarterly newsletters.

STOCK PROFILE

As at 31 March 2024 we owned and managed housing properties across 57 local authorities; those where we managed 500 properties, or more are shown below:

Local authority	**General needs**	**Shared ownership**	**Supported housing for older people**	**Other social housing**	**Market rent housing**	**Total**
Somerset County Council	7,352	723	1,641	67	4	**9,787**
Bracknell Forest Council	5,741	224	450	26	-	**6,441**
East Hampshire District Council	4,240	325	630	142	2	**5,339**
Royal Borough of Windsor and Maidenhead	2,761	56	424	133	-	**3,374**
Southampton City Council	2,023	315	231	158	149	**2,876**
Eastleigh Borough Council	1,166	378	113	94	48	**1,799**
Wiltshire Council	971	434	4	1	4	**1,414**
Reading Borough Council	1,308	27	17	58	-	**1,410**
New Forest District Council	716	135	4	54	-	**909**
Portsmouth City Council	696	61	-	91	48	**896**
Bournemouth, Christchurch and Poole	520	137	39	11	122	**829**
Dorset Council	570	171	50	8	-	**799**
Test Valley Borough Council	368	153	-	77	16	**614**
Hart District Council	368	219	-	22	-	**609**
Winchester District Council	428	95	-	8	-	**531**
	29,228	**3453**	**3603**	**950**	**393**	**37,627**

We owned and managed a further 3,888 housing properties across a further 42 local authorities.

Following Silva Homes joining the Group in the year, our presence in Bracknell Forest Council – where over 75% of Silva's stock exists - and Hart District Council has increased notably.

OUR DEVELOPMENTS

During the year we've been involved in over 70 developments across our geography, delivering homes across a variety of tenures. We've committed to building 10,000 new homes by 2030; to achieve this we're:

- Working with Homes England and other organisations that share our values to solve the housing challenge through collaboration.
- Creating high-quality, well managed and maintained homes to enhance communities.
- Working in partnership with local authorities and other housing associations, as lead partner of Wayfarer. We'll continue to expand on the 100,000 homes owned or managed by Wayfarer partners throughout the south of England.
- Delivering innovatively. We're going to maximise the number of off-site manufactured homes we deliver to minimise our carbon footprint and increase delivery.
- Using our in-house construction team to build our own homes. We'll improve efficiency and quality and help to build great places to live.
- Having a solution for every site. We can provide the right development whether that's land led, regeneration, joint ventures or Section 106.

Development Activity

Land led acquisitions

We buy land with or without planning permission and use our inhouse construction team or the contractors on our construction framework to build new homes across the south of England.

Scheme:	**Shackelton Heights, Bristol**	Revitalising a brownfield site, the development provides 50% affordable homes which is a significant increase on the usual 30% requested by Bristol City Council. The new homes feature a mixture of two, three and four-bedroom houses and one and two bedroom apartments.
Completion:	2024	
No of Homes:	74	
Tenure:	Social Rent, Shared Ownership, Market Sales	

Scheme:	**Cockroad Lane, Bearminster**	The development will provide a mix of houses to support the community and bring more affordable homes to the area. Alongside the homes we'll be creating new areas of green space, including woodland and hedgerow planting, a children's play area and recreational footpaths.
Completion:	2026	
No of Homes:	**58**	
Tenure:	Affordable Rent, Shared Ownership	

Joint Ventures

Typically, on larger developments, we can deliver the new homes via a joint venture. Either through a contractual or corporate arrangement, we utilise the expertise of both parties for the benefit of the new community.

Scheme:	**Bincombe Park, Weymouth**	The £120m development will feature a new primary school, a care home, a centre including commercial and employment space as well as large areas of public open space. and includes the provision of new footpaths and cycle paths linking to the national cycle network.
Completion:	2023	
No of Homes:	500	
Tenure:	Social Rent, Shared Ownership, Market Sales	

OUR DEVELOPMENTS (continued)

Development Activity (continued)

Partnerships

We are often presented with a 'package deal', where either a site and contractor are presented together, or if a contractor or developer controls a site and wants to build the development for us. The reduction in market risk and guaranteed cashflow makes this an attractive solution to vendors.

Scheme:	**The Old Brewery, Bristol**	We're building 107 affordable homes and seven commercial units, with 98 homes for shared ownership and nine for social rent, utilising grant funding from Homes England. The build refurbishes parts of the existing structures to create homes, shops, and offices
Completion:	2024	
No of Homes:	**107**	
Tenure:	Social Rent, Shared Ownership	

Scheme:	**Horlicks Quarter, Slough**	Part of Berkeley Home's wider Horlicks Quarter development, regenerating a brownfield site into 1,300 new homes, open spaces and the restoration of the former Horlicks Factory, clock tower and chimney.
Completion:	2025	
No of Homes:	75	
Tenure:	Shared Ownership	

Section 106

As part of developments for new homes, affordable housing is often required as part of the planning permission, secured via a Section 106 legal agreement. We have great relationships with our house builder and developer partners based on years of successful S106 delivery.

Abri Build

We have our own in-house construction team to deliver new homes. Their commitment to quality and delivery on time are demonstrated in high customer satisfaction scores.

Scheme:	**Sherecroft Farm, Botley**	The provision of at least 109 affordable homes planned for the site significantly exceeds policy requirements for new developments and includes 42 homes for affordable rent and 67 available to buy through shared ownership.
Completion:	2026	
No of Homes:	115	
Tenure:	Affordable Rent, Shared Ownership	

Scheme:	**The Yews, Tangmere**	The homes are part of a new low-carbon development, incorporating a range of sustainable features. Each of the homes will include solar panels on the roofs and air source heat pumps which transfer external heat into the home.
Completion:	2024	
No of Homes:	38	
Tenure:	Affordable Rent, Shared Ownership	

OUR DEVELOPMENTS (continued)

Development Activity (continued)

<u>*Modern Methods of Construction (MMC)*</u>

We're part of the Building Better alliance, which is supported by the National Housing Federation, utilising collective purchasing power to buy homes from leading MMC manufacturers to develop offsite solutions at a greater scale. Working collaboratively helps us all to achieve greater quality and build in a more efficient, sustainable way. MMC also helps to reduce waste due to the precision engineering involved and speeds up delivery to give communities the homes they need to thrive.

Scheme:	**Beech Lane, Guildford**	We're developing 16 factory-built homes which will be zero carbon in use. The homes will be built to Future Homes Standard 2025 with low carbon heating and world-leading levels of energy efficiency to help lower energy bills for customers.
Completion:	2025	
No of Homes:	16	
Tenure:	Social Rent, Shared Ownership	

Scheme:	**Herkomer Close, Bristol**	The new homes, produced by offsite manufacturing specialist BoKlok, will use the latest techniques in factory-built housing and incorporate sustainable features including high standards of insulation, air source heat pumps and electric car charging points. The homes will use just under 4% of the carbon compared to a home built using traditional methods.
Completion:	2024	
No of Homes:	14	
Tenure:	Affordable Rent, Shared Ownership	

VALUE FOR MONEY

Our approach to Value for Money ("VfM")

Value for Money is at the heart of our business and engrained in all our targets and operating decisions, with VfM embedded in our corporate strategy.

In 2023/24, £10.0m of benefits were realised, setting the Group up for a stronger and more resilient future under our Optimum Abri framework. The framework, approved by the Group Board approved in spring 2021 to address the changing operating environment and market conditions, inclusive of legislative changes in the safety arena, led the Group to identify ways to further strengthen its financial resilience.

	Year 1 2022-23	**Year 2 2023-24**	**Year 3 2024-25**	**3 Year VfM target**
Income generation	£0.6m	£1.2m	£1.5m	**£3.3m**
Savings	£1.5m	£5.8m	£7.2m	**£14.5m**
Deferred Major Repairs	£2.8m	£3.0m	£3.2m	**£9.0m**
Optimum Abri	**£4.9m**	**£10.0m**	**£11.9m**	**£26.8m**

In the year, £5.1m of savings were delivered across the organisation from a revised approach to Employment Support and Community Investment, a review of Abri's pension offer, greater access to grants from our strategic partners supporting development and sustainability programmes and established procurement processes maximising supplier and contractor tenders. An additional £0.1m of social value contributions, from supplier contracts, supported 26 projects across Abri's geography.

VALUE FOR MONEY (continued)

Our approach to Value for Money ("VfM") (continued)

Our VfM strategy is embedded in our strategic objectives, ensuring it facilitates delivery of the objectives with the right blend of Economy, Efficiency and Effectiveness.

Strategic priority	How the VfM strategy facilitates delivery	Supporting strategies
Build more homes	Delivering our VfM efficiency targets in our operating model improves the long-term financial capacity of Abri to support the delivery of additional new homes. Driving efficiency in how we procure and deliver new homes, together with the value created from sales, adds further to that long-term capacity.	Development
Invest in our homes	Delivering our VfM efficiency targets in our operating model improves the long-term financial capacity of Abri to invest in our existing homes. This investment in our homes improves the cost in use to our customers who will also see a VfM saving as a result.	Asset management, Abri Home Care, Procurement
Get really good at customer service	The VfM strategy sets the challenge to ensure we understand the relevant cost of achieving higher customer satisfaction and the potential opportunity cost of achieving this.	Customer Service, Rent setting
Create thriving communities	Our VfM and Procurement strategies have a target of achieving £2.5m of social value which has a direct input into supporting and promoting thriving communities. Understanding the value and contribution to communities of our community investment activity is a key priority of our VfM strategy.	Community Investment, Procurement
Making all our communities more inclusive	The VfM strategy ensures we deliver effective services to our diverse customer base rather than just the most economic services.	EDI
Create a great place to work	Similar to understanding the cost drivers of achieving customer satisfaction, the VfM strategy has a priority to understand the cost of achieving a great place to work, particularly as we take decisions about The Future Ways of Working, where we will ensure all decisions are evaluated from a VfM perspective.	Future Ways of Working
Manage our business to the highest standards	All VfM strategic priorities underpin this objective. Improving transparency over our VfM performance improves accountability to our stakeholders. Ensuring we have a resilient long-term Financial Plan and are compliant with the VfM standard helps protect our G1/V1 standing with the Regulator.	Financial Plan and Golden rules, Group simplification
Climate crisis: creating a sustainable future	This poses a huge challenge to our business - strategically, operationally, and financially. Achieving our VfM efficiency targets improves the long-term financial capacity of Abri to invest further in addressing climate change through improving the carbon footprint of our operations and our homes.	Environmental
Retain a local focus as we grow	Delivering a regional model is an ambitious new approach to improving local services and accountability and in line with the new consumer standards. Ensuring resource is efficient and agile to remain responsive to local needs without significant duplication.	Regional, Customer Service

Our performance

The following table outlines our VfM performance against the regulatory metrics, compared to the previous year and the sector median for our peers in a similar geography of a similar size.

Value for Money Metric	2023/24 Actual[1]	2023/24 Budget[2]	2022/23 Actual[1]	2022/23 Peer	2024/25 Budget
Re-investment	7.0%	9.9%	8.9%	7.5%	9.0%
New supply delivered (social)	1.5%	2.0%	2.3%	2.2%	2.0%
New supply delivered (non-social)	0.06%	0.05%	0.03%	0.07%	0.05%
Gearing	44.0%	48.9%	51.8%	49.5%	44.1%
Interest cover – EBITDA-MRI	150.4%	138.1%	144%	112%	138.7%
Headline social housing cost per unit	£4,427	£4,871	£4,415	£4,722	£5,257
Operating margin - social housing lettings	25.9%	28.1%	23.2%	23.2%	27.5%
Operating margin	25.0%	25.7%	21.0%	19.1%	25.0%
Return on capital employed (ROCE)	3.0%	3.8%	3.1%	2.8%	3.6%

[1] *Actuals – the results for both 2022/23 and 2023/24 represent the accounting results included in these financial statements, with 2023/24 including the post-acquisition results of Silva Homes. An analysis on the impact of Gift accounting on our results is included below.*

[2] *Budget - the budget for 2023/24 is presented on a trading basis, with a full year of results for Silva Homes as no retrospective changes were made to the budget to reflect the impact of gift accounting.*

The Board monitors both operational and VfM performance through quarterly scorecards, enabling the scrutiny of a cross-section of performance across the business. This is intrinsically linked to the delivery of the corporate objectives.

An overview of our results is included below, including an assessment of the impact Gift Accounting has had on our financial performance and position, following Silva Homes joining the Group in October 2023.

Re-investment

Re-investment in our assets is predominantly driven by our development spend on housing properties, with contributions from capitalised repairs and interest. In the year, we've spent £215m on our existing properties, including £180m of development expenditure, an increase on the prior year but falling short of our budget.

Re-investment has been adversely impacted by gift accounting on two counts. Firstly, with fair values (as determined by EUV-SH) of housing properties being higher than the book value of properties in Silva, the carrying value of housing properties at a Group level is higher than it otherwise would have been. Secondly, only development spend within Silva post-acquisition is included in the numerator but continues to be set against the closing carrying value of housing properties. Adjusting for these, re-investment would have been notably higher at around 8% and compare favourably to our peer group.

Our performance (continued)

New Supply Delivered (Social)

The new supply of social units measures the relative number of new social units handed over through our development pipeline and excludes the purchase of existing units. We have fallen short of our budget in the year in handing over 651 units against a budgeted 830, also below the 730 handed over in 2022/23. We're budgeting an increase in volume next year, up towards 800 units.

New supply of social units is adversely impacted by gift accounting with only additions post-acquisition being included in the numerator but set against the closing number of social units. Adjusting for this, we would have been around 2.0% and only marginally below the peer average.

Gearing

Gearing, as measured by net debt against the net book value of our housing properties is lower than budget and the prior year and compares favourably to our peers. The balance of loans and borrowings is significantly lower than budget as we've borrowed more efficiently and utilised other sources of finance. We're budgeting for an increase in gearing next year to fund investment in new and existing homes.

Gearing has been positively impacted by gift accounting via the higher carrying value of housing properties within the denominator, as outlined above, and is further benefited by the fair value adjustment relating to loans and borrowings, which reduce the carrying value in the Group accounts relative to the book value within Silva within the numerator. Adjusting for this, gearing would have been around 48%, still below our budget and the average of our peers.

Interest Cover

Interest Cover as measured by adjusted earnings relative to interest costs has significantly outperformed budget, despite continued investment in our existing stock in the form of repairs, due to lower overhead – with the exceptional benefit of credits on the cessation of pension schemes - and higher interest income than budgeted. The budget for 2024/25 reduces, whilst still notably outperforming our peers, given the return to normal trading.

Interest cover is adversely impacted to a relatively small degree by gift accounting due to the increase in interest costs within the denominator given the unwinding of the fair value reduction of loans and borrowings as outlined above.

Housing Social Cost per Unit

Cost per unit measures our operating costs relative to the number of social units we operate. Our cost per unit has increased marginally in the year but is below our budget and that of our peers as a direct result of the one-off benefits, despite continued investment in existing stock, in the year; we expect this to normalise in 2024/25.

Cost per unit is positively impacted by gift accounting due to a reduction in costs in the numerator, given the retention of total closing stock in the denominator. Adjusting for this, our cost per unit would have increased to around £5,000, marginally higher than budget. We are anticipating an increase in cost per unit across the sector in 2023/24 given inflationary pressures and the likelihood of investment in fire safety and damp and mould works within the sector.

Our performance (continued)

Operating Margin

Operating Margin across both social units in isolation and all operations (excluding asset disposals) considers surplus relative to turnover. Both measures demonstrate improvement from the prior year, having already compared favourably to our peers although fall short of our budget, driven by investments in existing stock. As with other measures, additional repairs and maintenance spend in the year has caused margins to drop below budgeted performance and previous results but is also expected to improve in subsequent years.

Operating margins – both social housing lettings and overall – are both adversely impacted by gift accounting to a small degree by additional depreciation charges in the numerator, arising from the increase in fair values of housing properties as outlined above.

Return on Capital Employed (ROCE)

ROCE shows our returns against our net asset base and is consistent year on year and performs ahead of peers despite falling below budget. We expect this metric to improve in future with an increased programme of existing unit disposals.

Return on Capital Employed is adversely impacted by gift accounting to a small degree by the inclusion of post-acquisition financial performance from Silva being included in the numerator and the increase in net assets, from the fair value of housing properties and loans and borrowings, within the numerator.

Directors Remuneration and Management Costs note

We’ve adopted the recommendations made by the Regulator in order to fulfil our responsibilities under the Transparency, Influence and Accountability Standard, to ensure we provide customers with information around Directors remuneration and management costs.

The following metrics are consistent with the definitions within the Accounting Direction 2022 and the supporting notes to these financial statements.

	2024
	£
Management Cost per Unit	1,347
Highest Paid Directors Cost per Unit	8
Directors Remuneration Cost per Unit	84

The results for 2023/24 have been impacted by gift accounting requirements, as outlined above, and management costs have benefited from one-off credits arising from the cessation of Local Government Pension Schemes in the year. We therefore anticipate an increase in these metrics, all other things being equal, as we move forward from 2024/25.

VALUE FOR MONEY (continued)

Looking forward

A revised VfM strategy 2024-27 sets out the approach to delivering Abri's VfM targets which will be refreshed and incorporated as part of the new Corporate Strategy 2025-30. We will ensure that Optimum Abri objectives are at the heart of our operating model and are managed as the key driver of our corporate VfM target. Managing the business to the highest standards will ensure the integration, and further efficiency, benefits have been achieved and remain into perpetuity.

The strategies that support delivery of the Corporate Strategy refer to how they ensure VfM is delivered, and how the resultant efficiencies are prioritised into reinvestment**.** The key priorities for the VfM strategy and how they link with the relevant supporting strategies, are summarised below.

- **Final business case** - Silva Homes joining the Group sets new operational efficiency targets, a blend of savings targets and reinvestment into frontline customer services. Savings of £3.5m per annum have been incorporated in the financial plan, with effect from 2025/26.
- **Procurement Strategy** – efficiency target of £1.4m per annum, to support the Overhead and Home Care efficiency savings.
- **Service Charge Recovery Review** - implementation of new management tool, alongside a review of all services, to target a reduction in net operating costs.
- **Development** – ongoing review of Contractor and Consultant Framework agreements, delivering 25% of programme by modern methods of construction
- **Asset Management** – a proactive programme to dispose of 450 existing units over the next four years delivering an expected surplus of £80m, to be reinvested back into the provision of more sustainable homes.

Below sets out the five-year forecast performance of these metrics which are calculated from the 2024 interim financial plan.

Metric	2025	2026	2027	2028	2029
Re-investment	9.0%	8.3%	5.9%	5.1%	5.9%
New supply delivered (social)	2.0%	2.3%	2.3%	2.2%	2.1%
New supply delivered (non-social)	0.05%	0.04%	0.05%	0.02%	0.07%
Gearing	44.1%	45.9%	45.7%	45.8%	45.9%
Interest cover – EBITDA-MRI	138.7%	135.2%	139.9%	143.6%	147.3%
Headline social housing cost per unit	£5,257	£5,272	£5,370	£5,320	£5,279
Operating margin - social housing lettings	27.5%	27.3%	27.6%	29.1%	29.5%
Operating margin	25.0%	23.4%	25.3%	26.9%	26.2%
Return on capital employed (ROCE)	3.6%	3.4%	3.7%	3.7%	3.8%

Summary

The Board recognises the importance of driving Value for Money from all activities we undertake. The targets are challenging yet agile, and ensure they never compromise our strategic priorities. Through Abri's governance processes we will be held to account by the Board and our customers, via our scrutiny Group, to ensure VfM is being maximised. The rolling three-year VfM target will be revied annually as part of the budget setting and financial planning process considering performance against our peers.

IMPACT ON THE ENVIRONMENT

In July 2022, we published our Environment and Climate Strategy which sets out steps to become net zero by 2050. We are now approaching the end of the second year of delivering against our ambitious targets.

We also published our first Sustainable Finance Framework (SFF) in 2022, which aligns to our finance strategy and ESG ambitions. Underpinned by the United Nations' Sustainable Development goals, it ensures the funding sourced is invested in the right places and the impact it's having on our customer and community outcomes is continually measured.

Streamlined Energy and Carbon Reporting (SECR)

Outlined below are the results of the Group's SECR for 2023/24 UK Government Greenhouse Gas Conversion Factors for Company Reporting has been used for the reporting of emissions, using the 2023 version. Emission types included in the calculations related to:

- Electricity and gas consumed at office premises, communal areas, construction sites;
- Vehicle emissions from vans used by repairs and maintenance staff and from employees on business mileage and commuting to offices; and

	2024[1]	**2023[2]**
Scope 1	*5,934.5*	*3,959.9*
Scope 2	*1,642.8*	*1,441.4*
Scope 3	*682.6*	*525.2*
Total CO2e Scope Gross emissions (tonnes)	**8,252.9**	**5,926.5**
Intensity Metric (Gross emissions) tCO2e/number of full-time staff	4.9	4.2
Carbon Offsets	-	778
Intensity Metric (Net emissions) tCO2e/number of full-time staff	**4.9**	**3.7**
Kilowatt hours of energy used	*36,493,662*	28,963,597

[1] *Disclosures for 2024 include figures for Silva Homes from October 2023*
[2] *Disclosures for 2023 relate to the period January – December 2022 inclusive, given data available*

Annual energy efficiency actions

Following the securing of funding from the Government's Social Housing Decarbonisation Fund, Abri has been working hard to deliver the ambition contained within it. The SHDF Wave 2.1 programme will improve the energy efficiency of 1,158 homes. Improvements to the fabric of the building, including loft, eaves and cavity wall insulation and draft proofing, will ensure the building retains heat for longer.

We've also helped our customers draw less energy from the national grid, by installing solar panels and smart water heating. Through a planned works programme, 783 new electric Quantum electric heating systems were installed in existing homes which provide homeowners with a low-cost, low-carbon, heating.

Following a successful bid to the Wave 2.2 Social Housing Decarbonisation Fund an additional number of Silva homes has secured funding to retrofit even more customer homes, to at least an EPC C, over the next two and a half years.

IMPACT ON THE ENVIRONMENT (continued)

Annual energy efficiency actions (continued)

In July 2023 we switched all its purchased electricity for corporate and communal sites to contracts with Ecotricity and EDF using REGO backed renewable energy. Discussions are ongoing with Silva who joined the group later in the year about transitioning them into these contracts as their current contracts expire. This is saving an additional 360 tonnes of carbon each year.

In accordance with the Energy Savings Opportunity Scheme, Abri have commissioned assessments on a further 6 communal areas in large energy using ‘independent living’ sites as part of the Silva portfolio. These assessments will further identify cost-effective energy saving measures.

TENANCY FRAUD AND ANTI-MONEY LAUNDERING

We take money laundering and fraud of any kind very seriously. There isn’t enough social housing for the people who need it. People committing tenancy fraud are breaking the law, breaching their tenancy agreement, and causing even longer waits for those entitled to live in social housing.

We employ a range of measures to tackle tenancy fraud, including taking steps to identify, prevent and pursue residents who are not using their homes as their main and principal residence. We will take action to get our home back if we believe tenancy fraud is happening.

Abri takes a zero-tolerance approach to all forms of corruption and bribery. We are alert to the potential for fraud and money laundering, especially in transactions relating to sales of our housing stock. We undertake reasonable steps to minimise the risk of money laundering, including identity verification and source of funds checks before sales proceed. We have robust procedures in place, which includes an Anti-corruption Framework, and this is complemented by mandatory training for colleagues. We have a Money Laundering Reporting Officer and deputy in post.

MODERN SLAVERY AND HUMAN TRAFFICKING

Abri takes a zero-tolerance approach to modern slavery across all areas of the organisation, as well as in our supply chains. We are committed to ensuring we are not connected to modern slavery in any way and our aim is to ensure that our business always operates in an open and transparent way.

Our commitment is reflected in our Anti-slavery and Human Trafficking Policy, which is available on request.

APPROVAL OF STRATEGIC REPORT

The Strategic Report was approved by the Board on 19 August 2024 and signed on its behalf by:

Wayne Morris
Director

DIRECTORS' REPORT

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

GROUP BOARD

Group Board Members

The Group Board members are the legal Directors of Abri Group Limited, as listed on page 1.

Wayne Morris – Group Chair

An experienced housing professional, Wayne spent nearly 25 years working at Chief Executive level within major housing associations, most notably with Spectrum Housing Group (2007-13) before it merged with Sovereign Housing Association in 2016. Wayne held the role of Vice-Chair of Yarlington Housing Group, prior to being appointed Group Chair. Wayne is also a corporate member of the Chartered Institute of Housing.

Gary Orr – Group Chief Executive

Gary has worked in the housing industry for 25 years, having held a multitude of roles in housing management, care and support and property development. Prior to joining Abri as Chief Executive in 2018, he was Chief Executive of Yarlington Housing Group for seven years. Gary is also a member of the Bank of England Monetary Policy Residential Property Forum alongside chairing the Greener Futures Housing Partnership and the National Housing Federation's National Delivery Group.

Caroline Moore – Chief Financial Officer

Having qualified as a Chartered Accountant with Pricewaterhouse Coopers, Caroline spent the early part of her career in financial regulation at the Housing Corporation. She later became Chief Financial Officer for Yarlington Housing Group, and held several non-executive roles, including Chair of the Audit Committee at Yeovil NHS Trust. Caroline manages the Finance, Treasury and Financial Planning and Health and Safety directorates at Abri.

Joanna Makinson – Senior Independent Director

Joanna joined the Board in November 2019 and holds the role of Senior Independent Director. Before her current role as Chief Finance Officer at GreenSquareAccord, Joanna was Chief Executive at Bristol Community Health CIC, a not-for-profit social enterprise delivering NHS community healthcare services. Prior to this, Joanna was Finance Director and Company Secretary at United Communities, having qualified as an accountant in PricewaterhouseCoopers' public-sector team in Bristol.

Jane Alderman – Board Member

Jane is a senior leader who has successfully managed large development programmes in the affordable and market housing sectors. Jane has previously held roles with several social housing groups, including Curo Group. Currently, Jane is a consultant, providing a range of services to clients in the public and private sector, this includes advice on policy and governance and joint ventures. Jane is a chartered surveyor and member of the Chartered Institute of Housing.

GROUP BOARD MEMBERS (continued)

Jocelyn McConnachie – Board Member

Jocelyn is currently Deputy Chair of Western Power Distribution's Customer Engagement Committee and a Non-Executive Board Member at Western Isles NHS. She has held senior posts with National Grid, E.ON Energy and Calmac Ferries. She is highly experienced in leading customer and digital transformation programmes and cultural change.

Mary-Kathryn Rallings Adams – Board Member

Mary-Kathryn (MK) has over ten years of experience investigating the intersection of evidence, policy and practice in housing and urbanism across the UK. After completing her doctorate in 2013, she joined the Housing Associations' Charitable Trust, most recently serving as the Deputy Chief Executive, working with housing providers across the UK, particularly in relation to community investment, social value measurement, and the implementation of data standards across the sector. In 2019, MK joined Simetrica-Jacobs as the Director of Strategy, where she focuses on strategy and business development.

Lou Taylor – Board Member

Lou has more than 20 years' experience in media, advertising and community-based enterprises as an owner, entrepreneur, director, and board member. His career spans both commercial and social enterprises. He is currently a non-executive member of Hampshire Constabulary Force Executive and a strategic board member of the John Hansard Gallery in Southampton. Since 2015, Lou has been responsible for running Black History Month in Southampton and has formed a successful social enterprise to promote knowledge and understanding of Black, Asian, Minority and Ethnic issues and experiences across the region. Lou is also the Group Board's Equality, Diversity, and Inclusion (EDI) Champion.

David Montague – Board Member

David served as the Chief Executive of L&Q, one of Britain's largest housing associations between 2008 and 2021. He oversaw the company's growth and success through mergers, acquisitions, major regeneration schemes and development partnerships with smaller associations. A leading figure in the sector, David has been chair of the G15 and served on the board of the National Housing Federation. In 2013 David was awarded a CBE for services to housing in London. David now holds a number of non-executive and advisory roles for organisations including The Housing Finance Corporation, Joseph Homes, Hadley Property Group, Heylo Housing Group, Staykeepers and Lloyds Banking Group.

Maggie Porteous – Board Member

Maggie spent 31 years working for the John Lewis Partnership in its department stores and head office. She is a highly motivated leader with an exceptional ability to create great teams and deliver business results. She has a proven track record in the operational management of omni channel retailing across multiple sites, and in opening and rolling out new store formats.

Maggie is now an experienced Non-Executive Director and Charity Trustee, and is currently a Board Member for Sheffield Teaching Hospitals Foundation Trust. In addition to her Group Board role at Abri, Maggie is also the Chair of the South East Regional Board.

GROUP BOARD MEMBERS (continued)

Stephen Skuse – Board Member

Stephen has spent most of his career to date in residential contracting and development and this involved significant work with housing associations. In 2017 Stephen joined Catalyst Housing as Director of Development Delivery and he was also Director of Land & Partnerships before leaving in 2021. Stephen joined the Board of Silva Homes as a Non- Executive Director in 2020 and has served on the Audit and Risk and Compliance Committees during this time. Alongside his Non-Executive role, he has carried out interim roles at Executive level in development and strategic asset management.

Veronica Gordon – Board Member (Co-optee)

Veronica Gordon is a former BBC local radio and ITV regional news journalist and the founder of Our Version Media CIC – a Southampton-based organisation that is increasing authentic representation of Black and marginalised communities. She brings considerable experience in broadcast and digital media and is committed to equipping others with media skills to tell their own stories. Veronica, who is a long-standing customer of Abri, also has a unique perspective on the voice of the customer through well-established links with Abri's communities across the south where she has worked and volunteered for the past 15 years.

Membership of Other Legal Entities

The members of the Group Board also hold positions as Directors of other legal entities in the Group and/or are members of the committees as outlined below:

Director/ Legal Entity	**The Swaythling Housing Society**	**Oriel Housing**	**Silva Homes**	**Radian Capital**	**Radian Developments**	**Yarlington Homes**	**Forest Future Homes**	**Yarlington Treasury Services**
Wayne Morris	Chair	Chair	Chair	-	-	-	-	-
Joanna Makinson	X	X	X	-	-	-	-	-
Jane Alderman	X	X	X	-	X	Chair	X	-
Lou Taylor	X	X	X	-	-	-	-	-
Jocelyn McConnachie	X	X	X	-	-	-	-	-
Mary-Kathryn Rallings Adams	X	X	X	-	-	-	-	-
David Montague	X	X	X	-	-	-	-	-
Maggie Porteous	X	X	X	-	-	-	-	-
Stephen Skuse	X	X	X	-	-	-	Chair	-
Veronica Gordon	X	X	X	-	-	-	-	-
Gary Orr	*X*	*X*	*X*	*X*	*X*	-	-	-
Caroline Moore	*X*	*X*	*X*	Chair	-	-	*X*	Chair

Key: Non-Executive Member; *Executive Board Member,* Member (X)

GROUP BOARD MEMBERS (continued)

Group Board Composition

During the year we have worked to further increase the diversity of our Board, the details of which are set our below:

Category	Responses					
Sex			Male	6 (46%)	Female	7 (54%)
Age	44 or less	2 (15%)	45-64	8 (62%)	65 or more	3 (23%)
Ethnicity			BAME	2 (15%)	Non-BAME	11 (85%)
Marital/Civil Status	Married/ Partnership	8 (62%)	Single	3 (23%)	Divorced	2 (15%)
Sexual Orientation			Gay/Lesbian	2 (15%)	Heterosexual	11 (85%)
Religion			Christian	6 (46%)	None	7 (54%)
Declared Disability			Yes	3 (23%)	No	10 (67%)
Caring Responsibilities			None	10 (67%)	Primary Carer	3 (23%)

EXECUTIVE BOARD

The Group Board is supported by an Executive Board who are responsible for day-to-day operations of all entities in the Group, with a focus on the delivery of the corporate strategy. Gary Orr and Caroline Moore are members of both the Group Board and Executive Board, whose other members are below.

Andy Skarzynski – Executive Director Strategy, Business Intelligence & HR

Andy's responsibilities include strategy development, IT, HR, communications, and the change function. He works to ensure that Abri has the right people, guided, and motivated by the right values, and supported by the right technology to deliver its full potential. Andy's background includes significant experience in marketing, communications, e-commerce, and change management gained across a range of businesses and sectors. Andy has held senior roles within the media, advertising, charity, and retail sectors.

Stephen Lodge – Executive Director Development and Strategic Asset Management

Stephen is responsible for leading the property directorate of Abri to ensure the growth of good quality new homes, spanning all tenures across the south and southwest of England. Stephen has worked in the housing sector for around 30 years, initially as a volunteer in hostels for the homeless before pursuing a career in development and asset management. In his role, Stephen is focused on investing more into existing homes, giving our customers great opportunities, and achieving carbon neutrality. Stephen is also a Fellow of the Chartered Institute of Housing.

Ralph Facey – Executive Director Operations

Ralph has 35 years' experience in the housing sector, following a housing management and regeneration career in local government. Formerly Head of Housing Services at Gosport Borough Council, Ralph went on to hold several Executive Director roles for The Swaythling Housing Society. Ralph was appointed as Radian's Group Director of Housing and Customer Services in 2009 and became Executive Director of Partnerships and Projects in 2018. Following the formation of Abri, Ralph was appointed as Executive Director of Strategic Partnerships and Projects. In his current role as Executive Director of Operations, Ralph leads Abri's housing management, repairs and maintenance and community investment services.

EXECUTIVE BOARD (continued)

Alan Ward – Chief Governance and Strategic Growth Officer

Alan is the most recent addition to the Abri Executive Board taking up his role when Silva Homes joined the group in October 2023. He was Silva's Chief Executive for over five years, prior to which he ran his own successful consultancy working for over a decade mostly with housing sector clients, but also some in the education and health sectors. Prior to that, he was group chief executive of Somer Housing Association in Bath for 10 years.

Executive and Corporate Director Service Contracts

The members of the Executive Board and Corporate Directors are employed on the same terms as other staff, except for a contractual annual bonus scheme, the provision of a company car or payment of a car allowance, enhanced pension scheme contributions and the provision of private medical benefit. Remuneration decisions are overseen by the People and Culture Committee. Details of the benefits received by Executive Directors are set out in note 8.

The Group Board is responsible for approving any bonus awards or changes in the Chief Executive's remuneration or contract. The Executive Board and Corporate Directors, including those who are Group Board members, hold no interest in the Group's shares and act within the authority delegated to them by the Group Board under defined terms of reference.

GOVERNANCE AND REGULATION

Group Board Overview

The Group Board is responsible for setting the strategic direction, values and objectives of Abri and its subsidiaries. They monitor our performance, how well we are managing our finances and are responsible for ensuring effective governance across the business.

Our Board members are selected through an open, competitive process. They contribute a wide range of professional, commercial, and other relevant experience and expertise. The Board is led by the Group Chair, Wayne Morris who sits alongside seven other Non-Executive Directors, and the Group Chief Executive and Chief Financial Officer. Our Company Secretary is an experienced qualified lawyer, and supports the Board on all matters regulatory, governance and legal.

This year the Board met ten times and:

- Approved the financial plan, stress testing and interim plan
- Approved the consolidated budget for 2024/25
- Approved the rent increase for all eligible properties from 1 April 2024
- Approved the merger with Silva Homes
- Reviewed progress on corporate strategy renewal
- Reviewed all strategies and policies reserved to Group Board approval
- Approved Abri's risk framework and risk appetite and tolerance statements
- Regularly reviewed compliance with health and safety landlord obligations
- Reviewed the housing service strategy
- Approved the South East Regional board strategy
- Received stock condition updates
- Held two sessions with members of the Resident Scrutiny Group

GOVERNANCE AND REGULATION (continued)

The Group Board is supported by the Executive Board, Corporate Directors, and the following six committees, to which certain responsibilities are delegated:

- Audit and Risk Committee
- Treasury Committee
- Customer Service and Performance Committee
- People and Culture Committee
- Development and Assets Committee
- South East Regional Board

Committee Memberships

The membership of our committees at the reporting date is made up as follows:

Member/ Committee	Role	Audit and Risk	Treasury	People and Culture	Development and Assets	Customer Service and Performance	South East Regional Board
Wayne Morris	Group Board	-	-	X	-	-	-
Joanna Makinson	Group Board	Chair	-	X	-	-	-
Jane Alderman	Group Board	-	X	-	Chair		-
Lou Taylor	Group Board	-	-	-	-	Chair	-
Jocelyn McConnachie	Group Board	-	-	Chair	-	X	-
Mary-Kathryn Rallings Adams	Group Board	X	-	-	-	-	-
David Montague	Group Board	-	Chair *	-	X	-	-
Maggie Porteous	Group Board	-	-	X		-	Chair
Stephen Skuse	Group Board	-	-	-	X	-	-
Veronica Gordon	Co-optee	-	-	-	-	X	-
Remon Fahim	Co-optee	-	X	-	-	-	-
David Mody	Co-optee	X	-	-	-	-	X
Andrew Frost	Co-optee	X	-	-	-	X	-
Richard Cartwright	Co-optee	X	-	-	-	-	-
Gary Orr	Exec Board	-	-	X	X	-	-
Caroline Moore	Exec Board	-	X	-	-	-	-
Carrie Woods	Independent	-	-	-	-	-	X
Madeline Diver	Independent	-	-	-	-	-	X
Marguerite Talenti	Independent	-	-	-	-	-	X
Tom Norris	Independent	-	-	-	-	-	X
Dasos Christou	Staff	-	-	-	-	-	X

** Effective from 1 April 2024, replacing Simon Porter who resigned as a board member on 31 March 2024.*

The Committees

Audit and Risk Committee

The committee is responsible for overseeing Abri's risk management process, ensuring key risks are effectively managed through a robust system of internal controls. The Committee also oversees the internal audit function and external audit process, ensures the integrity of the financial statements and is responsible for resident scrutiny arrangements. During the year, the Committee met five times and:

- Reviewed and approved the External and Internal Audit Plans for 2024;
- Monitored key risks such as changes in the UK economy and associated cost of living crisis, instability in the political environment, health and safety risks, and damp and mould;
- Scrutinised the self-assessments against the NHF Code of Governance, NHF Code of Conduct and RSH regulatory framework
- Recommended changes to the standing orders and financial regulations
- Approved the annual insurance programme
- Received reports from the Resident Scrutiny Group (RSG) on progress against their annual work plan, updates on the co-regulation event, and the RSG's review into complaints

Treasury Committee

The committee is responsible for maintaining oversight, and providing scrutiny, of treasury operations. This includes the structuring of appropriate funding arrangements, the raising of new finance, loan and security portfolio management, money market operations and liquidity management. In addition, the Committee is responsible for reviewing the funding arrangements of Abri's pension schemes. During the year, the committee met five times and:

- Recommended to the Group Board the closure of Abri Group Limited's and The Swaythling Society Limited's membership of the three Defined Benefit Local Government Pension Schemes
- Recommended to the Group Board changes to the Treasury Management Policy
- Recommended to the Group Board the financial plan
- Approved the Revolving Credit Facility of up to £100m and the raising of £30m through bLEND

Customer Service and Performance Committee

The Committee, chaired by Lou Taylor, is responsible for overseeing the effectiveness of service performance, focusing on customer service and experience. The Committee is also responsible for ensuring new and existing services are valued by the customer, as well as actively seeking customer input and insight to inform decision making. In addition, the Committee is involved in setting customer satisfaction measures and ensuring these are being met. During the year, the Committee met four times and:

- Monitored the performance of Complaints and Home Care against the Customer Strategy and Housing Services strategy;
- Received regular Housing and Community Investment updates;
- Received insight from the cost-of-living customer research; and
- Approved the Customer Annual Report.

GOVERNANCE AND REGULATION (continued)

The Committees (continued)

People and Culture Committee

The Committee acts as the Group’s Remuneration and Nominations Committee. Its purpose is to oversee the approach to people and reward, as well as ensuring the appropriate arrangements exist for the recruitment, retention, remuneration and succession of Executive and Non-Executive Directors. The Committee also maintains oversight of the approach to equality and diversity to ensure a fair, open, and inclusive culture. During the year the Committee met five times and:

- Approved the 2024 appraisals process for the Non-Executive Directors and Chief Executive Officer;
- Recommended to the Group Board the recruitment proposal for the Regional Board members;
- Scrutinised the Group Board succession plan for 2024/25 and recommended to the Group Board the Board development programme;
- Reviewed Non-Executive Directors’ fees and the Chief Executive Officer, for which the Chief Executive Office absents themselves, and Executive Board pay;
- Monitored compliance with mandatory training;
- Scrutinised the gender pay gap action plan and Equality, Diversity and Inclusion action plan; and
- Reviewed and made recommendations for committee and joint venture board membership.

Development and Assets Committee

The Committee, chaired by Jane Alderman, is responsible for ensuring the delivery of the Development Strategy, Asset Management Strategy and Environmental and Climate Strategy. The Committee also oversees the performance of all development, including joint ventures, and the delivery of Abri’s energy efficiency and decarbonisation targets. During the year, the Committee met four times and:

- Approved several schemes including the regeneration of Sawyers Close in Windsor, a joint venture at the former Ford Airfield, and the regeneration of Bay Close and Barn Close in Bracknell
- Recommended the refreshed Development and Asset Management Strategy to Group Board; and
- Recommended to the Group Board the revised development parameters

South East Regional Board

The Committee, chaired by Margaret Porteous, is the first regional board to be created and is acting as the ‘pathfinder’ for further regions to be introduced in future. The regional model is predicated on placing the voice of our customers at the heart of our thinking and making us fully accountable for delivering against their needs; a core expectation of the emerging approach to consumer regulation.

The membership of the regional board consists of five independent members, three of whom are customers, along with the regional managing director and a Chair who also sits as a non-executive director of the Group Board. Since its inception in November 2023, the Committee met four times and:

- Agreed the regional board strategy focusing on customer satisfaction and KPI’s;
- Agreed on the approach to community investment and stakeholder management for the region;
- Agreed on a service improvement plan;
- Agreed on a consistent model of service delivery and a unified culture; and
- Agreed to work with the development and asset management teams to ensure local needs of customers are reflected in Abri’s investment plan for the future.

GOVERNANCE AND REGULATION (continued)

Code of Governance

The Group operates under the National Housing Federation Code of Governance 2020, under which we are compliant aside from the following exceptions:

- Our Chief Executive is a member of the People and Culture Committee, which is responsible for nominations and remuneration. This decision was taken because he has the requisite skills to contribute to the wider remit of the Committee, which also focusses on organisational culture and equality, diversity, and inclusion.
- We have extended the tenure of the following members, beyond the recommended nine-year term to support both the oversight of the integration with Silva Homes and the ongoing partnership discussions with Octavia;
    - The Group Board Chair by one year to 31 March 2025
    - The Chair of the Treasury Committee by six months to 31 March 2024

  Abri's Rules permit tenure extension if it is in the best interests of the organisation to do so.
- Due to the extensions outlined above and following two Directors joining from Silva Homes, during the period 2 October 2023 to 31 March 2024 inclusive, the Group also exceeded the maximum number of permitted board members, with thirteen in post.

Independent benchmarking is used to determine total pay and reward, ensuring that the Chief Executive is not involved in the decision-making process over his own remuneration.

All required disclosures and returns to the Regulator have been made and we have maintained the necessary registers, including Board Member declarations of interest and gifts and hospitality.

Regulatory Performance – In Depth Assessment

We maintained our top ratings of G1 for governance and V1 for viability in November 2022 following a stability check by the Regulator of Social Housing. Our "G1/V1" status has been reconfirmed by the Regulator in November 2023, following a review after Silva Homes joined the Group.

Compliance with the Regulatory Standards

The Board has reviewed performance against the economic and consumer standards as set out in the Regulator of Social Housing's Regulatory framework for registered providers of social housing and confirms we are fully compliant for the financial year ended 31 March 2024 and up to the date of signing of this report.

RISK AND INTERNAL CONTROLS

Overview

The Group Board has ultimate responsibility for establishing and maintaining a group-wide control framework from which each entity board can review the effectiveness of controls. No system of internal control provides absolute assurance nor eliminates all risk, but the control framework in place is designed to manage and reduce the risk of failing to achieve business and strategic objectives. Each Board retains responsibility for the internal control system, but delegates responsibility to review its effectiveness to the Audit and Risk Committee.

RISK AND INTERNAL CONTROLS (continued)

Overview (continued)

In addition, the Group's internal control framework is designed to give reasonable assurance on the reliability of financial and operational information, the maintenance of proper accounting records, and the safeguarding of assets, all of which are integral to the achievement of the Group's strategic objectives. It focuses on the significant risks that threaten our ability to meet our objectives, effective customer outcomes (including their safety) and the safeguarding of assets. The internal control framework includes:

- Governing documents (Standing Orders and Financial Regulations) which are reviewed annually and provide clearly defined roles, responsibilities, and management, including a scheme of delegation;
- Policies including Treasury management, Investment, Anti-Corruption Framework and Whistleblowing;
- An Enterprise Risk Framework based on our risk appetite, annually approved by the Group Board;
- An Enterprise Risk Register which is formally reviewed on a quarterly basis, but is subject to continuous update as risks evolve. A quarterly risk report is provided to the Executive Board, the Audit and Risk Committee and the Group Board;
- An Emerging Risks Register (including both threats and opportunities) is maintained and reported to the Executive Board, Audit and Risk Committee and the Group Board;
- Horizon scanning over a 25-year period, incorporating sector and non-sector specific sources;
- Risk events are reported and studied; where risks have materialised for the business they are subject to root cause analysis and any control weaknesses are addressed;
- Assurance activities, including assurance mapping, the maintaining of an Asset and Liability Register, internal audit – using a hybrid model of an in-house team and external providers – and stress testing long term financial plans;
- A Fraud Register which is reported to the Audit and Risk Committee and Group Board and submitted to the Regulator annually;
- Annual Self-assessments of our compliance with the NHF Code of Governance, the Regulatory Standards, and all relevant law;
- Performance reporting, benchmarking, and accreditations, including:
    - KPI monitoring and scorecards (monthly at Executive Board and quarterly at Group Board)
    - Dedicated Performance Committee (a sub-committee of the Executive Board)
    - Benchmarking with peers via services such as HouseMark
    - Moody's Credit Rating
    - Housing Quality Network Accreditation of Incomes
- Resident Scrutiny Group reports are presented to the Audit and Risk Committee; who in turn are responsible for reporting to the Group Board. The Chair of the Resident Scrutiny Group is also a member of the Audit and Risk Committee and the Customer Service and Performance Committee.

Our Top Risks

The following table gives an overview of the principal top risks the Group has identified and summarises the key controls in operation and mitigating actions that have taken place and or are underway.

Risk	Controls and Assurance
The business may not be able to sustain or restart business critical activity	• Organisation-wide Business Continuity Plan • Directorate Business Continuity Plans • Abri Disaster Recovery Plans • Specialist business continuity roles

RISK AND INTERNAL CONTROLS (continued)

Our Top Risks (continued)

Risk	Controls and Assurance
Business systems may be compromised or inadequate	• Rigorous permissions control • System controls to prevent escalation of breach • Firewalls including web and email filtering • Monthly security audits, internal and external penetration testing, phishing simulations • Monthly review of core infrastructure • Multifactor Authentication (MFA) for all users • IT Security Policy and annual training • Multiple system monitoring tools • Regular reporting on uptime and systems availability • Business Continuity processes
The business's data integrity may be inadequate	• Dedicated Business Insight Team • Performance Committee monitoring • Data minimisation Policy • Information Asset Owners and Data Leads • Compliance Team • Data Protection Training • Information Asset Register
The political environment may not be conducive to the business's strategy	• Political monitoring and engagement • Crisis and issues management • Positive relationship with regulator • Diversified funding • Customer research • Proactive public affairs and public relations strategy • NHF membership
The business may fail to generate or collect sufficient income	• Tenancy support services including hardship and community funds • Robust reporting systems • Rent and service setting policies • Local employment market research • Automation of rent actions • Due diligence and market testing for third party payment systems
The business sustainability and climate change strategy may not adequately prepare the business for its future operating environment	• Retrofit strategy and supply chain in place • Programme of customer engagement • Financial business plan • Stock condition survey • Fleet transition scheme
Business policies, processes and procedures may not deliver effective customer outcomes	• Structured approach to policy review • Benchmarking and good practice reviews • Impact assessments • Resident involvement • Colleague training • Meaningful, proportionate and relevant consultation • Regulatory compliance checks • Lessons learnt from complaints and other feedback

RISK AND INTERNAL CONTROLS (continued)

Risk Management Development

The Group recognises that as the business evolves, so must its risk management framework. To ensure that we continue to enhance and leverage our risk management capabilities the Group will continue to develop its enterprise-wide risk management approach.

Directors' Indemnities

Directors' and Officers' insurance cover exists for all Directors to provide appropriate cover, indemnifying them against liability when acting for the Group. The indemnities were in force during the 2023/24 financial year and remain in place for all current and past Directors of the Group.

Group Board's statement on Effectiveness of Internal Control

The Audit and Risk Committee received assurance from the Executive Board on 26 June 2024 on the effectiveness of internal controls that have operated during 2023/24, via a self-assessment process signed off by the Executive Board.

This enhances our compliance with all key legal obligations for landlords; examples of which are the Health & Safety at Work Act 1974 and the regulations enabled under it, the Landlord & Tenant Act 1985, the Fire Safety Act 2021 and its associated legislation, and the Building Safety Act 2022; alongside the Regulatory Standards set out by the Regulator of Social Housing.

The Group Board received assurance from the Audit and Risk Committee on 31 July 2024 that the system of internal controls has operated effectively during 2023/24, and that there have been no significant control weaknesses identified or breakdown in internal controls resulting in material losses, contingencies or uncertainties which would require disclosure in the financial statements during the year.

Overall, performance has been strong across the year, providing a significant level of assurance across the Group, with only three of the 17 internal audits receiving an assurance rating of 'partial assurance'. In line with the Financial Reporting Council's Guidance on Audit Committees, the Audit and Risk Committee considers the Committee to be independent, and effective.

CAPITAL AND TREASURY MANAGEMENT

Introduction

The Group and Society is financed by a combination of revenue reserves, long-term loan facilities, bond finance, and social housing grant received from government. In addition, the Society is financed by intercompany loans.

Abri has a comprehensive treasury policy with tests that apply to the Group as a whole. The policy requires the Group to maintain a minimum level of liquidity such that there is:

- Sufficient cash and cash equivalents to cover the next three months forecast cash requirement;
- Sufficient liquidity to cover the next 18 months net cash requirement before funding (including uncommitted but not aspirational development, and with the assumption that forecast sales, joint venture and grant receipts are reduced by 50%.); and
- No over-reliance placed on any one counterparty, whether through cash holdings or available facilities.

CAPITAL AND TREASURY MANAGEMENT (continued)

Capital Structure

At 31 March 2024 Group borrowings amounted to £1,398.8m of nominal drawn debt (2023: £1,164.8m) of which £18.0m (2023: £20.0m) is due to be paid within the next year. The Society's borrowings amounted to £899.8m of nominal drawn debt (2023: £902.8m) of which £9.5m (2023: £4.0m) is due to be paid within the next year.

Own Named Bonds

Our own-named bonds are issued by Radian Capital plc and Yarlington Treasury Services plc, with proceeds received being on-lent to Abri Group Limited.

Issuer	Radian Capital	Radian Capital	Radian Capital	Yarlington Treasury Services
Name	2042	2044	2049	2057
Coupon	6.000%	4.622%	5.029%	3.410%
Nominal Issued	£100m	£100m	£200m	£120m
Sold to date	£100m	£30m	£200m	£120m
Received to date	£100m	£30m	£200m	£120m
Unsold	-	£70m	-	-
Repayable	Expiry	Instalments	Expiry	Instalments

Other loans and borrowings

The Group has several bonds which are repayable in both single and multiple instalments and which are subject to fixed nominal rates of interest of between 1.1% and 11.1%. These bonds include private placements made by Silva Homes Limited, prior to them joining the Group on 2 October 2023. The Group also has various bank loans which are repayable in both single and multiple instalments and which are subject to nominal rates of interest linked to SONIA. Additionally, the Group has two Homes England loans which are repayable as single instalments and are subject to an increasing fixed nominal rate of interest.

Risks

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

CAPITAL AND TREASURY MANAGEMENT (continued)

Interest rate management

Most of the Group's borrowings consist of fixed rate bonds and bank funding at both fixed and floating rates of interest. A subset of our bank loans have embedded interest rate swaps that run for all or part of the loan term. There is also one standalone interest rate swap arrangement, and it is considered an effective hedge with fair value movements taken through cash flow reserve.

Within the Group, total debt of £1,398.8m nominal at 31 March 2024 consisted of 86% at fixed rates, of which £803.1m was fixed interest bonds, £382.9m was made up of embedded interest rate swaps, £15.0m was from the standalone interest rate swap and £0.6m to fixed rate Homes England loans. The interest rate swaps run for all or part of the loan term. There are no options in our portfolio.

Within the Society, total debt of £899.8m nominal at 31 March 2024 consisted of 89% at fixed rates, of which £523.3m was fixed interest bonds, £260.8m was made up of embedded interest rate swaps, £15.0m was from the standalone interest rate swap. The interest rate swaps run for all or part of the loan term. There are no options in our portfolio.

Financial loan covenants compliance

Financial loan covenants are primarily measured by EBITDA MRI interest cover, gearing ratios, intra-group support, asset cover based on property asset values and debt service and income tests. Covenants are continually monitored and reported to the Executive Board and Treasury Committee. There were no breaches of financial covenants during the year.

Surplus assets for future debt security

At 31 March 2024 the Group had £1,608.1m (Society: £908.8m) unsecured completed housing properties not required for charging to existing debt facilities. These are sufficient to raise over £1,532.6m (Society: £934.1m) of future new debt assuming asset cover ratios of: 105% for Existing Use Value as Social Housing (EUV-SH) for social properties and 120% for Market Value Subject to Tenancies (MV-T) for market rent properties.

Future funding options

At 31 March 2024, the Group had £506.7m (Society: £217.2m) in available liquidity. This comprised £57.3m (Society: £22.3m) of immediately available cash and cash equivalents and £449.4m (Society: £248.9m) in revolving credit facilities. The Group had £70m of retained bonds held for future sale and £25m private placement to be drawn in August 2024. This is sufficient to fund the Group over the 21 months from the date of this report.

Moody's credit rating

Moody's review Abri's credit rating by looking at the Group as a whole. In October 2023, following their review after the merger of Silva Homes Limited, Moody's affirmed the Group's credit rating of A3 and changed the outlook to stable from negative. The rating actions follow Moody's rating action taken on the UK Government where the outlook on the UK's rating was changed to stable from negative.

In their review Moody's highlighted our financial strength, with moderate gearing, large, unencumbered asset base, and strong liquidity. These strengths, combined with our supportive institutional framework, make us resilient to challenges and well placed to achieve our corporate objectives.

EMPLOYEES

Employee Numbers

The Group directly employed an average of 1,680 (2023: 1,527) full-time equivalent employees during the financial year, calculated on standard working hours per week for each employee. In October 2023, 260 Silva Homes employees joined the Group and formed part of average employee numbers from this date.

In 2022/23, the Society employed an average of 99 full-time equivalent employees during the financial year, calculated on standard working hours per week for each employee. During the first quarter of the 2023/24, all employees of the Society transferred to The Swaythling Housing Society, following the closure of all four defined benefit pension schemes to future accrual.

Values and Behaviours

We set the highest standards for ourselves and our colleagues, and everything we do aligns with this. The following values and behaviours unite us in our shared duty as a housing provider:

- **Be the difference** - Abri is all about doing the right thing for our customers, for each other, for everyone. We believe in the difference we make and stand up for it every day.
- **Always curious** - we're always learning. That's how we grow. Try new things and love the opportunities that change brings.
- **Achieving together** - we are one Abri. Everyone, united across the business. Working together to deliver our purpose.
- **Own it openly** - we trust and respect each other and work together in an open, honest way.
- **Embrace possibility** - change makes everything possible. But you have to lead it, drive it and embrace it with positive energy. That's how we'll spot our opportunities, step up and make it happen.

EQUALITY, DIVERSITY, AND INCLUSION

We are committed to providing equal opportunities to our employees, underpinned by a working environment that is inclusive and free from discrimination or harassment. The Group is flexible and considers all reasonable requests from existing and prospective employees in relation to any disability, impairment or change in circumstance.

The organisation collects colleague and customer data on protected characteristics to support a data driven and intelligence led approach to EDI and helps raise awareness of our commitment to EDI among colleagues, customers, and stakeholders. Our approach to EDI is also supported by learning and development opportunities.

Equality, Diversity and Inclusion Strategy

Abri's second Equality, Diversity, and Inclusion (EDI) strategy and action plan was approved by the Group Board in September 2023 and refocused our approach on the following four themes:

1. Inclusive community engagement.
2. Improved life chances for all.
3. Zero tolerance of discrimination, abuse, anti-social behaviour and hate crime.
4. Creating a diverse, learning organisation.

EQUALITY, DIVERSITY, AND INCLUSION (continued)

Equality, Diversity and Inclusion Strategy (continued)

The strategy is delivered through a related action plan; two new groups were established to facilitate this

- The EDI Committee meet every quarter to discuss issues relating to inclusion and seek out good practice and innovation to continue our EDI journey.
- The EDI Champions meet every two months and they promote, celebrate, and raise awareness of EDI issues within Abri. The champions have convened task and finish groups to improve communications for customers with special needs and participated in National Inclusion Week.

There have been changes in legislation since the strategy and action plan were first written. Actions have been reworked to reflect EDI requirements under the Social Housing (Regulation) Act 2023, Codes of practice, Housing Ombudsman guidance and Abri's revised resident involvement offer. Work is also continuing with the community investment team to ensure that any EDI actions arising from major projects are included in the action plan.

Delivering Abri's EDI vision will challenge everyone to think and act differently — about the homes and communities they help to build, the services they provide and how they engage with every single type of customer. It will require us to create a truly diverse workforce that understands and is sensitive to the attitudes, needs and behaviours of all its customers. It will also broaden colleagues' understanding of what success looks like, beyond internally focused metrics about representation and feelings of inclusion and belonging, expanding that vision outward into our communities.

HEALTH, SAFETY AND WELLBEING

The Health, safety and wellbeing of our customers and colleagues is critical to everything we do. Our governance structure maintains comprehensive oversight of our performance to ensure that we are meeting statutory obligations and drive a best practice approach to addressing the risks associated with our operations to help deliver our strategic objectives.

Abri is a signatory of the Building Safety Charter and was awarded a 'Certificate of Commitment and Progress – Building Safety Stage One: Leadership and Culture' as a Building Safety Champion. Abri is also a corporate member of the Association of Safety and Compliance Professionals helping us keep up to date with all current landlord safety developments and requirements.

Monitoring and reporting

Scrutiny of all landlord safety compliance data by the Landlord Compliance Department provides assurance regarding our ongoing compliance with statutory requirements. Routine data validation is a continuous process. This approach is supplemented by specific weekly assurance reviews of Electrical Safety (EICR) and Gas Safety (LGSR) performance, monthly Landlord Health & Safety Group meetings and a Fire Safety Steering Group which review real time performance towards our targets.

A monthly Health and Safety Performance report covering Building, Landlord, Fire, Customer and Occupational Safety, supported by a detailed Key Performance Indicator scorecard, is provided to the Performance Committee, who in turn provide assurance to the Executive Board.

Quarterly Health, Safety and Wellbeing performance reports, including landlord compliance data and accident and incident reporting, are presented to the Audit and Risk Committee, and to the Group Board where required.

HEALTH, SAFETY AND WELLBEING (continued)

The Building Safety Act 2022 and Social Housing (Regulation) Act 2023

To ensure compliance with the provisions of the Building Safety Act 2022 and to address the requirements of the Social Housing (Regulation) Act 2023, we have:

- A Landlord Compliance Department monitoring and verifying our Fire, Legionella, LOLER, Asbestos, Gas and Electrical safety compliance activity, with a data compliance expert driving continuous improvement through data validation and exception reviews across our housing management systems;
- A Property Care Department resolving Fire, Legionella, LOLER and Asbestos obligations, addressing the general maintenance of Abri's property portfolio and ensuring that all our buildings over 18m in height are registered with the Building Safety Regulator;
- A Safer Homes Department focused on Gas and Electrical safety compliance;
- A Homecare Quality Assurance Department resolving damp and mould cases in customer's homes;
- An Asset and Sustainability Department delivering a portfolio of building safety cases for our higher rise residential buildings;
- A Health, Safety and Wellbeing Department driving and advising on health and safety compliance across our operational and customer facing activities;
- Front line staff in our Development and Homecare functions with responsibility for building safety compliance and proactively reporting issues such as damp and mould.

Fire Safety (England) Regulations 2022

To meet the requirements of the Fire Safety (England) Regulations 2022 Abri has provided details of the external wall systems to the relevant local Fire and Rescue Services for all buildings greater than 18m in height. Annual fire risk assessments are carried out on all buildings over 18m in height. Fire risk assessments for medium to low rise stock are undertaken every three years, unless issues have been identified meaning that annual assessments are required due to the level of risk or the vulnerability of customers in the property.

Damp and mould

Abri has a robust approach to assessing damp and mould and we are committed to acting quickly to get to the root cause of any problem identified. Our aim is to prevent cases becoming a category 1 or 2 hazard and to proactively identify and minimise any impact on our customers. Abri has:

- A dedicated Homecare Quality Assurance Department with a team of surveyors who monitor and provide oversight on disrepair cases through site inspections and weekly disrepair meetings;
- A timely response to complex repair cases and emergency situations from our operational teams, with oversight and co-ordination from the Quality Assurance Department;
- An operational Service Improvement Group which meets monthly to ensure a co-ordinated companywide approach to service improvements;
- An established contractual partnership with an independent damp and mould specialist to survey and provide independent reports;
- Internal damp and mould operatives in each geographical area;
- A process ensuring that every void property is reviewed to assess its suitability for ventilation systems and, if required, appropriate systems are fitted prior to the new tenancy starting;
- Damp and mould awareness training with our contact centre and frontline colleagues to enable them to identify and prioritise cases;

HEALTH, SAFETY AND WELLBEING (continued)

Damp and mould (continued)

- A companywide 'See Something, Say Something' campaign, empowering all colleagues and external contractors to report anything that they see which isn't right in our homes and neighbourhoods;
- Stock condition surveys on a 5-year rolling programme;
- Created a predictive model of households which are most likely to have damp and mould, so we can proactively contact customers most at risk;
- A reporting scorecard that provides a holistic view of damp and mould cases across our property portfolio and tracks progress of remedial actions; and
- Monthly performance reporting to the Performance Committee and Executive Board.

Safety and Resilience Strategy

The implementation of Abri's Safety and Resilience Strategy supports the organisation's strategic objectives. It addresses our obligations under the Health and Safety at Work Act 1974, and other relevant statutory provisions, including The Management of Health and Safety at Work Regulations 1999 and the Equality Act 2010. The Strategy also addresses the need to ensure that Business Continuity and Emergency Planning programmes exist to mitigate risks and any impacts associated with disruptions to our services. We are averse to any risks that could threaten the delivery of our services to our customers or adversely affect the safety of our customers, colleagues, contractors, or the public. As such we will always seek to minimise such risks to the lowest practical level.

ACQUISITION OF OWN SHARES

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

POST BALANCE SHEET EVENTS

On 9 April 2024 an application to strike off Inspired to Achieve Limited was filed with Companies House, the entity was subsequently struck off on 25 June 2024 and dissolved on 2 July 2024.

On 27 June 2024 the Group exchanged contracts for the sale of 138 (Society: 62) market rented units for proceeds of £16.4m (Society: £8.0m). The carrying value of the units within investment properties at the reporting date had been determined using offer prices and as such the disposal gave rise to no surplus or deficit. Sales had not been completed by the date of singing of this report.

GOING CONCERN

In recent years, several factors – a global pandemic, followed by Russia's invasion of Ukraine, both significant contributors to the resulting cost of living crisis and the consequential rise in interest rates – have all significantly impacted going concern assessments. Whilst certain elements, most notably geo-political instability, continue to exist, others have gradually faded as we adjust to a new normal

The introduction of The Social Housing (Regulation) Act 2023 by the Government, and new Tenant Satisfaction Measures by the Regulator of Social Housing resulted in new and additional compliance responsibilities for the organisation. The Group also continues to operate in a post-Brexit environment, in a sector where regulations surrounding fire safety and the environment have evolved, alongside reformed ownership models.

GOING CONCERN (continued)

Whilst such factors are evident in our financial results this year, it is positive to note that they do not have a material adverse impact. Nevertheless, they remain key considerations in setting our budgets for the financial year ahead, and more significantly in our long-term plans.

The assumptions in our business plans - interest rates, inflation, demand for property and legislative impact amongst others - are subjected to a range of stress testing, to identify areas of risk or concern, with a particular focus on continued covenant compliance and appropriate mitigation - such as fixing interest rates or exploring new methods of delivery of housing supply - where possible. Our forecasting is evaluated against several key performance indicators, with overlap to those reviewed by external parties such as the Regulator of Social Housing and credit referencing agencies.

The Board has prepared cashflow forecasts covering a period of 19 months from the date of approval of these financial statements. Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that there are no material uncertainties that cast doubt on the Group or Society's ability to continue as a going concern as we are well placed to absorb the impact of changes that lay ahead.

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

EXTERNAL AUDITOR

BDO LLP has indicated their willingness to continue in office as auditor to the Abri Group, and a resolution to appoint them will be proposed at the forthcoming annual general meeting.

APPROVAL OF THE BOARD

The Directors' Report was approved by the Board on 19 August 2024 and signed on its behalf by:

Wayne Morris
Director

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Board Members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board Members to prepare financial statements for each financial year. Under that law the Board Members have elected to prepare the Society's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board Members 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and society will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board Members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the Group'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 Group's website is the responsibility of the Board Members. The Board Members responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRI GROUP LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Society's affairs as at 31 March 2024 and of the Group's and the Society's surplus for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

Basis for opinion

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

Independence

Following the recommendation of the Audit and Risk Committee, we were first appointed by the Board to audit the financial statements for the year ending 31 March 2017 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is seven years, covering the years ending 2017 to 2024.

We remain independent of the Group and the Parent Society 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Society.

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. Our evaluation of the Board's assessment of the Group and the Parent Society's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's assessment that supports the Board's conclusions with respect to the appropriateness of the going concern basis.
- We assessed the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast and also have a high level understanding of the entity's market, strategy and profile in the customer base, and the potential impact that current economic pressures might have on these projections.
- We considered the forecasts prepared by management and challenged the key assumptions based on our knowledge of the business.
- Scenarios modelled by management include a range of stress tests to analyse the impact of risks from the emerging change in inflation, high interest rates and possible lower rent settlements from the Government. We challenged the assumptions used and mitigating actions included within this scenario and reviewed the stress test calculations.
- We challenged management on the suitability of the mitigating actions identified by management in their assessment and the quantum and period ascribed to these mitigating actions.
- We considered the appropriateness of management's forecasts by testing their mechanical accuracy, assessing historical forecasting accuracy and understanding management's consideration of downside sensitivity analysis.
- We obtained and assessed the availability of financing facilities, including the nature of facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations through to March 2026 and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements. We assessed the facility and covenant headroom calculations and re-performed sensitivities on management's base case and stressed case scenarios.
- We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRI GROUP LIMITED (continued)

Overview

Coverage	*100% (2023: 89% of Group surplus before tax* *90% (2023: 100%) of Group revenue* *75% (2023: 99%) of Group total assets*
Key audit matters	<table><tr><td></td><td>2024</td><td>2023</td></tr><tr><td>The recoverable amount of property developed for sale is materially misstated.</td><td>✓</td><td>✓</td></tr></table>
Materiality	*Group financial statements as a whole:* £44.9m is calculated based on 1.3% of total assets (2023: £6.8m based on 7.8% of adjusted operating surplus as defined by the entity's lending covenants) *Group specific materiality* £5.4m based on 1.8% of turnover (2023: N/A) This reflects that in certain financial statement areas misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement.

A full scope statutory audit was carried out for all subsidiary undertakings. Audit work on all components was performed, both for the purposes of reporting on the individual financial statements and for group/consolidation purposes. We identified five components which, in our view, required an audit of their complete financial information due to their size or risk characteristics and were therefore considered to be significant components.

Abri Group Limited (Parent), The Swaythling Housing Society Limited and Silva Homes Limited were identified as significant components due to their size and risk characteristics. Yarlington Treasury Services plc and Radian Capital plc were identified as significant components due to their risk characteristics.

Audit work on all components was performed by BDO UK, excluding Silva Homes Limited, Forest Future Homes Limited and the following joint venture entities: Thakeham Pease Pottage LLP, Linden (Sayers Common) LLP, Lovell/Abri Weymouth LLP, Thakeham West Horsley LLP and Countryside Abri Ford North LLP. None of the joint venture entities were significant individually or in aggregate to the Group.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRI GROUP LIMITED (continued)

An overview of the scope of our audit (continued)

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Issue of group reporting instructions, which included the significant areas to be covered by their audit (including all significant risks identified by the Group audit team), materiality levels, and required procedures relating to irregularities and fraud. The instructions also set out the information required to be reported to the Group audit team;

- Regular communication with the component auditor throughout the planning, execution and completion stages of the audit;

- Meetings were held as necessary between the Group and component audit team which allowed for constant communication throughout the audit, ensuring that areas of interest for the Group audit were flagged in a timely manner; and

- Review of component auditors' working papers by senior members of the Group audit team, with additional challenge and specific work requests to ensure alignment with conclusions drawn.

K*ey audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

An overview of the scope of our audit (continued)

Key audit matters (continued)

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>The recoverable amount of property developed for sale is materially misstated

As explained in the note 2 accounting policies, properties developed for sale, including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and net realisable value resulting in an amount recognised in the balance sheet of £66.6m.</td><td>For completed properties at the balance sheet date an assessment is needed of the anticipated selling price.

For properties in development at the balance sheet date, an assessment is needed of an anticipated selling price and a determination of the expected costs to complete and sell.

This area also represents a key area of estimation uncertainty for management, as described on page 76.

Due to the volume of property developed for sale and the inherent estimation uncertainty in determining both sales proceeds and costs to complete we considered there to be a significant risk that the carrying amount of properties developed for sale is misstated and was therefore a key audit matter.</td><td>We obtained management's assessment of the recoverable amount of properties developed for sale as part of their year end procedures. For a sample of property developed for sale, we have:

1. For forecasts sales price:
• agreed proceeds to completion statements for completed units sold after the year end.
• for completed units not sold after year end, obtained evidence of sales reservations on the property, third party formal valuation of the property; sale prices achieved for similar units in the year, valuation of properties for marketing purposes and other selling prices of similar properties in the locality.

2. For costs to complete:
• obtained details of the expected costs to complete for that development and agreed the budgeted contracted cost of the development to the latest contract documentation.
• obtained the latest valuers report and compared the estimated construction costs against the total contract value taking into account contract variations.
• compared the incurred expenditure recorded to the estimated amount to ensure that the cost to complete estimate reflects actual costs.
• where the scheme has an indicator of impairment, made enquiries of members of the development team for indications of cost overruns, contractor disputes or solvency issues.
• assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year.
• reviewed invoices and valuation certificates booked after year end to assess completeness of expenditure and reasonableness compared to spend forecasts.

3. For costs to sell, where material –
• considered computations of selling costs and compared against known selling costs that have been incurred in the year.

We assessed the sensitivity of the expected out-turn on the schemes selected for testing to changes in selling prices and cost increases expected over the next 12 months.

Key observations:
Based on the evidence obtained we did not identify any indications that the assessments of the recoverable amount made by management were inappropriate.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRI GROUP LIMITED (continued)

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		**Parent Association financial statements**	
	2024	**2023**	**2024**	**2023**
Financial statement materiality				
Materiality	44.9	6.3	27	5.4
Basis for determining materiality	1.3% of total assets	7.8% of adjusted operating surplus	1.3% of total assets	7.8% of adjusted operating surplus
Performance materiality	£33.6m	£4.8m	£20.3	£4.1m
Basis for determining performance materiality	75% of materiality	75% of materiality	75% of materiality	75% of materiality
Specific materiality				
Specific materiality	5.4	N/A	3.3	N/A
Basis for determining specific materiality	1.8% of revenue	N/A	1.8% of revenue	N/A
Specific performance materiality	£4.1m	N/A	£2.5m	N/A
Basis for determining specific performance materiality	75% of materiality	N/A	75% of materiality	N/A

The materiality benchmark in the previous year was adjusted operating surplus. We have reflected on our approach to materiality and concluded that for housing associations key stakeholders are primarily focused on the value of the stable, rented asset portfolio, as their debt is secured on these assets. Total assets is therefore considered to be the appropriate benchmark for determining overall materiality. However, we also determined that for certain other classes of transactions and balances in income and expenditure recognised within the statement of comprehensive income that are used in covenant calculations and sector benchmarking metrics, as well as other financial statement areas such as property for sale stock and rent arrears that are subject to greater scrutiny by key stakeholders, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality calculated using revenue as the benchmark for these balances and transactions. Revenue is considered to be a more stable metric to use for this purpose than adjusted operating surplus and is also more transparent and more easily understood by the users of the financial statements.

Our application of materiality (continued)

We have determined that 75% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by some areas of the financial statements subject to significant estimation uncertainty.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Society whose materiality is set out above, based on a percentage of between 1% and 33% (2023: 1% and 81%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £3,000 to £14.8m (2023: £29,000 to £5.1m). In the audit of each component, we further applied performance materiality level of 75% (2023: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £1,572,000 for financial statement materiality (2024: £190,000) and £189,000 in relation to specific materiality (2023: N/a). and. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 course of 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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative and Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRI GROUP LIMITED (continued)

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members 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 Group and the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

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

we considered the significant laws and regulations to be Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Regulator of Social Housing's Regulatory Standards, employment law, Financial Conduct Authority ("FCA") regulations, data protection and health and safety legislation.

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

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

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override through accounting estimates and inappropriate journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the net realisable value of properties developed for sale (see Key Audit Matter), the value of defined benefit pension liabilities and the valuation of investment properties.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRI GROUP LIMITED (continued)

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Paula Willock
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Paula Willock
For and on behalf of BDO LLP, Statutory Auditor
London, UK
22 August 2024

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

GROUP STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	302,148	263,852
Cost of sales	3	(33,689)	(37,099)
Operating costs	3	(192,969)	(171,445)
Surplus from disposal of fixed assets	3	23,037	18,650
Operating surplus		**98,527**	**73,958**
Finance income	4	9,348	6,505
Finance costs	5	(51,143)	(40,032)
Refinancing Costs		271	-
Fair value movement on financial instruments	17	(30)	(187)
Fair value movement on investment properties	13	(2,476)	(665)
Share of surplus in jointly controlled entities	15	1,314	4,298
Gift arising from business combination	36	464,423	-
Surplus on ordinary activities before tax	6	**520,234**	**43,877**
Tax charge for the year	7	(1,298)	(4,334)
Surplus on ordinary activities after tax		**518,936**	**39,543**
Other comprehensive income			
Actuarial (losses)/gains on defined benefit pension schemes	26	(757)	23,814
Tax credit recognised in other comprehensive income	7	782	3,724
Fair value movement on cash flow hedge	31	233	4,887
Total comprehensive income		**519,194**	**71,968**

All activities derive from continuing operations.

The notes on pages 66 to 124 form part of these financial statements.

SOCIETY STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	186,861	183,349
Cost of sales	3	(11,547)	(19,641)
Operating costs	3	(125,867)	(126,483)
Surplus from disposal of fixed assets	3	17,657	13,055
Operating surplus		**67,104**	**50,280**
Finance income	4	10,322	7,305
Finance costs	5	(37,401)	(35,057)
Refinancing costs		270	-
Fair value movement on financial instruments	17	(30)	(187)
Fair value movement on investment properties	13	1,969	(1,239)
Gift aid	26	16,282	14,022
Surplus on ordinary activities before tax	6	**58,516**	**35,124**
Tax credit for the year	7	-	79
Surplus on ordinary activities after tax		**58,516**	**35,203**
Other comprehensive income			
Actuarial gains on defined benefit pension schemes	26	3,158	29,144
Fair value movement on cash flow hedge	31	233	4,887
Total comprehensive income		**61,907**	**69,234**

All activities derive from continuing operations.

The notes on pages 66 to 124 form part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	10	37	23
Housing properties	11	3,043,136	2,252,040
Other fixed assets	12	17,715	13,135
Investment properties	13	67,143	69,619
Equity loans	14	26,908	28,185
Investments	15	6,562	7,013
		3,161,501	**2,370,015**
Current assets			
Properties for sale	16	99,280	80,501
Inventories		974	783
Receivables – amounts due within one year	17	28,995	58,952
Receivables – amounts due after one year	17	93,892	64,706
Cash and cash equivalents		62,770	65,016
		285,911	**269,958**
Payables: amounts due within one year	18	(122,934)	(98,427)
Net current assets		**162,977**	**171,531**
Total assets less current liabilities		**3,324,478**	**2,541,546**
Payables: amounts due after one year	19	(1,404,325)	(1,213,374)
Provisions	20	(5,159)	(5,412)
Deferred capital grant due after one year	23	(740,094)	(653,721)
Equity loan grant	14	(22,453)	(23,474)
Pension liability	26	(19,287)	(31,599)
Net assets		**1,133,160**	**613,966**
Capital and reserves			
Share Capital	28	0	0
Revenue reserve		1,012,216	490,694
Revaluation reserve		122,464	125,025
Cash flow hedge reserve	32	(1,520)	(1,753)
Group funds		**1,133,160**	**613,966**

The notes on pages 66 to 124 form part of these financial statements. The consolidated financial statements of Abri Group Limited, registered society number 8537, on pages 59 to 124 approved by the Board and authorised for issue on 19 August 2024 and signed on its behalf by:

Wayne Morris	**Joanna Makinson**	**Sarah Pearson**
Director	Director	Company Secretary

SOCIETY STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Housing properties	11	1,792,320	1,669,752
Other fixed assets	12	4,239	3,768
Investment properties	13	19,368	17,399
Investments	15	5,335	11,260
		1,821,262	**1,702,179**
Current assets			
Properties for sale	16	66,614	44,492
Receivables – amounts due within one year	17	62,127	88,862
Receivables – amounts due after one year	17	102,849	64,706
Cash and cash equivalents		24,402	31,086
		255,992	**229,146**
Payables: amounts due within one year	18	(53,112)	(32,650)
Net current assets		**202,880**	**196,496**
Total assets less current liabilities		**2,024,142**	**1,898,675**
Payables: amounts due after one year	19	(924,673)	(939,945)
Provisions	20	(332)	(375)
Deferred capital grant due after one year	23	(383,138)	(293,044)
Pension liability	26	(16)	(11,235)
Net assets		**715,983**	**654,076**
Capital and reserves			
Share Capital	28	0	0
Revenue reserve		595,039	530,804
Revaluation reserve		122,464	125,025
Cash flow hedge reserve	32	(1,520)	(1,753)
Society's funds		**715,983**	**654,076**

The notes on pages 66 to 124 form part of these financial statements. The consolidated financial statements of Abri Group Limited, registered society number 8537, on pages 59 to 124 approved by the Board and authorised for issue on 19 August 2024 and signed on its behalf by:

Wayne Morris	**Joanna Makinson**	**Sarah Pearson**
Director	Director	Company Secretary

GROUP STATEMENT OF CHANGES IN RESERVES

	Share capital £'000	Revenue reserve £'000	Revaluation reserve £'000	Cash flow hedge reserve £'000	Total £'000
At 31 March 2022	**0**	**421,245**	**127,393**	**(6,640)**	**541,998**
Surplus on ordinary activities after tax	-	39,543	-	-	**39,543**
Tax credit recognised in other comprehensive income	-	3,724	-	-	**3,724**
Actuarial gains on defined benefit pension schemes	-	23,814	-	-	**23,814**
Gain on financial derivatives	-	-	-	4,887	**4,887**
Release from revaluation reserve	-	2,368	(2,368)	-	**-**
At 31 March 2023	**0**	**490,694**	**125,025**	**(1,753)**	**613,966**
Surplus on ordinary activities after tax	-	518,936	-	-	**518,936**
Tax credit recognised in other comprehensive income	-	782	-	-	**782**
Actuarial loss on defined benefit pension schemes	-	(757)	-	-	**(757)**
Gain on financial derivatives	-	-	-	233	**233**
Release from revaluation reserve	-	2,561	(2,561)	-	**-**
At 31 March 2024	**0**	**1,012,216**	**122,464**	**(1,520)**	**1,133,160**

The notes on pages 66 to 124 form part of these financial statements.

SOCIETY STATEMENT OF CHANGES IN RESERVES

	Share capital £'000	Revenue reserve £'000	Revaluation reserve £'000	Cash flow hedge reserve £'000	Total £'000
At 31 March 2022	**0**	**464,089**	**127,393**	**(6,640)**	**584,842**
Surplus on ordinary activities after tax	-	35,203	-	-	**35,203**
Actuarial gains on defined benefit pension schemes	-	29,144	-	-	**29,144**
Gain on financial derivatives	-	-	-	4,887	**4,887**
Release from revaluation reserve	-	2,368	(2,368)	-	**-**
At 31 March 2023	**0**	**530,804**	**125,025**	**(1,753)**	**654,076**
Surplus on ordinary activities after tax	-	58,516	-	-	**58,516**
Actuarial gains on defined benefit pension schemes	-	3,158	-	-	**3,158**
Gain on financial derivatives	-	-	-	233	**233**
Release from revaluation reserve	-	2,561	(2,561)	-	**-**
At 31 March 2024	**0**	**595,039**	**122,464**	**(1,520)**	**715,983**

The notes on pages 66 to 124 form part of these financial statements.

GROUP STATEMENT OF CASH FLOWS
Year ended 31 March 2024

	2024 £'000	2023 £'000
Operating surplus	**98,527**	**73,958**
Adjustments for:		
Depreciation, amortisation and impairments	31,476	27,121
Decrease in provisions	534	(2,627)
Pension expense less cash contribution	(13,889)	(3,786)
(Decrease)/increase in inventories	(191)	(180)
Increase in receivables and prepayments	(681)	(2,464)
Increase in payables and accruals	9,111	72
Cost of sales on stock disposal	43,043	50,039
Cost of properties developed for sale	(48,933)	(60,417)
	19,070	**7,758**
Net cash inflow from operating activities	**118,997**	**81,716**
Cash flows from investing activities		
Purchase of other fixed assets	(5,166)	(798)
Payments to acquire and develop housing properties	(203,530)	(185,289)
Distributions from jointly controlled entities	1,759	1,488
Cash (outflow)/inflow on loans to jointly controlled entities	(7,568)	(17,694)
Finance income	8,740	4,516
Social Housing Grant received	125,608	62,007
Arising on Business Combination	13,356	-
Cash outflow from investing activities	**(66,801)**	**(135,770)**
Cash flow from financing activities		
Finance costs	(57,696)	(48,794)
Refinancing costs	270	-
Loan repayments	(82,466)	(7,963)
Cash inflow from financing including premiums on issue	85,450	25,000
Cash outflow from financing activities	**(54,442)**	**(31,757)**
Net change in cash and cash equivalents	(2,246)	(85,811)
Opening cash as at 1 April	**65,016**	**150,827**
Closing cash as at 31 March	**62,770**	**65,016**

The notes on pages 66 to 124 form part of these financial statements.

1. LEGAL STATUS

The Society is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Society Act 2014 and is also registered with the Regulator of Social Housing as a social housing provider. The Society is a public benefit entity.

2. ACCOUNTING POLICIES

Basis of Preparation

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

Going Concern

In recent years, several factors – a global pandemic, followed by Russia's invasion of Ukraine, both significant contributors to the resulting cost of living crisis and the consequential rise in interest rates – have all significantly impacted going concern assessments. Whilst certain elements, most notably geo-political instability, continue to exist, others have gradually faded as we adjust to a new normal.

The introduction of The Social Housing (Regulation) Act 2023 by the Government, and new Tenant Satisfaction Measures by the Regulator of Social Housing resulted in new and additional compliance responsibilities for the organisation. The Group also continues to operate in a post-Brexit environment, in a sector where regulations surrounding fire safety and the environment have evolved, alongside reformed ownership models.

Whilst such factors are evident in our financial results this year, it is positive to note that they do not have a material adverse impact. Nevertheless, they remain key considerations in setting our budgets for the financial year ahead, and more significantly in our long-term plans.

The assumptions in our business plans - interest rates, inflation, demand for property and legislative impact amongst others - are subjected to a range of stress testing, to identify areas of risk or concern, with a particular focus on continued covenant compliance and appropriate mitigation - such as fixing interest rates or exploring new methods of delivery of housing supply - where possible. Our forecasting is evaluated against several key performance indicators, with overlap to those reviewed by external parties such as the Regulator of Social Housing and credit referencing agencies.

The Board has prepared cashflow forecasts covering a period of 19 months from the date of approval of these financial statements. Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that there are no material uncertainties that cast doubt on the Group or Society's ability to continue as a going concern as we are well placed to absorb the impact of changes that lay ahead.

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

2. ACCOUNTING POLICIES (continued)

Disclosure Exemptions

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

Consolidation

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

Abri Group Limited is the ultimate parent and has taken advantage of the exemption contained in FRS 102 not to disclose transactions or balances with entities which form part of the Group and which are also registered providers. Transactions with subsidiaries and jointly controlled entities which are not registered providers regulated by the Regulation Committee of the Regulator of Social Housing as disclosed in note 33.

The consolidated financial statement incorporates the results of the business combination using the purchase method (see business combination policy) and the results of the acquired operations are included in the Group Statement of Comprehensive Income from the date on which control is obtained.

Operating Segments

As there are publicly traded securities within the Group, we are required to disclose information about our operating segments under IFRS 8. Segmental information is disclosed in note 3 and as part of the analysis of housing properties in note 11. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group rather than geographical location. As permitted by IFRS 8 this is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates.

The Board does not routinely receive segmental information disaggregated by geographical location.

Jointly Controlled Entities

Jointly controlled entities are those where the Group holds a significant equity interest but has no overall control.

In the consolidated financial statements interests in jointly controlled entities are accounted for using the equity method of accounting, under which the equity investment is initially recognised at the transaction price and is subsequently adjusted to reflect the Group's share of the surplus or deficit.

Where the share of equity is negative, a provision is required that represents the Group's obligation to fund a deficit in the jointly controlled entity.

2. ACCOUNTING POLICIES (continued)

Turnover

Turnover represents rental and service charge income (net of void losses), fee income and revenue grant receivable, proceeds from market and first tranche sales, other income, and the amortisation of capital grant.

Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from market and first tranche sales is recognised at the point of legal completion of the sale.

Other income is recognised as receivable on the delivery of services provided. Deferred Capital Grant is released over the life of the asset structure.

Cost of Sales

Cost of sales relates to market and first tranche sales and represents those costs, including direct overheads, capitalised interest and other incidental costs, incurred during development, construction, and marketing of those properties.

On market sales, the cost of sales represents the full construction cost of the unit sold.

On first tranche transactions, the percentage of equity purchased determines the percentage of total unit costs recognised in the Statement of Comprehensive Income.

Help to Buy

Turnover is recognised in relation to Help to Buy on two distinct bases. A fixed quarterly fee for the operation of the contract is recognised as income on a straight-line basis each month, in addition to a fixed fee per case, recognised at the point of completion.

Revenue Grant

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

Service Charge Income and Expenditure

Where service charge income is identifiable it is recorded separately to rental income. Where service charge income is not identifiable it is recorded within rental income.

Where charges are variable, the income will include an adjustment for the under or over recovery from previous years and will be adjusted for under or over recovery in the current year. Until these balances are returned to or recovered from our tenants they are held as payables or receivables on the Statement of Financial Position.

Where charges are fixed, the income will reflect the charges raised in the period, with amounts due from tenants held as receivables on the Statement of Financial Position.

2. ACCOUNTING POLICIES (continued)

Service Charge Income and Expenditure (continued)

Service charge expenditure is disclosed separately and includes the cost of all direct services provided, in addition to an allowance for management costs. Expenditure will also include costs of services provided that are not recoverable from tenants.

Surplus/(Deficit) from Disposal of Fixed Assets

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

Staircasing events include both partial and final transactions, where the purchaser increases or fully acquires the equity in their property. Final staircasing events on houses will involve the disposal of the freehold, whereas on flats, the Group will retain the freehold on the property, reclassifying the unit as a leasehold unit in note 3.

The surplus on sales under the Right to Buy and Right to Acquire legislation is the difference between the proceeds received and the carrying value of the properties, subject to any third-party agreements relating back to Large Scale Voluntary Transfers of housing stock.

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

The surplus recognised on redemptions of equity loans is derived from the market value of the equity holding in the property at the point of sale, less the original loan amount, any provision and any associated grant.

Repairs and Maintenance

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

Finance Income

Interest is earned from cash and cash equivalents, loans made to other entities in the Group, loans made to jointly controlled entities and interest charged on equity loans.

Finance Costs

Interest costs, issue costs, premiums, and discounts are charged to finance costs over the term of debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Included within finance costs are ongoing servicing fees of loans and borrowings, which are charged to the Statement of Comprehensive Income over the review cycle of each facility.

2. ACCOUNTING POLICIES (continued)

Capitalisation of Finance Costs

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

Disclosure of the calculation basis and amounts capitalised is included in notes 5 and 10.

Value Added Tax (VAT)

The Society is part of the Radian VAT Group, the principal VAT group in the Abri Group. As a large proportion of its income is rent, which is exempt for VAT purposes, the Group is subject to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is credited to the Statement of Comprehensive Income on a cash basis.

Pensions

For defined contribution schemes, the amount charged to income and expenditure in respect of pension costs is the employer contribution payable in the year.

For defined benefit schemes, the amounts charged to staff costs within operating costs are those arising from employee services rendered during the period, benefit changes and settlements. The net interest cost on the net defined benefit liabilities is included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets are recognised immediately in other comprehensive income.

Defined benefit schemes are funded with assets of the scheme held separately from those of the Group and administered by The Pensions Trust or local government. Pension scheme assets are measured at fair value and liabilities on an actuarial basis using the projected unit method. Actuarial valuations are updated at each reporting date and full actuarial valuations are obtained at least triennially.

Business Combinations

Where there is a business combination that is in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the statement of comprehensive income.

The gain represents the gift of the value of one entity to another and is recognised as income. Where the fair value of the liabilities exceeds the fair value of the assets, the loss represents the net obligation assumed and shall be recognised as an expense in the statement of comprehensive income, below operating surplus.

Costs directly attributable to the execution of business combinations that are in substance a gift are recognised within the overall gain or loss on the gift of net assets.

Tax

Current tax is recognised for tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. ACCOUNTING POLICIES (continued)

Intangible Assets

The Group has recognised internally generated in-house software applications which are recognised as intangible assets. The assets are recognised at cost and amortised over a straight-line basis over the useful lives of assets, from the date the asset is available for use.

Fixed Assets - Housing Properties

A definitive subset of the Group's housing properties, those owned by Yarlington Housing Group prior to the implementation of FRS 102, are held at deemed cost less accumulated depreciation; the deemed cost was informed by fair values of properties provided by independent third parties. All other housing properties are held at cost less accumulated depreciation. Cost includes acquisition expenditure, development costs and directly attributable administration costs.

The carrying value of housing properties is split between the land, structure and major components which require periodic replacement.

For shared ownership properties, the amount retained in housing properties is the cost of unsold equity (if the first tranche sale has completed) or 60% of the total unit cost (if the first tranche sale is yet to complete).

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties upon practical completion.

Land

Land acquired or donated to the Group will be classified depending on its intended use. Land acquired for the provision of social housing, or where no specific intended use exists, will be treated as a fixed asset. When land is held for speculative purposes, for capital gain, or a commercial rental return it will be accounted for as an investment property.

Depreciation

Freehold Buildings and Components

Depreciation is charged on a straight-line basis over the estimated useful economic life of components on the following annual rates:

- 100 years – structure
- 60 - 70 years – roofs (pitched)
- 30 - 40 years – electrical wiring
- 20 - 30 years – bathrooms, heating systems, fire doors, windows and roofs (flat)
- 20 years – kitchens and photovoltaic panels
- 10 - 15 years – boilers and positive input ventilation systems

Freehold land and Investment Properties are not depreciated and Shared Ownership properties only retain costs within structure, in the absence of a repair liability. When components are replaced, the net book value of existing components is charged to the Statement of Comprehensive Income at the point of disposal as accelerated depreciation on replacement of components.

Depreciation (continued)

2. ACCOUNTING POLICIES (continued)

Leasehold Units

Depreciation is charged on a straight-line basis over the estimated useful economic life of the property, with reference to the term of the lease. Components in leasehold units are depreciated over the useful economic lives outlined above.

Other Fixed Assets

Depreciation is charged on a straight-line basis over the expected useful economic lives of the assets at the following annual rates:

- 50 years - freehold premises
- 10 – 20 years – leasehold improvements
- 3 – 5 years - vehicles, plant and equipment, computers, fixtures and fittings

Investment Properties

Investment properties are commercial properties, housing properties let at market rates or other properties held for investment potential or capital appreciation.

Investment properties are measured at cost on acquisition or initial recognition and subsequently revalued to their market value at least annually with gains and losses recognised in the Statement of Comprehensive Income.

Details of the advisers from whom values are obtained and the basis of valuation adopted are included in note 13.

Investments in Equity Loans

The HomeBuy scheme, now closed to new entrants, was a program of home ownership where loans were advanced by the Group to purchasers of property. The program was funded through a combination of government grant and the Group's own funds. The loan advanced to the purchaser and the amount of grant received are both recorded at cost, less impairment.

The Group has a fixed charge on the property entitling it to a share of the proceeds on the sale of the property. Any capital loss realised on redemption of the loan is initially offset against the government grant, which is held as a long-term liability.

Investments in subsidiaries and associates

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

2. ACCOUNTING POLICIES (continued)

Properties Held for Sale

All unsold market sale and shared ownership properties are classed as current assets at the reporting date and are valued at the lower of cost or estimated selling price less costs to complete and sell.

On shared ownership properties where the first tranche sale has yet to complete, 40% of each units' cost will be recognised as a current asset.

Property held for sale comprises both completed properties and property in the course of construction.

Inventories

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits, and short-term investments with an original maturity date of three months or less.

Cash and cash equivalents also includes cash in sinking fund accounts to which the Group has access on behalf of the beneficiaries of the account.

Provisions

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

Receivables and Payables

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

Recoverable Amount of Rental and Other Trade Receivables

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

Sinking Funds

Sinking funds comprise leasehold sinking funds and scheme provisions.

Leasehold sinking funds are unspent amounts collected from leaseholders for major repairs on leasehold schemes, plus any interest received, and are included in payables. Scheme provisions are scheme funds set aside for major repairs and are included in payables.

2. ACCOUNTING POLICIES (continued)

Financial Instruments

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

Deferred and Recycled Capital Grant

Deferred Capital Grant, predominantly Social Housing Grant, is initially recognised at transaction value as a long-term liability and is amortised to the Statement of Comprehensive Income as turnover over the life of the structure of housing properties, except for grant received in respect of equity loans.

Upon disposal of an asset which has deferred capital grant allocated to it, the cost of the grant is transferred to the Recycled Capital Grant Fund until the grant is reinvested in a replacement property or repaid, reflecting the existing obligation under the Social Housing Grant funding regime. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within liabilities is released to the Statement of Comprehensive Income to cost of sales.

Deferred Tax

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax relating to investment properties that are measured at fair value is recognised using the tax rates and allowances that apply to the sale of the assets. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted at the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented on the Statement of Financial Position as deferred tax assets within receivables. Deferred tax assets and liabilities are offset only if the Society or Group has a legally enforceable right to set off current tax assets against current tax liabilities.

Hedge Accounting

In accordance with FRS 102 Section 12, paragraph 29 the Group accounts for a standalone interest rate swap as a cash flow hedge. The hedge is deemed to be fully effective and the cash flows from the hedging instrument are recognised in the Statement of Comprehensive Income in the relevant period. The changes in fair value, as determined by independent third parties, are recognised are within Other Comprehensive Income and subsequently in the cash flow hedge reserve.

Revaluation Reserve

The Group operates a non-distributable revaluation reserve in respect of the subset of assets previously revalued at deemed cost, as permitted upon adoption of FRS 102.

The revaluation reserve is debited each period to mitigate the impact of additional depreciation charges and higher cost of sales, with the amounts released crediting the revenue reserve.

2. ACCOUNTING POLICIES (continued)

Financial Assets and Liabilities

Loans and Borrowings

The Group's loans and borrowings meet the definition of, and are classified as, basic financial instruments under FRS 102. These instruments are initially recorded at the transaction price. They are subsequently recorded at amortised cost using the effective interest method.

Gilt Holdings

The Group holds UK government gilts within certain liquidity funds and has elected to designate these at fair value through profit or loss under FRS 102 paragraph 11.14 (b).

Leases

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks or rewards of ownership of the leased assets to the entity. All other leases are classified as operating leases.

For finance leases, the amount capitalised is the lower of the present value of the minimum lease payments payable during the lease term of the fair value of the leased asset. The corresponding leasing commitments are shown as the present value of the obligations to the lessor; lease payments consist of a finance charge, which is charged to the Statement of Comprehensive Income in the period, and reduction in the liability.

Rentals under operating leases are accounted for on a straight-line basis over the lease term even if the payments (where the Group is the lessee) and receipts (where the Group is the lessor) are not made or received on that basis.

Critical Judgements, Estimates, and Uncertainty

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

Business Combinations

Judgement is applied in assessing the nature of the business combination, resulting in it being identified as a combination that is in substance a gift, as it was deemed the combination did not meet the criteria for merger accounting to be applied. This judgement consequently had a significant impact on the accounting result in the year, given the value of the gift arising on the fair value of the acquiree’s net assets.

Impairment Review

At each reporting date the Group assesses whether an indicator of impairment exists. If such an indicator exists, assets affected are subject to an impairment review, and the recoverable amount of the asset or cash generating unit is estimated.

The Group defines cash generating units as relevant phases of development schemes across all tenures, except where this approach would lead to a cash generating unit of insufficient size or value; in such instances schemes in a similar geography may be aggregated to form a larger cash generating unit. An impairment loss occurs when the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

Critical Judgements, Estimates, and Uncertainty (continued)

2. ACCOUNTING POLICIES (continued)

Provisions for Fire Safety works

A provision for the replacement of cladding and/or insulation in high rise blocks has been included in accounts where the following criteria has been met:

- tests have confirmed the materials used in construction were defective; and
- our intention to remedy the situation has been clearly communicated to affected residents; and
- The value of remedial works is reliable and informed by quotes from independent third parties.

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

Provisions for Arrears and Other Debtors

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

Current tenant arrears and other debtors are provided for based on their value, in increments of 10% for every £250; amounts greater than £2,500 are therefore fully provided for. Former tenant arrears are provided for in full.

Classification of Investment Properties

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

Where investment properties are being actively marketed for sale at the reporting date, offers made from independent third parties are used instead of external valuations when these offers are lower, as a more accurate indicator of fair value of these properties.

Capitalisation of Property Development Costs

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

Recoverable amount of Properties developed for sale

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

2. ACCOUNTING POLICIES (continued)

Critical Judgements, Estimates, and Uncertainty (continued)

Stock Transfer Agreement

Judgement has been applied in assessing that the carrying value attached to the Stock Transfer Agreement within Silva Homes remains appropriate. This judgement is twofold; firstly that transfer of the agreement to Abri Group Limited will be permissible upon a future Transfer of Engagements, and secondly there remains a sufficient level of future work from which the value is derived – both the obligation to complete works and obtain the resulting benefit from works being completed.

Classification of Loans with Embedded Interest Rate Swaps

We hold loans which carry a variable rate of interest. In some cases, our interest charges have been fixed by the inclusion of embedded interest rate swaps in these agreements for part or the full term of the loan. These loans could be repaid early, and fixes could be broken. This would involve paying a premium to lenders or the lenders paying a discount to us depending on the prevailing interest rate as there are two-way break clauses in our loan agreements.

Considering the requirements and criteria set out in FRS 102, and given our intention and forecasted ability to hold all of these loans to maturity, we consider classification of the loans as ‘basic’ to be appropriate and recognition at amortised cost to be a fair representation of our liabilities.

Fair Value Measurement

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

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

Housing Properties and Components – values and useful economic lives

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

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

Defined Benefit Pension Obligations

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

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

Group			**2024**					**2023**		
Social housing lettings, other social housing and non-social housing activities	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**
Social housing lettings	**244,202**	**-**	**(171,247)**	**-**	**62,955**	**201,461**	**-**	**(154,737)**	**-**	**46,724**
Other social housing activities										
Development administration	46	-	(1,901)	-	**(1,855)**	88	-	(2,740)	-	**(2,652)**
First tranche sales	34,907	(26,265)	(1,905)	-	**6,737**	44,557	(33,875)	(1,644)	-	**9,038**
Disposal of fixed assets	-	-	-	23,037	**23,037**	-	-	-	18,650	**18,650**
Support services	874	-	(1,571)	-	**(697)**	945	-	(1,896)	-	**(951)**
Other	256	-	(487)	-	**(231)**	160	-	(421)	-	**(261)**
	36,083	**(26,265)**	**(5,864)**	**23,037**	**26,991**	**45,750**	**(33,875)**	**(6,701)**	**18,650**	**23,824**
Non-social housing activities										
Market rent properties	4,060	-	(1,335)	-	**2,725**	3,593	-	(1,275)	-	**2,318**
Market sales	9,405	(7,382)	(70)	-	**1,953**	3,446	(2,688)	(41)	-	**717**
Help to Buy agency	392	-	(448)	-	**(56)**	3,029	-	(2,739)	-	**290**
Garages	2,658	-	(447)	-	**2,211**	1,955	-	(281)	-	**1,674**
Photovoltaics	686	-	(124)	-	**562**	724	-	(104)	-	**620**
Other	4,662	(42)	(3,434)	-	**1,186**	3,894	(536)	(5,567)	-	**(2,209)**
	21,863	**(7,424)**	**(5,858)**	**-**	**8,581**	**16,641**	**(3,224)**	**(10,007)**	**-**	**3,410**
Total	**302,148**	**(33,689)**	**(192,969)**	**23,037**	**98,527**	**263,852**	**(37,099)**	**(171,445)**	**18,650**	**73,958**

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

Group	**2024**					**2023**				
Social housing lettings	**General needs housing £'000**	**Housing for older people £'000**	**Shared ownership £'000**	**Other social housing £'000**	**Total £'000**	**General needs housing £'000**	**Housing for older people £'000**	**Shared ownership £'000**	**Other social housing £'000**	**Total £'000**
Turnover										
Rent receivable net of identifiable service charges (net of voids)	180,587	19,623	15,418	13,383	**229,011**	145,816	17,169	12,100	12,664	**187,749**
Service charge income	3,800	3,158	2,040	101	**9,099**	3,858	2,535	1,621	106	**8,120**
Net rental income	**184,387**	**22,781**	**17,458**	**13,484**	**238,110**	**149,674**	**19,704**	**13,721**	**12,770**	**195,869**
Amortisation of capital grant	4,001	616	695	780	**6,092**	3,873	352	590	777	**5,592**
Net turnover	**188,388**	**23,397**	**18,153**	**14,264**	**244,202**	**153,547**	**20,056**	**14,311**	**13,547**	**201,461**
Operating costs										
Management	(42,596)	(4,893)	(6,016)	(1,879)	**(55,384)**	(36,180)	(4,701)	(5,457)	(2,298)	**(48,636)**
Service charge costs	(11,312)	(1,299)	(1,598)	(499)	**(14,708)**	(8,502)	(1,105)	(1,282)	(540)	**(11,429)**
Routine maintenance	(34,658)	(3,982)	-	(1,529)	**(40,169)**	(33,654)	(4,373)	-	(2,137)	**(40,164)**
Planned maintenance	(14,113)	(1,621)	-	(623)	**(16,357)**	(10,416)	(1,353)	-	(662)	**(12,431)**
Major repairs expenditure	(14,457)	(1,678)	-	(645)	**(16,780)**	(8,902)	(1,620)	-	(792)	**(11,314)**
Bad debts	(1,027)	(118)	(145)	(45)	**(1,335)**	(895)	(116)	(135)	(57)	**(1,203)**
Impairment of housing properties	(325)				**(325)**	-	-	-	-	**-**
Depreciation of housing properties	(27,134)	(2,380)	(2,433)	(2,181)	**(34,128)**	(21,577)	(2,302)	(1,866)	(2,116)	**(27,861)**
Loss on disposal of components	(1,471)	(502)	-	(88)	**(2,061)**	(1,459)	(159)	-	(81)	**(1,699)**
	(147,092)	**(16,474)**	**(10,191)**	**(7,490)**	**(181,247)**	**(121,585)**	**(15,729)**	**(8,740)**	**(8,683)**	**(154,737)**
Operating surplus	**41,296**	**6,923**	**7,962**	**6,774**	**62,955**	**31,962**	**4,327**	**5,571**	**4,864**	**46,724**
Void losses	*(1,262)*	*(521)*	*(43)*	*(105)*	***(1,931)***	*(1,127)*	*(441)*	*(38)*	*(164)*	***(1,770)***

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

Society	2024					2023				
Social housing lettings, other social housing and non-social housing activities	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**	**Turnover £'000**	**Cost of sales £'000**	**Operating costs £'000**	**Surplus on asset disposals £'000**	**Operating surplus/ (deficit) £'000**
Social housing lettings	**166,180**	**-**	**(119,406)**	**-**	**46,774**	**153,365**	**-**	**(117,915)**	**-**	**35,450**
Other social housing activities										
Development administration	-	-	(1,210)	-	**(1,210)**	-	-	(2,065)	-	**(2,065)**
First tranche sales	15,100	(11,547)	(1,428)	-	**2,125**	25,219	(19,641)	(1,230)	-	**4,348**
Disposal of fixed assets	-	-	-	17,657	**17,657**	-	-	-	13,055	**13,055**
Support services	795	-	(1,096)	-	**(301)**	945	-	(1,854)	-	**(909)**
Other	58	-	(365)	-	**(307)**	(5)	-	(316)	-	**(321)**
	15,953	**(11,547)**	**(4,099)**	**17,657**	**17,964**	**26,159**	**(19,641)**	**(5,465)**	**13,055**	**14,108**
Non-social housing activities										
Market rent properties	705	-	(396)	-	**309**	381	-	(330)	-	**51**
Garages	1,806	-	(243)	-	**1,563**	1,813	-	(252)	-	**1,561**
Photovoltaics	458	-	(90)	-	**368**	517	-	(80)	-	**437**
Other	1,759	-	(1,633)	-	**126**	1,114	-	(2,441)	-	**(1,327)**
	4,728	**-**	**(2,362)**	**-**	**2,366**	**3,825**	**-**	**(3,103)**	**-**	**722**
Total	**186,861**	**(11,547)**	**(125,867)**	**17,657**	**67,104**	**183,349**	**(19,641)**	**(126,483)**	**13,055**	**50,280**

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

Society	2024					2023				
Social Housing Lettings	**General needs housing £'000**	**Supported / housing for older people £'000**	**Shared ownership £'000**	**Other social housing £'000**	**Total £'000**	**General needs housing £'000**	**Supported / housing for older people £'000**	**Shared ownership £'000**	**Other social housing £'000**	**Total £'000**
Turnover										
Rent receivable net of identifiable Service charges (net of voids)	126,357	17,111	6,445	7,386	**157,299**	116,318	15,841	5,508	7,080	**144,747**
Service charge income	2,745	2,474	845	99	**6,163**	3,143	2,351	632	105	**6,231**
Net rental income	**129,102**	**19,585**	**7,290**	**7,485**	**163,462**	**119,461**	**18,192**	**6,140**	**7,185**	**150,978**
Amortisation of capital grant	1,780	467	267	204	**2,718**	1,729	241	221	196	**2,387**
Net turnover	**130,882**	**20,052**	**7,557**	**7,689**	**166,180**	**121,190**	**18,433**	**6,361**	**7,381**	**153,365**
Operating costs										
Management	(28,781)	(4,129)	(2,557)	(1,054)	**(36,520)**	(28,302)	(4,126)	(2,382)	(1,319)	**(36,129)**
Service charge costs	(8,145)	(1,168)	(724)	(298)	**(10,335)**	(6,886)	(1,004)	(579)	(321)	**(8,790)**
Routine maintenance	(23,032)	(3,304)	-	(844)	**(27,180)**	(26,599)	(3,877)	-	(1,240)	**(31,716)**
Planned maintenance	(10,404)	(1,492)	-	(381)	**(12,277)**	(8,677)	(1,265)	-	(404)	**(10,346)**
Major repairs expenditure	(6,525)	(942)	-	(240)	**(7,707)**	(5,777)	(911)	-	(292)	**(6,980)**
Bad debts	(897)	(129)	(80)	(32)	**(1,138)**	(698)	(102)	(59)	(33)	**(892)**
Depreciation of housing properties	(18,258)	(2,192)	(1,038)	(1,101)	**(22,589)**	(17,658)	(2,122)	(840)	(1,043)	**(21,663)**
Loss on disposal of components	(1,214)	(391)	-	(55)	**(1,660)**	(1,203)	(140)	-	(56)	**(1,399)**
	(97,255)	**(13,747)**	**(4,398)**	**(4,006)**	**(119,406)**	**(95,800)**	**(13,547)**	**(3,860)**	**(4,708)**	**(117,915)**
Operating surplus	**33,627**	**6,305**	**3,159**	**3,683**	**46,774**	**25,390**	**4,886**	**2,501**	**2,673**	**35,450**
Void losses	*(814)*	*(462)*	*(33)*	*(81)*	***(1,390)***	*(935)*	*(425)*	*(37)*	*(125)*	***(1,522)***

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

Group		2024			2023	
Surplus on disposal of fixed assets	**Sale proceeds £'000**	**Cost of Sales £'000**	**Surplus £'000**	**Sale proceeds £'000**	**Cost of Sales £'000**	**Surplus £'000**
Staircasing	7,961	(3,993)	**3,968**	11,521	(5,937)	**5,584**
Right to Buy/Acquire	1,079	(919)	**160**	4,079	(1,569)	**2,510**
Existing unit sales	21,412	(4,033)	**17,379**	10,142	(2,251)	**7,891**
Equity loan redemptions	2,173	(1,347)	**826**	3,378	(2,156)	**1,222**
Other fixed assets	704	-	**704**	3,750	(2,307)	**1,443**
Total	**33,329**	**(10,292)**	**23,037**	**32,870**	**(14,220)**	**18,650**

Group

Stock Units	**2023 Number**	**2024 Business Combination**	**2024 Additions**	**2024 Disposals**	**2024 Reclass**	**2024 Number**
Social Housing Properties - Owned and managed						
General needs housing*	25,003	6,172	384	(133)	190	31,616
Supported/housing for older people	3,249	386	-	-	(3)	3,632
Shared ownership	3,771	475	267	(30)	(18)	4,465
Other social housing	1,588	-	-	-	(193)	1,395
	33,611	**7,033**	**651**	**(163)**	**(24)**	**41,108**
Owned and managed - non-social						
Market rent housing	407	-	-	-	-	407
	34,018	**7,033**	**651**	**(163)**	**(24)**	**41,515**
Other						
Owned/Not Managed – Leasehold**	1,654	1,079	-	(4)	28	2,757
Owned/Not Managed - Market sale	1	-	27	(24)	(4)	**-**
Equity Loans	752	-	-	(36)	-	716
Total	**36,425**	**8,112**	**678**	**(227)**	**-**	**44,988**
Non-Housing Properties	4,453	3,115	8	(1)	-	7,575
Total Units	**40,878**	**11,227**	**686**	**(228)**	**-**	**52,563**
Properties under construction	***2,162***					***2,375***

** Includes 1,251 units managed in partnership for Affinity Housing Services (2023: 1,253)*
*** Leasehold housing represents those units where the freehold has been retained.*

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

Society		2024			2023	
Surplus on disposal of fixed assets	**Sale proceeds £'000**	**Cost of Sales £'000**	**Surplus £'000**	**Sale proceeds £'000**	**Cost of Sales £'000**	**Surplus £'000**
Staircasing	3,263	(1,779)	**1,484**	4,901	(2,862)	**2,039**
Right to Buy/Acquire	1,027	(611)	**416**	3,824	(1,503)	**2,321**
Existing unit sales	19,634	(3,899)	**15,735**	9,382	(2,130)	**7,252**
Other fixed assets	206	(184)	**22**	3,750	(2,307)	**1,443**
Total	**24,130**	**(6,473)**	**17,657**	**21,857**	**(8,802)**	**13,055**

Society

Stock Units	**2023 Number**	**2024 Additions**	**2024 Disposals**	**2024 Reclass**	**2024 Number**
Social Housing Properties - Owned and managed					
General needs housing*	20,429	228	(123)	191	20,725
Supported/housing for older people	2,978	-	-	(5)	2,973
Shared ownership	1,719	141	(11)	(8)	1,841
Other social housing	952	-	-	(193)	759
	26,078	**369**	**(134)**	**(15)**	**26,298**
Owned and managed - non-social					
Market rent housing	68	-	-	-	68
	26,146	**369**	**(134)**	**(15)**	**26,366**
Other					
Owned/Not Managed – Leasehold**	1,157	-	(1)	15	1,171
Total	**27,303**	**369**	**(135)**	**-**	**27,537**
Non-Housing Properties	**4,170**	2	-	-	**4,172**
Total Units	**31,473**	**371**	**(135)**	**-**	**31,709**
Properties under construction	***1,645***				***1,899***

** Includes 1,251 units managed in partnership for Affinity Housing Services (2023: 1,253)*
*** Leasehold housing represents those units where the freehold has been retained.*

4. FINANCE INCOME

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest receivable from cash and cash equivalents	2,973	1,303	1,743	1,184
Interest receivable from intercompany loans	-	-	2,539	1,234
Equity loan interest	335	315	-	-
Interest from jointly controlled entities loan notes	6,040	4,887	6,040	4,887
	9,348	**6,505**	**10,322**	**7,305**

5. FINANCE COSTS

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest costs on loans and borrowings	56,283	45,509	41,470	38,037
Servicing fees of loans and borrowings	1,823	1,075	1,296	697
Capitalised interest	(8,491)	(7,986)	(5,400)	(4,295)
	49,615	**38,598**	**37,366**	**34,439**
Interest on Recycled Capital Grant Fund	687	388	-	-
Interest payable on corporation tax	22	-	-	-
Interest on pension scheme liabilities	819	1,046	35	618
	51,143	**40,032**	**37,401**	**35,057**

The amounts included within Group capitalised interest have been capitalised at rates appropriate for the legacy components of the Group, as Abri Group and Silva Homes have continued to borrow independently in the period after the latter joined the Group in October 2023.

The weighted average cost of capital for the period for the legacy Abri Group is 4.28% (2023: 3.90%) and 3.95% for Silva Homes (2023: 2.91%) with reference to its effective interest costs on loans and borrowings against the carrying value of loans and borrowings during the year at a Group level.

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX

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

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation of fixed assets	37,552	29,206	24,601	21,960
Amortisation of social housing grant	(6,041)	(5,465)	(2,718)	(2,449)
Impairments	325	1,830	-	672
Defined contribution pension cost	7,375	5,603	-	-
Defined benefit service cost	332	1,488	88	1,276
Operating lease expense:				
Land and buildings	367	8	12	8
Office equipment, computers and motor vehicles	1,162	940	-	624
Fees payable to the Society's auditor (excluding VAT):				
In their capacity as auditors				
- Society's financial statements	75	13	82	80
- Society's subsidiaries	193	197	-	-
In respect of other assurance related services	29	9	3	9

7. TAX

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Current tax				
UK corporation tax	1,513	1,037	-	-
Adjustments in respect of prior periods	(215)	111	-	(79)
Deferred tax				
Timing differences, origination and reversal	-	3,118	-	-
Adjustments in respect of prior periods	-	68	-	-
Tax charge/(credit) for the year	**1,298**	**4,334**	**-**	**(79)**

7. TAX (continued)

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 25% (2023: 19%). The differences are explained as follows:

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Total tax reconciliation				
Surplus on ordinary activities before tax	520,234	43,877	58,516	35,124
Tax on surplus on ordinary activities at 25% (2023: 19%)	130,059	8,337	14,629	6,674
Effects of:				
Fixed asset differences	513	886	-	-
Income not taxable for tax purposes	(611)	(434)	-	-
Expenses not deductible for tax purposes	601	650	-	-
Capital gains	717	622	-	-
Adjustments in respect of prior periods	(215)	179	-	-
Exempt profits adjustment	(14,767)	(6,674)	(14,629)	(6,753)
Gift on business combination	(115,778)	-	-	-
Deferred tax not recognised	(435)	(3,903)	-	-
Amounts recognised in other comprehensive income	782	3,724	-	-
Remeasurement of deferred tax for changes in rates	-	921	-	-
Gift Aid	159	26	-	-
Profits arising in LLPs	273	-	-	-
Total tax charge/(credit)	**1,298**	**4,334**	**-**	**(79)**

8. DIRECTORS' EMOLUMENTS

Non-Executive members receive a fee in respect of services provided to all Group entities and committees; it is not possible to disaggregate their renumeration at a constituent entity level. Executive Board members receive no incremental remuneration for their role as Directors of individual legal entities.

Name	Appointed	Resigned	Annual Fee
Jane Alderman	01/02/2019	-	16,238
Joanna Makinson	04/11/2019	-	19,000
Wayne Morris	04/11/2019	-	28,792
Simon Porter	25/09/2014	31/03/2024	16,238
Jocelyn McConnachie	04/08/2021	-	16,238
Lou Taylor	04/08/2021	-	16,238
Mary-Kathryn Rallings Adams	04/08/2021	-	12,075
David Montague	25/05/2022	-	12,075
Margaret Porteous	02/10/2023	-	16,238
Stephen Skuse	02/10/2023	-	16,238
Veronica Gordon	25/05/2022	-	12,075
John Gary Orr	*15/10/2018*	-	*N/A*
Caroline Moore	*04/11/2019*	-	*N/A*

8. DIRECTORS' EMOLUMENTS (continued)

The Key Management Personnel of the Group, who are all remunerated by The Swaythling Housing Society Limited, are identified as:

- The legal Directors, who sit as the Group Board, comprising both non-executive and executive board members (as outlined below);
- The remaining members of the Executive Board who are not legal Directors; and
- The Corporate Directors who have day-to-day responsibilities for operational departments in the wider Group structure

Shown below are the aggregate emoluments (including pensions and benefits in kind, excluding compensation for loss of office) paid to:

Group	**2024**	**2023**
	£'000	**£'000**
The Executive Board (excluding those paid to third parties)	1,532	1,513
Board Members	184	132
Key Management Personnel excluding Directors	1,722	1,469
	3,438	**3,114**
Amount payable to the highest paid Director (excluding pension contributions)	**340**	**338**

The Chief Executive Officer is a member of a defined contribution scheme, into which the Group made employer contributions of £10k (2023: £10k).

Board members received emoluments during the year totalling £184k (2023: £132k). Board expenses of £1k (2023: £nil) were incurred in the year.

During the year ended 31 March 2024 there were five (2023: five) Directors within pension schemes in which the Group participates and none (2023: none) were in defined benefit schemes. Their outstanding contributions, which were accrued, as at 31 March 2024 totalled £9k (2023: £6k)

9. STAFF COSTS

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

	Group		**Society**	
	2024	**2023**	**2024**	**2023**
	FTE	**FTE**	**FTE**	**FTE**
Central office and support staff	306	270	2	21
Development staff	112	90	-	4
Housing and customer services staff	523	530	2	32
Repairs and maintenance staff	740	637	4	42
	1,681	**1,527**	**8**	**99**

9. STAFF COSTS (continued)

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	62,340	54,529	308	3,863
Social security costs	6,381	5,718	38	421
Pension costs	7,707	7,667	87	1,876
	76,428	**67,914**	**433**	**6,160**

On 1 May 2023 all employees of Abri Group Limited transferred to The Swaythling Housing Society Limited, following the closure of all defined benefit pension schemes in the Group to future accrual. The Swaythling Housing Society therefore became the sole employer in the Group, with all employees eligible to be members of a single defined contribution pension scheme, with effect from this date.

On 2 October 2023, 265 employees of Silva Homes Limited became part of the Group when Silva became a subsidiary of Abri Group Limited, driving an increase in employee numbers and costs at a group level.

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

	Group		Society	
	2024	2023	2024	2023
Salary banding	FTE	FTE		
£60,000 - £69,999	40	39	-	3
£70,000 - £79,999	27	23	-	6
£80,000 - £89,999	19	14	-	3
£90,000 - £99,999	15	13	-	-
£100,000 - £109,999	6	1	-	-
£110,000 - £119,999	1	2	-	-
£120,000 - £129,999	3	3	-	-
£130,000 - £139,999	3	2	-	-
£140,000 - £149,999	1	3	-	-
£150,000 - £159,999	5	3	-	-
£160,000 - £169,999	3	1	-	-
£170,000 - £179,000	-	1	-	-
£230,000 - £239,999	1	1	-	-
£240,000 - £249,999	2	2	-	-
£250,000 - £259,999	1	-	-	-
£260,000 - £269,999	-	1	-	-
£340,000 - £349,999	-	1	-	-
£350,000 - £359,999	1	-	-	-
	128	**110**	**-**	**12**

10. INTANGIBLE ASSETS

Internally generated in-house software applications	**Group £'000**
Cost	
At 1 April 2023	263
Business Combinations	65
Disposals	(85)
At 31 March 2024	**243**
Accumulated amortisation	
At 1 April 2023	(240)
Charge for the year	(51)
Disposals	85
At 31 March 2024	**(206)**
Net book value	
At 31 March 2024	**37**
At 31 March 2023	**23**

Intangible assets within Silva Homes Limited have been acquired at their book value, which was deemed to be their fair value.

11. HOUSING PROPERTIES

On the acquisition of Silva Homes Limited, Jones Lang LaSelle were engaged to determine the fair value of completed housing properties within Silva Homes, on an Existing Use Value for Social Housing (EUV-SH) basis. Further detail is included within note 36.

Housing properties under construction within Silva Homes Limited have been acquired at their book value, which was deemed to be their fair value.

11. HOUSING PROPERTIES (continued)

Group	Completed properties			Properties in course of construction			
	Social housing lettings	Shared ownership	Total	Social housing lettings	Shared ownership	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2023	2,069,673	312,370	**2,382,043**	99,601	85,048	184,649	**2,566,692**
Additions	17	-	**17**	119,150	70,196	189,346	**189,363**
Additions - works to existing properties	26,571	-	**26,571**	-	-	-	**26,571**
Business Combination	533,337	64,430	**597,767**	18,384	4,431	22,815	**620,582**
Transferred into management	81,748	41,791	**123,539**	(81,748)	(41,791)	(123,539)	
Disposals and demolitions	(12,935)	(4,339)	**(17,274)**	-	-	-	**(17,274)**
Net movement to current assets	-	(332)	**(332)**	-	-	-	**(332)**
At 31 March 2024	**2,698,411**	**413,920**	**3,112,331**	**155,387**	**117,884**	**273,271**	**3,385,602**
Accumulated depreciation							
At 1 April 2023	(301,940)	(12,712)	**(314,652)**	-	-	-	**(314,652)**
Charge for the year	(31,620)	(2,440)	**(34,060)**	-	-	-	**(34,060)**
Impairment	(325)	-	**(325)**	-	-	-	**(325)**
Disposals and demolitions	6,342	229	**6,408**	-	-	-	**6,571**
At 31 March 2024	**(327,543)**	**(14,923)**	**(342,466)**	**-**	**-**	**-**	**(342,466)**
Net book value							
At 31 March 2024	**2,370,868**	**398,997**	**2,769,865**	**155,387**	**117,884**	**273,271**	**3,043,136**
At 31 March 2023	**1,767,733**	**299,658**	**2,067,391**	**99,601**	**85,048**	**184,649**	**2,252,040**

11. HOUSING PROPERTIES (continued)

Society	Completed properties			Properties in course of construction			
	Social housing lettings	Shared ownership	Total	Social housing lettings	Shared ownership	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2023	1,631,494	143,191	**1,774,685**	59,731	58,362	**118,093**	**1,892,778**
Additions	-	-	**-**	81,952	50,356	**132,308**	**132,308**
Additions - works to existing properties	20,378	-	**20,378**	-	-	**-**	**20,378**
Transferred into management	50,335	22,538	**72,873**	(50,335)	(22,538)	**(72,873)**	**-**
Disposals and demolitions	(9,279)	(1,834)	**(11,113)**	-	-	**-**	**(11,113)**
Net movement to current assets	-	(379)	**(379)**	-	-	**-**	**(379)**
At 31 March 2024	**1,692,928**	**163,516**	**1,856,444**	**91,348**	**86,180**	**177,528**	**2,033,972**
Accumulated depreciation							
At 1 April 2023	(217,947)	(5,079)	**(223,026)**	**-**	**-**	**-**	**(223,026)**
Charge for the year	(21,551)	(1,038)	**(22,589)**	-	-	**-**	**(22,589)**
Disposals and demolitions	3,867	96	**3,963**	-	-	**-**	**3,963**
At 31 March 2024	**(235,631)**	**(6,021)**	**(241,652)**	**-**	**-**	**-**	**(241,652)**
Net book value							
At 31 March 2024	**1,457,297**	**157,495**	**1,614,792**	**91,348**	**86,180**	**177,528**	**1,792,320**
At 31 March 2023	**1,413,547**	**138,112**	**1,551,659**	**59,731**	**58,362**	**118,093**	**1,669,752**

11. HOUSING PROPERTIES (continued)

Freehold and leasehold properties

At 31 March 2024, the net book value of completed properties held on a freehold and leasehold basis was split as follows:

	Group			Society		
	Freehold £'000	**Leasehold £'000**	**Total £'000**	**Freehold £'000**	**Leasehold £'000**	**Total £'000**
General Needs	2,456,766	65,788	**2,522,554**	1,510,805	37,840	**1,548,645**
Shared Ownership	508,367	12,215	**520,582**	243,673	2	**243,675**
	2,965,133	**78,003**	**3,043,136**	**1,754,478**	**37,842**	**1,792,320**

Interest capitalisation

	Group		Society	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Interest capitalised in the year	8,491	7,986	5,400	4,295
Cumulative interest capitalised	53,812	41,773	34,023	30,064
Rate used for capitalisation	4.28%	3.90%	4.28%	3.90%

Expenditure on works to existing housing properties

	Group		Society	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Capitalised	26,571	17,660	20,378	14,541
Charged to Statement of Comprehensive Income	73,306	63,909	47,164	49,042

Included within the amounts above and other areas of operating costs is a total of £5,488k (2023: £4,169k) for the Group and £2,225k (2023: £3,660k) for the Society related to fire safety expenditure.

Security

The Group had housing property with a net book value of £1,409m pledged as security at 31 March 2024 (2023: £1,125m). The Society had housing property with a net book value of £949m pledged as security at 31 March 2024 (2023: £932m).

12. OTHER FIXED ASSETS

Group	Freehold land and premises £'000	Leasehold land and premises £'000	Leasehold additions £'000	Computers fixtures and fittings £'000	Vehicles, plant and equipment £'000	Total £'000
Cost						
At 1 April 2023	17,966	90	-	7,215	5,162	**30,433**
Additions	1,030	-	125	3,282	729	**5,166**
Business Combination	-	-	331	514		**845**
Disposals	(48)	(90)	-	(5,389)	(3,855)	**(9,382)**
At 31 March 2024	**18,948**	**-**	**456**	**5,622**	**2,036**	**27,062**
Accumulated depreciation						
At 1 April 2023	(6,091)	(90)	**-**	(6,158)	(4,959)	**(17,298)**
Charge for the year	(326)	-	(168)	(709)	(228)	**(1,431)**
Disposals	48	90	-	5,389	3,855	**9,382**
At 31 March 2024	**(6,369)**	**-**	**(168)**	**(1,478)**	**(1,332)**	**(9,347)**
Net book value						
At 31 March 2024	**12,579**	**-**	**288**	**4,144**	**704**	**17,715**
At 31 March 2023	**11,875**	**-**	**-**	**1,057**	**203**	**13,135**

Other fixed assets within Silva Homes Limited have been acquired at their book value, which was deemed to be their fair value.

12. OTHER FIXED ASSETS (continued)

	Freehold land and premises £'000	Leasehold land and premises £'000	Society Computers fixtures and fittings £'000	Vehicles, plant and equipment £'000	Total £'000
Cost					
At 1 April 2023	5,462	91	3,352	655	**9,560**
Additions	4	-	1,003	-	**1,007**
Disposals	-	(91)	(2,528)	(640)	**(3,259)**
Intercompany transfers	-	-	(358)	-	**(358)**
At 31 March 2024	**5,466**	**-**	**1,469**	**15**	**6,950**
Accumulated depreciation					
At 1 April 2023	(2,284)	(91)	(2,762)	(655)	**(5,792)**
Charge for the year	(140)	-	(212)	-	**(352)**
Disposals	-	91	2,528	640	**3,259**
Intercompany transfers	-	-	174	-	**174**
At 31 March 2024	**(2,424)**	**-**	**(272)**	**(15)**	**(2,711)**
Net book value					
At 31 March 2024	**3,042**	**-**	**1,197**	**-**	**4,239**
At 31 March 2023	**3,178**	**-**	**590**	**-**	**3,768**

13. INVESTMENT PROPERTIES

	Completed	
	Group £'000	Society £'000
Value		
At 1 April 2023	69,619	17,399
Revaluation (deficit)/surplus	(2,476)	1,969
At 31 March 2024	**67,143**	**19,368**

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

13. INVESTMENT PROPERTIES (continued)

Property valuation

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

At the reporting date, a subset of properties actively being marketed for sale, have been valued according to the offers received from independent third parties. These offers, which are cumulatively £3.0m lower than external valuations in the Group (£0.6m in the Society), are deemed to be a more accurate reflection of fair value.

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

- Discount rate (rental income) 5.25% - 5.75%
- Annual inflation rate 0.5%
- Level of long-term annual rent increase 1.0%
- Bad Debts and Voids 2.0% - 2.5%

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

	Group		Society	
	2024 £’000	2023 £’000	2024 £’000	2023 £’000
Cost	57,040	57,040	13,436	13,436
Depreciation	(6,717)	(6,194)	(1,556)	(1,449)
Net book value	**50,323**	**50,846**	**11,880**	**11,987**

14. EQUITY LOANS

Group	**2024 £'000**	**2023 £'000**
Equity loans	27,591	28,904
Accrued equity loan interest	28	28
Equity loan provision	(711)	(747)
	26,908	**28,185**

Equity loans are secured by way of an equity charge over the property purchased by the recipient of the loan. The Group has received £22.5m of grant (2023: £23.5m) in respect of the equity loans in issue. The grants will be recycled on redemption of the loans.

15. INVESTMENTS

	Group			Society		
	Share of net assets at 1 April 2023 £'000	Change in year £'000	Share of net assets at 31 March 2024 £'000	Cost at 1 April 2023 £'000	Change in year £'000	Cost at 31 March 2024 £'000
Thakeham Pease Pottage LLP	5,821	1,148	**6,969**	-	-	**-**
Linden (Sayers Common) LLP	678	41	**719**	-	-	**-**
Lovell/Abri Weymouth LLP	(224)	(861)	**(1,085)**	-	-	**-**
Thakeham West Horsley LLP	(1,047)	(928)	**(1,975)**	-	-	**-**
Countryside Abri Ford North LLP	-	-	**0**	-	-	**-**
Advantage South West LLP	108	(108)	**-**	-	-	**-**
Affinity (Reading) Holdings Ltd	993	72	**1,065**	1,170	-	**1,170**
Affinity Housing Services	669	185	**854**	25	-	**25**
West Country Savings & Loans	15	-	**15**	15	-	**15**
Yarlington Homes Ltd	-	-	**-**	5,926	(5,925)	**1**
Swaythling Assured Homes plc	-	-	**-**	4,023	-	**4,023**
Yarlington Treasury Services plc	-	-	**-**	50	-	**50**
Radian Capital plc	-	-	**-**	50	-	**50**
Radian Developments Ltd	-	-	**-**	1	-	**1**
	7,013	**(451)**	**6,562**	**11,260**	**(5,925)**	**5,335**

In the year, the Group received distributions from development joint ventures of £1.6m (2023: £1.5m) and has accrued for distributions from Advantage SouthWest LLP of £0.1m, following Yarlington Homes ceasing to be a member of the partnership effective from 31 March 2024. These amounts are included within the share of surplus in jointly controlled entities in the Statement of Comprehensive Income.

Group only

Radian Developments Limited invested in:

- Thakeham Pease Pottage LLP in 2018, a jointly controlled entity with Thakeham Homes Limited. The partnership was formed to develop a site at Pease Pottage in West Sussex, delivering over 600 new homes, a school, hospice, café and community spaces.
- Linden (Sayers Common) LLP in 2019, a jointly controlled entity with Vistry Linden Limited. The partnership was formed to develop a site at Reeds Lane, Sayers Common in West Sussex, delivering 120 new homes.
- Lovell/Abri Weymouth LLP in 2020, a jointly controlled entity with Lovell Partnerships Limited. The partnership was formed to develop a site on the outskirts of Weymouth to deliver 500 new homes and deliver a new primary school, care home, community centre and public open space.
- Thakeham/West Horsley LLP in 2022, a jointly controlled entity with Thakeham Homes Limited. The partnership was formed to develop land at Manor Farm, West Horsley to deliver 139 homes, community infrastructure and public open space.
- Countryside Abri Ford North LLP in 2024, a jointly controlled entity with Countryside Properties (UK) Limited. The partnership was formed to develop the former Ford Airfield to deliver 1,500 homes, a care home, a retail and commercial centre, leisure space and land for a new school.

15. INVESTMENTS (continued)

Group only (continued)

Yarlington Homes Limited invested in Advantage South West LLP in 2004, a jointly controlled entity with three other providers of social housing in the South West. The partnership was formed to promote collaboration in the sector from procurement activity to topic specific working groups. On 16 May 2023 Yarlington Homes informed the partnership of their intention to withdraw as a member, which took place on 31 March 2024.

Group and Society

Abri Group Limited has 333 solely held shares and 333 jointly held shares in Affinity (Reading) Holdings Limited with Southern Housing Group. In turn, Affinity (Reading) Holdings Limited owns 100% of the share capital of Affinity (Reading) Limited, the operator of a PFI contract to supply, refurbish, manage and maintain part of Reading Borough Council's housing inventory until 2034.

Abri Group Limited is also in partnership with Southern Housing to deliver housing and community development services for the estate under the PFI contract via Affinity Housing Services.

Abri Group Limited invested in Somerset Savings and Loans, who offer short term loans and savings services to tenants. The organisation is a community owned, not for profit financial co-operative.

The Swaythling Housing Society Limited, has a 26% interest alongside another registered provider and two local authorities in Aspect Building Communities Limited, a company limited by guarantee. Aspect was formed to increase housing supply and boost the local economy by working in partnership with local organisations. No investment value is held at the reporting date as it is deemed irrecoverable.

Society only

The Society subscribed for the whole of the share capital of:

- Radian Capital plc in 2011, a subsidiary set up to raise funds through the bond markets to extend to other members of the Group. The Society holds 50,000 £1 shares of which £12,500 has been paid.
- Radian Developments Limited in 2018, a subsidiary set up to deliver joint venture projects. The Society holds 1,000 £1 shares which have been fully paid.
- Swaythling Assured Homes plc, a now dormant subsidiary. The Society holds 4,031,002 ordinary 50p shares which have been fully paid.
- Yarlington Treasury Services plc, via a Transfer of Engagement completed on 30 June 2021, a subsidiary set up to raise funds through the bond markets to extend to other members of the Group. The Society holds 50,000 £1 shares of which £12,500 has been paid.
- Yarlington Homes Limited in 2018, via a Transfer of Engagement completed on 30 June 2021, a subsidiary set up to develop housing properties. On 13 December 2023, the company cancelled and extinguished 5,924,791 shares to reduce their share capital to £1,000.

The Society also owns one £1 share in The Swaythling Housing Society Limited, Oriel Housing Limited, Yarlington Property Management and Silva Homes Limited. As the Society exercises control of these entities through its ability to appoint and remove Board Members, they are subsidiaries. Further details of the Society's subsidiaries and interests are provided in note 34.

16. PROPERTIES FOR SALE

Group	Completed properties			Properties in course of construction			
	Market sales	Shared Ownership	Total	Market sales	Shared Ownership	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2023	327	11,793	**12,120**	11,674	56,707	**68,381**	**80,501**
Additions	-	-	**-**	3,053	45,879	**48,932**	**48,932**
Business Combination	-	472	**472**	-	2,802	**2,802**	**3,274**
Completed in year	6,990	27,405	**34,395**	(6,990)	(27,405)	**(34,395)**	**-**
Net movement from housing properties	-	332	**332**	-	-	**-**	**332**
Cost of properties sold	(7,317)	(26,442)	**(33,759)**	-	-	**-**	**(33,759)**
At 31 March 2024	**-**	**13,560**	**13,560**	**7,737**	**77,983**	**85,720**	**99,280**

Society	Completed properties			Properties in course of construction			
	Market sales	Shared Ownership	Total	Market sales	Shared Ownership	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2023	**-**	**5,584**	**5,584**	**-**	**38,908**	**38,908**	**44,492**
Additions	-	-	**-**	-	33,214	**33,214**	**33,214**
Completed in year	-	14,698	**14,698**	-	(14,698)	**(14,698)**	**-**
Net movement from housing properties	-	379	**379**	-	-	**-**	**379**
Cost of properties sold	-	(11,471)	**(11,471)**	-	-	**-**	**(11,471)**
At 31 March 2024	**-**	**9,190**	**9,190**	**-**	**57,424**	**57,424**	**66,614**

17. RECEIVABLES

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Gross arrears of rent and service charges					
Social		10,927	9,425	6,362	7,450
Non-social		1,086	1,430	699	1,022
		12,013	**10,855**	**7,061**	**8,472**
Bad debt provision		(6,522)	(4,469)	(3,519)	(3,402)
Net tenant arrears		**5,491**	**6,386**	**3,542**	**5,070**
Social housing grant receivable		436	34,789	436	22,726
Short-term non-liquid assets		7,789	6,095	2,663	2,724
Trade receivables		3,163	2,295	2,390	1,505
Intercompany loans	19	-	-	-	28,500
Other receivables and prepayments		10,294	7,262	1,962	2,639
Contract retentions		531	-	-	-
Other taxation and social security		1,291	2,125	609	617
Amounts due from Group undertakings		-	-	50,525	25,081
Amounts due within one year		**28,995**	**58,952**	**62,127**	**88,862**
Loans to development joint ventures		66,659	59,091	66,659	59,091
Loans to housing joint ventures		6,490	5,615	6,490	5,615
Stock Transfer Agreement	19	20,743	-	-	-
Intercompany loans	19	-	-	29,700	-
Amounts due after one year		**93,892**	**64,706**	**102,849**	**64,706**
		122,887	**123,658**	**164,976**	**153,568**

Included within other receivables and prepayments above are staff loans of £64k (2023: £76k) for the Group and £nil (2023: £2k) for the Society.

Short-term non-liquid assets include cash held in liquidity funds and gilts, as outlined below:

			Group and Society		
Investment	**Interest rate %**	**Expiry date Year**	**Nominal value £'000**	**Fair value 2024 £'000**	**Fair value 2023 £'000**
UK Government gilts	4.75	2038	**600**	**641**	**671**

The fair value movement on gilts of £30k for the Group and Society (2023: £187k) has been debited to the Statement of Comprehensive Income in the year.

18. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Loans, borrowings, and accrued interest	19	27,332	30,544	21,929	11,710
Trade payables		13,126	6,943	6,929	1,357
Deferred income and payments on account		9,799	7,059	5,962	5,047
Other tax and social security payable		1,719	1,381	-	93
Other payables		6,662	5,600	1,919	1,441
Accruals		41,894	31,417	12,605	9,184
Contract retentions		7,594	3,946	652	378
Right to Buy proceeds share agreement		1,104	916	486	916
Deferred capital grant	22	5,934	5,871	2,555	2,449
Recycled capital grant	23	6,756	4,252	-	-
Unpaid share capital in subsidiaries		-	-	75	75
Corporation tax		1,014	498	-	-
		122,934	**98,427**	**53,112**	**32,650**

19. PAYABLES: AMOUNTS DUE AFTER ONE YEAR

	Note	Group 2024 £'000	Group 2023 £'000	Society 2024 £'000	Society 2023 £'000
Loans, borrowings, and accrued interest		1,374,472	1,201,627	923,065	937,433
Interest rate swap	31	1,520	1,753	1,520	1,753
Recycled Capital Grant Fund	23	7,193	8,928	-	-
Stock Transfer Agreement		20,743	-	-	-
Contract retentions		365	1,035	56	727
Deposits repayable		32	31	32	32
		1,404,325	**1,213,374**	**924,673**	**939,945**

Stock transfer agreements

Immediately prior to entering into the Stock Transfer Agreement between Silva Homes and Bracknell Forest Council, the council and Silva Homes entered a Development Agreement under which Silva Homes agreed to perform the works required to bring the properties up to an agreed condition. The contract was for a fixed sum of £129m equivalent to the expected costs of the works, fees and related costs.

At transfer, Silva Homes contracted with the council to receive the benefit of the agreed improvement works (£129m) plus the housing properties at a price equal to the agreed value of the unimproved property (£34m). These contracts have enabled Silva Homes to recover the VAT on the improvement costs which would otherwise have been expensed.

19. PAYABLES: AMOUNTS DUE AFTER ONE YEAR (continued)

Stock transfer agreements (continued)

At the time of the transfer Silva Homes paid the council a net cash amount of £34m representing the acquisition of the properties in their unimproved condition (£34m) and the value of the council's obligation to carry out the refurbishment works (£129m), less the amount due to be incurred by Silva Homes under the development agreement in relation to the anticipated costs of the improvements (£129m).

Whilst the council has a legal obligation to Silva Homes to complete the refurbishment works, this work has been contracted back to Silva Homes, giving rise to a legal obligation. Consequently, the underlying substance of the transaction is that Silva Homes has acquired the properties in their existing condition at their agreed value and will complete certain repairs and improvements of not less than £129m. In accordance with FRS 102 the resultant debtor and creditor are disclosed separately within the financial statements. Should the value of the work completed vary from that originally envisaged, the contract may be terminated with no financial loss to Silva Homes.

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

Group	2024				2023			
	Bank loans £'000	Bonds £'000	HE loans £'000	Total £'000	Bank loans £'000	Bonds £'000	HE loans £'000	Total £'000
Multi instalments								
One year or less	17,769	593	-	**18,362**	7,440	569	-	**8,009**
One to two years	23,253	645	-	**23,898**	13,642	619	-	**14,261**
Two to five years	250,121	2,296	-	**252,417**	144,041	2,201	-	**146,242**
Five years or more	363,968	235,282	-	**599,250**	386,927	160,954	-	**547,881**
	655,111	**238,816**	**-**	**893,927**	**552,050**	**164,343**	**-**	**716,393**
Single instalment								
One year or less	-	-	-	**-**	-	12,000	-	**12,000**
Five years or more	-	504,300	572	**504,872**	-	435,800	572	**436,372**
	-	**504,300**	**572**	**504,872**	**-**	**447,800**	**572**	**448,372**
	655,111	**743,116**	**572**	**1,398,799**	**552,050**	**612,143**	**572**	**1,164,765**

The total value of all loans and borrowings includes a further £3.0m (2023: £67.4m) of capitalised fees, premiums and accrued interest; 2024 is also impacted by fair value adjustments on Silva Homes portfolio of loans and borrowings as outlined note 36.

Overview of loans and borrowings

The Group holds bank loans at fixed rates of interest of between 1.2% and 6.3%, with maturity dates ranging from 2027-2040 inclusive. Bank loans are also held at variable rates of interest of between 5.6% and 6.8% priced with reference to SONIA, lender margin and including credit adjustment spread, with maturity dates ranging from 2026-2043 inclusive. Most bank loans are held at fixed rates of interest.

The Group also holds a single loan with Homes England which matures in 2033 and has drawn on two revolving credit facility at the reporting date.

19. PAYABLES: AMOUNTS DUE AFTER ONE YEAR (continued)

Group overview of loans and borrowings (continued)

The Group has sold a range of bonds repayable in both single and multiple instalments, all at fixed rates of interest. The Group sold bonds in conjunction with financial institutions at rates between 1.0% and 11.1%, with maturity dates ranging from 2030-2052 inclusive. The Group, via Radian Capital plc and Yarlington Treasury Services plc, has also sold its own named listed bonds at rates of between 3.4% and 6.0%, with maturity dates ranging from 2042-2057 inclusive.

All loans and borrowings are secured against housing properties, with both headroom on existing facilities and undrawn facilities available to the Group.

Society	**2024**				**2023**			
	Bank loans £'000	**Bonds £'000**	**Group loans £'000**	**Total £'000**	**Bank loans £'000**	**Bonds £'000**	**Group loans £'000**	**Total £'000**
Multi instalments								
One year or less	9,368	140	4,000	**13,508**	3,840	134	4,000	**7,974**
One to two years	13,953	151	-	**14,104**	5,242	146	-	**5,388**
Two to five years	139,346	534	-	**139,880**	80,141	513	-	**80,654**
Five years or more	209,843	2,785	150,000	**362,628**	286,127	2,952	150,000	**439,079**
	372,510	**3,610**	**154,000**	**530,120**	**375,350**	**3,745**	**154,000**	**533,095**
Single instalment								
Five years or more	**-**	**69,700**	**300,000**	**369,700**	**-**	**69,700**	**300,000**	**369,700**
	372,510	**73,310**	**454,000**	**899,820**	**375,350**	**73,445**	**454,000**	**902,795**

The total value of all loans and borrowings includes a further £45.2m (2023: £46.3m) of capitalised fees, premiums and accrued interest.

Overview of loans and borrowings

The Society holds bank loans at fixed rates of interest of between 1.2% and 6.3%, with maturity dates ranging from 2025-2040 inclusive. Bank loans are also held at variable rates of interest of between 6.1% and 6.8% priced with reference to SONIA, lender margin and including credit adjustment spread, with maturity dates ranging from 2024-2040 inclusive. Most bank loans are held at fixed rates of interest.

The Society has also drawn on two revolving credit facilities at the reporting date.

The Society has sold a range of bonds repayable in both single and multiple instalments, all at fixed rates of interest. The Society sold bonds in conjunction with financial institutions at rates between 2.9% and 8.1%, with maturity dates ranging from 2035-2043 inclusive.

The Society has intercompany loans with Radian Capital and Yarlington Treasury Services on like-for-like terms to the initial bond sales, as outlined above.

All external loans and borrowings are secured against housing properties, with both headroom on existing facilities and undrawn facilities available to the Society.

20. PROVISIONS

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Balance brought forward at 1 April	**5,412**	**8,910**	**375**	**852**
Variations to provisions brought forward	142	460	-	(254)
New provisions in year	1,293	184	-	-
Release of provisions in year	(1,688)	(4,142)	(43)	(223)
Balance carried forward at 31 March	**5,159**	**5,412**	**332**	**375**

Provisions relate to remedial works for defective cladding and/or insulation on blocks in excess of 11m in height and for redundancies. Variations arise from a change in the scope and estimated cost of works and are released against costs incurred when work is in progress.

21. CONTINGENT LIABILITIES

Government grants of £8.3m associated with housing properties acquired from Silva Homes Limited as part of a business combination have been recognised as a contingent liability. As these properties were included at fair value on acquisition, any fall in value for which the grant is compensating has already been reflected in the valuation and therefore no deferred capital grant has been recognised in long term liabilities.

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

22. ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 April 2023	Business combination	Cash flows	Non-cash changes	At 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents					
Cash at bank	**65,016**	**13,356**	**(15,602)**	**-**	**62,770**
Loans and borrowings					
Payables: due within one year	(30,544)	(143)	1,648	1,707	**(27,332)**
Payables: due after one year	(1,201,627)	(169,189)	(4,632)	974	**(1,374,473)**
	(1,232,171)	**(169,332)**	**(2,984)**	**2,682**	**(1,401,805)**
Financial derivatives					
Interest rate swap	**(1,753)**	**-**	**-**	**233**	**(1,520)**
	(1,168,908)	**(155,976)**	**(18,586)**	**2,915**	**(1,340,555)**

23. DEFERRED CAPITAL GRANT

	Group			Society		
	Completed	In course of construction	Total	Completed	In course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2023	593,127	151,072	**744,199**	247,079	80,878	**327,957**
Inputs						
Received in year	675	90,578	**91,253**	676	90,578	**91,254**
Transferred from Recycled Capital Grant Fund	-	2,640	**2,640**	-	2,131	**2,131**
Outputs						
Transferred into management	19,120	(19,120)	**-**	10,950	(10,950)	**-**
Recycled on disposal	(1,596)	-	**(1,596)**	(558)	-	**(558)**
At 31 March 2024	**611,326**	**225,170**	**836,496**	**258,147**	**162,637**	**420,784**
Accumulated amortisation						
At 1 April 2023	(84,607)	-	**(84,607)**	(32,464)	-	**(32,464)**
Released on disposal	231	-	**231**	91	-	**91**
Charge for the year	(6,092)	-	**(6,092)**	(2,718)	-	**(2,718)**
At 31 March 2024	**(90,468)**	**-**	**(90,468)**	**(35,091)**	**-**	**(35,091)**
Amortised deferred capital grant						
At 31 March 2024	**520,858**	**225,170**	**746,028**	**223,056**	**162,637**	**385,693**
At 31 March 2023	**508,520**	**151,072**	**659,592**	**214,615**	**80,878**	**295,493**

23. DEFERRED CAPITAL GRANT (continued)

Deferred capital grant will be recognised in the Statement of Comprehensive Income as follows:

	Group			Society		
	Completed £'000	In course of construction £'000	Total £'000	Completed £'000	In course of construction £'000	Total £'000
Due within one year	5,934	-	**5,934**	2,555	-	**2,555**
Due after one year	514,924	225,170	**740,094**	220,501	162,637	**383,138**
	520,858	**225,170**	**746,028**	**223,056**	**162,637**	**385,693**

The Recycled Capital Grant Fund for the Group is held centrally within The Swaythling Housing Society Limited, hence transfers from the Recycled Capital Grant Fund will not agree to the Society's Recycled Capital Grant Fund note.

24. RECYCLED CAPITAL GRANT FUND

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 April	13,180	15,724	-	-
Net inputs to fund				
Grants recycled	2,605	3,462	774	1,061
Interest accrued	687	388		-
Transferred to other group members	-	-	1,877	4,697
Arising on combination	35	-	-	-
Other	82	(31)	(11)	(25)
Recycling of grant				
New build	(2,640)	(6,363)	(2,640)	(5,733)
At 31 March	**13,949**	**13,180**	**-**	**-**
Recycled capital grant due within one year	6,756	4,252	-	-
Recycled capital grant due after one year	7,193	8,928	-	-
	13,949	**13,180**	**-**	**-**

Grants recycled includes amounts relating to both deferred capital and equity loan grant.

Included within payables due in less than one year is £1.1m (2023: £0.3m) which have been held for more than three years and would normally be due for repayment to Homes England. However, under the terms of the Strategic Partnership, it is expected that aged balances can be recycled up to the cessation date of the partnership and are not therefore due for repayment.

25. DEFERRED TAX

Group	2024 £'000	2023 £'000
Fixed asset timing differences	3,199	1,762
Short term timing differences	(4,038)	(4,385)
Capital gains	839	1,951
Losses and other deductions	-	672
Total deferred tax (asset)/liability	**-**	**-**

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to taxes levied by the same tax authority on the same taxable entity within the Group. It is not anticipated that there will be any significant reversal of the deferred tax liability in the next 12 months.

An asset of £4.5m (2023: £2.0m) has not been recognised in respect of losses and other timing differences. The asset would be recovered if there were sufficient and suitable surpluses in the future.

26. PENSIONS

Defined Contribution Schemes

Standard Life

Standard Life is the sole active scheme provider to the employees of The Swaythling Housing Society Limited. The employer contributes to the scheme on the basis of the employee contribution, plus 2%, subject to a maximum of 10%, except for senior leaders for whom the cap is 12%.

Scottish Widows

Scottish Widows is the sole active provider to the employees of Silva Homes Limited, who became members of the Group when Silva joined the Group on 2 October 2023. Contribution to the scheme from the employer is double the employee contribution, up to a maximum of 6%

	2024 £'000	2023 £'000
Accounting charge		
The Pensions Trust Flexible Retirement Plan	-	2,324
Aviva Life	-	373
Standard Life	7,354	2,906
Scottish Widows	204	-
	7,558	**5,603**
Outstanding contributions at 31 March		
Standard Life	700	479
Scottish Widows	72	-
	772	**479**

26. PENSIONS (continued)

Defined Benefit Schemes

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

- Abri Group Pension Scheme (AGPS);
- Somerset County Council Pension Fund (SCC);
- Hampshire Pension Fund (HPF); and
- Royal County of Berkshire Pension Fund (RCB).

All schemes had full actuarial valuations carried out in 2022 and updated to 31 March 2024 or cessation, if applicable, by an independent qualified actuary.

Abri Group Pension Scheme (AGPS)

The Society and The Swaythling Housing Society participated in AGPS, established after employers in the legacy Radian Group exited the Social Housing Pension Scheme. The scheme is closed to future accrual with effect from July 2023. The full valuation (September 2023) showed a deficit of £22.8m, corresponding to a funding level of 73% which the employers agreed with the Trustee to aim to eliminate over a period of six years. The Society's apportionment of the deficit, based on pensionable service at the valuation date, was £28k.

In the year, payments were made towards this deficit totalling £3,137k (2023: £3,046k) and monthly contributions were 37.10% of members' earnings until the scheme closed to future accrual.

Somerset County Council Pension Fund (SCC)

The Society participated in SCC, a multi-employer Local Government Pension Scheme until the scheme was closed to future accrual in April 2023. In October 2023, cessation debt of £7.0m was settled, fully discharging the Society's liability to the scheme.

Hampshire County Council Pension Fund (HPF)

The Society participated in HPF, a multi-employer Local Government Pension Scheme until the scheme was closed to future accrual in April 2023. In November 2023, with the scheme valued in surplus, the Society received £2.0m, fully discharging the Society's liability to the scheme.

Royal County of Berkshire Pension Fund (RCB)

The Swaythling Housing Society Limited participated in RCB, a multi-employer Local Government Pension Scheme until the scheme was closed to future accrual in April 2023. In July 2023, cessation debt of £1.5m was settled, fully discharging the Society's liability to the scheme.

Silva Homes Limited also participate in RCB and the scheme remains open to future accrual. The full valuation (March 2022) showed a funding surplus of £3.7m and funding level of 117%. Monthly contributions remained at 21.8% of member' earnings. The scheme was transferred into the Group at a book value of £nil, with its surplus position at 2 October 2023 capped.

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

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

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
AGPS defined benefit deficit	19,287	17,832	16	21
HPF defined benefit deficit	-	-	-	-
RCB defined benefit deficit	-	2,553	-	-
SCC defined benefit deficit	-	11,214	-	11,214
	19,287	**31,599**	**16**	**11,235**

In 2023, the disclosed deficit in RCB related to The Swaythling Housing Society; in 2024, the deficit relates to Silva Homes following Swaythling triggering cessation and Silva joining the Group.

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

	AGPS		HPF		RCB		SCC	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	%	%	%	%	%	%
CPI inflation	2.9	3.0	-	3.1	2.9	3.1	-	3.1
Salary increases	-	4.0	-	4.1	3.9	4.1	-	4.1
Discount rate	4.9	4.8	-	4.4	4.5	4.4	-	4.4

Where schemes have settled cessation liabilities, no financial assumptions have been provided as they are not relevant at the reporting date. Where schemes have closed to future accrual, no salary increases have been provided as they are not relevant to the valuation of ongoing liabilities.

Post retirement mortality assumptions:

	AGPS		RCB	
	M	F	M	F
Retiring today	21.5	23.8	21.1	24.0
Retiring in 20 years	23.1	25.2	22.4	25.4

M: Male, F: Female

In 2023, disclosures in RCB related to The Swaythling Housing Society; in 2024, the disclosures relate to Silva Homes following Swaythling triggering cessation and Silva joining the Group.

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

The assets in the schemes were:

Group	2024				
	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000
Equities	3,579	-	18,427	-	**22,006**
Bonds	31,484	-	-	-	**31,484**
Property	2,239	-	2,438	-	**4,677**
Cash	3,443	-	247	-	**3,690**
Alternative assets	9,232	-	2,157	-	**11,389**
Private credit	4,278	-	3,518	-	**7,796**
Total market values of assets	**54,255**	**-**	**26,787**	**-**	**81,042**

Group	2023				
	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000
Equities	40	8,521	3,397	40,097	**52,055**
Bonds	32,385	2,441	-	7,508	**42,334**
Property	4,025	1,006	691	4,313	**10,035**
Cash	2,216	163	83	1,840	**4,302**
Alternative assets	10,990	2,663	470	-	**14,123**
Private credit	6,403	-	794	-	**7,197**
Total values of assets	**56,059**	**14,794**	**5,435**	**53,758**	**130,046**

In 2023, disclosures in RCB related to The Swaythling Housing Society; in 2024, the disclosures relate to Silva Homes following Swaythling triggering cessation and Silva joining the Group.

Society	2024				2023			
	AGPS £'000	HPF £'000	SCC £'000	Total £'000	AGPS £'000	HPF £'000	SCC £'000	Total £'000
Equities	4	-	-	**4**	1	8,521	40,097	**48,619**
Bonds	44	-	-	**44**	36	2,441	7,508	**9,985**
Property	3	-	-	**3**	4	1,006	4,313	**5,323**
Cash	4	-	-	**4**	2	163	1,840	**2,005**
Alternative assets	10	-	-	**10**	13	2,663	-	**2,676**
Private credit	4	-	-	**4**	7	-	-	**7**
Unrecognised assets	-	-	-	**-**	-	(1,766)	-	**(1,766)**
Total values of assets	**69**	**-**	**-**	**69**	**63**	**13,028**	**53,758**	**66,849**

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

Group	2024				
	AGPS	HPF	RCB	SCC	Total
	£'000	£'000	£'000	£'000	£'000
Fair value of scheme assets	54,255	-	26,787	-	**81,042**
Present value of obligation	(73,542)	-	(26,514)	-	**(100,056)**
Application of asset ceiling	-	-	(273)	-	**(273)**
Group share of deficit in the scheme	**(19,287)**	**-**	**-**	**-**	**(19,287)**
Movements in fair value of assets					
Opening fair value of scheme assets	56,059	13,028	30,239	53,758	**153,084**
Reverse of prior year asset ceiling	-	1,766	373	-	**2,139**
Interest income on scheme assets	2,728	51	1,215	193	**4,187**
Actuarial (losses)/gains	(5,614)	-	1,035	(739)	**(5,318)**
Expenses	(286)	-	(27)	(2)	**(315)**
Contributions from employers	3,390	49	220	71	**3,730**
Contributions from scheme members	-	1	70	29	**100**
Benefits paid	(2,022)	(38)	(900)	(208)	**(3,168)**
Accrual for exit payment	-	(1,966)	1,402	6,956	**6,392**
Assets extinguished on settlement	-	(12,891)	(6,840)	(60,058)	**(79,789)**
Closing fair value of scheme assets	**54,255**	**-**	**26,787**	**-**	**81,042**
Movements in value of obligations					
Opening defined benefit obligation	(73,891)	(13,028)	(32,792)	(64,972)	**(184,683)**
Service cost	(24)	(5)	(221)	(73)	**(323)**
Interest cost	(3,509)	(45)	(1,201)	(233)	**(4,988)**
Actuarial gains/(losses)	1,667	-	(1,111)	2,139	**2,695**
Benefits paid	2,022	38	900	207	**3,167**
Contributions by scheme members	-	(1)	(70)	(29)	**(100)**
Liabilities extinguished on settlement	-	13,041	7,981	62,891	**83,913**
Unfunded pension payments	-	-	-	1	**1**
Past service cost including curtailments	193	-	-	(9)	**184**
Present value of unfunded obligation	-	-	-	78	**78**
Closing defined benefit obligation	**(73,542)**	**-**	**(26,514)**	**-**	**(100,056)**

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

Group			**2023**		
	AGPS	**HPF**	**RCB**	**SCC**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Fair value of scheme assets	56,059	14,794	5,435	53,758	**130,046**
Present value of obligation	(73,891)	(13,028)	(7,988)	(64,972)	**(159,879)**
Application of asset ceiling	-	(1,766)	-	-	**(1,766)**
Group share of deficit in the scheme	**(17,832)**	**-**	**(2,553)**	**(11,214)**	**(31,599)**
Movements in fair value of assets					
Opening fair value of scheme assets	92,254	15,634	5,699	55,560	**169,147**
Interest income on scheme assets	2,564	377	135	2,046	**5,122**
Actuarial losses	(39,389)	(1,389)	(223)	(3,064)	**(44,065)**
Expenses	(244)	-	(6)	(32)	**(282)**
Contributions from employers	3,454	663	230	1,159	**5,506**
Contributions from scheme members	-	13	2	253	**268**
Benefits paid	(2,580)	(504)	(402)	(2,164)	**(5,650)**
Closing fair value of scheme assets	**56,059**	**14,794**	**5,435**	**53,758**	**130,046**
Movements in value of obligations					
Opening defined benefit obligation	(104,461)	(17,833)	(11,461)	(93,546)	**(227,301)**
Service cost	(159)	(91)	(14)	(1,174)	**(1,438)**
Interest cost	(2,860)	(422)	(270)	(2,616)	**(6,168)**
Actuarial gains	31,009	4,827	3,357	30,453	**69,646**
Benefits paid	2,580	504	402	2,164	**5,650**
Contributions by scheme members	-	(13)	(2)	(253)	**(268)**
Closing defined benefit obligation	**(73,891)**	**(13,028)**	**(7,988)**	**(64,972)**	**(159,879)**

In 2023, disclosures in RCB related to The Swaythling Housing Society; in 2024, the disclosures relate to Silva Homes on an ongoing basis as they joined the Group and Swaythling on a cessation basis as they exited the scheme.

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

Society	**2024**			
	AGPS	**HPF**	**SCC**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Fair value of scheme assets	69	-	-	**69**
Present value of obligation	(85)	-	-	**(85)**
Group share of deficit in the scheme	**(16)**	**-**	**-**	**(16)**
Movements in fair value of assets				
Opening fair value of scheme assets	63	14,794	53,758	**68,615**
Interest income on scheme assets	3	51	193	**247**
Actuarial losses	(8)	-	(739)	**(747)**
Expenses	(1)	-	(2)	**(3)**
Contributions from employers	15	49	71	**135**
Contributions from scheme members	-	1	29	**30**
Benefits paid	(3)	(38)	(208)	**(249)**
Accrual for exit payment	-	(1,966)	6,956	**4,990**
Assets extinguished on settlement	-	(12,891)	(60,058)	**(72,949)**
Closing fair value of scheme assets	**69**	**-**	**-**	**69**
Movements in value of obligations				
Opening defined benefit obligation	(84)	(13,028)	(64,972)	**(78,084)**
Service cost	(1)	(5)	(73)	**(79)**
Interest cost	(4)	(45)	(233)	**(282)**
Actuarial gains	-	-	2,139	**2,139**
Benefits paid	3	38	207	**248**
Contributions by scheme members	-	(1)	(29)	**(30)**
Liabilities extinguished on settlement	-	13,041	62,891	**75,932**
Unfunded pension payments	-	-	1	**1**
Past service cost including curtailments	1	-	(9)	**(8)**
Present value of unfunded obligation	-	-	78	**78**
Closing defined benefit obligation	**(85)**	**-**	**-**	**(85)**

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

Society	2023			
	AGPS	HPF	SCC	Total
	£'000	£'000	£'000	£'000
Fair value of scheme assets	63	14,794	53,758	**68,615**
Present value of obligation	(84)	(13,028)	(64,972)	**(78,084)**
Application of asset ceiling	-	(1,766)	-	**(1,766)**
Group share of deficit in the scheme	**(21)**	**-**	**(11,214)**	**(11,235)**
Movements in fair value of assets				
Opening fair value of scheme assets	767	15,634	55,560	**71,961**
Interest income on scheme assets	21	377	2,046	**2,444**
Actuarial losses	(716)	(1,389)	(3,064)	**(5,169)**
Expenses	(2)	-	(32)	**(34)**
Contributions from employers	14	663	1,159	**1,836**
Contributions from scheme members	-	13	253	**266**
Benefits paid	(21)	(504)	(2,164)	**(2,689)**
Closing fair value of scheme assets	**63**	**14,794**	**53,758**	**68,615**
Movements in value of obligations				
Opening defined benefit obligation	(869)	(17,833)	(93,546)	**(112,248)**
Service cost	(11)	(91)	(1,174)	**(1,276)**
Interest cost	(24)	(422)	(2,616)	**(3,062)**
Actuarial gains	799	4,827	30,453	**36,079**
Benefits paid	21	504	2,164	**2,689**
Contributions by scheme members	-	(13)	(253)	**(266)**
Closing defined benefit obligation	**(84)**	**(13,028)**	**(64,972)**	**(78,084)**

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

Analysis of amounts charged to the Statement of Comprehensive Income:

Group			2024		
	AGPS	HPF	RCB	SCC	Total
	£'000	£'000	£'000	£'000	£'000
SOCI - Operating and Finance Costs					
Service costs	24	5	221	82	**332**
Expenses	286	-	27	2	**315**
Curtailment	(193)	-	-	-	**(193)**
Net finance charge	781	(6)	4	40	**819**
Gain on cessation	-	150	1,141	2,833	**4,124**
	898	**149**	**1,393**	**2,957**	**5,397**
OCI – Actuarial Gains/(Losses)					
Actual less expected return on assets	(5,614)	**-**	1,035	(739)	**(5,318)**
Gains from changes in assumptions	2,325	**-**	(1,044)	-	**1,281**
Experience (losses)/gains on liabilities	(658)	**-**	(67)	2,139	**1,414**
Decrease in asset ceiling	-	1,766	100	-	**1,866**
	(3,947)	**1,766**	**24**	**1,400**	**(757)**

Group			2023		
	AGPS	HPF	RCB	SCC	Total
	£'000	£'000	£'000	£'000	£'000
SOCI - Operating and Finance Costs					
Service costs	159	91	14	1,174	**1,438**
Expenses	244	**-**	6	32	**282**
Net finance charge	296	45	135	570	**1,046**
	699	**136**	**155**	**1,776**	**2,766**
OCI – Actuarial Gains/(Losses)					
Actual less expected return on assets	(39,389)	(1,389)	(223)	(3,064)	**(44,065)**
Gains from changes in assumptions	41,050	6,314	3,780	26,474	**77,618**
Experience (losses)/gains on liabilities	(10,042)	(1,487)	(423)	3,979	**(7,973)**
Increase in asset ceiling	-	(1,766)	-	-	**(1,766)**
	(8,381)	**1,672**	**3,134**	**27,389**	**23,814**

In 2023, disclosures in RCB related to The Swaythling Housing Society; in 2024, the disclosures relate to Silva Homes on an ongoing basis as they joined the Group and Swaythling on a cessation basis as they exited the scheme.

26. PENSIONS (continued)

Defined Benefit Schemes (continued)

Society	**2024**			
	AGPS	**HPF**	**SCC**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
SOCI - Operating and Finance Costs				
Service costs	1	5	82	**88**
Expenses	1	-	2	**3**
Curtailment	(1)	-	-	**(1)**
Net finance charge	1	(6)	40	**35**
Gain on cessation	-	150	2,833	**2,983**
	2	**149**	**2,957**	**3,108**
OCI – Actuarial Gains/(Losses)				
Actual less expected return on assets	(8)	**-**	(739)	**(747)**
Gains from changes in assumptions	2	**-**	-	**2**
Experience (losses)/gains on liabilities	(2)	**-**	2,139	**2,137**
Decrease in asset ceiling	-	1,766	-	**1,766**
	(8)	**1,766**	**1,400**	**3,158**

Society	**2023**			
	AGPS	**HPF**	**SCC**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
SOCI - Operating and Finance Costs				
Service costs	11	91	1,174	**1,276**
Expenses	2	-	32	**34**
Net finance charge	3	45	570	**618**
	16	**136**	**1,776**	**1,928**
OCI – Actuarial Gains/(Losses)				
Actual less expected return on assets	(716)	(1,389)	(3,064)	**(5,169)**
Gains from changes in assumptions	345	6,314	26,474	**33,133**
Experience gains/(losses) on liabilities	454	(1,487)	3,979	**2,946**
Increase in asset ceiling	-	(1,766)	-	**(1,766)**
	83	**1,672**	**27,389**	**29,144**

27. GIFT AID

The Society received Gift Aid payments from the following contributors:

	2024 £'000	2023 £'000
The Swaythling Housing Society Limited	9,386	11,000
Yarlington Homes Limited	3,699	1,538
Radian Developments Limited	648	1,223
Oriel Housing Limited	2,418	177
Yarlington Property Management Limited	131	61
Inspired to Achieve Limited	-	23
	16,282	**14,022**

28. SHARE CAPITAL

Group and Society	**2024 £**	**2023 £**
Shares of £1 each		
Issued at 1 April	23	26
Shares issued during the year	2	1
Shares cancelled during the year	(1)	(4)
Shares issued and fully paid at 31 March	**24**	**23**

The share capital of the Society consists of three classes of shares; ordinary, resident and parent, with a nominal value of £1 each, which carry no rights to dividends or other income. Shares are called-up but unpaid, with the members' agreement stating that should the society ever be wound-up the shares must be paid. Shares in issue are not capable of being repaid or transferred. On ceasing to be a shareholder, the relevant share is cancelled.

29. CAPITAL AND OTHER COMMITMENTS

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
In contract	346,031	257,061	299,669	228,225
Approved but not contracted	207,293	112,505	170,835	105,365
Total capital commitments	**553,323**	**369,566**	**470,504**	**333,590**
Other commitments	461,953	176,570	279,675	81,239
Total commitments	**1,015,276**	**546,136**	**750,179**	**414,829**

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

29. CAPITAL AND OTHER COMMITMENTS (continued)

Within the Group, other commitments includes the Group's share of commitments in relation to jointly controlled entities, as outlined below.

Joint Ventures	Holding	2024 £'000	2023 £'000
Thakeham Pease Pottage LLP	50%	7,034	20,387
Linden (Sayers Common) LLP	50%	225	1,553
Lovell/Abri Weymouth LLP	50%	43,858	45,150
Thakeham West Horsley LLP	50%	6,989	12,368
Countryside Abri Ford North LLP	50%	114,533	-
		172,639	**79,458**

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

	Group		Society	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash at bank	62,770	65,016	24,402	31,086
Homes England Strategic Partnership grant funding	-	90,000	-	90,000
Undrawn Revolving Credit Facilities	395,553	140,700	248,900	90,700
Retained bond sales	95,000	70,000	70,000	70,000
Amounts due from group undertakings	-	-	50,525	-
Cash generated from operating activities	-	3,850	76,677	51,804
	553,323	**369,566**	**470,504**	**333,590**

Cash generated from operating activities represents the difference between total capital commitments and all existing sources of funding available to the Group and Society and is lower than amounts budgeted within the year ended 31 March 2025 alone. The Society also expects to receive Gift Aid distributions from subsidiaries prior to 31 December 2024.

30. OPERATING LEASES

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

	Group				Society	
	Land and Buildings		Other		Other	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Within one year	752	60	1,666	512	11	502
Within two to five years	2,078	103	3,031	57	3	48
More than five years	999	-	-	-	-	-
	3,829	**163**	**4,697**	**569**	**14**	**550**

30. OPERATING LEASES (continued)

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

Group	Commercial properties		Leases with partnership agencies		Tenancy leases	
	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Within one year	85	101	1,350	1,282	23,054	49,421
Within two to five years	221	286	4,751	4,479	-	62,139
More than five years	164	198	3,625	3,255	-	9,169
	470	**585**	**9,726**	**9,016**	**23,054**	**120,729**

Society	Commercial properties		Leases with partnership agencies		Tenancy leases	
	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Within one year	15	16	1,132	1,029	14,210	37,837
Within two to five years	52	53	4,057	3,713	-	47,599
More than five years	59	73	3,514	3,073	-	7,179
	126	**142**	**8,703**	**7,815**	**14,210**	**92,615**

Where a tenancy lease has no fixed end date, it has been assumed that the Group and Society is committed to receive one month's rent, equal to the default notice period on tenancy agreements.

31. FINANCIAL INSTRUMENTS

Included below are financial assets and liabilities held at fair value.

	Group		Society	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial assets				
Receivables	**640**	**640**	**640**	**640**
Financial liabilities				
Payables: amounts due after one year	**(1,520)**	**(1,520)**	**(1,520)**	**(1,520)**
Fair value gains/(losses)				
On current asset listed investments	(30)	(187)	(30)	(187)
On interest rate swap	233	4,887	233	4,887
	203	**4,700**	**203**	**4,700**

32. DERIVATIVE FINANCIAL INSTRUMENTS

Within the Group, the Society uses a fixed interest rate swap to manage interest rate risk on variable rate borrowings by receiving variable interest income. Both the hedged item and hedging instrument are priced with reference to SONIA. The swap carries a nominal value of £15.0m and matures in 2038, with an impact on the Statement of Comprehensive Income in the intervening period.

The Society expects to retain an exposure to variable rate borrowings over the term of the swap and the instrument is deemed to be fully effective. The fair value of the swap at the reporting date is shown below.

	2024	2023
	£'000	£'000
Liability		
Interest rate swap	**1,520**	**1,753**

The amount of the change in fair value of the hedging instrument that was recognised in Other Comprehensive Income during the year was a gain of £233k (2023: £4,887k).

33. RELATED PARTY TRANSACTIONS

Pension Schemes

All defined benefit schemes in which the employees of the Group and Society participate are deemed to be related parties. Full disclosure on these can be found in note 26.

Loans

During the year, no (2023: one) employee determined to be Key Management Personnel had loans with the Group. As at 31 March 2024, the outstanding value of this loan was £nil (2023: £nil). There were no loans with the Society. Loans are unsecured, repayable in monthly instalments and do not carry interest. There are no provisions for uncollectible receivables.

Transactions with other entities

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

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

Registered providers of social housing

- Abri Group Limited (AGL)
- The Swaythling Housing Society Limited (SHS)
- Oriel Housing Limited (OHL)
- Silva Homes Limited (SHL)

33. RELATED PARTY TRANSACTIONS (continued)

Transactions with other entities (continued)

Other Group entities

Abri Group Subsidiaries

- Radian Developments Limited (RDL)
- Yarlington Homes Limited (YHL)
- Forest Future Homes Limited (FFH)
- Yarlington Property Management Limited (YPM)
- Radian Capital plc (RC)
- Yarlington Treasury Services plc (YTS)
- Swaythling Assured Homes plc (SAH)

Jointly Controlled Entities

- *Thakeham Pease Pottage LLP (TPP)*
- *Linden (Sayers Common) LLP (LSC)*
- *Lovell/Abri Weymouth LLP (LAW)*
- *Thakeham West Horsley LLP (TWH)*
- *Countryside Abri Ford North LLP (CAFN)*
- *Affinity (Reading) Holdings Limited (ARHL)*
- *Affinity (Reading) Limited (ARL)*
- *Affinity Housing Services (AHS)*
- *Advantage South West LLP (ASW)*

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

	Group		**Society**	
	2024	**2023**	**2024**	**2023**
Transactions - Income	**£'000**	**£'000**	**£'000**	**£'000**
AGL recharge to YHL for corporate overheads	-	40	-	40
SHS recharge to YHL for corporate overhead charges	40	-	-	-
SHS recharge to RDL for corporate overhead charges	15	-	-	-
SHL recharge to FFH for salary charges	134	-	-	-
AGL recharge to ASW for secretarial costs	6	6	6	6
AGL interest income from RDL on loans	93	223	93	223
AGL interest income from TPP on loans	1,468	1,866	1,468	1,866
AGL interest income from TWH on loans	2,865	2,063	2,865	2,063
AGL interest income from LSC on loans	203	438	203	438
AGL interest income from LAW on loans	1,124	237	1,124	237
AGL interest income from CAFN on loans	63	-	63	-
AGL interest income from ARHL on loan notes	316	282	316	282
AGL Gift Aid receipt from RDL	648	1,223	648	1,223
AGL Gift Aid receipt from YPM	131	61	131	61
AGL Gift Aid receipt from YHL	3,699	1,538	3,699	1,538
AGL Gift Aid receipt from i2a	-	22	-	22
SHL Gift Aid receipt from FFH	1,138	-	-	-

Recharges for corporate overheads are made with reference to legal agreements, based on services provided costed on an arm's length basis.

Interest income is earned on amounts loaned to subsidiaries, supported by formal agreements with charges included on an arm's length basis.

The Society receives amounts of Gift Aid from subsidiaries, ensuring corporation tax liabilities are mitigated as fully as possible and minimising the amount of cash leaving the Group.

33. RELATED PARTY TRANSACTIONS (continued)

Transactions with other entities (continued)

	Group		Society	
	2024	**2023**	**2024**	**2023**
Transactions - Expenditure	**£'000**	**£'000**	**£'000**	**£'000**
SHS purchase of properties developed from YHL	(3,297)	(7,380)	-	-
AGL purchase of properties developed from YHL	(58,314)	(54,595)	(58,314)	(54,595)
SHL purchase of properties developed from FFH	(10,495)	-	-	-
SHS purchase of properties developed from TPP	(37)	(140)	-	-
SHS purchase of properties developed from LSC	(940)	(940)	-	-
AGL charge for services provided by YPM	-	(192)	-	(192)
AGL charge for servicing fees from RC	(120)	(41)	(120)	(41)
AGL interest cost from YTS for intercompany loans	(3,911)	(3,907)	(3,911)	(3,907)
AGL interest cost from RC for intercompany loans	(16,726)	(16,699)	(16,726)	(16,699)

Properties are purchased from entities developing housing properties under appropriate contractual agreements covering all appropriate costs. Services are supported by formal agreements where appropriate.

Intercompany loans to subsidiaries are supported by formal agreements.

	Group		Society	
	2023	**2022**	**2023**	**2022**
Balances - Assets	**£'000**	**£'000**	**£'000**	**£'000**
AGL receivable from I2A for staff charges	-	1	-	1
AGL receivable from YTS from 2057 bond charges	1	502	1	502
AGL receivable from YPM for staff charges	102	1,570	102	1,570
AGL receivable from RDL for interest	1,963	1,806	1,966	1,806
SHL receivable from FFH for staff recharges	269	-	-	-
AGL receivable from YHL for development costs	319	1,584	319	1,584
AGL receivable from ASW for staff charges	-	37	-	37
AGL receivable from ARL for directors fees	33	33	33	33
SHS receivable from AHS for transactional services	15	15	-	-
AGL receivable from TPP for unpaid interest	130	126	130	126
AGL receivable from TWH for unpaid interest	336	349	336	349
AGL receivable from RDL on intercompany loan	-	4,200	-	4,200
AGL receivable from *TPP for loans*	5,787	15,745	5,787	15,745
AGL receivable from *TWH for loans*	23,792	30,887	23,792	30,887
AGL receivable from *LSC for loans*	-	1,892	-	1,892
AGL receivable from *LAW for loans*	15,538	9,244	15,538	9,244
AGL receivable from *CAFN for loans*	20,219	-	20,219	-
AGL receivable from *ARHL for loan notes*	2,765	2,448	2,765	2,448
AGL receivable from *TPP for accrued loan interest*	2,337	1,983	2,337	1,983
AGL receivable from *TWH for accrued loan interest*	1,276	*636*	1,276	636
AGL receivable from *LSC for accrued loan interest*	423	1,619	423	1,619
AGL receivable from *LAW for accrued loan interest*	950	252	950	252
AGL receivable from *CAFN for accrued loan interest*	63	-	63	-

33. RELATED PARTY TRANSACTIONS (continued)

Transactions with other entities (continued)

	Group		Society	
	2023	2022	2023	2022
Balances – Assets (continued)	£'000	£'000	£'000	£'000
AGL shareholding in YHL	1	5,926	1	5,926
AGL shareholding in YTS	50	50	50	50
SHL shareholding in	1	-	-	-
AGL investment in ARHL	1,170	1,170	1,170	1,170
AGL investment in AHS	25	25	25	25

	Group		Society	
	2024	2023	2024	2023
Balances - Liabilities	£'000	£'000	£'000	£'000
SHS payable to TPP for purchase of properties	-	*(24)*	-	-
SHS payable to LSC for purchase of properties	-	*(173)*	-	-
AGL payable to RC for intercompany loans	(330,000)	(330,000)	(330,000)	(330,000)
AGL payable to YTS for intercompany loans	(120,000)	(120,000)	(120,000)	(120,000)
AGL payable to SAH for intercompany loans	(4,000)	(4,000)	(4,000)	(4,000)
AGL payable to RDL for gift aid returnable	-	(2,206)	-	(2,206)
AGL payable to ASW for other payables	-	*(18)*	-	-
AGL payable to RC for unpaid share capital	(38)	(38)	(38)	(38)
AGL payable to YTS for unpaid share capital	(38)	(38)	(38)	(38)
SHL payable to FFH for unpaid share capital	(1)	-	-	-

34. POST BALANCE SHEET EVENTS

On 9 April 2024 an application to strike off Inspired to Achieve Limited was filed with Companies House, the entity was subsequently struck off on 25 June 2024 and dissolved on 2 July 2024.

On 27 June 2024 the Group exchanged contracts for the sale of 138 (Society: 62) market rented units for proceeds of £16.4m (Society: £8.0m). The carrying value of the units within investment properties at the reporting date had been determined using offer prices and as such the disposal gave rise to no surplus or deficit. Sales had not been completed by the date of singing of this report.

35. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Abri Group Limited is the ultimate parent company, with a registered office at Collins House, Bishopstoke Road, Eastleigh, Hampshire, SO50 6AD.

Below is a list of all entities which make up the Group:

Type	Subsidiary	Registration status	Holding
Registered Providers	The Swaythling Housing Society Limited	Registered Society	100%
	Silva Homes Limited	Registered Society	100%
	Oriel Housing Limited	Registered Society	100%
Development Company	Radian Developments Limited	Limited Company	100%
	Yarlington Homes Limited	Limited Company	100%
	Forest Future Homes Limited	Limited Company	100%
Funding Vehicle	Radian Capital plc	Public limited company	100%
	Yarlington Treasury Services plc	Public limited company	100%
Other	Yarlington Property Management Limited	Limited Company	100%
Dormant Companies	Swaythling Assured Homes plc	Public limited company	100%
	Wayfarer Limited	Limited company	100%
	Charlotte Court Management Company (Yeovil) Limited	Limited company	100%
Jointly Controlled Entities	Affinity (Reading) Holdings Limited	Limited company	50%
	Affinity (Reading) Limited	Limited company	50%
	Affinity Housing Services	Unincorporated	50%
	Thakeham Pease Pottage LLP	Limited liability partnership	50%
	Linden (Sayers Common) LLP	Limited liability partnership	50%
	Lovell/Abri Weymouth LLP	Limited liability partnership	50%
	Thakeham West Horsley LLP	Limited liability partnership	50%
	Abri Countryside Ford North LLP	Limited liability partnership	50%

36. BUSINESS COMBINATIONS

On 2 October 2023 Silva Homes Limited joined the Abri Group, becoming a wholly owned subsidiary, for nil consideration. As such the fair value of Silva's net assets, as set out below, have been recognised in the Statement of Comprehensive Income as a gift arising on combination.

In calculating the gift arising on combination, the fair value of the net assets of Silva Homes Limited have been assessed and adjustments made to book values as outlined below:

- The fair value of completed housing properties has been determined by valuations undertaken by Jones Lang LaSelle on an Existing Use Value for Social Housing basis, appropriate for the nature of units acquired. The valuations saw an excess of fair value over book value of £110m across the portfolio.
- The fair value of loans and borrowings has been determined by valuations undertaken by Centrus relative to prevailing interest rates, which saw the portfolio fair valued £60m below the book value of loans and borrowings.
- The fair value of deferred capital grant has been judged to be £nil. A contingent liability has been recognised in the Group accounts as grant becomes recyclable on the disposal of the associated assets.

36. BUSINESS COMBINATIONS (continued)

Statement of Comprehensive Income	Legacy Abri £'000	Legacy Silva* £'000	Gift Consol. £'000	Abri Group £'000
Turnover	273,223	28,925	-	**302,148**
Cost of sales	(32,409)	(1,280)	-	**(33,689)**
Operating costs	(166,746)	(24,423)	(400)	**(191,569)**
Surplus from disposal of fixed assets	22,814	223	-	**23,037**
Operating surplus/(deficit)	**96,881**	**3,446**	**(400)**	**99,927**
Finance income	8,665	683	-	**9,348**
Finance costs	(45,193)	(5,128)	(800)	**(51,121)**
Refinancing Costs	271	-	-	**271**
Fair value movement on financial instruments	(30)	-	-	**(30)**
Fair value movement on investment properties	(2,476)	-	-	**(2,476)**
Share of surplus in jointly controlled entities	1,314	-	-	**1,314**
Gift Aid	-	1,138	(1,138)	**-**
Gift arising on Business Combination	-	-	464,423	**464,423**
Surplus on ordinary activities before tax	**59,432**	**139**	**462,085**	**521,656**

* *post-acquisition results of Silva Homes Limited (from 02 October 2023 to 31 March 2024)*

Statement of Financial Position – Silva Homes	Book Value £'000	Revaluation adjustments £'000	Fair Value £'000
Intangible Assets	64	-	**64**
Housing properties	512,849	107,732	**620,581**
Other Fixed Assets	846	-	**846**
Properties for sale	3,273	-	**3,273**
Receivables	5,214	-	**5,214**
Cash and cash equivalents	13,356	-	**13,356**
Payables: amounts due within one year	(11,700)	1,978	**(9,722)**
Payables: amounts due after one year	(228,975)	59,786	**(169,189)**
Deferred capital grant due after one year	(8,300)	8,300	**-**
	286,627	**177,796**	**464,423**