

Registered Society No: 30230R
Regulator of Social Housing Registration No: L4513

SILVA HOMES LIMITED

Annual Report and Financial Statements

Year Ended 31 March 2024

CONTENTS

GENERAL INFORMATION	1
STRATEGIC REPORT	2
Organisational Overview	2
Business Model.....	2
Overview of Financial Results.....	2
Our Performance	3
Principal Risks and Uncertainties	3
Value for Money	4
Statement of Compliance	4
DIRECTORS' REPORT	5
Group and Executive Board Members	5
Capital and Treasury Management	7
Governance and Regulation	8
Employees	9
Post Balance Sheet Events.....	9
Going Concern	9
Disclosure of Information to Auditor	9
External Auditor.....	9
Approval of the Board	10
STATEMENT OF THE BOARD'S RESPONSIBILITIES.....	11
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVA HOMES LIMITED	12
STATEMENT OF COMPREHENSIVE INCOME.....	15
STATEMENT OF FINANCIAL POSITION	16
STATEMENT OF CHANGES IN RESERVES.....	17
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024.....	18

GENERAL INFORMATION

BOARD OF DIRECTORS

Jane Alderman	appointed 2 October 2023
Joanna Makinson	appointed 2 October 2023
Wayne Morris	appointed 2 October 2023
Simon Porter	appointed 2 October 2023 and resigned 31 March 2024
Jocelyn McConnachie	appointed 2 October 2023
Lou Taylor	appointed 2 October 2023
Mary-Kathryn Rallings Adams	appointed 2 October 2023
David Montague	appointed 2 October 2023
Margaret Porteus	
Stephen Skuse	
Veronica Gordon (Co-optee)	appointed 2 October 2023
John Gary Orr	appointed 2 October 2023
Caroline Moore	appointed 2 October 2023
Graeme Stanley	resigned 2 October 2023
Candace Valiunas	resigned 2 October 2023
Iain Bacon	resigned 2 October 2023
David Mody	resigned 2 October 2023
Karen Morris-Lanz	resigned 2 October 2023
Mohammad Fahim	resigned 2 October 2023
Amanda Williams	resigned 2 October 2023
Alan Ward	resigned 2 October 2023

SECRETARY

Valerie Lynch

REGISTERED OFFICE

Western Peninsula
Western Road
Bracknell
Berkshire
RG12 1RF

BANKERS

Barclays plc
One Churchill Place
London
E14 5HP

AUDITOR

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

STRATEGIC REPORT

Organisational Overview

Silva Homes Limited is regulated by the Regulator of Social Housing as a registered provider, with a registered head office in Bracknell. The Society became a subsidiary of Abri Group Limited on 2 October 2023.

Business Model

The Society operates with the intention of generating surpluses which are reinvested to support our social purpose in delivering more homes and services for customers. Income is predominantly derived from rents from housing properties and surpluses generated on schemes developed for sale.

The Society is funded over the long term by a range of loans and government grants in addition to its retained surpluses.

Overview of Financial Results

An overview of the Society's result has been presented below.

Financial Performance

Turnover has increased by £1m year on year to £61m. Income from rentals increased by £4m, compensating for a £4m reduction in proceeds from first tranche sales. Turnover from social tenures totals £49m and contributes 80% of the Society's turnover, following 189 additions in the year.

Income from other streams, including Garages were in line with the prior year.

Income from first tranche sales contributes £8m and equates to 14% of turnover. Cost of sales on first tranche sales reduced by £3m, in line with turnover. The margins on first tranche sales improved marginally from 32% to 35%.

Operating costs increased by £15m to £49m. Employee costs increased by £2m to £12m, in line with the 10% increase in employee number, and includes payments related to the partnership including the retention and departure of staff. Employee numbers have increased to appropriately address customer complaints with the aim of improving customer service levels. Repairs and maintenance costs increased by £12m; £5m of the increase relates to regeneration works at Boyd Court and additional investment in housing properties, in particular clearing void backlogs post partnership.

Surpluses generated on the sale of fixed assets are in line with the prior year, at just under £1m, with surpluses also consistent at 45%.

Operating surpluses have reduced from £19m to £8m because of increased operating costs, with margins reducing from 31% to 13% as a result.

Net interest costs have increased by £2m to £8m. Increased interest income has been offset by a £3m increase in finance costs, driven by an increase in variable rate borrowing costs and additional borrowing in the year, including the receipt of deferred bond proceeds. The Society also incurred re-financing costs in the year because of the partnership with the Abri Group.

In both the current and prior year, the Society has received £1m in Gift Aid income from its subsidiary, Forest Future Homes.

STRATEGIC REPORT (continued)

Performance Highlights (continued)

Financial Performance (continued)

The Society has recorded a surplus before tax of £0.5m at a margin of 1%, a reduction from the £14m at 23% in the prior year.

In other comprehensive income, there have been small actuarial gains in relation to the defined benefit pension scheme, against gains of £13m in 2022/23.

Financial Position

Housing properties have increased by £26m, following £29m of development spend in the year, lower than the £44m in the prior year; an additional £8m has been invested in existing units, relating to capital components, in line with 2022/23.

Within current assets, our closing cash position of £18m is £9m higher 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 £1m lower than the prior year at £4m; the balance at year end is primarily attributable to shared ownership properties under construction, with only £2m of completed stock unsold at year end.

Receivables are £4m lower than the prior year at £27m, due to the release of the Stock Transfer Agreement due in greater than one year, which has an equal and opposite impact on long term payables.

Payables due within one year are marginally lower than the prior year.

Within long term liabilities, loans and borrowings are £34m higher than the prior year at £254m driven by deferred bond proceeds of £25m received in the year. The value of defined benefit pension assets continue to be capped at zero.

Following the positive results of the year, our Society funds are £286m, including £152m of revenue reserves.

Our Performance

We monitor our operations every month on a group-wide basis by a range of key performance indicators (KPIs), allowing us to assess our financial performance and position and the delivery of our corporate strategy during the year.

An appraisal of these KPIs is included in our Group statutory accounts.

Principal Risks and Uncertainties

Within the Group, the principal risks and uncertainties, as identified by the Executive Board, are deemed to be those that would impact on the Group's ability to successfully deliver on the aims and objectives of its corporate strategy. An appraisal of these strategic risks is included in our Group statutory accounts.

Operational risks are those that the entities in the organisation face on a day-to-day basis, which are specific to the activities performed in each legal entity.

STRATEGIC REPORT (continued)

Value for Money

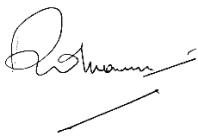
The Group assesses its performance in relation to Value for Money (VfM) at a Group level rather than on an entity by entity basis due to the Group's structure.

An assessment of our VfM performance is included in our Group statutory accounts.

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 7 August 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Wayne Morris', with a horizontal line underneath it.

Wayne Morris
Director

DIRECTORS' REPORT

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

Group and Executive Board Members**Group Board**

As a regulated registered provider in the Abri Group, the legal Directors of Silva Homes Limited at the reporting date are the same as the Directors of the other registered providers in the Group and sit as the Group Board.

The Directors of the Society during the year and up to the date of signing are listed on page 1 and their remuneration is disclosed in note 8.

Membership of Other Legal Entities

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

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

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

DIRECTORS' REPORT (continued)**Group and Executive Board Members (continued)****Committee Memberships**

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

	Audit and Risk	Treasury	People and Culture	Development and Assets	Customer Service and Performance	South East Regional Board
Wayne Morris	-	-	Member	-	-	-
Joanna Makinson	Chair	-	Member	-	-	-
Jane Alderman	-	Member	-	Chair	-	-
Lou Taylor	-	-	-	-	Chair	-
Jocelyn McConnachie	-	-	Chair	-	Member	-
Mary-Kathryn Rallings Adams	Member	-	-	-	-	-
David Montague	-	Chair*	-	Member	-	-
Maggie Porteus	-	-	Member	-	-	Chair
Stephen Skuse	-	-	-	Member	-	-
Veronica Gordon	-	-	-	-	Member	-
<i>Gary Orr</i>	-	-	Member	Member	-	-
<i>Caroline Moore</i>	-	Member	-	-	-	-

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

Executive Board and Corporate Directors

As a member of the Abri Group, the Society is directed by the Executive Board and Corporate Directors. The Executive Board primarily focuses on the delivery of the corporate strategy and are responsible for day-to-day operations, which are overseen by the Corporate Directors, who themselves lead the various functions of the organisation.

Executive and Corporate Directors 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.

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 Society. The indemnities were in force during the financial year and remain in place for all current and past Directors of the Society.

DIRECTORS' REPORT (continued)

Capital and Treasury Management

Introduction

The Society is financed by a combination of revenue, 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 or any staircasing cashflows); and
- no over-reliance placed on any one counterparty, whether through cash holdings or available facilities.

Capital Structure

At 31 March 2024 the Society's borrowings amounted to £253.0m of nominal drawn debt (2023: £219.5m) of which £0.1m (2023: £nil) is due to be repaid within the next year.

Risks

- **Interest rate risk** is the risk that the Society is unable to service its loans and borrowings due to rises in interest rates. The Society 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 Society is unable to service its loans and borrowings, or meet repayment liabilities as they fall due, owing to insufficient cash. The Society 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 Society is unable to access cash deposits due to failure of counterparties. The Society 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 Society is unable to refinance loans and borrowings at an acceptable interest rate as they mature. The Society 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 Society borrows and invests surplus funds only in sterling.

Interest Rate Management

Most of the Society's borrowings consist of fixed rate bonds and bank funding with floating rates of interest. Total debt of £253.0m nominal at 31 March 2024 (2023: £219.5m) consisted of 82% (2023: 81%) fixed rate debt, of which £203.5m (2023: £178.5m) relates to fixed rate bonds.

Financial Loan Covenant Compliance

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

DIRECTORS' REPORT (continued)

Capital and Treasury Management (continued)

Surplus assets for future debt security

At 31 March 2024 the Society had £240.9m (2023: £301.4m) unsecured completed housing properties not required for charging to existing debt facilities. These are sufficient to raise over £255.0m (2023: £251.1m) of future new debt assuming asset cover ratios of 105% for Existing Use Value as Social Housing (EUV-SH) for social properties.

Future Funding Options

At 31 March 2024, the Society had £119.0m in available liquidity. This comprised £18.5m of immediately available cash and cash equivalents, £25m in deferred bond proceeds and £75.5m in revolving credit facilities. This is sufficient to fund the Society 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 October 2023, following their review after Silva Homes joined the Group, Moody's affirmed the Group's credit rating of A3 and changed the outlook to stable from negative. The rating actions follow Moody's rating action taken on the UK Government where the outlook on the UK's rating was changed to stable from negative.

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

Governance and Regulation

Code of Governance

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

- Our Chief Executive is a member of the People and Culture Committee, which is responsible for nominations and remuneration. This decision was taken because he has the requisite skills to contribute to the wider remit of the Committee, which also focusses on organisational culture and equality, diversity, and inclusion.
- We have extended the tenure of the following members, beyond the recommended nine-year term to support both the oversight of the integration with Silva Homes and the ongoing partnership discussions with Octavia. Abri's Rules permit tenure extension if it is in the best interests of the organisation to do so.
 - The Group Board Chair by one year to 31 March 2025
 - The Chair of the Treasury Committee by six months to 31 March 2024
- Due to the extensions outlined above and following two Directors joining from Silva Homes, during the period 2 October 2023 to 31 March 2024 inclusive, the Group also exceeded the maximum number of permitted board members, with thirteen in post.

Independent benchmarking is used to determine total pay and reward, ensuring that the Chief Executive is not involved in the decision making process over his own remuneration. All required disclosures and returns to the Regulator have been made and we have maintained the necessary registers, including Board Member declarations of interest and gifts and hospitality.

DIRECTORS' REPORT (continued)

Governance and Regulation (continued)

Compliance with the Regulatory Standards

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

Employees

The Society directly employed an average of 254 (2023: 226) full-time equivalent employees during the year, calculated on standard working hours per week for each employee.

Post Balance Sheet Events

There have been no events since the reporting date that the Board considers to have had a significant effect on the Society's financial position.

The Society continues to engage in integration activities with Abri Group Limited in preparation for a future Transfer of Engagements, planned for the second quarter of the year.

Going Concern

The Society joined the Abri Group during the financial year ended 31 March 2024. The appropriateness of preparing the accounts on a going concern basis is impacted by the future plans for the organisation.

The Society is currently involved in an integration project, aligning systems, policies and processes to facilitate a Transfer of Engagements to Abri Group Limited during 2024/25. As a result, the Board do not expect the Society to continue to operate as a standalone entity for a period of more than 12 months from the signing date and thus preparing the accounts on a Going Concern basis is not deemed appropriate.

However, as all assets, liabilities and contractual rights and obligations are expected to transfer to Abri Group Limited at their respective carrying values and on like terms, the Directors have concluded that no exceptional accounting adjustments are required to the results for the year ended 31 March 2024.

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 Society's auditor in connection with preparing their report, of which the Society'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 Society's auditor in connection with preparing their report and to establish that the Society's auditor is aware of that information.

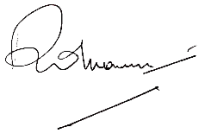
External Auditor

As outlined within Going Concern above, the Society is not anticipating requiring an audit in future due to the expectation of a Transfer of Engagements to be completed prior to the end of the financial year ended 31 March 2025.

DIRECTORS' REPORT (continued)

Approval of the Board

The Directors' Report was approved by the Board on 7 August 2024 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.

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 Society will continue in business. As outlined in Note 2 to the financial statements, the Directors do not believe the going concern basis to be appropriate and in consequence, these financial statements have not been prepared on that basis.

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 SILVA HOMES LIMITED

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Emphasis of Matter - Non going concern basis of accounting.

We draw attention to the disclosures in Note 2 setting out that all assets, liabilities and activities of the company are expected to be transferred to Abri group and on this basis the financial statements have not been prepared on the going concern basis. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SWAYTHLING HOUSING SOCIETY LIMITED (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of the Board for the financial statements

As explained more fully in the Board's responsibilities statement set out on page 11, 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 determines 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 is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations applicable to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these Laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, building safety, health and safety, taxation and employment legislation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SWAYTHLING HOUSING SOCIETY LIMITED
(continued)**

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

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of non-social housing related income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over the timing of the above income streams and reviewing regulators correspondence and minutes of Board meetings.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements 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 Association's members as a body in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW
Date: 8 August 2024

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 March 2024

	Note	2024 £'000	Restated 2023 £'000
Turnover	3	61,227	60,139
Cost of sales	3	(5,440)	(8,814)
Operating costs	3	(48,698)	(33,584)
Surplus from disposal of fixed assets	3	676	1,074
Operating surplus		7,765	18,815
Finance income	4	822	335
Finance costs	5	(9,210)	(6,653)
Gift Aid	21	1,138	1,125
Surplus on ordinary activities before tax	6	515	13,622
Tax charge for the year	7	-	-
Surplus on ordinary activities after tax		515	13,622
Other comprehensive income			
Actuarial gains on defined benefit pension schemes	20	24	13,101
Total comprehensive income		539	26,723

All activities derive from continuing operations.

The prior year comparative has been restated given the change in accounting policy to charge depreciation on shared ownership properties and disclose other finance charges, previously disclosed on the face of the statement within finance costs.

The notes on pages 18 to 44 form part of these financial statements.

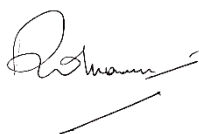
STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Note	2024 £'000	Restated 2023 £'000
Fixed assets			
Intangible assets	10	33	96
Housing properties	11	529,707	503,915
Other fixed assets	12	858	966
Investments	13	1	1
		530,599	504,978
Current assets			
Properties for sale	14	3,839	4,858
Receivables	15	26,519	30,197
Cash and cash equivalents	16	18,468	9,795
		48,826	44,850
Payables: amounts due within one year	17	(11,125)	(12,180)
		37,701	32,670
Net current liabilities			
		568,300	537,648
Total assets less current liabilities			
Payables: amounts due after one year	18	(274,398)	(245,067)
Deferred capital grant due after one year	20	(8,250)	(7,468)
Pension Liability	21	-	-
		285,652	285,113
Net assets			
Capital and reserves			
Share capital	22	0	0
Revenue reserve		151,929	150,046
Revaluation Reserve		133,723	135,067
		285,652	285,113
Society's funds			

The notes on pages 18 to 44 form part of these financial statements.

The prior year comparative has been restated given the change in accounting policy to charge depreciation on shared ownership properties, to reallocate cash held in liquidity funds from cash and cash equivalents to receivables and separately disclose deferred capital grant from payable due after one year. The aging profile of deferred capital grant for amounts due within and due after one year has also been adjusted.

The financial statements of Silva Homes Limited, registered society number 30230R, on pages 15 to 44 were approved by the Board and authorised for issue on 7 August 2024 and signed on its behalf by:



Wayne Morris
Director



Joanna Makinson
Director



Valerie Lynch
Company Secretary

STATEMENT OF CHANGES IN RESERVES

	Share capital £'000	Revenue reserve £'000	Revaluation reserve £'000	Total £'000
At 1 April 2022 – restated	0	121,686	136,822	258,508
Surplus on ordinary activities after tax	-	13,622		13,622
Actuarial gains on defined benefit pension schemes	-	13,101		13,101
Release from revaluation reserve	-	1,348	(1,348)	-
Other adjustments		289	(407)	(118)
At 31 March 2023 - restated	0	150,046	135,067	285,113
Surplus on ordinary activities after tax	-	515	-	515
Actuarial gains on defined benefit pension schemes	-	24	-	24
Release from revaluation reserve	-	1,344	(1,344)	-
Shares issued during the year	0	-	-	-
Shares cancelled during the year	0	-	-	-
At 31 March 2024	0	151,929	133,723	285,652

The notes on pages 18 to 44 form part of these financial statements.

The prior year comparative has been restated given the change in accounting policy to charge depreciation on shared ownership properties; the associated restatements are outlined in full in note 29.

The other adjustments in the prior year relate to the allocation of revaluation reserves to individual properties following the adoption of deemed costs on transition to FRS102, which were not made at the time.

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

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 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 Society joined the Abri Group during the financial year ended 31 March 2024. The appropriateness of preparing the accounts on a going concern basis is impacted by the future plans for the organisation.

The Society is currently involved in an integration project, aligning systems, policies and processes to facilitate a Transfer of Engagements to Abri Group Limited during 2024/25. As a result, the Board do not expect the Society to continue to operate as a standalone entity for a period of more than 12 months from the signing date and thus preparing the accounts on a Going Concern basis is not deemed appropriate.

However, as all assets, liabilities and contractual rights and obligations are expected to transfer to Abri Group Limited at their respective carrying values and on like terms, the Directors have concluded that no exceptional accounting adjustments are required to the results for the year ended 31 March 2024.

Disclosure Exemptions

In preparing the financial statements of the 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.

The Society is also exempt from preparing consolidated financial statements on the basis that the results of the Society and its subsidiary are fully consolidated in the financial statement of the ultimate parent.

Operating Segments

Segmental information is disclosed in note 3. Information about income, expenditure and assets attributable to material operating segments are presented based on the nature and function of housing assets held by the Society rather than geographic location. As permitted by FRS 102 paragraph 1.5, this is appropriate based on 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 geographical locations in which the Society operates.

Management do not routinely receive segmental information disaggregated by geographical location.

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

2. ACCOUNTING POLICIES (continued)

Turnover

Turnover represents rental and service charge income (net of void losses), fee income and revenue grant receivable, proceeds from 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 first tranche sales is recognised at the point of legal completion of the sale.

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

Cost of Sales

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

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

Revenue Grant

The Society 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.

Income is variable, and charges will therefore 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.

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 Society will retain the freehold on the property, reclassifying the unit as a leasehold unit in note 3.

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

2. ACCOUNTING POLICIES (continued)

Surplus/(Deficit) from Disposal of Fixed Assets (continued)

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 fixed assets is the difference between the proceeds received and the carrying value of the asset.

Repairs and Maintenance

The Society 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.

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.

Capitalisation of Finance Costs

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

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

Value Added Tax (VAT)

As a large proportion of the Society's income is rent, which is exempt for VAT purposes, the Society 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.

Intangible Assets

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

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

2. ACCOUNTING POLICIES (continued)

Pensions

For the defined contribution scheme, 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 Society and administered by 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.

Fixed Assets - Housing Properties

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 affordable home 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.

Depreciation

Freehold Buildings and Components

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

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

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

In the year, the depreciation policy was expanded to include Shared Ownership properties where previously depreciation was not charged. The full impact of the change in policy is outlined in note 29.

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

2. ACCOUNTING POLICIES (continued)

Leasehold Units

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

Other Fixed Assets

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

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

Properties Held for Sale

All unsold affordable home 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, an informed estimate of the amount expected to be sold in the first tranche is recognised as a current asset. Property held for sale comprises both completed properties and properties in the course of construction.

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 Society has access on behalf of the beneficiaries of the account.

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

Financial Instruments

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

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

2. ACCOUNTING POLICIES (continued)

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.

Financial Assets and Liabilities

Loans and Borrowings

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

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.

Rentals under operating leases are accounted for on a straight-line basis over the lease term even if the payments (where the Society is the lessee) and receipts (where the Society is the lessor) are not made or received on that basis. The Society has no finance lease commitments.

Sinking Funds

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

Critical Judgments, Estimates, and Uncertainty

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

Impairment Review of Housing Properties

At each reporting date the Society 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 Society 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.

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

2. ACCOUNTING POLICIES (continued)

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.

Capitalisation of Property Development Costs

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

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. At the reporting date, judgement is exercised that these sales prices remain appropriate in determining that the net realisable value of each property exceeds its cost and is thus not impaired.

Stock Transfer Agreement

Judgement has been applied in assessing that the carrying value attached to the Stock Transfer Agreement remains appropriate, in that there remains a sufficient level of future work from which the value of the subsequent VAT savings is derived – both the obligation to complete works and obtain the resulting benefit from works being completed.

Defined Benefit Pension Obligations

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

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

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

Social housing lettings, other social housing and non-social housing activities	2024					Restated 2023				
	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	49,604	-	(47,352)	-	2,252	44,335	-	(32,431)	-	11,904
Other social housing activities										
Development administration	-	-	(542)	-	(542)	-	-	(49)	-	(49)
First tranche sales	8,423	(5,440)	-	-	2,983	12,887	(8,814)	-	-	4,073
Disposal of fixed assets	-	-	-	676	676	-	-	-	1,074	1,074
Other	300	-	(331)	-	(31)	17	-	(119)	-	(102)
	8,723	(5,440)	(873)	676	3,086	12,904	(8,814)	(168)	1,074	4,996
Non-social housing activities										
Garages	1,446	-	(204)	-	1,242	1,300	-	(167)	-	1,133
Other	1,454	-	(269)	-	1,185	1,600	-	(818)	-	782
	2,900	-	(473)	-	2,427	2,900	-	(985)	-	1,915
Total	61,227	(5,440)	(48,698)	676	7,765	60,139	(8,814)	(33,584)	1,074	18,815

The prior year comparative has been restated following the change in accounting policy to depreciate shared ownership properties, to separately disclose turnover and operating costs relating to Garages previously included within Social Housing Lettings and separately disclose development administration activities previously disclosed within Management costs.

The surplus on social housing letting activity has also been restated to reclassify the loss on disposal of housing components previously disclosed within the disposal of other fixed assets and lease costs have been reclassified into management costs where appropriate.

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

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

	2024				Restated 2023			
	General needs housing £'000	Supported/housing for older people £'000	Shared ownership £'000	Total £'000	General needs housing £'000	Supported / housing for older people £'000	Shared ownership £'000	Total £'000
Social housing lettings								
Turnover								
Rent receivable net of identifiable service charges (net of voids)	42,930	2,089	2,534	47,553	38,332	2,123	2,073	42,528
Service charge income	588	1,009	364	1,961	447	951	327	1,725
Net rental income	43,518	3,098	2,898	49,514	38,779	3,074	2,400	44,253
Amortisation of capital grant	37	46	7	90	30	46	6	82
Net turnover	43,555	3,144	2,905	49,604	38,809	3,120	2,406	44,335
Operating costs								
Management	(10,791)	(667)	(870)	(12,328)	(8,809)	(1,064)	(509)	(10,382)
Service charge costs	(2,051)	(127)	(165)	(2,343)	(1,863)	(1,599)	(159)	(3,621)
Routine maintenance	(9,098)	(562)	-	(9,660)	(5,176)	(201)	(6)	(5,383)
Planned maintenance	(2,630)	(163)	-	(2,793)	(485)	(5)	-	(490)
Major repairs expenditure	(9,386)	(580)	-	(9,966)	(3,670)	-	-	(3,670)
Bad debts	(352)	(22)	(28)	(402)	(196)	(1)	-	(197)
Depreciation of housing properties	(8,043)	(49)	(440)	(8,532)	(6,860)	(757)	(456)	(8,073)
Loss on disposal of components	(945)	(58)	-	(1,003)	(293)	(18)	-	(311)
Impairment of housing properties	(325)	-	-	(325)	(304)	-	-	(304)
	(43,621)	(2,228)	(1,503)	(47,352)	(27,656)	(3,645)	(1,130)	(32,431)
Operating surplus	(66)	916	1,402	2,252	11,153	(525)	1,276	11,904
Void losses	(652)	(104)	(2)	(758)	(417)	(66)	-	(483)

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

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

Surplus on disposal of fixed assets	Sale proceeds £'000	2024	Surplus £'000	Restated 2023		Surplus £'000
		Cost of sales £'000		Sale proceeds £'000	Cost of sales £'000	
Staircasing	946	(403)	543	1,438	(804)	634
Right to Buy/Acquire	482	(349)	133	661	(319)	342
Other fixed assets	-	-	-	390	(292)	98
	1,428	(752)	676	2,489	(1,415)	1,074

The prior year comparative has been restated to reclassify loss on disposal of components within social housing letting activity, previously included within the surplus of other fixed assets.

Stock Units	Restated	2024	2024	2024	2024	2024
	2023					
Social Housing Properties - Owned and/or managed						
General needs housing	6,127	124	(4)	1		6248
Supported/housing for older people	386	-	-	-		386
Affordable home ownership	444	65	(3)	(2)		504
	6,957	189	(7)	(1)		7,138
Other						
Owned/Not Managed - Leasehold*	1,081	-	(5)	1		1,077
Non-Housing Properties	3,114	7	-	-		3,121
Total Units	11,152	196	(12)	-		11,336
<i>Properties under construction</i>	<i>278</i>					<i>361</i>

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

The prior year comparative has been restated to include non-housing properties, predominantly Garages which are let and generate rental income, which is disclosed separately within Note 3.

4. FINANCE INCOME

	2024	2023
	£'000	£'000
Interest receivable from cash and cash equivalents	822	335

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

5. FINANCE COSTS

	2024	Restated 2023
	£'000	£'000
Interest costs on loans and borrowings	9,557	6,687
Servicing fees of loans and borrowings	379	338
Capitalised interest	(721)	(695)
	9,215	6,330
Interest on pension scheme liabilities	(5)	323
	9,210	6,653

The weighted average cost of capital for the period is 3.93% (2023: 2.91%) with reference to the effective interest costs on loans and borrowings against the carrying value of loans and borrowings during the year.

The prior year has been restated to include interest charged on pension scheme liabilities within finance costs, previously disclosed separately on the face of the Statement of Comprehensive Income.

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX

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

	2024	Restated 2023
	£'000	£'000
Depreciation of fixed assets	9,885	8,338
Amortisation	153	173
Impairment of housing properties	325	304
Defined contribution pension cost	633	596
Defined benefit service cost	220	434
Operating lease expense:		
Land and buildings	506	520
Office equipment, computers and motor vehicles	71	489
Fees payable to the Society's auditor (excluding VAT):		
In their capacity as auditors	27	23
In respect of other assurance related services	36	12

7. TAX

As a Co-operative and Community Benefit Society, with charitable tax status, HMRC have not requested corporation tax returns to be filed for the Society. All surpluses generated by the Society fall within the scope of its charitable objects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**8. DIRECTORS' EMOLUMENTS**

Prior to the Society joining the Abri Group, the Key Management Personnel of the Society were identified as the legal directors and executive board members. All members were remunerated by the Society.

Effective from 2 October 2023, the Key Management Personnel of the Society was aligned to the other registered providers in the Group and are identified as:

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

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. All Directors are remunerated by The Swaythling Housing Society Limited.

Name	Appointed	Resigned	Annual Fee
Graeme Stanley	24/09/2013	02/10/2023	16,500
Candace Valiunas	29/09/2016	02/10/2023	10,000
Iain Bacon	24/11/2016	02/10/2023	9,500
David Mody	21/10/2021	02/10/2023	9,500
Karen Morris-Lanz	01/02/2018	02/10/2023	7,500
Remon Fahim	21/10/2021	02/10/2023	7,500
<i>Alan Ward</i>	<i>01/04/2018</i>	<i>02/10/2023</i>	<i>N/A</i>
Margaret Porteus	22/10/2020	-	9,500
Stephen Skuse	22/10/2020	-	7,932
Jane Alderman	02/10/2023	-	16,238
Joanna Makinson	02/10/2023	-	19,000
Wayne Morris	02/10/2023	-	28,792
Simon Porter	02/10/2023	31/03/2024	16,238
Jocelyn McConnachie	02/10/2023	-	16,238
Lou Taylor	02/10/2023	-	16,238
Mary-Kathryn Rallings Adams	02/10/2023	-	12,075
David Montague	02/10/2023	-	12,075
Veronica Gordon	02/10/2023	-	12,075
<i>John Gary Orr</i>	<i>02/10/2023</i>	<i>-</i>	<i>N/A</i>
<i>Caroline Moore</i>	<i>02/10/2023</i>	<i>-</i>	<i>N/A</i>

Key: Non-Executive Member; *Executive Board Member*.

Board members received emoluments during the year totalling £40k (2023: £79k). Board expenses of £3k (2023: £3k) were incurred in the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**8. DIRECTORS' EMOLUMENTS (continued)**

Below are shown the aggregate emoluments (including pensions and benefits in kind, excluding compensation for loss of office) paid by the Society to:

	2024	2023
	£'000	£'000
Non-Executive Group Board Members	40	81
Executive Board Members	571	794
	611	875
Compensation for loss of directors' offices, by nature of:		
Payments in lieu of notice	174	-
Termination	46	-
	220	-
	831	875
Amount payable to the highest paid Director (ex. pension contributions)	217	206

As a result of Silva Homes joining the Abri Group, amounts included in 2024 relate to the period from 1 April 2023 to 2 October 2024 as no Directors were remunerated directly by the Society after this date.

In 2023 the highest paid Director was the Chief Executive; in 2024 the amounts disclosed above related to a fellow member of the Executive Board owing to amounts paid in relation to compensation for loss of office.

Following the partnership, the Chief Executive Officer joined the Abri Group as a member of the Executive Board and ceased to be a Director of the Society at this date. Prior to his departure, the Society contributed to his personal pension scheme, at the same rate as other members of the Scottish Widows scheme. Total contributions paid to the scheme in the year were £11k (2023: £22k).

During the year ended 31 March 2024 there were three (2023: four) Directors within pension schemes in which the Society participates and none (2022: none) were in defined benefit schemes. Their outstanding contributions, which were accrued, as at 31 March 2024 totalled £nil (2023: £51k).

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:

	2024	2023
	FTE	FTE
Central office and support staff	49	45
Development staff	19	15
Housing and customer service staff	110	100
Repairs and maintenance staff	76	66
	254	226

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

9. STAFF COSTS (continued)

	2024 £'000	2023 £'000
Staff costs (for the above employees)		
Wages and salaries	10,165	8,588
Social security costs	1,073	975
Pension costs	894	1,055
	12,132	10,618

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

Salary banding	2024 FTE	2023 FTE
£60,000 - £69,999	14	7
£70,000 - £79,999	5	8
£80,000 - £89,999	5	6
£90,000 - £99,999	4	-
£100,000 - £109,999	6	1
£140,000 - £149,999	-	1
£150,000 - £159,999	1	1
£160,000 - £169,000	-	1
£220,000 - £229,999	1	1
£230,000 - £239,999	1	-
	37	26

10. INTANGIBLE ASSETS

	Software applications £'000
Cost	
At 1 April 2023	2,188
At 31 March 2024	2,188
Accumulated amortisation	
At 1 April 2023	(2,092)
Charge for the year	(63)
At 31 March 2024	(2,155)
Net book value	
At 31 March 2024	33
At 31 March 2023	96

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

11. HOUSING PROPERTIES

	Completed properties			Properties in course of construction			
	Social housing	Shared	Total	Social housing	Shared	Total	Total
	lettings	ownership		lettings	ownership		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Cost							
At 1 April 2023	482,483	58,109	540,592	21,251	6,105	27,356	567,948
Additions	-	-	-	22,483	6,294	28,777	28,777
Additions - works to existing properties	7,692	-	7,692	-	-	-	7,692
Transferred into management	26,707	9,293	36,000	(26,707)	(9,293)	(36,000)	-
Reclassifications	2,611	(2,611)	-	-	-	-	-
Disposals and demolitions	(3,647)	(354)	(4,001)	-	-	-	(4,001)
Net movement to current assets	-	(105)	(105)	-	-	-	(105)
At 31 March 2024	515,846	64,332	580,178	17,027	3,106	20,133	600,311
Accumulated depreciation							
At 1 April 2023 - restated	(62,525)	(1,508)	(64,033)	-	-	-	(64,033)
Charge for the year	(8,054)	(456)	(8,510)	-	-	-	(8,510)
Disposals and demolitions	2,264	-	2,264	-	-	-	2,264
Impairment	(325)	-	(325)	-	-	-	(325)
At 31 March 2024	(68,640)	(1,964)	(70,604)	-	-	-	(70,604)
Net book value							
At 31 March 2024	447,206	62,368	509,574	17,027	3,106	20,133	529,707
At 31 March 2023 - restated	419,958	56,601	476,559	21,251	6,105	27,356	503,915

The impairment charge recognised in the current year relate to the value, excluding land, of three units repurchased at a block earmarked for regeneration. The prior year comparative has been restated given the change in accounting policy to charge depreciation on shared ownership properties

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**11. HOUSING PROPERTIES (continued)****Freehold and leasehold properties**

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

	Freehold £'000	Leasehold £'000	Total £'000
General Needs	457,398	3,132	460,530
Shared Ownership	68,469	708	69,177
	525,867	3,840	529,707

Interest capitalisation

	2024 £'000	2023 £'000
Interest capitalised in the year	721	695
Cumulative interest capitalised	7,123	6,534
Rate used for capitalisation	3.93%	2.91%

Expenditure on works to existing housing properties

	2024 £'000	2023 £'000
Amounts capitalised	7,692	7,229
Amounts charged to Statement of Comprehensive Income	22,419	9,543

Included within the amounts above and other areas of operating costs is a total of £100k (2023: £262k) related to fire safety expenditure.

Security

The Society had housing property with a net book value of £268.7m pledged as security at 31 March 2024 (2023: £301.4m).

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

12. OTHER FIXED ASSETS

	Leasehold improvements £'000	Computers, fixtures and fittings £'000	Vehicles, plant and equipment £'000	Total £'000
Cost				
At 1 April 2023	997	1,764	14	2,775
Additions	139	125	-	264
At 31 March 2024	1,136	1,889	14	3,039
Accumulated depreciation				
At 1 April 2023	(617)	(1,178)	(14)	(1,809)
Charge for the year	(230)	(142)	-	(372)
At 31 March 2024	(847)	(1,320)	(14)	(2,181)
Net book value				
At 31 March 2024	289	569		858
At 31 March 2023	380	586	-	966

13. INVESTMENTS

The Society subscribed for the whole of the share capital of Forest Future Homes Limited in 2018, a subsidiary set up to deliver joint venture projects. The Society holds 1,000 £1 shares which remain unpaid.

14. PROPERTIES FOR SALE

Shared Ownership	Completed properties £'000	Properties in the course of construction £'000	Total £'000
At 1 April 2023	788	4,070	4,858
Additions	-	4,224	4,224
Completed in year	6,223	(6,223)	-
Net movement from housing properties	105	-	105
Cost of properties sold	(5,348)	-	(5,348)
At 31 March 2024	1,768	2,071	3,839

15. RECEIVABLES

Stock transfer arrangements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**15. RECEIVABLES (continued)****Stock transfer arrangements (continued)**

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

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

Whilst the council has a legal obligation to the Society to complete the refurbishment works, this work has been contracted back to the Society, giving rise to a legal obligation. Consequently, the underlying substance of the transaction is that the Society has acquired the properties in their existing condition at their agreed value and will complete certain repairs and improvements of not less than £129m. In accordance with FRS 102 the resultant debtor and creditor are disclosed separately within the financial statements.

Should the value of the work completed vary from that originally envisaged, the contract may be terminated with no financial loss to Silva Homes.

	2024	Restated 2023
	£'000	£'000
Gross arrears of rent and service charges		
Social	2,992	2,543
Bad debt provision	(1,886)	(1,229)
Net tenant arrears	1,106	1,314
Other taxation and social security	106	511
Trade receivables	297	-
Other receivables and prepayments	2,008	1,008
Short-term non-liquid assets	1,990	1,970
Amounts due from group undertakings	269	321
Amounts due within one year	5,776	5,124
Stock Transfer Agreement	20,743	25,073
Amounts due after one year	20,743	25,073
	26,519	30,197

The prior year comparative has been restated to include cash held in liquidity funds within short-term non-liquid assets, previously disclosed within cash.

Whilst amounts relating to the Stock Transfer Agreement are all disclosed within greater than one year, a proportion of the balance will be released within one year as qualifying works are undertaken. There will be an equal and opposite release against amounts held within payables due in more than one year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**16. CASH AND CASH EQUIVALENTS**

The prior year comparative has been restated to exclude cash held in liquidity funds within from cash, which are now disclosed within short-term non-liquid assets within receivables.

17. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR

		2024	Restated 2023
	Note	£'000	£'000
Loans, borrowings, and accrued interest	18	143	-
Deferred income and payments on account		1,542	1,204
Other tax and social security payable		247	254
Trade payables		1,209	1,666
Other payables		147	1,446
Accruals		5,998	6,323
Contract retentions		1,113	307
Recycled capital grant	19	16	-
Deferred capital grant	20	91	90
Unpaid share capital		1	1
Right to buy proceeds share agreement		618	889
		11,125	12,180

Included within creditors is £2,241k (2023: £2,500k) related to intercompany with Forest Future Homes Limited.

The prior year comparative has been restated to show other tax and social security separate from other payables, separately recognise amounts relating to unpaid share capital previously included in accruals, recognise the amount of deferred capital grant due within one year and allocate amounts owed to Group companies between deferred income, accruals and contract retentions.

18. PAYABLES: AMOUNTS DUE AFTER ONE YEAR

		2024	Restated 2023
	Note	£'000	£'000
Loans, borrowings, and accrued interest		253,636	219,994
Recycled Capital Grant Fund	18	19	-
Stock Transfer Agreement		20,743	25,073
		274,398	245,067

The prior year comparative has been restated to disclose deferred capital grants separately on the face of the Statement of Financial Position.

Whilst amounts relating to the Stock Transfer Agreement are all disclosed within payables greater than one year, a proportion of the balance will be released within one year as qualifying works are undertaken, with an equal and opposite release against amounts held within receivables due in more than one year.

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

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

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

	2024			2023		
	Bank loans £'000	Bonds £'000	Total £'000	Bank loans £'000	Bonds £'000	Total £'000
In multiple instalments						
Two to five years	51,375	-	51,375	41,625	-	41,625
Five years or more	58,125	75,000	133,125	34,375	75,000	109,375
	109,500	75,000	184,500	76,000	75,000	151,000
In a single instalment						
Five years or more	-	68,500	68,500	-	68,500	68,500
	109,500	143,500	253,000	76,000	143,500	219,500

The total value of all loans and borrowings includes a further £0.8m (2023: £0.5m) 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 variable rates of interest of 6.15% priced with reference to SONIA, lender margin and including credit adjustment spread is also held, with facility maturities in 2026.

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 2.5% and 4.17%, with maturity dates ranging from 2043-2057 inclusive.

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

19. RECYCLED CAPITAL GRANT FUND

	2024 £'000	2023 £'000
Net inputs to fund		
Grants recycled	35	-
At 31 March	35	
Recycled capital grant due within one year	16	-
Recycled capital grant due after one year	19	-
	35	-

Included within payables due in less than one year is £16k (2023: nil) 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 within the Abri Group, 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 2024 (continued)

20. DEFERRED CAPITAL GRANT

	Completed £'000	In course of construction £'000	Total £'000
Cost			
At 1 April 2023	8,191	-	8,191
Inputs			
Received in year	-	910	910
Outputs			
Recycled on disposal	(37)	-	(37)
At 31 March 2024	8,154	910	9,064
Accumulated amortisation			
At 1 April 2023	(633)	-	(633)
Charge for the year	(90)	-	(90)
At 31 March 2024	(723)	-	(723)
Amortised deferred capital grant			
At 31 March 2024	7,431	910	8,341
At 31 March 2023	7,558	-	7,558

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

	Completed £'000	In course of construction £'000	Total £'000
Deferred capital grant due within one year	91	-	91
Deferred capital grant due after one year	7,340	910	8,250
	7,431	910	8,341

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**21. PENSIONS****Defined Contribution Scheme**

The Society introduced a new Defined Contribution scheme, administered by Scottish Widows, following the closure of the defined benefit scheme to new entrants in September 2009. Contribution to the scheme is double the rate on the employee contributions, up to a maximum of 12%.

Defined Benefit Schemes***Royal County of Berkshire Pension Fund (RCB)***

The scheme is a multi-employer Local Government Pension Scheme where the deficit or surplus can be separately identified. The full valuation results (March 2022) showed a funding surplus of £3.7m and a funding level of 117%. Monthly contributions remained at 21.8% of members' earnings.

Main financial assumptions adopted for FRS 102 purposes:

	2024	2023
	%	%
Increases per annum		
CPI inflation	2.90	2.95
Salary increases	3.90	3.95
Discount rate	4.50	4.80

Post retirement mortality assumptions:

	Males	Females
Retiring today	21.1	24.0
Retiring in 20 years	22.4	25.4

The assets in the Society's share of defined benefit schemes comprised:

	2024	2023
	£'000	£'000
Equities	18,427	15,792
Property	2,438	3,183
Infrastructure	3,356	3,471
Cash	247	381
Private credit	3,518	3,659
Alternative assets	(1,199)	(1,309)
Total market values of assets	26,787	25,177

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

21. PENSIONS (continued)

Defined Benefit Schemes (continued)

	2024 £'000	2023 £'000
The Society's share in defined benefit scheme obligations:		
Fair value of scheme assets	26,787	25,177
Present value of defined benefit obligation	(26,514)	(24,804)
Impact of asset ceiling	(273)	(373)
Society share of deficit in the scheme	-	-
Movements in the fair value of scheme assets		
Opening fair value of scheme assets	25,177	25,691
Interest income on scheme assets	1,195	661
Return on assets less interest	1,035	(644)
Actuarial gains/(losses)	-	72
Expenses	(27)	(25)
Contributions from employers	200	211
Contributions from scheme members	70	63
Benefits paid	(863)	(852)
Closing fair value of scheme assets	26,787	25,177
Movements in the present value of defined benefit obligations		
Opening defined benefit obligation	24,804	38,221
Service cost	220	434
Interest cost	1,172	984
Change in financial assumptions	1,044	(14,082)
Change in demographic assumptions	-	(1,226)
Actuarial gains	67	1,262
Benefits paid	(863)	(852)
Contributions by scheme members	70	63
Closing defined benefit obligation	26,514	24,804
	2024	2023
	£'000	£'000
SOCI - Operating and Finance Costs		
Service costs	220	434
Expenses	27	25
Net finance charge	(5)	323
	242	782
OCI – Actuarial Gains		
Actual less expected return on assets	1,035	(644)
(Losses)/gains from changes in assumptions	(1,044)	15,380
Experience losses on liabilities	(67)	(1,262)
Decrease/(increase) in asset ceiling	100	(373)
	24	13,101

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**22. GIFT AID**

The Society received Gift Aid payments from the following contributors:

	2024	2023
	£'000	£'000
Forest Future Homes Limited	<u>1,138</u>	<u>1,125</u>

23. CONTINGENT ASSETS

The Society has a contingent asset in relation to future gift aid payments from Forest Future Homes. By the time gift aid payments relating to the year ended 31 March 2024 are made, the Society is expected to have completed a Transfer of Engagements ("ToE") to Abri Group Limited. Should the ToE not complete, any gift aid payment is expected to be received by the Society.

24. SHARE CAPITAL

	2024	2023
	£	£
Shares of £1 each		
Issued and fully paid at 1 April	8	9
Shares issued during the year	9	-
Shares cancelled during the year	(7)	(1)
Shares issued and fully paid at 31 March	<u>10</u>	<u>8</u>

The share capital of the Society consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. On ceasing to be a shareholder, the relevant share is cancelled, and the amount paid thereon becomes the property of the Society. Therefore, all shareholdings relate to non-equity interests.

25. CAPITAL AND OTHER COMMITMENTS

	2024	Restated
	£'000	2023
		£'000
Capital expenditure commitments were as follows		
In contract	46,013	44,069
Approved but not contracted	32,872	44,513
Total capital commitments	<u>78,885</u>	<u>88,582</u>
Other commitments	19,304	9,105
Total commitments	<u>98,189</u>	<u>97,687</u>

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

The prior year comparatives above and below have been restated to remove the first tranche element of shared ownership properties from capital commitments.

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

25. CAPITAL AND OTHER COMMITMENTS (continued)

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

	2024	Restated 2023
	£'000	£'000
Cash and cash equivalents	18,468	9,795
Deferred bond proceeds	25,000	50,000
Undrawn revolving credit facilities	35,417	28,787
	78,885	88,582

Undrawn revolving credit facilities represents the difference between total capital commitments and other existing sources of funding available to the Society. In practice cash generated from operations will be utilised prior to revolving credit facilities being utilised depending on the timing of capital commitments falling due.

26. OPERATING LEASES

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

	Land and buildings		Vehicles	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts payable as lessee				
Not later than one year	632	506	84	387
Later than one year and not later than five years	1,944	2,323	67	69
Later than five years	993	1,174	-	-
	3,569	4,003	151	456

The total receipts which the Society is committed to receive under operating leases are as follows

	Tenancy leases	
	2024	2023
	£'000	£'000
Amounts receivable as lessor		
Not later than one year	4,183	3,878

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

27. RELATED PARTY TRANSACTIONS

Pension Schemes

The Royal County of Berkshire Pension Fund is considered to be a related party and full disclosure is provided in note 20.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**27. RELATED PARTY TRANSACTIONS (continued)****Transactions with other entities**

The Society, a subsidiary of Abri Group Limited, has taken advantage of the exemption contained in FRS 102 paragraph 33.1A not to disclose transactions or balances with entities which are wholly owned by the Group, subject to the requirements of the Accounting Direction to disclose transactions with non-registered providers, who are listed below:

Abri Group Subsidiaries	Jointly Controlled Entities
<ul style="list-style-type: none"> • Radian Developments Limited (RDL) • Yarlington Homes Limited (YHL) • Forest Future Homes Limited (FFH) • Inspired to Achieve Limited (i2a) • Yarlington Property Management Limited (YPM) • Radian Capital plc (RC) • Yarlington Treasury Services plc (YTS) • Swaythling Assured Homes plc (SAH) 	<ul style="list-style-type: none"> • <i>Thakeham Pease Pottage LLP (TPP)</i> • <i>Linden (Sayers Common) LLP (LSC)</i> • <i>Lovell/Abri Weymouth LLP (LAW)</i> • <i>Thakeham West Horsley LLP (TWH)</i> • <i>Affinity (Reading) Holdings Limited (ARHL)</i> • <i>Affinity (Reading) Limited (ARL)</i> • <i>Affinity Housing Services (AHS)</i> • <i>Advantage South West LLP (ASW)</i>

Transactions and balances with subsidiaries are eliminated in the consolidated Group financial statements. The following transactions and balances are shown from the perspective of the Society:

	2024	2023
	£'000	£'000
Transactions - Income		
Gift Aid received from FFH	1,138	1,125
Management charge to FFH	269	321
	<hr/>	<hr/>
Transactions – Expenditure		
Design and build services provided by FFH	19,188	30,880
	<hr/>	<hr/>
Balances - Assets		
Shareholding in FFH	1	1
Management charge due from FFH	269	321
	<hr/>	<hr/>
Balances - Payables		
Unpaid Share Capital in FFH	1	1
Payment for developments due to FFH	2,241	2,500
	<hr/>	<hr/>

28. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 March 2024, the Society's ultimate parent and ultimate controlling party was Abri Group Limited, a Co-operative and Community Benefits Society registered with the Financial Conduct Authority.

Abri Group Limited is a registered provider and is the parent of both the largest and smallest Group into which the Society is consolidated.

Group financial statements can be obtained from Abri Group Limited, Collins House, Bishopstoke Road, Eastleigh, Hampshire, SO50 6AD.

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

29. PRIOR YEAR RESTATEMENTS

As a result of Silva Homes joining the Abri Group during the year, a review of accounting policies was undertaken to ensure alignment of accounting policies across the Group. Consequently, the charging of depreciation was introduced for shared ownership properties where previously no charge was made.

Statement of Comprehensive Income

	2023 £'000	Restatements/ Adjustments £'000	Restated 2023 £'000
Turnover	60,139	-	60,139
Cost of sales	(8,814)	-	(8,814)
Operating costs	(32,817)	(767)	(33,584)
Surplus from disposal of fixed assets	763	311	1,074
Operating surplus	19,271	(456)	18,815
Surplus on ordinary activities after tax	14,078	(456)	13,622
Total comprehensive income	27,179	(456)	26,723

Statement of Financial Position

Intangible assets	96		96
Housing properties	505,423	(1,508)	503,915
Other fixed assets	966		966
Investments	1		1
Fixed assets	506,486	(1,508)	504,978
Net assets	286,621	(1,508)	285,113
Capital and reserves			
Share capital	0	-	0
Revenue reserve	151,554	(1,508)	150,046
Revaluation Reserve	135,067	-	135,067
Society's funds	286,621	(1,508)	285,113

Statement of Changes in Reserves

At 1 April 2022	122,738	(1,052)	121,686
Surplus on ordinary activities after tax	14,078	(456)	13,622
Actuarial losses on pension schemes	13,101	-	13,101
Transfer from revaluation reserve	1,348	-	1,348
Other adjustments	289	-	289
Revenue Reserve	151,554	(1,508)	150,046

The change in accounting policy has a relatively small impact on operating surpluses and surplus before tax, reducing margins by approximately 1% in both cases, the carrying value of housing properties, reducing the net book value by less than 1%, and on revenue reserves, which see a reduction of 1%.

