

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

ABRI GROUP LIMITED

Annual Report and Financial Statements

Year Ended 31 March 2023

CONTENTS

GENERAL INFORMATION	1
INTRODUCTION FROM THE GROUP BOARD CHAIR	2
INTRODUCTION FROM THE GROUP CHIEF EXECUTIVE	3
STRATEGIC REPORT	4
GROUP STRUCTURE	4
BUSINESS MODEL	5
KEY PERFORMANCE HIGHLIGHTS	5
OVERVIEW OF FINANCIAL RESULTS.....	6
CORPORATE STRATEGY.....	10
KEY STAKEHOLDERS	16
STOCK PROFILE	17
OUR DEVELOPMENTS	18
VALUE FOR MONEY	19
IMPACT ON THE ENVIRONMENT.....	23
TENANCY FRAUD AND ANTI-MONEY LAUNDERING	24
MODERN SLAVERY AND HUMAN TRAFFICKING	24
STATEMENT OF COMPLIANCE	24
DIRECTORS' REPORT	25
GROUP BOARD MEMBERS.....	25
EXECUTIVE BOARD.....	27
EXECUTIVE AND CORPORATE DIRECTOR SERVICE CONTRACTS	27
GOVERNANCE AND REGULATION	28
RISK AND INTERNAL CONTROLS	32
CAPITAL AND TREASURY MANAGEMENT	35
EMPLOYEES.....	38
EQUALITY, DIVERSITY AND INCLUSION	38
HEALTH, SAFETY AND WELLBEING	39
ACQUISITION OF OWN SHARES.....	41
POST BALANCE SHEET EVENTS	41
GOING CONCERN.....	41
DISCLOSURE OF INFORMATION TO AUDITOR	42
EXTERNAL AUDITOR	42
APPROVAL OF THE BOARD	42
STATEMENT OF THE BOARD'S RESPONSIBILITIES.....	43
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRI GROUP LIMITED	44
GROUP STATEMENT OF COMPREHENSIVE INCOME	52
SOCIETY STATEMENT OF COMPREHENSIVE INCOME.....	53
GROUP STATEMENT OF FINANCIAL POSITION	54
SOCIETY STATEMENT OF FINANCIAL POSITION.....	55
GROUP STATEMENT OF CHANGES IN RESERVES.....	56
SOCIETY STATEMENT OF CHANGES IN RESERVES	57
GROUP STATEMENT OF CASH FLOWS.....	58
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023	59

ABRI GROUP LIMITED

GENERAL INFORMATION

BOARD OF DIRECTORS

Jane Alderman	
Mandy Clarke	resigned 31 August 2022
Joanna Makinson	
Wayne Morris	
Simon Porter	
Jocelyn McConnachie	
Lou Taylor	
Mary-Kathryn Rallings-Adams	
David Montague	appointed 25 May 2022
Veronica Gordon (Co-optee)	appointed 25 May 2022
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 OPA

INTRODUCTION FROM THE GROUP BOARD CHAIR

Over the past year, we've continued to focus on our customers, especially the most vulnerable, who have been hardest hit by cost-of-living increases. We've done this by providing direct support, including establishing a £0.5m hardship fund and increasing the resources available to help customers maintain their tenancies and receive all the benefits they're entitled to.

We've also increased our investment in our homes to make them more sustainable and energy efficient to help reduce our customers' energy bills. As a founding partner of the Greener Futures Partnership, Abri's customers will benefit from funding recently secured from the Social Housing Decarbonisation Fund, enabling us to improve the energy efficiency of more homes, more quickly. Abri remains committed to tackling environment and climate change and as part of the Greener Futures Partnership, we launched a retrofit Framework worth a total of £1.5bn to help access quality skills and resources to deliver energy efficiency and retrofit homes.

We have taken a robust approach to tackling instances of damp and mould and invested more than £1m in eradicating the root cause where issues have been found, either from proactive stock condition surveys or responding to reports from customers.

Abri has been able to make these investments because it remains financially strong and resilient, despite the challenging economic environment. An operational efficiency initiative – Optimum Abri - has contributed to the retention of our G1/V1 status from the Regulator of Social Housing and an A3 Moody's credit rating, ensuring we can continue to invest in our current housing stock and building new homes.

In this context, our strategic ambitions remain unchanged, albeit with an increased focus on supporting customers, investing in our homes and ensuring we remain financially strong and resilient. The Board also remains committed to partnership working to create synergies, reduce risk and to do more for our customers and communities than we would be able to do alone. This is evident in our joint ventures with Lovell, Thakeham and Vistry, in our strategic partnership with Homes England and our work with local government across our geography. I would like to take this opportunity to thank all Abri's partners for your continued support during the year; the Board values greatly the contribution you have made, and continue to make, towards our joint success.

The Board recently approved an outline business case that could see Silva Homes join the Group later this year, subject to a customer consultation and other formalities; a partnership that would enable us to do more for our customers and communities together. If it goes ahead, Abri is committed to further investment in customer service and in building even more new homes in the area around Windsor and Bracknell, based on the priorities of the local community. Abri will also further strengthen its local focus, creating regional boards who would be directly accountable to the customers and communities they serve. Abri exists to create great, sustainable communities and improve people's life chances - the guiding principle by which the Board will navigate future opportunities and challenges.

During the year, the Board welcomed two new members, appointments which reflect a continuing drive to strengthen and diversify our group board. Veronica Gordon has considerable media experience and strong connections with local communities, while David Montague has extensive Chief Executive and Board-level experience in housing associations and sector bodies.

I would like to express the Board's appreciation for the continuing hard work and commitment of Abri's colleagues who remain united by its clear purpose. Finally, and most important of all, I would like to thank Abri's customers for their continuing understanding and patience.

Wayne Morris
Group Chair

INTRODUCTION FROM THE GROUP CHIEF EXECUTIVE

The Group continued to perform well in what proved to be a particularly challenging environment for housing providers and their customers. Group turnover was up 8% at £264m and operating surplus up 6% at £74m. This was after our largest ever investment of £85m in our existing homes, covering energy efficiency, building and fire safety, and general repairs and maintenance.

While these figures are important, at Abri, we judge our success by the positive impact our investments have on our customers and communities. The need to create more affordable homes while maintaining existing ones to a high standard, has never been greater. Over the past year, public attention has been drawn to the quality of some rented homes in this country and we're committed to ensuring every one of our customers lives in a safe, warm and comfortable home.

Abri has always treated the issue of damp and mould – indeed, any issue that threatens the safety of our customers – very seriously. We recently took the opportunity to review and strengthen our approach, not only to detect and resolve issues more quickly, but to prevent them happening in the first place. We created a new quality assurance team, invested more than £1m installing suitable insulation and ventilation, and set aside increased budgets to tackle incidences of damp and mould in the future.

As well as increasing investment in our existing homes, I am also pleased to report that Abri developed 1,017 new homes during the year to hand over to new customers, providing them with the comfort and security of their own home. These new homes included 405 for affordable and social rent, 369 for shared ownership and 243 for sale, 233 of which were delivered with our joint venture partners. These results keep us on course to be a 'Top 10 Housing Association by scale'.

During the year, Abri completed 328 new home sales and, in total, helped 648 customers to either buy their home or increase their share of their existing home via shared ownership. As one of the country's three Help to Buy agents, we have contributed towards 350,000 households securing their own home over the course of the programme. We continued to build the pipeline required to deliver our long-term goal of creating an additional 10,000 new homes by 2030 – an investment of £2.6bn. Critical to our success in creating new homes at scale is our strategic partnership with Homes England – which has, so far, supported the delivery of 250 completed homes – joint ventures and partnerships with other developers.

We recently reorganised our housing and community teams to bring them closer to the customers they serve and empower them to resolve any issues and concerns quickly. We carried out a review of our approach to resident involvement to ensure that customers remain at the heart of our decision making. We also made good progress in gathering information from our customers to understand their diverse needs, identify and tackle any inequalities that exist within our communities. Looking ahead, we will extend our local approach to service delivery by empowering local teams who we believe are in the best possible place to understand and meet our customers' needs. We want to be in the 'Top 10 for customer satisfaction' so it's paramount that we continue investing in our frontline colleagues to improve our services to customers.

More than 12,000 individuals also benefited from our community interactions, the net result of which was to see more than 570 people get into employment and for our customers to claim £3.4m in benefits to which they were entitled.

We have always believed that highly motivated colleagues deliver the best service to customers. So, it was also pleasing to retain Abri's three star 'Best Companies' status which signals high levels of colleague engagement and satisfaction, and a positive step towards becoming a 'Top 10 place to work'. I would like to thank all colleagues for their contribution to our results this year.

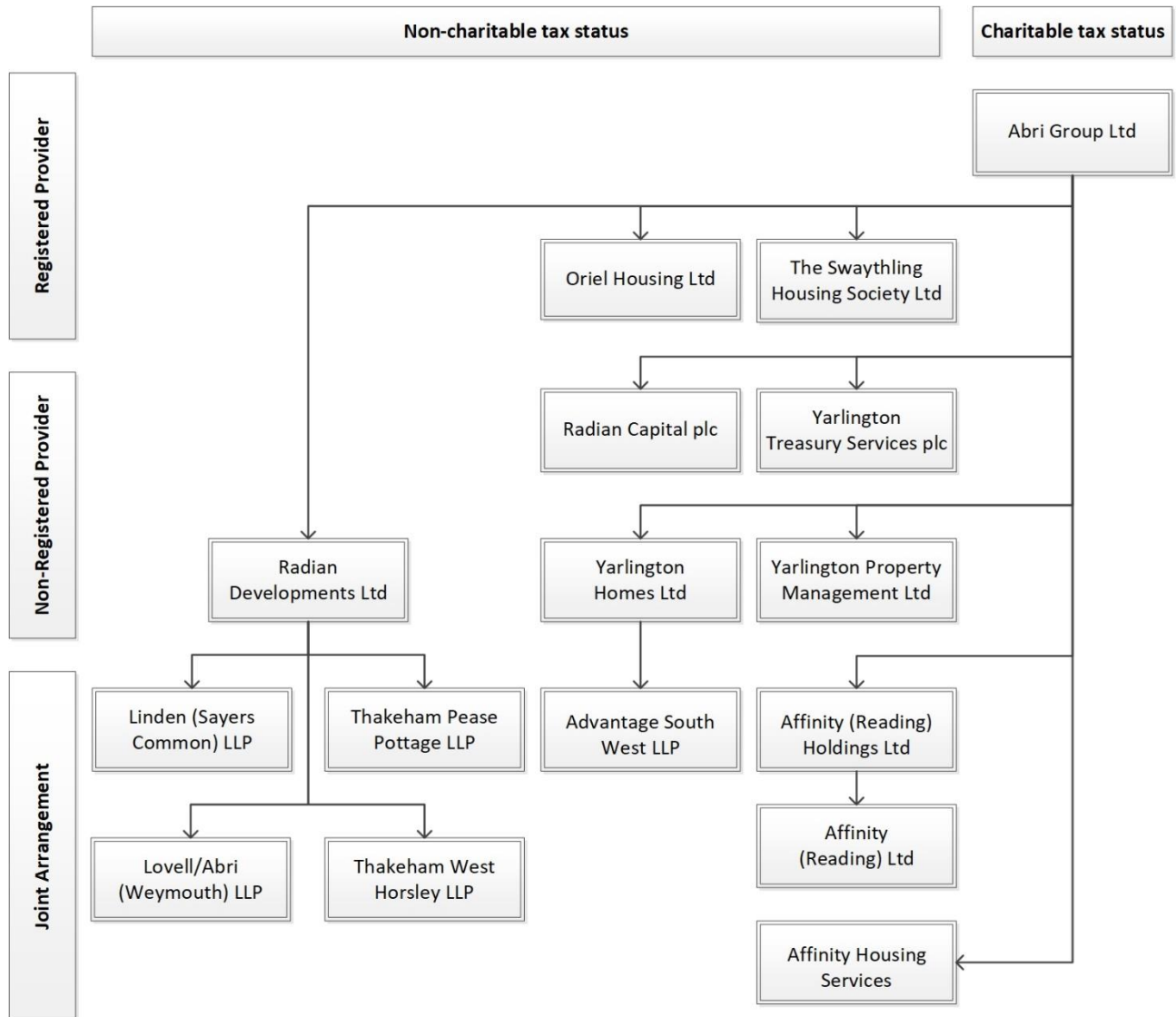
Gary Orr
Group Chief Executive

ABRI GROUP LIMITED

STRATEGIC REPORT

GROUP STRUCTURE

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



ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

BUSINESS MODEL

Abri Group Limited and The Swaythling Housing Society Limited – with the former benefitting from charitable tax status – are the two 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.

Oriel Housing Limited owns no stock and is the third 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, through direct delivery, and Radian Developments Limited, through joint arrangements, also engage in development activity on behalf of the Group.

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. Yarlington Property Management Limited provides a limited range of repair and maintenance services to fellow group members and external clients.

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 – both rental and sale of units – contributes significantly to the Group's result.

KEY PERFORMANCE HIGHLIGHTS

Area	Performance Information	Result
Development	New homes delivered	1,017 (including 233 with joint venture partners)
	Homes sold	328
	Homes England Strategic Partnership Grant claimed in year (cumulative claims to date)	£82m (£160m)
Regulatory Ratings	Regulator of Social Housing rating	G1 & V1
	Moody's credit rating	A3 (negative)
Colleague	Best companies	3-star
	Investors in People	Gold
Customer	Supporting people into employment	576
	Additional benefits secured for customers	£3.4m
	Social value created	£10.2m
	Repairs satisfaction	83%
	Customer contacts	362,000 (73% of which were incoming calls)
	Satisfaction with complaints when upheld/not upheld	49%/12%
	Stage 1/2 Complaints resolved within timescales	63%/33%
Compliance	Arrears % - all tenures/social and affordable	2.4%/2.2%
	Repairs (non-emergency) completed on time	94%
	No of repairs carried out (emergency/non-emergency)	27,771/106,294
	Overall "Big 6" Compliance	99%*

* Gas (LGSR) 99.96%, Fire (FRA) 100%, Water (WRA) 100%, Electrical (5 year EICR) 99.57%, Passenger Lifts 97.27%, Asbestos Management Surveys (Communal) 100%.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

OVERVIEW OF FINANCIAL RESULTS

Group Financial Performance

	FY23	FY22	Variance	
	£'000s	£'000s	£'000s/%	%
Turnover	263,852	244,283	19,569	8%
Operating surplus	73,958	69,767	4,191	6%
Surplus before Tax	43,877	28,252	15,625	55%
Surplus before Tax (excl. Break Costs)	43,877	34,252	9,625	28%
Operating Margin	28.0%	28.6%	(0.6%)	(2%)
Operating Margin (excl. asset disposal)	21.0%	22.9%	(1.9%)	(8%)
Net margin	16.6%	11.6%	5.0%	44%
Net margin (excl. break costs)	16.6%	14.0%	2.6%	19%
EBITDA MRI	141.8%	157.0%	(15.2%)	(10%)

Turnover has increased by £20m year on year. Income from rentals increased by £12m and property sales by £6m. Other revenue streams were in line with the previous year on a net basis, with increases in other revenue streams offsetting reductions in Help to Buy income. Turnover from social tenures has increased by £14m to £201m and contributes 76% of the Group's turnover, following 774 additions in the year.

Income from first tranche sales contributes £45m, an increase of £11m, with market sales reducing by £5m to £3m in the year, delivering 20% of total turnover. Supply of and demand for property remained high in the year, despite the increasing economic pressures. First tranche sales volumes increased by 15% to 324 units and all nine market sales units built sold quickly.

Income from Help to Buy transactions was £1m lower than the prior year at £3m as demand and cases reduced, with the scheme in the process of winding down. 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 £5m income.

Cost of sales have increased by £4m, consistent with the increase in sales. The margins on first tranche sales also improved from 16% to 20%, linked to the continuation in house price growth, with similar margins on our market sales in the year.

Operating costs increased by £16m to £171m. Employee costs increased by £6m to £68m, in line with the 6% increase in employee numbers as a result of insourcing in our HomeCare operations, whilst costs associated with repairs and maintenance increased by £10m, due to job volumes.

Surpluses generated on the sale of fixed assets have increased from £14m to £19m. Existing Unit sales account for £9m, whilst staircasing transactions account for an additional £5m. Overall, margins increased from 50% to 55%, driven by margins on existing unit disposals nearing 80% due to the nature of the units.

Operating surpluses have increased from £70m to £74m, supported by property sales activity, with margins remaining flat at 29% in the process.

Net interest costs have reduced by £4m, 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 during the year.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

OVERVIEW OF FINANCIAL RESULTS (continued)

Group Financial Performance (continued)

The Group incurred £6m of re-financing cost in in the prior year from early breaks on embedded fixed rate swaps in our portfolio of variable rate borrowing; no such activity has been undertaken this year.

The Group's share of underlying joint venture performance improved notably during the year, with a surplus of £4m against £2m in the prior year, although this did include an exceptional cost of £2m, relating to Affinity (Reading) Limited.

The Group has recorded a surplus before tax of £44m at a margin of 17%, an improvement from the £28m at 12% (£34m at 14% after adjusting for refinancing costs) in the prior year.

In other comprehensive income, there have been significant actuarial gains of £24m across the defined benefit pension scheme portfolio, most notably within the Somerset County Council scheme, against gains of £21m in 2021/22.

Society Financial Performance

	FY23	FY22	Variance	
	£'000s	£'000s	£'000s/%	%
Turnover	183,349	163,718	19,631	12%
Operating surplus	50,280	44,181	6,099	14%
Surplus before Tax	35,124	13,437	21,687	161%
Surplus before Tax (excluding Gift Aid)	21,102	12,241	8,861	72%
Operating Margin	27.4%	27.0%	0.4%	2%
Operating Margin (excl. asset disposal)	20.3%	22.0%	(1.7%)	(8%)
Net margin	19.2%	8.2%	11.0%	133%
Net margin (excluding Gift Aid)	11.5%	7.5%	4.0%	54%
EBITDA MRI	125.3%	129.2%	(3.9%)	(3%)

Turnover has increased by £20m year on year. Income from rentals increased by £10m and property sales by £9m. Other revenue streams were in line with the previous year. Turnover from social tenures has increased by £11m to £153m and contributes 84% of the Society's turnover, following 464 additions in the year.

Income from first tranche sales contributes £25m, an increase of £9m, and equates to 14% of turnover. Supply of and demand for property remained high in the year, despite the increasing economic pressures, as first tranche sales volumes increased by a third to 191 units.

Cost of sales have increased by £6m, consistent with the increase in sales. The margins on first tranche sales also improved from 11% to 17%, linked to the continuation in house price growth.

Operating costs increased by £12m to £126m; costs associated with repairs and maintenance increased by £5m to £49m, due to job volumes and management costs – predominantly the Society's share of Group costs – increased by £3m to £36m.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

OVERVIEW OF FINANCIAL RESULTS (continued)

Society Financial Performance (continued)

Surpluses generated on the sale of fixed assets have increased from £8m to £13m, with Existing Unit sales accounting for £9m of the total. Overall, margins increased from 55% to 60%, driven by margins on existing unit disposals nearing 80% due to the nature of the units sold.

Operating surpluses have increased from £44m to £50m, supported by property sales activity, with margins including asset disposals remaining flat at 27% in the process.

Net interest costs have reduced by £4m, 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.

In the year, the Society also received a total of £14m in Gift Aid payments from subsidiaries in the Group.

The Society has recorded a surplus before tax of £35m at a margin of 19% (£21m at 12% adjusting for Gift Aid receipts), an improvement from the £13m at 8% (£12m at 8% adjusting for Gift Aid receipts) in the prior year.

In other comprehensive income, there have been significant actuarial gains of £29m across the defined benefit pension scheme portfolio most notably within the Somerset County Council scheme, against gains of £11m in 2021/22.

Group Financial Position

	FY23	FY22	Variance	
	£'000s	£'000s	£'000s	%
Fixed Assets	2,370,015	2,216,359	153,656	7%
Current Assets	269,962	285,212	(15,250)	(5%)
Net Assets	613,970	541,998	71,972	13%

Housing properties have increased by £158m, driven by 774 gross additions, predominantly for affordable rents and shared ownership. Additions to Housing Properties are notably higher than the £94m in the prior year, whilst handovers are similar year on year. Our social housing stock, with a carrying value of £2.3bn, represents 95% of our fixed asset base.

Within current assets, our closing cash position of £65m is £86m 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 £27m higher than the prior year at £81m; the balance at year end is primarily attributable to shared ownership properties under construction, with only £13m of completed stock unsold at year end.

Receivables are £43m higher than the prior year at £124m, with additional amounts loaned to jointly controlled entities and an increased grant claimed from Homes England under the terms of our Strategic Partnership in Quarter 4.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

OVERVIEW OF FINANCIAL RESULTS (continued)

Group Financial Position (continued)

Payables due within one year are £18m higher than the prior year at £98m due to the utilisation of revolving credit facilities, impacting the classification on loans and borrowings.

Within long term liabilities, loans and borrowings are marginally higher than the prior year at £1,202m. Deferred Capital Grant has increased by £83m with new grant received under our Strategic Partnership to close at £654m. The value of defined benefit pension liabilities has almost halved to £32m at year end, owing mainly to external market factors impacting discount rates used in actuarial valuations at the reporting date.

Following the positive results of the year, our Group funds are £614m, including £491m of revenue reserves.

Society Financial Position

	FY23	FY22	Variance	
	£'000s	£'000s	£'000s	%
Fixed Assets	1,702,179	1,605,953	96,226	6%
Current Assets	229,146	231,957	(2,811)	(1%)
Net Assets	654,076	584,842	69,234	12%

Housing properties have increased by £100m, driven by 464 gross additions, predominantly for affordable rents and shared ownership. Additions to Housing Properties of £117m are notably higher than the prior year, whilst handovers are similar year on year. Our social housing stock, with a carrying value of £1.7bn, represents 98% of our fixed asset base.

Within current assets, our closing cash position of £31m is £87m 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 £25m higher than the prior year at £44m; the balance at year end is primarily attributable to shared ownership properties under construction, with only £6m of completed stock unsold at year end.

Receivables are £60m higher than the prior year at £154m, with additional amounts loaned to jointly controlled entities and an increased grant claimed from Homes England under the terms of our Strategic Partnership in Quarter 4.

Payables due within one year are £10m lower than the prior year at £33m due to a reduction in amounts owed to group companies.

Within long term liabilities, loans and borrowings are £20m higher than the prior year at £937m. Deferred Capital Grant has increased by £48m with new grant received under our Strategic Partnership to close at £293m. The value of defined benefit pension liabilities has reduced by three quarters to £11m following actuarial valuations at year end, owing mainly to external market factors impacting discount rates used in actuarial valuations at the reporting date.

Following the positive results of the year, our Society funds are £654m, including £531m of revenue reserves.

CORPORATE STRATEGY

Our strategic objectives, our values and our day-to-day service delivery are all underpinned by three core beliefs, centred around our customers:

1. Everyone has the right to a safe, warm and sustainable home;
2. Homes and communities are places to belong, grow and thrive; and
3. Equal opportunity must exist for communities so everyone can have improved life chances.

We review our strategy every year and refresh it as and when appropriate; in March 2022 we added an eighth strategic objective – making all of our communities more inclusive – an important factor in all we do.

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.

Achieving Together 2020-2025

Since the launch of the current strategy in 2020, our operating environment has changed dramatically, due to a range of local, national, and global factors. Our customers and communities are facing an unprecedented crisis in their cost of living, the economic environment is impacting the delivery of affordable homes at time when they're needed most, and making our homes and operations more energy efficient has never been more important.

During the year, Abri operated under eight 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. Making all of our communities more inclusive;
6. Create a great place to work;
7. Manage our business to the highest standards; and
8. Climate crisis: creating a sustainable future.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

CORPORATE STRATEGY (continued)

Progress against our Strategic Objectives

Strategic Objective #1 – Build more homes

In 2022/23 we built 1,017 new homes, meeting the target in our revised business plan. It was the first time in our history that we've built more than 1,000 homes in a year, helping more people access quality homes where they're needed most, despite challenging market conditions and a tough operating environment. To date, we have completed 26% of this target, and are on track to reach the 10,000 homes by 2030.

Homes built by our inhouse construction team

Abri Build is a construction management team within Development, building new homes which contributes to the overall delivery of the Group. It exists to deliver value for money by driving up quality and satisfaction among customers and creates training and employment opportunities.

Abri Build's strategy is to grow its output to deliver 250 homes per year by 2026. Within the 1,017 homes delivered this year, 80 were delivered by Abri Build. This included the redevelopment of Herbert Collins House, the former head office of The Swaythling Housing Society. A collection of 14 one and two-bedroom social rent apartments now stands in its place, with one of the homes fully wheelchair accessible.

Working in partnership

We continue to work with a number of different organisations to deliver our development strategy.

Abri is proud to work with Homes England to accelerate affordable homes in the south of England. We've started on site to deliver 680 new homes, completed 169 new homes and claimed 64% of our £250m grant to date. Looking ahead, we've identified 1,827 new homes, of which we anticipate 476 to be built using Modern Methods of Construction.

Through joint ventures, we're building more than 1,400 new homes and creating communities containing new schools, shops and amenities. These partnerships enable us to maximise efficiencies by building at scale and sharing skills, leading to the delivery of more homes and services for our customers.

We chair the board of Building Better, a consortium of more than 34 local authorities and housing associations, who work collaboratively with manufacturers to innovate housing development and deliver high quality, high performing, low energy zero carbon homes using Modern Methods of Construction.

Abri is also the lead partner of Wayfarer, a consortium of 17 affordable housing providers, including five local authorities, drawn together to help unlock vital sources of grant funding.

Our new homes

In the year, we sold 328 new homes; 318 shared ownership units and nine for market sale, with volumes increasing year on year despite the cost-of-living crisis and economic backdrop. With the ending of the Help to Buy programme, buyers have increasingly looked towards shared ownership as a viable and affordable route to home ownership.

Being able to offer a range of high-quality homes in the right locations has supported our customers in their search. With a greater focus on useful buyer guides and content, we have worked hard to help those who need it most to find a safe, secure and sustainable new home.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

CORPORATE STRATEGY (continued)

Progress against our Strategic Objectives (continued)

Strategic Objective #2 – Invest more in our existing homes

It's our duty to provide our customers with homes that are safe, warm and ready for the future and we're investing £485m to maintain the quality of our existing homes. This includes improving building and fire safety, tackling issues like damp and mould, and making our homes more energy efficient.

Through a cost-of-living survey we conducted in late 2022, customers identified both improving their energy efficiency and the maintenance of their homes as key priorities.

Damp and mould

Drawing on expertise from across the business, we've set up a dedicated damp and mould taskforce, responsible for coordinating our approach and addressing the root cause of different types of damp and mould. Our newly formed Quality Assurance team are an integral part of this, ensuring we have a clear and effective approach that puts the customer at the heart of our response. We've developed an e-Learning module on the topic for all colleagues and provided specialist training for those on the frontline.

Our 'see something, say something' culture continues to empower all colleagues to report anything they see in a customer's home that is not up to scratch so our properties remain safe and meet or exceed relevant regulations.

High Rise Blocks and Fire Safety

We've established a fire safety steering group that deals with the requirements of existing, new and emerging fire safety legislation and guidance. Our robust fire risk assessment process encompasses these changes and determines our ongoing programmes of fire safety work and we're pleased to maintain 100% compliance where properties require fire risk assessments.

In the year we have completed a cladding replacement project at Mulvaney Court, and we have two other buildings due to complete by the Autumn, Berry Court and Park Reach.

In January 2023 the Fire Safety (England) Regulations 2022 came into effect and were introduced to ensure that all our customers are safe within their flats. Abri staff carry out routine inspections of buildings to ensure that we are complying with the regulations, including reminders of what to do in the event of a fire. We conduct regular checks on communal fire doors which prevent the spread of smoke and fire and, on an annual basis, we check all flat entrance doors in our blocks 11m or more in height.

Abri is also a signatory of the Building Safety Charter and is working toward charter championship status which will reaffirm the actions that we take to ensure all the homes we provide are safe.

Retrofitting customers' homes

In the year, grant from a successful bid to the Social Housing Decarbonisation Fund (SHDF) Wave 1 has enabled us to improve the energy efficiency of 125 customer homes, with a total investment of £2m. These retrofitted homes have a reduced carbon footprint and significant benefits for customers - being easier to heat and keep warm they are better protected against rising energy prices.

Progress against our Strategic Objectives (continued)

Strategic Objective #2 – Invest more in our existing homes (continued)

In 2022/23 we improved the energy performance of 31 homes in Bruton, Somerset, seeing every home in the programme increase its Energy Performance Certificate (EPC) rating by at least two bands to “B” or above. Looking ahead, we’ll continue improving our existing customer homes, engaging with them to focus our investment on the things that matter most to them. We’ll also work with fellow members of the Greener Futures Partnership to retrofit 5,600 more homes across the partnership using funds from our joint SHDF Wave 2 grant.

Regeneration schemes

Abri presented its plans for the potential regeneration of Sawyers Close, Windsor at a public exhibition in June 2022, and the feedback received was valuable in helping to progress our designs. As a result of the changes, we’re now looking at a scheme that could provide 413 new homes, of these, 189 would be for social rent and 224 would be additional new affordable homes.

Strategic Objective #3 – Delivering outstanding customer service

Tenant Satisfaction Measures

In April 2023, new Tenant Satisfaction Measures were introduced by the Regulator of Social Housing. The measures are intended to make landlords’ performance more visible to tenants, and help tenants hold their landlords to account. We will report for the first time at the end of the next financial year on five themes: keeping properties in good repair, maintaining building safety, respectful and helpful engagement, effective handling of complaints and responsible neighbourhood management.

Customers First

In April 2023, we announced our new housing services strategy, with a distinctive service model that is agile and delivers the consistent high-quality service standards that attract and retain customers. Sometimes things go wrong and when that happens, we want to put things right as quickly as possible. Our teams will be rooted in local communities and will connect with empathy, professionalism, and care. We want our customers to feel empowered, heard, and directly involved in how we shape our services.

As a member of the Housing Ombudsman Scheme, Abri has embraced the Housing Ombudsman’s Complaint Handling Code. We ensure compliance by completing an annual self-assessment (or more frequently if changes are made to either the Code or our internal processes).

We are committed to ensuring that Abri’s Complaints Policy is accessible and have an independent team responsible for ensuring all complaints made to Abri are dealt with in line with this policy. We also understand not everyone is able to exercise their right to raise concerns or complain about the service they have received due to their individual needs, so we have a Reasonable Adjustments Policy in place to address this.

We’ve also made changes to the ways we support customers after they’ve moved into their new home. Our new customer satisfaction survey quickly identifies issues and provides feedback on how we can improve the specification of our homes. Customer Liaison Managers are in direct contact with customers and our own tradespeople, who are on hand to carry out any remedial works required.

Progress against our Strategic Objectives (continued)

Strategic Objective #4 – Create thriving communities

We want to make a positive contribution to our customers' neighbourhoods. Our £15m, five-year Community Investment strategy focuses on employment, empowerment, and health and wellbeing activities in our most deprived areas.

Over the last year our projects have focused on supporting customers with the cost of living, including the introduction of community pantries in our cafés and running clothes swap shops and repair cafés.

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, measuring our social and environmental impact through improvements to wellbeing.

Abri's social value generated has doubled in the year from £5m to £10.2m in 2022/23, with the majority generated from employment support related activities. In the year we returned £13.15 for every £1 spent compared with £6.09 in the previous year.

You can read more about how we are investing in our homes and about the service we are providing to our customers in our Customer Annual Report 2022-2023.

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

In March 2023 we refreshed our Inclusion Strategy, following on from our first Equality, Diversity and Inclusion strategy launched in June 2020. This refresh is informed by Abri's customers and colleagues and is based on a bold new vision: "In our community, the best chances in life are available to all." It sets out four objectives.

1. **Inclusive Community Engagement:** Abri is committed to building a deeper understanding of its customers, and this insight will be combined with best practice in engaging with all parts of Abri's community, especially seldom-heard, vulnerable and under-served customers.
2. **Improved Life Chances for All:** Central to Abri's core purpose and inclusion vision statement is the concept of social mobility and how to improve it. This covers a wide range of Abri's activities, from supporting customers with the cost-of-living crisis and tackling social stigma to education, employment, skills, and training interventions.
3. **Zero Tolerance of Discrimination, Abuse, Anti-Social Behaviour and Hate Crime:** This is clearly a priority for Abri's customers and communities, and it already forms a key part of Abri's customer proposition. There is, however, a need to position the work Abri does here as a central part of its inclusion strategy and alongside other core services such as lettings, repairs, and maintenance.
4. **Creating a Diverse, Learning Organisation:** To build cultural awareness and understanding and, critically, to earn the trust of all its customers, Abri embraces the value that diverse teams bring to all that it does. This diversity of thought will enable colleagues to seek innovative solutions to engage with customers. Abri will continue to learn from this innovation, good practice and customer experiences, supporting continuous improvement in relation to its inclusion work.

Progress against our Strategic Objectives (continued)

Strategic Objective #6 – Create a great place to work

We want to make our organisation a great place to work, for everyone. This means people 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. This year we've been awarded a three-star Best Companies accreditation, the highest standard of workplace engagement and we're continuing to improve our offices to be more inclusive.

ConneXus – our colleague representatives

We've grown our team of ConneXus representatives, providing them with training and shadowing opportunities, whilst continuing to give 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.

Prioritising professional and personal development

We are dedicated to creating exceptional housing professionals, and to do this, we launched Housing Professional of the Future, a framework that provides colleagues with career direction and supports them to be the very best they can. This year we're looking to refresh our approach to give all colleagues the opportunity to get closer to the housing sector. We are working closely with the Chartered Institute of Housing to make sure we're ready to apply any training needs as part of the professional review.

Wellbeing

Our objective is to make a real difference in the way we view, talk and act on health and wellbeing and we are focusing on the steps we can take to create a positive and healthy working environment for all.

We are delivering mental health training to help our front-line colleagues gain an understanding of what poor mental health is, how to spot it in ourselves and our customers, how to open up the conversation and the importance of self-care and wellbeing. We have also focussed on financial wellbeing, offering webinars based on topics that deal with the financial impact of key life moments as part of a new employee assistance programme.

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

In October 2022, we launched our single housing management systems, combining our legacy systems into one, a major milestone in our integration journey. This provides us with a single source of truth for recording engagement with our customers, detailing the condition of our housing stock and manage the business. We're proactively reviewing and enhancing the information our system holds to ensure decisions are evidence based as far as possible.

We've also continued to make changes to other systems used to run our operation day in day out, from upgrading our telephony to the creation of a single Abri domain, streamlining internal processes and reducing costs as we move away from running dual systems.

This year, we also retained our A3 Moody's credit rating and our G1/V1 grading with the Regulator of Social Housing, reflecting our financial strength and resilience and our robust governance arrangements.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

CORPORATE STRATEGY (continued)

Progress against our Strategic Objectives (continued)

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

Our sector has huge part to play in the Government's 2050 net zero target: both in terms of cutting carbon emissions and embedding the behavioural shifts that support long term change. To support this, we introduced our first Sustainable Funding Framework in September 2022.

Building sustainably

Building new, affordable homes is important but we want to do this sustainably, lowering our carbon footprint as we work towards achieving net zero. To support this aim, across our developments this year we've installed 70 electric vehicle charging points and 88 photovoltaic panels.

Greener Futures Partnership

In April 2021, alongside four peer housing providers - Hanover, Home Group, Hyde Group and Sanctuary – we launched The Greener Futures Partnership (GFP), representing 300,000 homes for more than 600,000 customers. In the years since the Partnership's launched we've commissioned research with the Centre for Social Justice and have this year unveiled a £1.5bn retrofit procurement framework. The goods and services procured as part of the Framework will allow GFP to meet the Government's target for all social homes to have an EPC rating of 'C' by 2030.

Our ESG sustainability reporting standard

The report aims to demonstrate our performance and the positive improvements it's making for our customers, the environment and how we're managing our business to the highest standards. Our 2022/2023 ESG report is our third report and demonstrates improvements in our performance, ensuring we continue to be transparent and accountable.

KEY STAKEHOLDERS

We achieve more with the support of our stakeholders. We have an agreed stakeholder engagement and communication plan, which ensures we focus on the right stakeholders, understand their issues and priorities and how they align with our own. Here's how we engage with some of our key stakeholders:

Customers

- Customer consultation undertaken to influence changes to our services, processes and policies
- Resident led scrutiny embedded in our formal governance structure.
- Steering groups and forums, such as the Thriving Communities Panel, 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).

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

KEY STAKEHOLDERS (continued)

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.

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

- Responses to White Papers and government consultations.
- Briefing notes offered to all Party Parliamentary Groups and Select Committees.
- Quarterly overview of Abri's news.
- Thought leadership pieces, round tables and site visits.

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 2023 we owned and managed housing properties across 55 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
South Somerset District Council	6,665	437	1,641	164	3	8,910
East Hampshire District Council	4,228	324	635	142	2	5,331
Royal Borough of Windsor and Maidenhead	2,787	34	424	133	-	3,378
Southampton City Council	2,026	321	229	158	149	2,883
Eastleigh Borough Council	1,155	375	113	94	48	1,785
Reading Borough Council	1,310	15	17	59	-	1,401
Wiltshire Council	953	424	4	1	4	1,386
Portsmouth City Council	697	62	-	91	48	898
Bournemouth, Christchurch and Poole	522	137	39	11	122	831
New Forest District Council	718	139	4	54	-	915
Dorset Council	515	172	50	25	-	762
Test Valley Borough Council	369	155	-	77	16	617
Winchester District Council	413	91	-	8	-	512
	22,358	2,686	3,156	1,017	392	29,609

OUR DEVELOPMENTS

During the year we've been involved in over 50 developments across our geography, delivering homes across a variety of tenures. An overview of some of our most significant developments in the year is included below.

Development Activity

The Old Brewery, Bristol

At the Old Brewery in Southville we're building 107 affordable homes (including seven commercial units) which will be one of Bristol's largest developments of affordable homes. The build will combine old with new; refurbishing parts of the existing structures to create homes, shops, and offices, ready to welcome the community and new homeowners in 2024. The properties will be a mix of one, two and three-bedroom apartments with 98 homes available to buy through shared ownership and nine for social rent.

Our approach is also about providing options and making a development work in difficult areas and at The Old Brewery we're making use of a brownfield site, overcoming the lack of available land. Once complete the homes will also have the provision to connect to Bristol City Council's District Heat Network when it reaches Southville to provide residents with low carbon heat.

Sherecroft Farm, Botley

Sherecroft Farm is a new development of 115 homes, including at least 109 affordable homes in Botley. The homes are being built by Abri's inhouse construction team, enabling us to have full control of the quality to make sure they're built to the highest standards for the community. The volume of 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. The development has received grant funding from Homes England to help build the homes which are expected to be completed by winter 2026.

Caversham Road, Reading

Using our inhouse construction team we're building 40 apartments on Caversham Road in Reading. The properties will be a mix of one, two and three-bedroom apartments with 34 homes available to buy through shared ownership and six for affordable rent to bring much needed affordable housing to the city centre.

The provision of these homes in such a central location gives people the choice of affordability and city centre living, with all that Reading has to offer; the apartments are due for completion in 2024.

STRATEGIC REPORT (continued)

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 2022/23 a total £13.6m of benefits were achieved, setting the Group up for a stronger and more resilient future. This was delivered through two VfM targeted strategies:

- The Final Business Case - following the partnership of Radian and Yarlington - to achieve £5.9m of efficiency savings, that had grown as part of operational blueprints in 2020 to £8.7m. 2022-23 was the final year with benefits successfully delivered.
- In 2021 the changing operating environment and market conditions, inclusive of legislative changes in the safety arena, led the Group to look to further strengthen its financial resilience, and savings were identified through “Optimum Abri”. In 2022-23 a further £4.9m of benefits were delivered.

	Year 1 2022-23	Year 2 2023-24	Year 3 2024-25	3 Year VfM target
Investment	(£0.6m)	(£0.6m)	(£0.6m)	(£1.8m)
Savings	£9.3m	£9.3m	£9.3m	£27.9m
Net Integration	£8.7m	£8.7m	£8.7m	£26.1m
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
Total	£13.6m	£18.7m	£20.6m	£52.9m

Savings were delivered across the organisation as we started to benefit from our post-partnership programme of Group Optimisation and the resulting simplified legal structure. A revised approach to delivery of repairs and maintenance service, through greater insourcing, standardisation of our void property standard, changes to the pay offer and re-procurement of suppliers and contracts delivered £5.4m of savings.

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

Our approach to Value for Money (“VfM”) (continued)

Strategic priority	How the VfM strategy facilitates delivery	Supporting strategies
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
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
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
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.	All supporting strategies, 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

Our performance

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.

The metrics for the year are reflective of the makeup of our results, with the performance in absolute terms not directly reflected in our margins. Investment in existing units, in excess of prior years and our budget, increase costs and suppress margins, whilst positive performance in property sales and interest for example do not contribute to the same measures.

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. Having broadly completed our integration journey, these results begin to show the true strength of the Group.

Our performance (continued)

Metric	2022/23		2021/22		2023/24
	Actual	Budget	Actual	Peer Median	Budget
Re-investment	8.9%	8.6%	6.7%	6.4%	8.9%
New supply delivered (social)	2.3%	2.6%	2.2%	1.9%	1.8%
New supply delivered (non-social)	0.03%	0.03%	0.04%	0.02%	0.07%
Gearing	51.8%	51.0%	50.9%	48.6%	49.7%
Interest cover – EBITDA-MRI *	141.9%	138.9%	156%	140%	133%
Headline social housing cost per unit	£4,221	£3,885	£3,791	£4,127	£3,975
Operating margin - social housing lettings	23.9%	28.1%	25.6%	26.9%	27.9%
Operating margin	21.0%	23.6%	22.9%	22.6%	25.3%
Return on capital employed (ROCE)	3.1%	3.1%	3.0%	3.0%	3.9%

* 2021/22 actual adjusted for re-financing costs, increasing result from 142% as included in Global Accounts

- **Re-investment** in our assets is predominantly driven by our development spend on housing properties, with contributions from capitalised repairs and interest. We surpassed our budget in the year, with £200m spent against a budget of £194m, with a notable increase from the prior year in which we were comparable to our peers. Our budget for the next financial year is comparable in relative terms to this year, where investment will exceed £200m.
- **New Supply Delivered (Social)** 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 720 units against a budgeted 890, although our performance is similar to the prior year and well above the median in our peer group. We're budgeting a reduced volume next year, with only 630 handovers.
- **Gearing**, as measured by net debt against the net book value of our Housing Properties is marginally higher than budget and the prior year, subsequently placing us in the top quartile amongst our peers. The balance of loans and borrowings is significantly lower than budget, but so too are our cash balances at year end; we have budgeted a reduction in gearing next year as cash balances and the value of property increases.
- **Interest Cover** as measured by adjusted earnings relative to interest costs has marginally outperformed budget, despite a notable increase in investment in our existing stock in the form of repairs, due to lower overhead and higher interest income than budgeted. The increased investment however accounts for the reduced performance year on year, placing us closer to our peer group and a trend we're anticipating continuing in 2023/24.
- **Cost per Unit** measures our operating costs relative to the number of social units we operate. Our cost per unit has increased in the year, exceeding our budget and that of our peers as a direct result of the aforementioned investment in repairs in the year; we expect this to normalise in 2023/24.
- **Operating Margin** across both social units in isolation and all operations (excluding asset disposals) considers surplus relative to turnover. 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.
- **ROCE** shows our returns against our net asset base and is consistent year on year, and both against our budget and peers. We expect this metric to improve in future with an increased programme of existing unit disposal and normalised spend.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

VALUE FOR MONEY (continued)

Looking forward - VFM metrics for 2023/24

In our statement for 2021/22 we referenced the introduction of Optimum Abri, with specific measures identified such as £14m of deferred discretionary major works alongside stretch targets that the business was tasked to identify. In year we listened to customers and colleagues and identified changes to the profile that ensures we still strengthen our financial position whilst enhancing customer satisfaction and safety.

With the knowledge gained from the second year of Optimum Abri, the three-year VfM action plan has been updated setting out the various workstreams that will contribute towards the three-year targets. This will be monitored on a quarterly basis by the Performance Committee in terms of progress against the targets. These workstreams include options to increase income, reduce overheads, optimise our pension costs, improve insourcing of legal costs as well as activities that may not deliver cashable savings but nevertheless optimise the use of our assets and resources.

As part of the financial planning round for 2022/23 onwards, the Optimum Abri framework was revisited, and further efficiency targets were set across the business in order to maintain the 5-year trajectory to reach the Optimum Abri targets. These have been incorporated into the VfM metrics set out below.

Metric	2024	2025	2026	2027	2028
Re-investment	12.4%	11.5%	9.6%	7.2%	5.6%
New supply delivered (social)	1.7%	2.6%	2.6%	2.7%	1.6%
New supply delivered (non-social)	0.08%	0.01%	0.12%	0.07%	0.07%
Gearing	48.1%	46.6%	46.2%	46.0%	45.0%
Interest cover – EBITDA-MRI	136.0%	148.2%	152.6%	156.6%	152.9%
Headline social housing cost per unit	4,636	4,961	4,792	4,881	5,032
Operating margin - social housing lettings	28.4%	28.7%	30.1%	30.5%	31.2%
Operating margin	25.0%	24.0%	24.6%	25.5%	26.6%
Return on capital employed (ROCE)	4.0%	4.0%	3.8%	3.9%	4.0%

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.

The ability to further strengthen the Group in 2022/23 was embraced and we recognise the many benefits that improving all regulatory metrics has had on our ability to deliver our strategic aims. In the face of a cost-of-living crisis, the Board continue to ensure we invest in delivering great service, supporting customers with tenancy sustainment whilst continuing to improve the condition of our stock and investing in building more high-quality homes.

STRATEGIC REPORT (continued)

IMPACT ON THE ENVIRONMENT

In July 2022, we published our first Environment and Climate Change Strategy which sets out steps to become net zero by 2050.

Abri also published its first Sustainable Finance Framework (SFF), which aligns to their 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 2022/23 UK Government Greenhouse Gas Conversion Factors for Company Reporting has been used for the reporting of emissions, using the 2022 version. Emission types included in the calculations related to:

- Electricity and gas consumed at office premises, communal areas, and vehicle emissions; and
- Vehicle emissions from vans used by repairs and maintenance staff and from employees on business mileage.

	2023 ¹	2022 ²
Scope 1	3,959.9	3,722.5
Scope 2	1,441.4	1,780.9
Scope 3	525.2	444.7
Total CO2e Scope Gross emissions (tonnes)	5,926.5	5,948.0
Intensity Metric (Gross emissions) tCO2e/number of full-time staff	4.21	4.14
Carbon Offsets	778	785
Intensity Metric (Net emissions) tCO2e/number of full-time staff	3.7	3.6
<i>Kilowatt hours of energy used</i>	<i>28,963,597</i>	<i>29,030,714</i>

¹ Disclosures for 2023 relate to the period January – December 2022 inclusive, given data available

² The 2022 comparatives have been restated to update estimates with actual values used previously

We opted to use full-time equivalent staff as the intensity metric to ensure consistency of reporting in future years, as the type of emissions incurred are more closely related to employee numbers than turnover, which is the other metric available for use. Our intensity metric increased from 3.6 tonnes of CO2 equivalent to 3.7 tonnes of CO2 equivalent per full time employee, after carbon offsets were considered.

Annual energy efficiency actions

In existing homes, a retrofit pilot programme was completed which saw 88 homes retrofitted to EPC band A, B or C. The results have shown a 40-60% reduction in energy consumption and more than half the carbon emissions using renewable technology. This has included installation of solar panels, smart water heating, improved ventilation and draft proofing, and additional insulation.

Following a successful joint bid to the Social Housing Decarbonisation Fund through the Greener Futures Partnership (GFP), Abri has secured funding to retrofit even more customer homes, to at least an EPC C, over the next two and a half years.

ABRI GROUP LIMITED

STRATEGIC REPORT (continued)

IMPACT ON THE ENVIRONMENT (continued)

Annual energy efficiency actions (continued)

Through a planned works programme, 750 new Quantum heating systems were installed in existing homes which provide homeowners with a low-cost, low-carbon, electric heating system. We also continued to upgrade the lighting across communal areas in blocks of flats and schemes. At Byron House, one of our largest blocks, lighting had been upgraded to LED units which will see a saving of up to 38 tCo2e per year.

In accordance with the Energy Savings Opportunity Scheme, Abri have commissioned assessments across 13 communal areas in blocks of flats and schemes and three corporate sites. These assessments will identify further 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 sale 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 the requisite Money Laundering Reporting Officer and deputy in post.

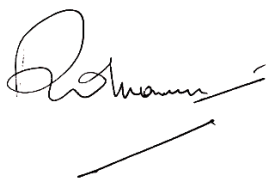
MODERN SLAVERY AND HUMAN TRAFFICKING

Abri takes a zero-tolerance approach to modern slavery across all areas of the organisation, including in our supply chains. We are committed to making sure we are not connected with modern slavery through our work with our communities, colleagues, and suppliers. Our working group continues, and our refreshed Modern Slavery Statement, available on our website, outlines areas of focus.

STATEMENT OF COMPLIANCE

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in the 'Statement of Recommended Practice for registered social housing providers 2018'.

The Strategic Report was approved by the Board on 27 September 2023 and signed on its behalf by:



Wayne Morris
Director

ABRI GROUP LIMITED

DIRECTORS' REPORT

The Directors present their report for the year ended 31 March 2023.

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.

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.

Simon Porter – Board Member

Simon is a qualified Chartered Accountant with over 30 years' experience in the financial sector specialising in audit, transaction support and risk management. He currently has a small portfolio of non-executive roles, including University College London Hospitals NHS Foundation Trust.

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.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

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.

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.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

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, ecommerce, 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 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 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.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

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. They achieve this with the support of the Executive Board, Corporate Directors, and the following five committees, to which certain responsibilities are delegated:

- Audit and Risk Committee
- Treasury Committee
- Development and Assets Committee
- People and Culture Committee
- Customer Service and Performance Committee

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. They are supported on these boards and committees by members of the Executive Board and Corporate Directors.

	Legal Entities								Group Committees				
	Abri Group	The Swaythling Housing Society	Oriel Housing	Radian Capital	Radian Developments	Yarlington Homes	Yarlington Property Management	Yarlington Treasury Services	Audit and Risk	Treasury	People and Culture	Development and Assets	Customer Service and Performance
Wayne Morris	CH	CH	CH								X		
Joanna Makinson	X	X	X						CH		X		
Simon Porter	X	X	X		X				X	CH			
Jane Alderman	X	X	X		X	CH				X		CH	
Lou Taylor	X	X	X										CH
Jocelyn McConnachie	X	X	X								CH		X
Mary-Kathryn Rallings Adams	X	X	X						X				
David Montague	X	X	X							X		X	
Veronica Gordon	X	X	X										X
Gary Orr	X	X	X	X	X						X	X	
Caroline Moore	X	X	X	CH			CH	CH		X			
Andy Skarzynski													
Stephen Lodge				X	CH	X	X	X					
Ralph Facey				X									
Sarah Pearson	CS	CS	CS	CS	CS	CS	CS	CS					

Key: Non-Executive Member; *Executive Board Member*
Chair (CH); Member (X); Company Secretary (CS)

Group Board Overview (continued)

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.

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

Category		Responses				
Sex		Male	5 (42%)	Female	7 (58%)	
Age	44 or less	3 (25%)	44-65	7 (58%)	66 or more	2 (17%)
Working Pattern	Full Time	5 (42%)	Part Time	6 (50%)	Prefer not to say	1 (8%)
Ethnicity		BME	3 (25%)	Non-BME	9 (75%)	
Marital or Civil Partnership Status	Married/ Partnership	9 (75%)	Single	2 (17%)	Divorced	1 (8%)
Sexual Orientation		Gay/Lesbian	2 (17%)	Heterosexual	10 (83%)	
Religion		Christian	5 (42%)	None	7 (58%)	
Disability		Declared disability	1 (8%)	None	11 (92%)	
Caring Responsibilities	None	7 (58%)	Children < 18 years	4 (33%)	Prefer not to say	1 (8%)

This year the Board met twelve times and:

- Confirmed the mandate to progress the opportunity for a partnership with Silva Homes;
- Approved Abri's adoption of the sustainability standards and reporting frameworks;
- Approved the Sustainable Finance Framework;
- Approved the proposed resident involvement structure for commencement in April 2023;
- Approved the Key Performance Indicators and proposed performance targets for 2022/23;
- Approved the Interim Financial Plan;
- Approved the consolidated budget for 2023/24;
- Approved a rent increase of 7% for all eligible properties from 1 April 2023 including shared ownership and leasehold properties;
- Approved the Resident Scrutiny Group Customer Communications Review;
- Reviewed all strategies and policies reserved to Group Board approval;
- Approved the proposed revised Homes England Strategic Partnership delivery targets;
- Approved the revised Development Parameters; and
- Approved Abri's risk framework and risk appetite and tolerance statements.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

GOVERNANCE AND REGULATION (continued)

The Committees

Audit and Risk Committee

Abri's Audit and Risk Committee, chaired by Joanna Makinson, 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 Abri's internal and external audit functions, ensures the integrity of the financial statements and is responsible for Abri's resident scrutiny arrangements. During the year, the Committee met six times and here are the highlights:

- Reviewed and approved the External and Internal Audit Plans for 2023;
- Monitored key risks such as changes in the UK economy and associated cost of living crisis, the rent cap, instability in the political environment (including the emerging risk of strikes) and damp and mould;
- Commissioned several deep dives including on the Cost of Living, Development Market Pressures, Single Systems, and Damp and Mould; and
- 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 reviews into Anti-Social Behaviour, Customer Communications, Planned Maintenance, and the Group's 'See Something, Say Something' initiative.

Treasury Committee

The Treasury Committee, chaired by Simon Porter, 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 six times and here are the highlights:

- Recommended to the Group Board the extension of the current intra group funding arrangements;
- Recommended to the Group Board the Treasury Strategy, Treasury Policy, and Investment Policy;
- Approved the principle to proceed with raising funds through an Affordable Homes Guarantee Scheme bond; and
- Approved the principle of closing the Defined Benefit pension schemes.

Development and Assets Committee

The Development and Assets 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 joint ventures, the performance of the development programme and the delivery of Abri's energy efficiency and decarbonisation targets for existing homes. During the year, the Committee met seven times and here are the highlights:

- Approved schemes including Kings Weston Avenue, Bristol (18 homes), Portugal Road, Woking (72 apartments), Vearse Farm, Bridport (137 homes), and a land acquisition at Sherecroft Farm, Botley;
- Recommended the Development Strategy, Asset Management Strategy and Environmental and Climate Strategies to Group Board; and
- Recommended entering a grant bid with the Greener Futures Partnership to Group Board

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

GOVERNANCE AND REGULATION (continued)

The Committees (continued)

People and Culture Committee

Abri's People and Culture Committee, chaired by Jocelyn McConnachie, acts as the Group's Remuneration and Nominations Committee. Its purpose is to oversee Abri's approach to people and reward, as well as ensuring the appropriate arrangements are in place for the recruitment, retention, remuneration and succession of the Chief Executive, Executive Directors, Chair of the Board and Non-Executive Directors. The Committee also maintains oversight of the organisation's approach to equality and diversity to ensure a fair, open, and inclusive culture. During the year the Committee met four times and here are the highlights:

- Approved the 2023 appraisals process and self-assessment skills matrix for the non-Executive directors and CEO;
- Recommended to the Group Board the Board development programme and succession plan for 2022/23;
- Recommended to the Group Board the refreshed role profile of the Senior Independent Director;
- Recommended to the Group Board the EDI strategy and policy; and
- Reviewed and made recommendations for committee and joint venture board membership.

Customer Service and Performance Committee

The Customer Service and Performance 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 here are the highlights:

- Monitored the performance of Complaints, Home Care (including damp and mould) and Help to Buy and progress against the Customer Strategy;
- Received regular Housing and Community Investment updates, including the Voice of the Customer;
- Receiving insight from the cost-of-living customer research;
- Approved the Customer Annual Report; and
- Oversaw Abri's response to the requirements of the Social Housing White Paper.

Code of Governance

We are compliant with all aspects of the NHF Code of Governance 2020, except for our Chief Executive being 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.

The Chief Executive does not participate in any conversations regarding his remuneration and independent benchmarking, the output from which is not shared with the Chief Executive, is used to determine total pay and reward, ensuring the process is free from influence or bias.

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.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

GOVERNANCE AND REGULATION (continued)

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.

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 fully comply with regulatory standards for the financial year ended 31 March 2023 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 is able to review the effectiveness of those 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 and to provide reasonable assurance. Each Board retains responsibility for the internal control system, but delegates responsibility to review its effectiveness to the Audit and Risk Committee.

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 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 Group Board and the Audit and Risk Committee;
- An Emerging Risks Register (includes both threats and opportunities) is maintained and reported to the Executive Board, Group Board and Audit and Risk Committee;
- Horizon scanning over a 25-year period, incorporating sector and non-sector specific intelligence 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
 - Asset and Liabilities Register
 - Internal Audit, using a hybrid model of an in-house team and KPMG, which enables the Group to access subject matter specialist auditors where required and to benchmark against best practice. The effectiveness of this model is reviewed by the Audit and Risk Committee on an annual basis to ensure it remains fit for purpose.

Overview (continued)

- Stress testing the business plan to understand the sensitivity to changes in underlying assumptions, including interest rate and inflation. We have also modelled various scenarios to assess the long-term impact of our decisions on the business.
- 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 (HouseMark)
 - Moody's Credit Rating
 - HQN Accreditation of Incomes
 - Other benchmarking through NHF, DWP and other forums
- Resident Scrutiny Group reports are presented to the Audit and Risk Committee; the Committee is in turn responsible for reporting to the Group Board. The Chair of RSG 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
Business systems may be compromised	<ul style="list-style-type: none"> ● Permissions assigned and controlled according to role ● System controls to prevent escalation of breach ● De-militarised Zone (DMZ) set up ● Firewalls ● Web and Email filtering and phishing simulation ● Monthly security audits, internal black box penetration test and external penetration testing ● Monthly review of core infrastructure ● Multifactor Authentication (MFA) for all users ● IT Security Policy and annual training
Business policies, processes and procedures may not deliver effective customer outcomes	<ul style="list-style-type: none"> ● Resident involvement and tailored consultation on policy and processes ● Benchmarking and good practice reviews ● Impact assessments ● Colleague training to ensure correct delivery ● Complaints process including lessons learned ● Annual review of policy framework
Critical Suppliers may underperform and, or fail	<ul style="list-style-type: none"> ● Contract management and review meetings with suppliers ● Procurement strategy ● Procurement and Contract Management Policy and KPIs ● Credit review ● Procurement tender process

DIRECTORS' REPORT (continued)

RISK AND INTERNAL CONTROLS (continued)

Our Top Risks (continued)

Risk	Controls and Assurance
The business may be considered to have contributed to, or be at fault for an employee, customer and, or third-party death	<ul style="list-style-type: none"> • Risk Assessment and a Safe System of Work • Mandatory safety induction and annual training • Building safety management, including gas and electrical testing • Fire safety programme • Site safety management • External safety reviews
The business may not be able to sustain or restart business critical activity	<ul style="list-style-type: none"> • Organisation-wide Business Continuity Plan • Directorate Business Continuity Plans • Abri Disaster Recovery Plans • Specialist business continuity roles
The political environment may not be conducive to the business's strategy	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 may fail to deliver, or keep pace with, the required level of new housing stock	<ul style="list-style-type: none"> • Strategic Partner status with Homes England • Monitoring and reporting to Development and Asset committee • Tenure reviews to ensure appropriate delivery • Pamwin development appraisals • Development procurement procedures • Financial monitoring of development contractors to ensure viability and continuity of schemes on site • Quality inspections ensuring quality and suitability of new stock

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 over the next 12 months.

Directors' Indemnities

Directors' and Officer's insurance cover has been established for all Directors to provide appropriate cover, indemnifying them against liability when acting for the Group. The indemnities were in force during the 2022/23 financial year and remain in place for all current and past Directors of the Group.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

RISK AND INTERNAL CONTROLS (continued)

Group Board's statement on Effectiveness of Internal Control

The Audit and Risk Committee received assurance from the Executive Board on 30 June 2023 on the effectiveness of internal controls that have operated during 2022/23, via a self-assessment process signed off by the Executive Board.

This enhances our existing compliance with the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1999, the Constructions Design and Management Regulations 2015, the Landlord and Tenant Act 1985 (as amended), and the Fire Safety Act 2021, alongside the Regulatory Standards set out by the Regulator of Social Housing.

The Group Board received assurance from the Audit and Risk Committee on 26 July 2023 that the system of internal controls has operated effectively during 2022/23, 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 is financed by a combination of revenue reserves, long-term loan facilities, bond finance, and social housing grant received from government. The Society is financed by a combination of revenue reserves, intercompany loans, long-term loan facilities, bond finance, and social housing grant received from government.

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 six 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 Structure

At 31 March 2023 Group borrowings amounted to £1,164.8m of nominal drawn debt (2022: £1,147.7m) of which £20.m (2022: £8.0m) is due to be paid within the next year.

At 31 March 2023 the Society's borrowings amounted to £902.8m of nominal drawn debt (2022: £881.8m) of which £4.0m (2022: £8.0m) is due to be paid within the next year.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

CAPITAL AND TREASURY MANAGEMENT (continued)

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 a number of bonds which are repayable in both single and multiple instalments and which are subject to fixed nominal rates of interest of between 2.9% and 11.1%. 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.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

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 £1,164.8m nominal at 31 March 2023 consisted of 87% at fixed rates, of which £612.1m was fixed interest bonds, £402.5m 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 £902.8m nominal at 31 March 2023 consisted of 89% at fixed rates, of which £523.4m was fixed interest bonds, £276.8m 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 2023 the Group had £1,274.5m (Society: £906.3m) unsecured completed housing properties not required for charging to existing debt facilities. These are sufficient to raise over £1,205.5m (Society: £861.7m) 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 2023, the Group had £205.9m (Society: £141.7m) in available liquidity. This comprised £65.2m (Society: £32.5m) of immediately available cash and cash equivalents and £140.7m (Society: £90.7m) in revolving credit facilities. The Group had £70.0m of retained bonds held for future sale. This is sufficient to fund the Group over the 21 months from the date of this report. It will cover all committed and pipeline developments including the affordable rent programme.

Moody's credit rating

Moody's review Abri's credit rating by looking at the Group as a whole. In February 2023, following their review, Moody's confirmed the Group's credit rating as A3 negative. In their review Moody's highlighted our financial strength, with moderate gearing, large, unencumbered asset base and solid liquidity. These strengths, combined with our supportive institutional framework, make us resilient to challenges and well placed to achieve our corporate objectives.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

EMPLOYEES

The Group directly employed an average of 1,527 (2022: 1,439) full-time equivalent employees during the financial year, calculated on standard working hours per week for each employee; the Society directly employed an average of 99 (2022: 177) of these.

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. Abri is flexible and considers all reasonable requests from existing and prospective employees in relation to any disability, impairment or change in circumstance.

Equality, Diversity and Inclusion (EDI) Strategy

Abri's first EDI strategy and action plan were approved by the Group Board in July 2020. Good progress has been made in establishing the necessary leadership and governance structures, including the appointment of two board-level EDI champions. We have also embedded EDI considerations into the company's policies and processes through Equality Impact Assessments and have collected colleague and customer data on protected characteristics. Awareness has been raised of Abri's EDI commitment among colleagues, customers and stakeholders with learning and development opportunities delivered, addressing a range of related workforce and cultural issues.

Inclusion

Inclusion is central to Abri's core purpose: creating great, sustainable communities and improving people's life chances. In addition to refreshing our Inclusion Strategy, we are also in the process of writing Abri's second Inclusion and belonging report which includes:

- An overview of the EDI data we have for customers and colleagues so far;
- Our gender pay gap report;
- Case studies on EDI activities delivered;
- Targets and commitments to improve EDI
- An introduction to our new strategy and related themes;
- An opportunity to reflect on our achievements over the last year and actions for the year ahead.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

EQUALITY, DIVERSITY AND INCLUSION (continued)

HEALTH, SAFETY AND WELLBEING

The Health, Safety and Wellbeing of our customers and colleagues is critical to everything we do. Our governance structures maintain comprehensive oversight of our health, safety and wellbeing performance to ensure that we are meeting statutory obligations and drive a best practice approach to addressing the risks associated with our operations.

Abri is a signatory of the Building Safety Charter and is working toward charter championship status which will reaffirm the actions that we take to ensure all the homes we provide are safe. Abri is also a corporate member of the Association of Safety and Compliance Professionals to ensure that we remain up to date with all current landlord safety developments and requirements.

Monitoring and reporting

Scrutiny of all landlord safety compliance data by the Safety Assurance Team provides assurance regarding our ongoing compliance with statutory requirements. This approach is supplemented by specific weekly assurance reporting on Electrical Safety and Landlord Gas Safety Record (LGSR) compliance, monthly Landlord Health & Safety Group meetings and a Fire Programme Steering Group which review real time performance toward the monthly performance targets.

A monthly Health and Safety Performance report covering Landlord, 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 through a corporate performance report.

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.

The Building Safety Act 2022 and Social Housing White Paper

To ensure compliance with the provisions of the Building Safety Act 2022 and to address the requirements of the Social Housing White Paper, Abri has:

- A Safety Assurance Department monitoring and verifying our Fire, Legionella, LOLER, Asbestos, Gas and Electrical safety compliance activity and data;
- A data compliance expert driving continuous compliance improvement in our systems;
- A Customer Safety Department resolving Fire, Legionella, LOLER and Asbestos obligations, charged with ensuring that a portfolio of building safety cases are in-place for our higher risk residential buildings;
- A Safer Homes team focused on Gas and Electrical safety compliance;
- A Health, Safety and Wellbeing team driving and advising on health and safety compliance across our construction activities;
- A Property Care Department focused on the general maintenance of Abri's property portfolio; and
- Front line staff in our Development and Homecare functions with responsibility for building safety compliance.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

HEALTH, SAFETY AND WELLBEING (continued)

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. Abri has two blocks currently having cladding replaced with external wall systems comprising of non-combustible components, with work expected to complete by the end of 2023.

Annual fire risk assessments are carried out on all buildings over 18m. 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.

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 Team who monitor and provide oversight on disrepair cases through the weekly disrepair meetings;
- A timely response to complex repair cases and emergency situations from our operational teams, with oversight and coordination from the Quality Assurance Team;
- 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 to support swift treatment;
- A process ensuing 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;
- Completed damp and mould awareness training with our contact centre and frontline colleagues to enable them to identify and prioritise cases accordingly in line with our policy and procedure;
- 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;
- Customer segmentation profiling which has created a predictive model of households which are most likely to have damp and mould, so we can proactively contact customers most at risk; and
- A reporting scorecard that provides a holistic view of damp and mould cases across our property portfolio and tracks progress of remedial actions.

Health, Safety and Wellbeing Strategy

The implementation of Abri's Health, Safety and Wellbeing Strategy is progressing well. 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 specific Wellbeing Strategy and action plan is also complementary to our EDI strategy and action plan and is reviewed and updated annually to ensure any issues colleagues are experiencing are addressed.

Our vision is to build on our positive safety culture where everyone recognises and supports the importance of health, safety and wellbeing for all, where we can all thrive and are empowered to do our best for our customers and colleagues at all times.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

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 30 April 2023, Abri Group Limited triggered cessation of the three local government pension schemes in which its employees were members. Cessation debts totalling £1.4m were paid during July and settles the Company's obligations in full relating to these schemes. Subsequently, by 1 July 2023 all employees of Abri Group Limited transferred to The Swaythling Housing Society Limited, which become the sole employer in the Group.

On 16 May 2023 Yarlington Homes informed fellow partners in Advantage South West of their intention to withdraw as a member, effective 31 March 2024. At the signing date discussions around the transfer of employees and services are ongoing.

On 19 June 2023, Abri Group Limited entered into a new trade cycle loan facility of £25m; at the signing date the facility remained undrawn.

On 7 September 2023, Abri Group Limited and Silva Homes Limited confirmed partnership plans, which would see Silva Homes become a subsidiary of Abri Group in October 2023, were finalised by the respective boards following approval of the final business case.

GOING CONCERN

The appropriateness of preparing the accounts on a going concern basis continues to be set against a backdrop of economic instability.

Despite daily life largely returning to normal following the Covid-19 pandemic the after effects are evident and are amplified when coupled with ongoing global geo-political issues. We continue to see high levels of inflation and the resulting cost of living crisis and subsequent measures aimed at controlling inflation, with the raising of interest rates, impacts our customers' ability to pay their rent or finance a mortgage.

The Group also continues to operate in a post-Brexit environment, in a sector where regulations surrounding fire safety and the environment have evolved, and with reformed ownership models. In addition, the introduction of new Tenant Satisfaction Measures by the Regulator of Social Housing and the "Make Things Right" campaign led by the Housing Ombudsman encouraging tenants to make complaints add to our operational challenges.

Such factors are all key considerations in setting our budgets for the financial year ahead, and more significantly in our long-term planning, covering the next 30 years. 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 a number of key performance indicators, with overlap to those reviewed by external parties such as the Regulator of Social Housing and credit referencing agencies.

ABRI GROUP LIMITED

DIRECTORS' REPORT (continued)

GOING CONCERN (continued)

Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would 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:

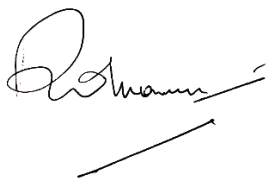
- So far as each Board Member is aware, there is no relevant audit information needed by the Group's auditor in connection with preparing their report, of which the Group's auditor is unaware; and
- Each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves 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 27 September 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Wayne Morris', with a long horizontal stroke extending to the right and a diagonal line pointing upwards and to the left below it.

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 Association's affairs as at 31 March 2023 and of the Group's and the Association'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 2023 which comprise the Consolidated and Association statement of comprehensive income, the Consolidated and Association statement of financial position (balance sheet), the consolidated and Association statement of changes in reserves, the consolidated 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 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 31 March 2017 to 31 March 2023.

We remain independent of the Group and the Parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 Association.

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 Association's ability to continue to adopt the going concern basis of accounting included:

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

Conclusions relating to going concern (continued)

- we obtained management's assessment that supports the Board's conclusions with respect to the disclosures provided around going concern.
- 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 current levels of high inflation, high interest rates and 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 2025 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	<i>89% (2022: 92%) of Group surplus before tax 100% (2022: 100%) of Group revenue 99% (2022: 99%) of Group total assets</i>		
Key audit matters		2023	2022
	The recoverable amount of property developed for sale is materially misstated.	✓	✓
Materiality	<i>Group financial statements as a whole</i> £6.3m (£6.8m) based on 7.75% (2022: 7.5%) of adjusted operating surplus as defined by the entity’s lending covenants.		

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 by BDO UK, 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 Oriel Housing were identified as significant components due to their size and risk characteristics. Yarlinton 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 the following joint venture entities: Thakeham Pease Pottage LLP, Linden (Sayers Common) LLP, Lovell/Abri Weymouth LLP and Affinity (Reading) Holdings Limited; none of which were significant individually or in aggregate to the Group. For these entities we performed analytical procedures based on group materiality.

Key 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.

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

An overview of the scope of our audit (continued)

Key audit matters (continued)

Key audit matter		How the scope of our audit addressed the key audit matter
<p><i>The recoverable amount of property developed for sale is materially misstated</i></p> <p>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 £80.5m.</p>	<p>For completed properties at the balance sheet date an assessment is needed of the anticipated selling price.</p> <p>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.</p> <p>This area also represents a key area of estimation uncertainty for management, as described on page 70.</p> <p>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.</p>	<p>We obtained management’s assessment of the recoverable amount of properties developed for sale as part of their year end procedures.</p> <p>For a sample of property developed for sale we have:</p> <ol style="list-style-type: none"> 1. For sales price: <ul style="list-style-type: none"> • compared anticipated selling prices to sales prices achieved after the year end, sales 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: <ul style="list-style-type: none"> • 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 to the estimated amount to ensure that the cost to complete estimate reflects actual costs. • made enquiries of Scheme Project Managers for indications of cost overruns, contractor disputes or solvency issues in relation to the schemes tested. • assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year. 3. For costs to sell: <ul style="list-style-type: none"> • considered computations of selling costs and compared against known selling costs that have been incurred in the year. <p>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.</p> <p><i>Key observations:</i> Based on the evidence obtained we did not identify any indications that the assessments of the recoverable amount made by management were inappropriate.</p>

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	
	2023 £m	2022 £m	2023 £m	2022 £m
Materiality	6.3	6.8	5.4	5.3
Basis for determining materiality	7.75% (2022: 7.5%) of adjusted operating surplus			
Rationale for the benchmark applied	Management reports its performance to key stakeholders and monitors the business based on adjusted operating surplus as defined by the loan covenants. It is therefore appropriate to adjust materiality in order to respond to the risk of covenant breach.			
Performance materiality	£4.8m	£5.1m	£4.1m	£4.0m
Basis for determining performance materiality	75% (2022: 75% of materiality)			
Rationale for determining performance materiality	Performance materiality has been calculated based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by the number 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 Association whose materiality is set out above, based on a percentage of between 1% and 81% (2022: 0.1% and 80%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £29,000 to £5.1m (2022: £16,000 to £5.4m). In the audit of each component, we further applied performance materiality level of 75% (2022: 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 £190,000 (2022: £136,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

ABRI GROUP LIMITED

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

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

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, tax legislation and health and safety legislation.

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 with 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;

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

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

Fraud (continued)

- 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.

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:

8F75FEDC31D1467...

Paula Willock
For and on behalf of BDO LLP, Statutory Auditor
London, UK

27 September 2023

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

ABRI GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	263,852	244,283
Cost of sales	3	(37,099)	(33,027)
Operating costs	3	(171,445)	(155,400)
Surplus from disposal of fixed assets	3	18,650	13,911
Operating surplus		73,958	69,767
Finance income	4	6,505	3,134
Finance costs	5	(40,032)	(40,940)
Refinancing Costs		-	(6,000)
Fair value movement on financial instruments	17	(187)	(118)
Fair value movement on investment properties	13	(665)	119
Share of surplus in jointly controlled entities	15	4,298	2,290
Surplus on ordinary activities before tax	6	43,877	28,252
Tax charge for the year	7	(4,334)	(1,174)
Surplus on ordinary activities after tax		39,543	27,078
Other comprehensive income			
Actuarial gains on defined benefit pension schemes	25	23,814	21,419
Tax credit recognised in other comprehensive income	7	3,724	898
Fair value movement on cash flow hedge	31	4,887	2,123
Total comprehensive income		71,968	51,518

All activities derive from continuing operations.

The notes on pages 5959 to113 114 form part of these financial statements.

ABRI GROUP LIMITED

SOCIETY STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	183,349	163,718
Cost of sales	3	(19,641)	(13,361)
Operating costs	3	(126,483)	(114,349)
Surplus from disposal of fixed assets	3	13,055	8,173
Operating surplus		50,280	44,181
Finance income	4	7,305	3,100
Finance costs	5	(35,057)	(34,964)
Fair value movement on financial instruments	17	(187)	(8)
Fair value movement on investment properties	13	(1,239)	(68)
Gift aid	26	14,022	1,196
Surplus on ordinary activities before tax	6	35,124	13,437
Tax credit for the year	7	79	47
Surplus on ordinary activities after tax		35,203	13,484
Other comprehensive income			
Actuarial gains on defined benefit pension schemes	25	29,144	11,165
Fair value movement on cash flow hedge	31	4,887	2,123
Total comprehensive income		69,234	26,772

All activities derive from continuing operations.

The notes on pages 5959 to113 114 form part of these financial statements.

ABRI GROUP LIMITED

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	10	23	305
Housing properties	11	2,252,040	2,093,746
Other fixed assets	12	13,135	17,440
Investment properties	13	69,619	70,306
Equity loans	14	28,185	30,300
Investments	15	7,013	4,262
		2,370,015	2,216,359
Current assets			
Properties for sale	16	80,501	53,062
Inventories		783	607
Receivables	17	123,658	80,716
Cash and cash equivalents		65,016	150,827
		269,958	285,212
Payables: amounts due within one year	18	(98,427)	(80,863)
Net current assets		171,531	204,349
Total assets less current liabilities		2,541,546	2,420,708
Payables: amounts due after one year	19	(1,213,374)	(1,215,472)
Provisions	20	(5,412)	(8,910)
Deferred capital grant due after one year	22	(653,721)	(570,985)
Equity loan grant	14	(23,474)	(25,191)
Pension liability	25	(31,599)	(58,152)
Net assets		613,966	541,998
Capital and reserves			
Share Capital	27	0	0
Revenue reserve		490,694	421,245
Revaluation reserve		125,025	127,393
Cash flow hedge reserve	31	(1,753)	(6,640)
Group funds		613,966	541,998

The notes on pages 5959 to113 114 form part of these financial statements. The consolidated financial statements of Abri Group Limited, registered society number 8537, on pages 52 to 114113 were approved by the Board and authorised for issue on 27 September 2023 and signed on its behalf by:



Caroline Moore
Director



Joanna Makinson
Director



Sarah Pearson
Company Secretary

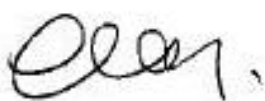
ABRI GROUP LIMITED

SOCIETY STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	10	-	216
Housing properties	11	1,669,752	1,569,261
Other fixed assets	12	3,768	6,422
Investment properties	13	17,399	18,660
Investments	15	11,260	11,394
		1,702,179	1,605,953
Current assets			
Properties for sale	16	44,492	19,902
Inventories		-	261
Receivables	17	153,568	93,657
Cash and cash equivalents		31,086	118,448
		229,146	232,268
Payables: amounts due within one year	18	(32,650)	(42,381)
		196,496	189,887
Total assets less current liabilities			
		1,898,675	1,795,840
Payables: amounts due after one year	19	(939,945)	(925,012)
Provisions	20	(375)	(852)
Deferred capital grant due after one year	22	(293,044)	(244,848)
Pension liability	25	(11,235)	(40,286)
		654,076	584,842
Capital and reserves			
Share Capital	27	0	0
Revenue reserve		530,804	464,089
Revaluation reserve		125,025	127,393
Cash flow hedge reserve	31	(1,753)	(6,640)
		654,076	584,842
Society's funds			
		654,076	584,842

The notes on pages 5959 to113 114113 form part of these financial statements. The consolidated financial statements of Abri Group Limited, registered society number 8537, on pages 52 to 114 were approved by the Board and authorised for issue on 27 September 2023 and signed on its behalf by:



Caroline Moore
Director



Joanna Makinson
Director



Sarah Pearson
Company Secretary

ABRI GROUP LIMITED

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 2021	0	369,748	129,495	(8,763)	490,480
Surplus on ordinary activities after tax	-	27,078	-	-	27,078
Tax charge recognised in other comprehensive income	-	898	-	-	898
Actuarial gains on defined benefit pension schemes	-	21,419	-	-	21,419
Gain on financial derivatives	-	-	-	2,123	2,123
Release from revaluation reserve	-	2,102	(2,102)	-	-
At 31 March 2022	0	421,245	127,393	(6,640)	541,998
Surplus on ordinary activities after tax	-	39,543	-	-	39,543
Tax charge 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

The notes on pages 5959 to113 114 form part of these financial statements.

ABRI GROUP LIMITED

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 2021	0	437,338	129,495	(8,763)	558,070
Surplus on ordinary activities after tax	-	13,484	-	-	13,484
Actuarial gains on defined benefit pension schemes	-	11,165	-	-	11,165
Gain on financial derivatives	-	-	-	2,123	2,123
Release from revaluation reserve	-	2,102	(2,102)	-	-
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

The notes on pages 5959 to113 114 form part of these financial statements.

ABRI GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS
Year ended 31 March 2023

	2023	2022
	£'000	£'000
Operating surplus	73,958	69,767
Adjustments for:		
Depreciation, amortisation and impairments	27,121	25,354
Decrease in provisions	(2,627)	(3,937)
Pension expense less cash contribution	(3,786)	(3,067)
(Decrease)/increase in inventories	(180)	930
Increase in receivables and prepayments	(2,464)	(743)
Increase in payables and accruals	72	10,339
Cost of sales on stock disposal	50,039	46,917
Cost of properties developed for sale	(60,417)	(34,129)
	7,758	41,664
Net cash inflow from operating activities	81,716	111,431
Cash flows from investing activities		
Purchase of other fixed assets	(798)	(361)
Payments to acquire and develop housing properties	(185,289)	(141,549)
Distributions from jointly controlled entities	1,488	1,000
Cash (outflow)/inflow on loans to jointly controlled entities	(17,694)	6,954
Finance income	4,516	3,134
Social Housing Grant received	62,007	70,045
Cash outflow from investing activities	(135,770)	(60,777)
Cash flow from financing activities		
Finance costs	(48,794)	(45,230)
Refinancing costs	-	(33,000)
Loan repayments	(7,963)	(37,523)
Cash inflow from financing including premiums on issue	25,000	76,233
Cash outflow from financing activities	(31,757)	(39,520)
Net change in cash and cash equivalents	(85,811)	11,134
Opening cash as at 1 April	150,827	139,693
Closing cash as at 31 March	65,016	150,827

The notes on pages 5959 to113 114 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

The appropriateness of preparing the accounts on a going concern basis continues to be set against a backdrop of economic instability.

Despite daily life largely returning to normal following the Covid-19 pandemic the after effects are evident and are amplified when coupled with ongoing global geo-political issues. We continue to see high levels of inflation and the resulting cost of living crisis and subsequent measures aimed at controlling inflation, with the raising of interest rates, impacts our customers' ability to pay their rent or finance a mortgage.

The Group also continues to operate in a post-Brexit environment, in a sector where regulations surrounding fire safety and the environment have evolved, and with reformed ownership models. In addition, the introduction of new Tenant Satisfaction Measures by the Regulator of Social Housing and the "Make Things Right" campaign led by the Housing Ombudsman encouraging tenants to make complaints add to our operational challenges.

Such factors are all key considerations in setting our budgets for the financial year ahead, and more significantly in our long-term planning, covering the next 30 years. 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 a number of key performance indicators, with overlap to those reviewed by external parties such as the Regulator of Social Housing and credit referencing agencies.

Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that, while uncertainty exists, this does not pose a material uncertainty that would 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 32.

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 in accordance with FRS 102.

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. The contract for the provision of services is subject to periodic renewal.

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 is the difference between the proceeds received and the carrying value of the property.

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.

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

Repairs and Maintenance

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

Finance 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)

Re-financing Costs

Re-financing costs relate to the costs of breaking existing agreement on existing credit facilities during the course of restructuring activities within the Group.

The treatment of any arrangement fees incurred on revised facilities is covered by our accounting policy for Finance Costs.

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.

The amount capitalised is calculated in accordance with FRS 102 paragraph 25.2 and disclosure of the calculation basis and amounts capitalised is included in note 5.

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.

The funded defined benefit scheme is in deficit and a funding arrangement is in place. The net present value of the deficit reduction contributions payable under the agreement is recognised on the Statement of Financial Position and the unwinding of the discount rate is recognised as a finance cost.

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 in accordance with FRS 102, Section 18. 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 accounted for 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;
- 70 years – roofs;
- 40 years – electrical wiring;
- 30 years – bathrooms, heating systems, fire doors and windows;
- 20 years – kitchens and photovoltaic panels; and
- 15 years – boilers.

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 a loss on replacement of components.

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 years - office furniture and development equipment;
- 4 years - motor vehicles, yard plant and machinery; and
- 3 – 5 years - office equipment.

Investment Properties

Investment properties are commercial properties, housing properties let at market rates or 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.

Valuation of Investments

Investments in associates and subsidiaries 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 also 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 costs 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:

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.

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;
- 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.

Provisioning for Investments in Equity Loans

The Group has provided for investments in equity loans given its vulnerability to foreclosure and losses on the sale of secured properties. Provisioning involves judgment around redemption rates, failure rates, and changes in property prices.

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.

Other Provisions

Where potential liabilities are uncertain in terms of timing or amount, judgement is exercised as to whether a provision is included in the accounts and at what value, based on all relevant information available to management.

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, whose treatment is then determined by the SORP.

Fair Value Measurement

The Group 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 as outlined in note 13.

2. ACCOUNTING POLICIES (continued)

Critical Judgements, Estimates, and Uncertainty (continued)

Capitalisation of Property Development Costs

Judgement is involved in determining the appropriate allocation of costs relating to shared ownership properties between current and fixed assets, dependent upon the equity anticipated to be purchased in the first tranche.

An estimate is also made for time spent on viable schemes by development teams prior to entering contract, with amounts capitalised forming part of total scheme costs. The estimate of anticipated costs to complete a development scheme is determined by suitably qualified professionals.

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.

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.

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.

Continuation of Hedge Accounting

The Group holds an interest rate swap to hedge against a portfolio of variable rate loans and borrowings, some of which were modified during the prior year following negotiations with lenders. As the swap is held against variable rates borrowing in general, and not against a specific loan, it was deemed that the hedge had not been discontinued.

Defined Benefit Pension Obligations

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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

Group	2023					2022				
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000	Operating surplus/ (deficit) £'000
Social housing lettings, other social housing and non-social housing activities										
Social housing lettings	201,461	-	(154,737)	-	46,724	187,120	-	(139,261)	-	47,859
Other social housing activities										
Development administration	88	-	(2,740)	-	(2,652)	105	-	(2,132)	-	(2,027)
First tranche sales	44,557	(33,875)	(1,644)	-	9,038	33,585	(26,716)	(1,613)	-	5,256
Disposal of fixed assets	-	-	-	18,650	18,650	-	-	-	13,911	13,911
Support services	945	-	(1,896)	-	(951)	1,075	-	(1,414)	-	(339)
Other	160	-	(421)	-	(261)	326	-	(374)	-	(48)
	45,750	(33,875)	(6,701)	18,650	23,824	35,091	(26,716)	(5,533)	13,911	16,753
Non-social housing activities										
Market rent properties	3,593	-	(1,275)	-	2,318	3,831	-	(2,347)	-	1,484
Market sales	3,446	(2,688)	(41)	-	717	8,843	(5,746)	(20)	-	3,077
Help to Buy agency	3,029	-	(2,739)	-	290	3,733	-	(3,672)	-	61
Furlough	-	-	-	-	-	13	-	-	-	13
Garages	1,955	-	(281)	-	1,674	2,023	-	(263)	-	1,760
Photovoltaics	724	-	(104)	-	620	562	-	(95)	-	467
Other	3,894	(536)	(5,567)	-	(2,209)	3,067	(565)	(4,209)	-	(1,707)
	16,641	(3,224)	(10,007)	-	3,410	22,072	(6,311)	(10,606)	-	5,155
Total	263,852	(37,099)	(171,445)	18,650	73,958	244,283	(33,027)	(155,400)	13,911	69,767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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

Group	2023					2022				
	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
Social housing lettings										
Turnover										
Rent receivable net of identifiable service charges (net of voids)	145,816	17,169	12,100	12,664	187,749	137,946	16,321	10,206	10,630	175,103
Service charge income	3,858	2,535	1,621	106	8,120	2,503	2,525	1,415	92	6,535
Net rental income	149,674	19,704	13,721	12,770	195,869	140,449	18,846	11,621	10,722	181,638
Amortisation of capital grant	3,873	352	590	777	5,592	3,869	353	478	782	5,482
Net turnover	153,547	20,056	14,311	13,547	201,461	144,318	19,199	12,099	11,504	187,120
Operating costs										
Management	(36,180)	(4,701)	(5,457)	(2,298)	(48,636)	(32,851)	(4,330)	(4,620)	(2,140)	(43,941)
Service charge costs	(8,502)	(1,105)	(1,282)	(540)	(11,429)	(7,625)	(1,005)	(1,072)	(497)	(10,199)
Routine maintenance	(33,654)	(4,373)	-	(2,137)	(40,164)	(27,572)	(3,634)	-	(1,796)	(33,002)
Planned maintenance	(10,416)	(1,353)	-	(662)	(12,431)	(5,598)	(738)	-	(365)	(6,701)
Major repairs expenditure	(8,902)	(1,620)	-	(792)	(11,314)	(12,090)	(2,092)	-	(1,034)	(15,216)
Bad debts	(895)	(116)	(135)	(57)	(1,203)	(715)	(94)	(101)	(47)	(957)
Depreciation of housing properties	(21,577)	(2,302)	(1,866)	(2,116)	(27,861)	(20,468)	(2,256)	(1,667)	(2,097)	(26,488)
Loss on disposal of components	(1,459)	(159)	-	(81)	(1,699)	(2,665)	(40)	-	(52)	(2,757)
	(121,585)	(15,729)	(8,740)	(8,683)	(154,737)	(109,584)	(14,189)	(7,460)	(8,028)	(139,261)
Operating surplus	31,962	4,327	5,571	4,864	46,724	34,734	5,010	4,639	3,476	47,859
<i>Void losses</i>	<i>(1,127)</i>	<i>(441)</i>	<i>(38)</i>	<i>(164)</i>	<i>(1,770)</i>	<i>(1,253)</i>	<i>(458)</i>	<i>(68)</i>	<i>(171)</i>	<i>(1,950)</i>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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

Society	2023					2022				
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus £'000	Operating surplus/ (deficit) £'000
Social housing lettings, other social housing and non-social housing activities										
Social housing lettings	153,365	-	(117,915)	-	35,450	142,284	-	(107,578)	-	34,706
Other social housing activities										
Development administration	-	-	(2,065)	-	(2,065)	-	-	(1,538)	-	(1,538)
First tranche sales	25,219	(19,641)	(1,230)	-	4,348	16,424	(13,361)	(1,226)	-	1,837
Disposal of fixed assets	-	-	-	13,055	13,055	-	-	-	8,173	8,173
Support services	945	-	(1,854)	-	(909)	1,075	-	(1,413)	-	(338)
Other	(5)	-	(316)	-	(321)	74	-	(280)	-	(206)
	26,159	(19,641)	(5,465)	13,055	14,108	17,573	(13,361)	(4,457)	8,173	7,928
Non-social housing activities										
Market rent properties	381	-	(330)	-	51	646	-	(172)	-	474
Garages	1,813	-	(252)	-	1,561	1,886	-	(224)	-	1,662
Photovoltaics	517	-	(80)	-	437	368	-	(62)	-	306
Furlough	-	-	-	-	-	(2)	-	-	-	(2)
Other	1,114	-	(2,441)	-	(1,327)	963	-	(1,856)	-	(893)
	3,825	-	(3,103)	-	722	3,861	-	(2,314)	-	1,547
Total	183,349	(19,641)	(126,483)	13,055	50,280	163,718	(13,361)	(114,349)	8,173	44,181

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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

Society	2023					2022				
	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
Social Housing Lettings										
Turnover										
Rent receivable net of identifiable										
Service charges (net of voids)	116,318	15,841	5,508	7,080	144,747	110,612	15,063	4,298	5,247	135,220
Service charge income	3,143	2,351	632	105	6,231	1,705	2,387	574	92	4,758
Net rental income	119,461	18,192	6,140	7,185	150,978	112,317	17,450	4,872	5,339	139,978
Amortisation of capital grant	1,729	241	221	196	2,387	1,667	242	197	200	2,306
Net turnover	121,190	18,433	6,361	7,381	153,365	113,984	17,692	5,069	5,539	142,284
Operating costs										
Management	(28,302)	(4,126)	(2,382)	(1,319)	(36,129)	(25,835)	(3,803)	(1,968)	(1,238)	(32,844)
Service charge costs	(6,886)	(1,004)	(579)	(321)	(8,790)	(5,745)	(846)	(437)	(275)	(7,303)
Routine maintenance	(26,599)	(3,877)	-	(1,240)	(31,716)	(22,324)	(3,286)	-	(1,070)	(26,680)
Planned maintenance	(8,677)	(1,265)	-	(404)	(10,346)	(4,738)	(697)	-	(228)	(5,663)
Major repairs expenditure	(5,777)	(911)	-	(292)	(6,980)	(8,931)	(1,869)	-	(609)	(11,409)
Bad debts	(698)	(102)	(59)	(33)	(892)	(558)	(82)	(42)	(27)	(709)
Depreciation of housing properties	(17,658)	(2,122)	(840)	(1,043)	(21,663)	(16,531)	(2,077)	(755)	(1,030)	(20,393)
Loss on disposal of components	(1,203)	(140)	-	(56)	(1,399)	(2,518)	(31)	-	(28)	(2,577)
	(95,800)	(13,547)	(3,860)	(4,708)	(117,915)	(87,180)	(12,691)	(3,202)	(4,505)	(107,578)
Operating surplus	25,390	4,886	2,501	2,673	35,450	26,804	5,001	1,867	1,034	34,706
Void losses	(935)	(425)	(37)	(125)	(1,522)	(1,090)	(441)	(59)	(136)	(1,726)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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

Group	2023			2022		
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	11,521	(5,937)	5,584	14,585	(8,287)	6,298
Right to Buy/Acquire	4,079	(1,569)	2,510	4,439	(2,109)	2,330
Existing unit sales	10,142	(2,251)	7,891	4,959	(1,405)	3,554
Equity loan redemptions	3,378	(2,156)	1,222	5,069	(3,371)	1,698
Other fixed assets	3,750	(2,307)	1,443	37	(6)	31
Total	32,870	(14,220)	18,650	29,089	(15,178)	13,911

Group

Stock Units	2022 Number	2023 Additions	2023 Disposals	2023 Reclass	2023 Number
Social Housing Properties - Owned and managed					
General needs housing*	24,680	405	(95)	13	25,003
Supported/housing for older people	3,253	-	(2)	(2)	3,249
Shared ownership	3,471	369	(48)	(21)	3,771
Other social housing	1,608	-	(1)	(19)	1,588
	33,012	774	(146)	(29)	33,611
Owned and managed - non-social					
Market rent housing	407	-	-	-	407
	33,419	774	(146)	(29)	34,018
Other					
Owned/Not Managed – Leasehold**	1,628	-	(1)	27	1,654
Owned/Not Managed - Market sale	-	10	(9)	-	1
Equity Loans	806	-	(54)	-	752
Total	35,853	784	(210)	(2)	36,425
Non-Housing Properties	4,458	-	(7)	2	4,453
Total Units	40,311	784	(217)	-	40,878
<i>Properties under construction</i>	<i>1,323</i>				<i>2,162</i>

* Includes 1,253 units managed in partnership for Affinity Housing Services (2022: 1,261)

** Leasehold housing represents those units where the freehold has been retained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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

Society	2023			2022		
	Sale proceeds £'000	Cost of Sales £'000	Surplus £'000	Sale proceeds £'000	Cost of Sales £'000	Surplus £'000
Staircasing	4,901	(2,862)	2,039	5,998	(3,509)	2,489
Right to Buy/Acquire	3,824	(1,503)	2,321	4,269	(2,012)	2,257
Sales to other registered providers	-	-	-	220	(220)	-
Existing unit sales	9,382	(2,130)	7,252	4,499	(1,072)	3,427
Other fixed assets	3,750	(2,307)	1,443	-	-	-
Total	21,857	(8,802)	13,055	14,986	(6,813)	8,173

Society

Stock Units	2022 Number	2023 Additions	2023 Disposals	2023 Reclass	2023 Number
Social Housing Properties - Owned and managed					
General needs housing*	20,252	255	(91)	13	20,429
Supported/housing for older people	2,981	-	-	(3)	2,978
Shared ownership	1,542	209	(21)	(11)	1,719
Other social housing	971	-	-	(19)	952
	25,746	464	(112)	(20)	26,078
Owned and managed - non-social					
Market rent housing	68	-	-	-	68
	25,814	464	(112)	(20)	26,146
Other					
Owned/Not Managed – Leasehold**	1,139	-	-	18	1,157
Total	26,953	464	(112)	(2)	27,303
Non-Housing Properties	4,175	-	(7)	2	4,170
Total Units	31,128	464	(119)	-	31,473
<i>Properties under construction</i>		829			1,645

* Includes 1,253 units managed in partnership for Affinity Housing Services (2022: 1,261)

** Leasehold housing represents those units where the freehold has been retained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

4. FINANCE INCOME

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest receivable from cash and cash equivalents	1,303	140	1,184	88
Interest receivable from intercompany loans	-	-	1,234	345
Equity loan interest	315	330	-	3
Interest from jointly controlled entities loan notes	4,887	2,664	4,887	2,664
	6,505	3,134	7,305	3,100

5. FINANCE COSTS

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest costs on loans and borrowings	45,509	43,975	38,037	36,282
Servicing fees of loans and borrowings	1,075	1,128	697	763
Capitalised interest	(7,986)	(5,784)	(4,295)	(3,055)
	38,598	39,319	34,439	33,990
Interest on Recycled Capital Grant Fund	388	42	-	-
Interest on pension scheme liabilities	1,046	1,579	618	974
	40,032	40,940	35,057	34,964

The weighted average cost of capital for the period is 3.90% (2022: 3.90%) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX

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

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Depreciation of fixed assets	29,206	27,895	21,960	20,689
Amortisation	(5,465)	(5,303)	(2,449)	(2,399)
Government revenue grant	(392)	(392)	(144)	(144)
Defined contribution pension cost	5,603	4,703	-	114
Defined benefit service cost	1,488	2,377	1,276	2,066
Impairment of other fixed assets	1,830	-	672	-
Operating lease expense:				
Land and buildings	8	8	8	8
Office equipment, computers and motor vehicles	940	940	624	624
Fees payable to the Society's auditor (excluding VAT):				
In their capacity as auditors				
- Society's financial statements	13	13	80	63
- Society's subsidiaries	197	151	-	-
In respect of other assurance related services	9	9	9	8

7. TAX

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Current tax				
UK corporation tax	1,037	1,118	-	(45)
Adjustments in respect of prior periods	111	(143)	(79)	(2)
Deferred tax				
Timing differences, origination and reversal	3,118	199	-	-
Adjustments in respect of prior periods	68	-	-	-
Tax charge/(credit) for the year	4,334	1,174	(79)	(47)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

7. TAX (continued)

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

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Total tax reconciliation				
Surplus/(deficit) on ordinary activities before tax	43,877	28,252	35,124	13,437
Tax on (deficit)/surplus on ordinary activities at 19%	8,337	5,368	6,674	2,553
Effects of:				
Fixed asset differences	886	325	-	-
Income not taxable for tax purposes	(434)	(446)	-	-
Expenses not deductible for tax purposes	650	18	-	-
Capital gains	622	669	-	-
Adjustments in respect of prior periods	179	(143)	-	(2)
Adjust opening deferred tax to average rate	-	(324)	-	-
Exempt profits adjustment	(6,674)	(2,914)	(6,753)	(2,598)
Corporate interest restriction disallowance	-	955	-	-
Deferred tax not recognised	(3,903)	100	-	-
Gift Aid	26	-	-	-
Amounts recognised in other comprehensive income	3,724	(2,434)	-	-
Remeasurement of deferred tax for changes in rates	921	-	-	-
Total tax charge/(credit)	4,334	1,174	(79)	(47)

8. DIRECTORS' EMOLUMENTS

The Directors of the Society are defined as the Board Members, who sit as the Group Board, and the Executive Board.

Society

Name	Appointed	Resigned	Annual Fee
Jane Alderman	01/02/2019	-	13,000
Mandy Clarke	01/09/2013	31/08/2022	13,000
Joanna Makinson	04/11/2019	-	18,000
Wayne Morris	04/11/2019	-	26,000
Simon Porter	25/09/2014	-	13,000
Jocelyn McConnachie	04/08/2021	-	11,000
Lou Taylor	04/08/2021	-	11,000
Mary-Kathryn Rallings-Adams	04/08/2021	-	11,000
David Montague	25/05/2022	-	11,000
Veronica Gordon	25/05/2022	-	11,000
John Gary Orr	15/10/2018	-	N/A
Caroline Moore	04/11/2019	-	N/A

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

8. DIRECTORS' EMOLUMENTS (continued)

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

Key Management Personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity either directly or indirectly.

All Directors are remunerated by The Swaythling Housing Society Limited. Shown below are the aggregate emoluments (including pensions and benefits in kind, excluding compensation for loss of office) paid to:

Group	2023 £'000	2022 £'000
The Executive Board (excluding those paid to third parties)	1,513	1,272
Board Members	132	126
Key Management Personnel excluding Directors	1,469	1,438
	3,114	2,836
Amount payable to the highest paid Director (excluding pension contributions)	338	285

The Chief Executive Officer is a member of a defined contribution scheme, into which the Group made employer contributions of £10k (2022: £10k).

Board members received emoluments during the year totalling £132k (2022: £126k). Board expenses of £nil (2022: £nil) were incurred in the year.

During the year ended 31 March 2023 there were five (2022: five) Directors within pension schemes in which the Group participates and none (2022: none) were in defined benefit schemes. Their outstanding contributions, which were accrued, as at 31 March 2023 totalled £6k (2022: £11k)

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	
	2023 FTE	2022 FTE	2023 FTE	2022 FTE
Central office and support staff	270	298	21	33
Development staff	90	79	4	5
Housing and customer services staff	530	552	32	61
Repairs and maintenance staff	637	510	42	78
	1,527	1,439	99	177

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

9. STAFF COSTS (continued)

	Group		Society	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	54,529	50,123	3,863	5,729
Social security costs	5,718	5,012	421	572
Pension costs	7,667	7,080	1,876	2,180
	67,914	62,215	6,160	8,481

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

Salary banding	Group		Society	
	2023	2022	2023	2022
	FTE	FTE		
£60,000 - £69,999	39	34	3	5
£70,000 - £79,999	23	16	6	5
£80,000 - £89,999	14	13	3	-
£90,000 - £99,999	13	6	-	-
£100,000 - £109,999	1	4	-	-
£110,000 - £119,999	2	4	-	-
£120,000 - £129,999	3	6	-	-
£130,000 - £139,999	2	2	-	-
£140,000 - £149,999	3	1	-	-
£150,000 - £159,999	3	-	-	-
£160,000 - £169,999	1	-	-	-
£170,000 - £179,000	1	-	-	-
£200,000 - £209,999	-	1	-	-
£210,000 - £219,999	-	2	-	-
£220,000 - £229,999	-	1	-	-
£230,000 - £239,999	1	-	-	-
£240,000 - £249,999	2	-	-	-
£260,000 - £269,999	1	-	-	-
£290,000 - £299,999	-	1	-	-
£340,000 - £349,999	1	-	-	-
	110	91	12	10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

10. INTANGIBLE ASSETS

Internally generated in-house software applications	Group £'000	Society £'000
Cost		
At 1 April 2022	1,860	1,593
Disposals	(1,597)	(1,593)
At 31 March 2023	263	-
Accumulated amortisation		
At 1 April 2022	(1,555)	(1,377)
Charge for the year	(127)	(61)
Disposals	1,442	1,438
At 31 March 2023	(240)	-
Net book value		
At 31 March 2023	23	-
At 31 March 2022	305	216

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

11. HOUSING PROPERTIES

Group	Completed properties			Properties in course of construction			Total £'000
	Social housing lettings	Shared ownership	Total	Social housing lettings	Shared ownership	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	
Cost							
At 1 April 2022	1,985,488	266,869	2,252,357	69,811	63,696	133,507	2,385,864
Additions	48	-	48	106,321	76,321	182,642	182,690
Additions - works to existing properties	17,660	-	17,660	-	-	-	17,660
Transferred into management	76,531	54,969	131,500	(76,531)	(54,969)	(131,500)	
Disposals and demolitions	(10,054)	(6,204)	(16,258)	-	-	-	(16,258)
Net movement to current assets	-	(3,264)	(3,264)	-	-	-	(3,264)
At 31 March 2023	2,069,673	312,370	2,382,043	99,601	85,048	184,649	2,566,692
Accumulated depreciation							
At 1 April 2022	(280,927)	(11,191)	(292,118)	-	-	-	(292,118)
Charge for the year	(25,995)	(1,866)	(27,861)	-	-	-	(27,861)
Disposals and demolitions	4,982	345	5,327	-	-	-	5,327
At 31 March 2023	(301,940)	(12,712)	(314,652)	-	-	-	(314,652)
Net book value							
At 31 March 2023	1,767,733	299,658	2,067,391	99,601	85,048	184,649	2,252,040
At 31 March 2022	1,704,561	255,678	1,960,239	69,811	63,696	133,507	2,093,746

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

11. HOUSING PROPERTIES (continued)

Society	Completed properties			Properties in course of construction			Total £'000
	Social housing	Shared	Total	Social housing	Shared	Total	
	lettings	ownership		lettings	ownership		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2022	1,581,643	117,701	1,699,344	48,657	26,146	74,803	1,774,147
Additions	-	-		54,376	62,673	117,049	117,049
Additions - works to existing properties	14,541	-	14,541	-	-	-	14,541
Transferred into management	43,302	30,457	73,759	(43,302)	(30,457)	(73,759)	-
Disposals and demolitions	(7,992)	(3,000)	(10,992)	-	-	-	(10,992)
Net movement to current assets	-	(1,967)	(1,967)	-	-	-	(1,967)
At 31 March 2023	1,631,494	143,191	1,774,685	59,731	58,362	118,093	1,892,778
Accumulated depreciation							
At 1 April 2022	(200,508)	(4,378)	(204,886)	-	-	-	(204,886)
Charge for the year	(20,823)	(840)	(21,663)	-	-	-	(21,663)
Disposals and demolitions	3,384	139	3,523	-	-	-	3,523
At 31 March 2023	(217,947)	(5,079)	(223,026)	-	-	-	(223,026)
Net book value							
At 31 March 2023	1,413,547	138,112	1,551,659	59,731	58,362	118,093	1,669,752
At 31 March 2022	1,381,135	113,323	1,494,458	48,657	26,146	74,803	1,569,261

11. HOUSING PROPERTIES (continued)

Freehold and leasehold properties

At 31 March 2023, 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	1,805,066	62,268	1,867,334	1,435,438	37,840	1,473,278
Shared Ownership	384,704	2	384,706	196,472	2	196,474
	2,189,770	62,270	2,252,040	1,631,910	37,842	1,669,752

Valuation of completed properties

The value of social housing properties as determined by the Existing Use Valuation – Social Housing method at 31 March 2023 was £2,782.9m (2022: £2,462m) for the Group and £2,047.6m (2022: £1,833m) for the Society. The valuation was carried out by Jones Lang LaSalle (RICS), 30 Warwick Street, London, W1B 5NH.

Interest capitalisation

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest capitalised in the year	7,986	5,784	4,295	3,055
Cumulative interest capitalised	41,773	36,662	30,064	27,241
Rate used for capitalisation	3.90%	3.90%	3.90%	3.90%

Expenditure on works to existing housing properties

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Capitalised	17,660	9,415	14,541	8,181
Charged to Statement of Comprehensive Income	63,909	58,701	49,042	47,518

Included within the amounts above and other areas of operating costs is a total of £4,169k (2022: £5,215k) for the Group and £3,660k (2022: £3,811k) for the Society related to fire safety expenditure.

Security

The Group had housing property with a net book value of £1,125m pledged as security at 31 March 2023 (2022: £1,137m). The Society had housing property with a net book value of £932m pledged as security at 31 March 2023 (2022: £941m).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

12. OTHER FIXED ASSETS

	Freehold land and premises £'000	Leasehold land and premises £'000	Group Computers fixtures and fittings £'000	Vehicles, plant and equipment £'000	Total £'000	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 2022	20,451	90	6,541	5,091	32,173	7,948	91	2,983	655	11,677
Additions	24	-	703	71	798	23	-	369	-	392
Disposals	(2,509)	-	(29)	-	(2,538)	(2,509)	-	-	-	(2,509)
At 31 March 2023	17,966	90	7,215	5,162	30,433	5,462	91	3,352	655	9,560
Accumulated depreciation										
At 1 April 2022	(4,370)	(90)	(5,581)	(4,692)	(14,733)	(1,886)	(91)	(2,623)	(655)	(5,255)
Charge for the year	(323)	-	(606)	(267)	(1,196)	(158)	-	(139)	-	(297)
Disposals	432	-	29	-	461	432	-	-	-	432
Impairment	(1,830)	-	-	-	(1,830)	(672)	-	-	-	(672)
At 31 March 2023	(6,091)	(90)	(6,158)	(4,959)	(17,298)	(2,284)	(91)	(2,762)	(655)	(5,792)
Net book value										
At 31 March 2023	11,875	-	1,057	203	13,135	3,178	-	590	-	3,768
At 31 March 2022	16,081	-	960	399	17,440	6,060	-	360	-	6,422

13. INVESTMENT PROPERTIES

Value	Completed	
	Group £'000	Society £'000
At 1 April 2022	70,306	18,660
Disposals and demolitions	(22)	(22)
Revaluation deficit	(665)	(1,239)
At 31 March 2023	69,619	17,399

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

Property valuation

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

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

- Discount rate (rental income) 5.5% - 6.0%
- Annual inflation rate 0.5% - 1.0%
- Level of long-term annual rent increase 1.0% - 1.5%
- Bad Debts and Voids 2.0% - 4.0%

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cost	57,040	57,049	13,436	13,445
Depreciation	(6,194)	(5,671)	(1,449)	(1,342)
Net book value	50,846	51,378	11,987	12,103

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

14. EQUITY LOANS

Group	2023 £'000	2022 £'000
Equity loans	28,904	31,078
Accrued equity loan interest	28	29
Equity loan provision	(747)	(807)
	28,185	30,300

Equity loans are secured by way of an equity charge over the property purchased by the recipient of the loan. The Group has received £23.5m of grant (2022: £25.2m) 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 2022 £'000	Change in year £'000	Share of net assets at 31 March 2023 £'000	Cost at 1 April 2022 £'000	Change in year £'000	Cost at 31 March 2023 £'000
Thakeham Pease Pottage LLP	2,977	2,844	5,821	-	-	-
Linden (Sayers Common) LLP	(310)	988	678	-	-	-
Lovell/Abri Weymouth LLP	(36)	(188)	(224)	-	-	-
Thakeham West Horsley LLP	-	(1,047)	(1,047)	-	-	-
Advantage South West LLP	101	7	108	-	-	-
Affinity (Reading) Holdings Ltd	921	72	993	1,170	-	1,170
Affinity Housing Services	534	135	669	25	-	25
West Country Savings & Loans	15	-	15	15	-	15
The Smarterbuys Store Ltd	60	(60)	-	60	(60)	-
Yarlington Homes Ltd	-	-	-	6,000	(74)	5,926
Swaythling Assured Homes plc	-	-	-	4,023	-	4,023
Yarlington Treasury Services plc	-	-	-	50	-	50
Radian Capital plc	-	-	-	50	-	50
Radian Developments Ltd	-	-	-	1	-	1
	4,262	2,751	7,013	11,394	(134)	11,260

In the year, the Group received distributions from development joint ventures of £1.5m. These amounts are included within the share of surplus in jointly controlled entities in the Statement of Comprehensive Income.

15. INVESTMENTS (continued)

Group only (continued)

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.

Radian Developments Limited invested in 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.

Radian Developments Limited invested in 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.

Radian Developments Limited invested in 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.

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, effective 31 March 2024; at the signing date discussions are ongoing.

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 Group to deliver housing and community development services for the estate under the PFI contract via Affinity Housing Services.

Abri Group Limited invested in The Smarterbuys Store Limited in 2014, who aim to offer a credible alternative to high interest stores. The Smarterbuys website offers household furniture, appliances and electrical goods at a significant discount from the recommended retail price, with access to responsible credit. In August 2022 the company ceased trading and in February 2023 a Company Voluntary Arrangement took effect, with Abri subsequently writing off its investment.

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.

15. INVESTMENTS (continued)

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.

The Society, via a Transfer of Engagement completed on 30 June 2021, subscribed for the whole of the share capital of Yarlington Treasury Services plc in 2017, 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.

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

The Society, via a Transfer of Engagement completed on 30 June 2021, subscribed for the whole share capital of Yarlington Homes Limited in 2018, a subsidiary set up to develop housing properties. The Society holds 5,925,791 £1 shares which have been fully paid.

The Society subscribed for the whole of the share capital of Swaythling Assured Homes plc, a now dormant subsidiary. The Society holds 4,031,002 ordinary 50p shares which have been fully paid.

The Society also owns one £1 share in The Swaythling Housing Society Limited and Oriel Housing 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 33.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

16. PROPERTIES FOR SALE

Group	Completed properties			Properties in course of construction			Total
	Shared			Shared			
	Market sales £'000	Ownership £'000	Total £'000	Market sales £'000	Ownership £'000	Total £'000	
Cost							
At 1 April 2022	-	4,908	4,908	5,797	42,357	48,154	53,062
Additions	-	-	-	8,842	51,575	60,417	60,417
Completed in year	2,965	37,225	40,190	(2,965)	(37,225)	(40,190)	-
Net movement from housing properties	-	3,264	3,264	-	-	-	3,264
Cost of properties sold	(2,638)	(33,604)	(36,242)	-	-	-	(36,242)
At 31 March 2023	327	11,793	12,120	11,674	56,707	68,381	80,501

Society	Completed properties			Properties in course of construction			Total
	Shared			Shared			
	Market sales £'000	Ownership £'000	Total £'000	Market sales £'000	Ownership £'000	Total £'000	
Cost							
At 1 April 2022	-	2,450	2,450	-	17,452	17,452	19,902
Additions	-	-	-	-	42,048	42,048	42,048
Completed in year	-	20,592	20,592	-	(20,592)	(20,592)	-
Net movement from housing properties	-	1,967	1,967	-	-	-	1,967
Cost of properties sold	-	(19,425)	(19,425)	-	-	-	(19,425)
At 31 March 2023	-	5,584	5,584	-	38,908	38,908	44,492

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

17. RECEIVABLES

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Gross arrears of rent and service charges				
Social	9,425	7,404	7,450	5,667
Non-social	1,430	703	1,022	390
	10,855	8,107	8,472	6,057
Bad debt provision	(4,469)	(3,660)	(3,402)	(2,785)
Net tenant arrears	6,386	4,447	5,070	3,272
Social housing grant receivable	34,789	13,000	22,726	5,594
Short-term non-liquid assets	6,095	6,297	2,724	2,901
Trade receivables	2,295	1,652	1,505	972
Intercompany loans	-	-	28,500	33,500
Other receivables and prepayments	7,262	7,015	2,639	2,411
Other taxation and social security	2,125	3,298	617	-
Amounts due from Group undertakings	-	-	25,081	-
Amounts due within one year	58,952	35,709	88,862	48,650
Loans to development joint ventures	59,091	41,396	59,091	41,396
Loans to housing joint ventures	5,615	3,611	5,615	3,611
Amounts due after one year	64,706	45,007	64,706	45,007
	123,658	80,716	153,568	93,657

Included within other receivables and prepayments above is £76k (2022: £104k) for the Group and £2k (2022: £6k) for the Society, of staff loans.

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

	Interest rate	Expiry date	Group			Society		
			Nominal value	Fair value		Nominal value	Fair value	
Investment	%	Year	£'000	2023 £'000	2022 £'000	£'000	2023 £'000	2022 £'000
UK Government gilts	4.75	2038	1,619	671	857	896	671	857

The fair value movement on gilts of £187k for the Group (2022: £118k) and £187k for the Society (2022: £81k) has been debited to the Statement of Comprehensive Income in the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

18. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR

	Note	Group		Society	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans, borrowings, and accrued interest	19	30,544	18,876	11,710	11,723
Trade payables		6,943	7,108	1,357	855
Deferred income and payments on account		7,059	7,164	5,047	5,059
Amounts owed to Group undertakings		-	-	-	10,288
Other tax and social security payable		1,381	1,270	93	89
Other payables		5,600	5,249	1,441	2,026
Accruals		31,417	21,952	9,184	7,021
Contract retentions		3,946	4,240	378	719
Right to Buy proceeds share agreement		916	2,207	916	2,207
Deferred capital grant	22	5,871	5,556	2,449	2,281
Recycled capital grant	23	4,252	6,485	-	-
Unpaid share capital in subsidiaries		-	-	75	75
Corporation tax		498	756	-	38
		98,427	80,863	32,650	42,381

Amounts owed to Group undertakings relate to balances held with fellow registered providers in the Group. Whilst amounts owed to Group undertakings are repayable within one year, it is unlikely that the obligation to repay the debt within one year will be enforced.

19. PAYABLES: AMOUNTS DUE AFTER ONE YEAR

	Note	Group		Society	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans, borrowings, and accrued interest		1,201,627	1,198,469	937,433	917,558
Interest rate swap	31	1,753	6,640	1,753	6,640
Recycled Capital Grant Fund	23	8,928	9,239	-	-
Contract retentions		1,035	1,100	727	790
Deposits repayable		31	24	32	24
		1,213,374	1,215,472	939,945	925,012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

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

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

Group	2023				2022			
	Bank loans £'000	Bonds £'000	HE loans £'000	Total £'000	Bank loans £'000	Bonds £'000	HE loans £'000	Total £'000
In multiple instalments								
One year or less	7,440	569	-	8,009	7,440	523	-	7,963
One to two years	13,642	619	-	14,261	7,440	279	-	7,719
Two to five years	144,041	2,201	-	146,242	57,101	1,941	-	59,042
Five years or more	386,927	160,954	-	547,881	462,509	162,124	-	624,633
	552,050	164,343	-	716,393	534,490	164,867	-	699,357
In a single instalment								
One year or less	-	12,000	-	12,000	-	-	-	-
One to two years	-	-	-	-	-	12,000	-	12,000
Five years or more	-	435,800	572	436,372	-	435,800	572	436,372
	-	447,800	572	448,372	-	447,800	572	448,372
	552,050	612,143	572	1,164,765	534,490	612,667	572	1,147,729

The total value of all loans and borrowings includes a further £67.4m (2022: £69.6m) of capitalised fees, premiums and accrued interest.

Overview of loans and borrowings

The Group has a range of loans and borrowings with various financial institutions.

The Group holds bank loans at fixed rates of interest of between 0.8% and 8.1%, with maturity dates ranging from 2023-2040 inclusive. Bank loans are also held at variable rates of interest of between 4.2% and 5.5% priced with reference to SONIA, lender margin and including credit adjustment spread, with maturity dates ranging from 2023-2040 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 a single revolving credit facility at the reporting date.

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 2.9% and 11.1%, with maturity dates ranging from 2023-2043 inclusive. The Group, via Radian Capital plc and Yarlinton 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.

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

Society	2023				2022			
	Bank loans £'000	Bonds £'000	Group loans £'000	Total £'000	Bank loans £'000	Bonds £'000	Group loans £'000	Total £'000
In multiple instalments								
One year or less	3,840	134	4,000	7,974	3,840	124	4,000	7,964
One to two years	5,242	146	-	5,388	3,840	66	-	3,906
Two to five years	80,141	513	-	80,654	30,101	455	-	30,556
Five years or more	286,127	2,952	150,000	439,079	316,409	3,223	150,000	469,632
	375,350	3,745	154,000	533,095	354,190	3,868	154,000	512,058
In a single instalment								
Five years or more	-	69,700	300,000	369,700	-	69,700	300,000	369,700
	375,350	73,445	454,000	902,795	354,190	73,568	454,000	881,758

The total value of all loans and borrowings includes a further £46.3m (2022: £47.5m) of capitalised fees, premiums and accrued interest.

Overview of loans and borrowings

The Society has a range of loans and borrowings with various financial institutions.

The Society holds bank loans at fixed rates of interest of between 1.7% and 6.4%, with maturity dates ranging from 2036-2040 inclusive. Bank loans are also held at variable rates of interest of between 4.6% and 5.5% priced with reference to SONIA, lender margin and including credit adjustment spread, with maturity dates ranging from 2023-2040 inclusive. Most bank loans are held at fixed rates of interest.

The Society has also drawn on a single revolving credit facility 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 2037-2043 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

20. PROVISIONS

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance brought forward at 1 April	8,910	12,772	852	4,620
Variations to provisions brought forward	460	44	(254)	-
New provisions in year	184	-	-	(189)
Release of provisions in year	(4,142)	(3,906)	(223)	(3,579)
Balance carried forward at 31 March	5,412	8,910	375	852

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. ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 April 2022 £'000	Cash flows £'000	Non-cash changes £'000	At 31 March 2023 £'000
Cash and cash equivalents				
Cash at bank	150,827	(85,811)	-	65,016
Loans and borrowings				
Payables: amounts due within one year	(18,876)	7,963	(19,631)	(30,544)
Payables: amounts due after one year	(1,198,469)	(25,000)	21,842	(1,201,627)
	(1,217,345)	(17,037)	2,211	(1,232,171)
Financial derivatives				
Interest rate swap	(6,640)	-	4,887	(1,753)
	(1,073,158)	(102,848)	7,098	(1,168,908)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

22. DEFERRED CAPITAL GRANT

	Completed £'000	Group In course of construction £'000	Total £'000	Completed £'000	Society In course of construction £'000	Total £'000
Cost						
At 1 April 2022	570,428	85,358	655,786	240,711	36,610	277,321
Inputs						
Received in year	703	83,094	83,797	703	47,249	47,952
Transferred from Recycled Capital Grant Fund	-	6,363	6,363	-	3,653	3,653
Transferred into management	23,743	-	23,743	6,634	-	6,634
Outputs						
Recycled on disposal	(1,747)	-	(1,747)	(969)	-	(969)
Transferred into management	-	(23,743)	(23,743)	-	(6,634)	(6,634)
At 31 March 2023	593,127	151,072	744,199	247,079	80,878	327,957
Accumulated amortisation						
At 1 April 2022	(79,245)	-	(79,245)	(30,192)	-	(30,192)
Released on disposal	230	-	230	115	-	115
Charge for the year	(5,592)	-	(5,592)	(2,387)	-	(2,387)
At 31 March 2023	(84,607)	-	(84,607)	(32,464)	-	(32,464)
Amortised deferred capital grant						
At 31 March 2023	508,520	151,072	659,592	214,615	80,878	295,493
At 31 March 2022	491,183	85,358	576,541	210,519	36,610	247,129

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

22. DEFERRED CAPITAL GRANT (continued)

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

	Completed £'000	Group In course of construction £'000	Total £'000	Completed £'000	Society In course of construction £'000	Total £'000
Due within one year	5,871	-	5,871	2,449	-	2,449
Due after one year	502,649	151,072	653,721	212,166	80,878	293,044
	508,520	151,072	659,592	214,615	80,878	295,493

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.

23. RECYCLED CAPITAL GRANT FUND

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 April	15,724	17,345	-	499
Net inputs to fund				
Grants recycled	3,462	5,165	1,061	1,277
Interest accrued	388	42	-	-
Transferred to other group members	-	-	4,697	1,571
Other	(31)	(99)	(25)	(24)
Recycling of grant				
New build	(6,363)	(6,729)	(5,733)	(3,323)
At 31 March	13,180	15,724	-	-
Recycled capital grant due within one year	4,252	6485	-	-
Recycled capital grant due after one year	8,928	9239	-	-
	13,180	15,724	-	-

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

Included within payables due in less than one year is £2.5m (2022: £2.5m) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

24. DEFERRED TAX

Group	2023 £'000	2022 £'000
Fixed asset timing differences	1,762	345
Short term timing differences	(4,385)	(1,552)
Capital gains	1,951	1,807
Losses and other deductions	672	(600)
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 £2.0m (2022: £3.3m) 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.

25. PENSIONS

Defined Contribution Schemes

In October 2022, the Group introduced a new Defined Contribution scheme, administered by Standard Life to replace two legacy schemes: The Pensions Trust Flexible Retirement Plan and Aviva Life. Contribution to the scheme is on the employee contribution plus 2%, subject to a maximum of 10%, except for senior leaders for whom the cap is 12%, the same terms as the legacy schemes.

The Swaythling Housing Society Limited is the only participating employer in the Group, as it employs all new starters and, with effect from 1 May 2023, is the sole employing entity in the Group following the transfer of employees from Abri Group Limited.

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Accounting charge				
The Pensions Trust Flexible Retirement Plan	2,324	2,342	-	-
Aviva Life	373	329	-	114
Standard Life	2,906	-	-	-
	5,603	2,671	-	114
Outstanding contributions at 31 March				
The Pensions Trust Flexible Retirement Plan	-	204	-	-
Aviva Life	-	35	-	-
Standard Life	479	-	-	-
	479	239	-	-

25. PENSIONS (continued)

Defined Benefit Schemes

The Group participates 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 at 30 September 2022 and updated to 31 March 2023 by an independent qualified actuary. All schemes are closed to future accrual with effect from 30 April 2023 for the three LGPS and 30 June for AGPS.

Abri Group Pension Scheme (AGPS)

The Society and The Swaythling Housing Society participate in AGPS, established after employers in the legacy Radian Group exited the Social Housing Pension Scheme. The full valuation (September 2022 preliminary results) showed a deficit of £20.7m, corresponding to a funding level of 75% 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 £24k.

In the year, payments were made towards this deficit totalling £3,046k (2022: £2,957k) and monthly contributions were 14.6% of members' earnings until the scheme closed to future accrual.

Somerset County Council Pension Fund (SCC)

The Society participates in SCC, a multi-employer Local Government Pension Scheme whose deficit can be separately identified. The full valuation showed a scheme deficit of £3.5m corresponding to a funding level of 94%.

In the year, payments were made towards this deficit totalling £410k (2022: £390k) and monthly contributions remained at 21.0% of members' earnings until the scheme closed to future accrual.

Hampshire County Council Pension Fund (HPF)

The Society participates in HPF; a multi-employer Local Government Pension Scheme whose deficit can be separately identified. The full valuation results show a funding deficit of £2.3m and a funding level of 87%.

In the year, payments were made towards this deficit totalling £598k (2022: £580k) and monthly contributions remained at 37.2% of members' earnings until the scheme closed to future accrual.

Royal County of Berkshire Pension Fund (RCB)

The Swaythling Housing Society Limited participates in RCB, a multi-employer Local Government Pension Scheme where the deficit or surplus can be separately identified. The full valuation results showed a funding deficit of £1.1m and a funding level of 83%.

In the year, payments were made towards this deficit totalling £224k (2022: £216k) and monthly contributions remained at 21.0% of members' earnings until the scheme closed to future accrual.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

25. PENSIONS (continued)

Defined Benefit Schemes (continued)

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

	Group		Society	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
AGPS defined benefit deficit	17,832	12,205	21	102
HPF defined benefit deficit	-	2,199	-	2,199
RCB defined benefit deficit	2,553	5,762	-	-
SCC defined benefit deficit	11,214	37,986	11,214	37,985
	31,599	58,152	11,235	40,286

Main financial assumptions adopted for FRS 102 purposes:

	AGPS		HPF		RCB		SCC	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
CPI inflation	3.0	3.3	3.1	3.5	3.1	3.5	3.1	3.2
Salary increases	4.0	4.3	4.1	4.5	4.1	4.5	4.1	4.2
Discount rate	4.8	2.8	4.4	2.4	4.4	2.4	4.4	2.6

Post retirement mortality assumptions:

	AGPS		HPF		RCB		SCC	
	M	F	M	F	M	F	M	F
Retiring today	21.7	23.9	23.3	25.7	21.1	23.9	21.4	23.2
Retiring in 20 years	23.3	25.4	23.8	26.7	22.3	25.3	22.7	22.4

M: Male, F: Female

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

25. PENSIONS (continued)

Defined Benefit Schemes (continued)

The assets in the schemes were:

Group	2023					2022				
	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000
Equities	40	8,521	3,397	40,097	52,055	12,805	8,895	3,536	40,344	65,580
Bonds	32,385	2,441	-	7,508	42,334	46,851	2,689	922	8,179	58,641
Property	4,025	1,006	691	4,313	10,035	4,836	1,079	682	4,463	11,060
Cash	2,216	163	83	1,840	4,302	1,374	141	119	2,574	4,208
Alternative assets	10,990	2,663	470	-	14,123	26,388	2,830	440	-	29,658
Private credit	6,403	-	794	-	7,197	-	-	-	-	-
Total market values of assets	56,059	14,794	5,435	53,758	130,046	92,254	15,634	5,699	55,560	169,147

Society	2023				2022			
	AGPS £'000	HPF £'000	SCC £'000	Total £'000	AGPS £'000	HPF £'000	SCC £'000	Total £'000
Equities	1	8,521	40,097	48,619	107	8,895	40,344	49,346
Bonds	36	2,441	7,508	9,985	389	2,689	8,179	11,257
Property	4	1,006	4,313	5,323	41	1,079	4,463	5,583
Cash	2	163	1,840	2,005	11	141	2,574	2,726
Alternative assets	13	2,663	-	2,676	219	2,830	-	3,049
Private credit	7	-	-	7	-	-	-	-
Unrecognised assets	-	(1,766)	-	(1,766)	-	-	-	-
Total market values of assets	63	13,028	53,758	66,849	767	15,634	55,560	71,961

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

25. PENSIONS (continued)

Defined Benefit Schemes (continued)

Group	2023					2022				
	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000
Fair value of scheme assets	56,059	14,794	5,435	53,758	130,046	92,254	15,634	5,699	55,560	169,147
Present value of obligation	(73,891)	(13,028)	(7,988)	(64,972)	(159,880)	(104,459)	(17,833)	(11,461)	(93,545)	(227,301)
Application of asset ceiling	-	(1,766)	-	-	(1,766)	-	-	-	-	-
Group share of deficit in the scheme	(17,832)	-	(2,553)	(11,214)	(31,600)	(12,205)	(2,199)	(5,762)	(37,985)	(58,154)
Movements in fair value of assets										
Opening fair value of scheme assets	92,254	15,634	5,699	55,560	169,147	87,447	14,256	5,137	51,990	158,830
Interest income on scheme assets	2,564	377	135	2,046	5,122	1,931	243	86	1,034	3,294
Actuarial (losses)/gains	(39,389)	(1,389)	(223)	(3,064)	(44,065)	2,208	1,026	613	3,125	6,972
Expenses	(244)	-	(6)	(32)	(282)	(194)	-	(5)	(24)	(223)
Contributions from employers	3,454	663	230	1,159	5,506	3,462	641	226	1,309	5,638
Contributions from scheme members	-	13	2	253	268	-	60	2	229	291
Benefits paid	(2,580)	(504)	(402)	(2,164)	(5,650)	(2,600)	(592)	(360)	(2,103)	(5,655)
Closing fair value of scheme assets	56,059	14,794	5,435	53,758	130,046	92,254	15,634	5,699	55,560	169,147
Movements in value of obligations										
Opening defined benefit obligation	(104,461)	(17,833)	(11,461)	(93,546)	(227,301)	(111,068)	(19,213)	(12,386)	(97,195)	(239,862)
Service cost	(159)	(91)	(14)	(1,174)	(1,438)	(312)	(149)	(20)	(1,896)	(2,377)
Interest cost	(2,860)	(422)	(270)	(2,616)	(6,168)	(2,418)	(322)	(208)	(1,925)	(4,873)
Actuarial gains	31,009	4,827	3,357	30,453	69,645	6,739	1,319	795	5,597	14,447
Benefits paid	2,580	504	402	2,164	5,650	2,600	592	360	2,096	5,648
Contributions by scheme members	-	(13)	(2)	(253)	(268)	-	(60)	(2)	(222)	(284)
Closing defined benefit obligation	(73,891)	(13,028)	(7,988)	(64,972)	(159,880)	(104,459)	(17,833)	(11,461)	(93,545)	(227,301)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

25. PENSIONS (continued)

Defined Benefit Schemes (continued)

Society	2023				2022			
	AGPS £'000	HPF £'000	SCC £'000	Total £'000	AGPS £'000	HPF £'000	SCC £'000	Total £'000
Fair value of scheme assets	63	14,794	53,758	68,615	767	15,634	55,560	71,961
Present value of obligation	(84)	(13,028)	(64,972)	(78,084)	(869)	(17,833)	(93,546)	(112,248)
Application of asset ceiling	-	(1,766)	-	(1,766)	-	-	-	-
Group share of deficit in the scheme	(19)	-	(11,214)	(11,233)	(102)	(2,199)	(37,986)	(40,287)
Movements in fair value of assets								
Opening fair value of scheme assets	767	15,634	55,560	71,961	731	14,256	51,990	66,977
Interest income on scheme assets	21	377	2,046	2,444	16	243	1,034	1,293
Actuarial (losses)/gains	(716)	(1,389)	(3,064)	(5,169)	16	1,026	3,125	4,167
Expenses	(2)	-	(32)	(34)	-	-	(24)	(24)
Contributions from employers	14	663	1,159	1,836	25	641	1,309	1,975
Contributions from scheme members	-	13	253	266	-	60	229	289
Benefits paid	(21)	(504)	(2,164)	(2,689)	(21)	(592)	(2,103)	(2,716)
Closing fair value of scheme assets	63	14,794	53,758	68,615	767	15,634	55,560	71,961
Movements in value of obligations								
Opening defined benefit obligation	(869)	(17,833)	(93,546)	(112,248)	(928)	(19,213)	(97,195)	(117,336)
Service cost	(11)	(91)	(1,174)	(1,276)	(25)	(149)	(1,896)	(2,070)
Interest cost	(24)	(422)	(2,616)	(3,062)	(20)	(322)	(1,925)	(2,267)
Actuarial gains	799	4,827	30,453	36,079	83	1,319	5,596	6,998
Benefits paid	21	504	2,164	2,689	21	592	2,096	2,709
Contributions by scheme members	-	(13)	(253)	(266)	-	(60)	(222)	(282)
Closing defined benefit obligation	(84)	(13,028)	(64,972)	(78,084)	(869)	(17,833)	(93,546)	(112,248)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

25. PENSIONS (continued)

Defined Benefit Schemes (continued)

Analysis of amounts charged to the Statement of Comprehensive Income:

Group	2023					2022				
	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000	AGPS £'000	HPF £'000	RCB £'000	SCC £'000	Total £'000
SOCI - Operating and Finance Costs										
Service costs	159	91	14	1,174	1,438	312	149	20	1,896	2,377
Expenses	244	0	6	32	282	194	-	5	24	223
Net finance charge	296	45	135	570	1,046	487	79	122	891	1,579
	699	136	155	1,776	2,766	993	228	147	2,811	4,179
OCI – Actuarial Gains/(Losses)										
Actual less expected return on assets	(39,389)	(1,389)	(223)	(3,064)	(44,065)	2,208	1,026	613	3,125	6,972
Gains from changes in assumptions	41,051	6,314	3,780	26,474	77,618	8,572	-	795	5,783	15,150
Experience gains/(losses) on liabilities	(10,042)	(1,487)	(423)	3,979	(7,973)	(1,835)	1,319	-	(187)	(703)
Application of asset ceiling	-	(1,766)	-	-	(1,766)	-	-	-	-	-
	(8,380)	1,672	3,134	27,389	23,814	8,945	2,345	1,408	8,721	21,419

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

25. PENSIONS (continued)

Defined Benefit Schemes (continued)

Society	2023				2022			
	AGPS £'000	HPF £'000	SCC £'000	Total £'000	AGPS £'000	HPF £'000	SCC £'000	Total £'000
SOCI - Operating and Finance Costs								
Service costs	11	91	1,174	1,276	25	149	1,896	2,070
Expenses	2	0	32	34	-	-	24	24
Net finance charge	3	45	570	618	4	79	891	974
	16	136	1,776	1,928	29	228	2,811	3,068
OCI – Actuarial Gains/(Losses)								
Actual less expected return on assets	(716)	(1,389)	(3,064)	(5,169)	16	1,026	3,125	4,167
Gains from changes in assumptions	345	6,314	26,474	33,133	83	-	5,783	5,866
Experience gains/(losses) on liabilities	454	(1,487)	3,979	2,946	-	1,319	(187)	1,132
Application of asset ceiling	-	(1,766)	-	(1,766)	-	-	-	-
	83	1,672	27,389	29,144	99	2,345	8,721	11,165

26. GIFT AID

The Society received Gift Aid payments from the following contributors:

	2023	2022
	£'000	£'000
The Swaythling Housing Society Limited	11,000	-
Yarlington Homes Limited	1,538	1,050
Radian Developments Limited	1,223	-
Oriel Housing Limited	177	-
Yarlington Property Management Limited	61	73
Inspired to Achieve Limited	23	73
	14,022	1,196

27. SHARE CAPITAL

Group and Society	2023	2022
	£	£
Shares of £1 each		
Issued at 1 April	26	27
Shares issued during the year	1	3
Shares cancelled during the year	(4)	(4)
Shares issued and fully paid at 31 March	23	26

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.

28. CAPITAL AND OTHER COMMITMENTS

	Group		Society	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
In contract	257,061	236,369	228,225	194,024
Approved but not contracted	112,505	41,581	105,365	34,390
Total capital commitments	369,566	277,950	333,590	228,414
Other commitments	176,570	187,857	81,239	54,427
Total commitments	546,136	465,807	414,829	282,841

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

28. CAPITAL AND OTHER COMMITMENTS (continued)

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

	Group £'000	Society £'000
Cash at bank	65,016	31,086
Homes England Strategic Partnership grant funding	90,000	90,000
Undrawn Revolving Credit Facilities	140,700	90,700
Retained bond sales	70,000	70,000
Cash generated from operating activities	3,850	51,804
	369,566	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 2024 alone. The Society also expects to receive Gift Aid distributions from subsidiaries prior to 31 December 2023.

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

Joint Ventures	Holding	2023 £'000	2022 £'000
Thakeham Pease Pottage LLP	50%	20,387	31,780
Linden (Sayers Common) LLP	50%	1,553	5,136
Lovell/Abri Weymouth LLP	50%	45,150	36,000
Thakeham West Horsley LLP	50%	12,368	32,401
		79,458	105,317

29. OPERATING LEASES

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

	Group				Society	
	Land and Buildings		Other		Other	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Not later than one year	60	57	512	400	502	390
Later than one year but not later than five years	103	77	57	406	48	387
	163	134	569	806	550	777

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

29. 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	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than one year	101	108	1,282	1,191	49,421	42,686
Later than one year but not later than five years	286	353	4,479	4,038	62,139	70,845
Later than five years	198	235	3,255	3,663	9,169	3,409
	585	696	9,016	8,892	120,729	116,940

Society	Commercial properties		Leases with partnership agencies		Tenancy leases	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than one year	16	24	1,029	946	37,837	31,742
Later than one year and not later than five years	53	60	3,713	3,264	47,599	50,925
Later than five years	73	85	3,073	3,366	7,179	2,419
	142	169	7,815	7,576	92,615	85,086

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.

30. FINANCIAL INSTRUMENTS

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

	Group		Society	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial assets				
Receivables	670	857	670	857
Financial liabilities				
Payables: amounts due after one year	(1,753)	(6,640)	(1,753)	(6,640)
Fair value gains/(losses)				
On current asset listed investments	(187)	(118)	(187)	(81)
On interest rate swap	4,887	2,123	4,887	2,123
	4,700	2,005	4,700	2,042

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

31. 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.

	2023 £'000	2022 £'000
Liability		
Interest rate swap	<u>1,753</u>	<u>6,640</u>

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 £4,887k (2022: £2,123k).

32. 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 25.

Loans

During the year, one (2022: one) employee determined to be Key Management Personnel had loans with the Group. As at 31 March 2023, the outstanding value of this loan was £nil (2022: £104). 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)

32. RELATED PARTY TRANSACTIONS (continued)

Transactions with other entities (continued)

Other Group entities

Abri Group Subsidiaries

- Radian Developments Limited (RDL)
- Yarlington Homes Limited (YHL)
- Inspired to Achieve Limited (i2a)
- 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)*
- *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	
	2023	2022	2023	2022
<i>Transactions - Income</i>	£'000	£'000	£'000	£'000
AGL recharge to YHL for corporate overheads	40	40	40	40
AGL recharge to ASW for secretarial costs	6	6	6	6
AGL interest income from RDL on loans	223	85	223	85
AGL interest income from TPP on loans	1,866	1,800	1,866	1,800
AGL interest income from TWH on loans	2,063	-	2,063	-
AGL interest income from LSC on loans	438	532	438	532
AGL interest income from LAW on loans	237	12	237	12
AGL interest income from ARHL on loan notes	282	320	282	320
AGL Gift Aid receipt from RDL	1,223	2,206	1,223	2,206
AGL Gift Aid receipt from YPM	61	73	61	73
AGL Gift Aid receipt from YHL	1,538	1,050	1,538	1,050
AGL Gift Aid receipt from i2a	22	72	22	72

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.

32. RELATED PARTY TRANSACTIONS (continued)

Transactions with other entities (continued)

	Group		Society	
	2023	2022	2023	2022
<i>Transactions - Expenditure</i>	£'000	£'000	£'000	£'000
SHS purchase of properties developed from YHL	(7,380)	(3,506)	-	-
SHS purchase of properties developed from TPP	(140)	(365)	-	-
SHS purchase of properties developed from LSC	(940)	(3,199)	-	-
AGL purchase of properties developed from YHL	(54,595)	(41,482)	(54,595)	(41,482)
AGL charge for services provided by i2a	-	(3)	-	(3)
AGL charge for services provided by YPM	(192)	(97)	(192)	(97)
SHS charge for services provided by YPM	-	(3)	-	-
AGL charge for servicing fees from RC	(41)	(99)	(41)	(99)
AGL interest cost from YTS for intercompany loans	(3,907)	(3,769)	(3,907)	(3,769)
AGL interest cost from RC for intercompany loans	(16,699)	(16,721)	(16,699)	(16,721)

Properties are purchased from entities developing housing properties on an arm's length basis, under appropriate contractual agreements covering all appropriate costs.

Services are provided on an arm's length basis, supported by formal agreements where appropriate.

Intercompany loans to subsidiaries are supported by formal agreements with charges included on an arm's length basis.

	Group		Society	
	2023	2022	2023	2022
<i>Balances - Assets</i>	£'000	£'000	£'000	£'000
AGL shareholding in YHL	5,926	6,000	5,926	6,000
AGL shareholding in YTS	50	50	50	50
AGL investment in ARHL	1,170	1,170	1,170	1,170
AGL investment in AHS	25	25	25	25
AGL receivable from I2A for staff charges	1	73	1	73
AGL receivable from YTS from 2057 bond charges	502	515	502	515
AGL receivable from YPM for staff charges	1,570	825	1,570	825
AGL receivable from RDL for interest	1,806	59	1,806	59
AGL to YHL for purchase of properties	1,584	-	1,584	-
AGL receivable from ASW for staff charges	37	14	37	14
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	126	236	126	236
AGL receivable from TWH for unpaid interest	349	-	349	-
AGL receivable from RDL on intercompany loan	4,200	4,200	4,200	4,200
AGL receivable from TPP for loans	15,745	31,252	15,745	31,252
AGL receivable from TWH for loans	30,887	-	30,887	-
AGL receivable from LSC for loans	1,892	8,115	1,892	8,115
AGL receivable from LAW for loans	9,244	612	9,244	612
AGL receivable from ARHL for loan notes	2,448	2,285	2,448	2,285
AGL receivable from TPP for accrued loan interest	1,983	1,784	1,983	1,784
AGL receivable from TWH for accrued loan interest	636	-	636	-
AGL receivable from LSC for accrued loan interest	1,619	1,181	1,619	1,181
AGL receivable from LAW for accrued loan interest	252	15	252	15

32. RELATED PARTY TRANSACTIONS (continued)

Transactions with other entities (continued)

	Group		Society	
	2023	2022	2023	2022
Balances - Liabilities	£'000	£'000	£'000	£'000
AGL payable to YHL for purchase of properties	-	(752)	-	(752)
SHS payable to TPP for purchase of properties	(24)	(27)	-	-
SHS payable to LSC for purchase of properties	(173)	(189)	-	-
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 membership fees	-	(7)	-	(7)
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)

33. 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	The Swaythling Housing Society Limited	Registered Society	100%
Providers	Oriel Housing Limited	Registered Society	100%
Development	Radian Developments Limited	Limited Company	100%
Company	Yarlington 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	Swaythling Assured Homes plc	Public limited company	100%
Companies	Wayfarer Limited	Limited company	100%
	Charlotte Court Management Company (Yeovil) Limited	Limited company	100%
Jointly	Affinity (Reading) Holdings Limited	Limited company	50%
Controlled	Affinity (Reading) Limited	Limited company	50%
Entities	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%
	Advantage South West LLP	Limited liability partnership	25%

34. POST BALANCE SHEET EVENTS

On 30 April 2023, Abri Group Limited triggered cessation of the three local government pension schemes in which its employees were members. Cessation debts totalling £1.4m were paid during July and settles the Company's obligations in full relating to these schemes. Subsequently, by 1 July 2023 all employees of Abri Group Limited transferred to The Swaythling Housing Society Limited, which become the sole employer in the Group.

On 16 May 2023 Yarlington Homes informed fellow partners in Advantage South West of their intention to withdraw as a member, effective 31 March 2024. At the signing date discussions around the transfer of employees and services are ongoing.

On 19 June 2023, Abri Group Limited entered into a new trade cycle loan facility of £25m; at the signing date the facility remained undrawn.

On 7 September 2023, Abri Group Limited and Silva Homes Limited confirmed partnership plans, which would see Silva Homes become a subsidiary of Abri Group in October 2023, were finalised by the respective boards following approval of the final business case.