

**Registered Society No: 10237R**

**Regulator of Social Housing Registration No: LH0689**

**THE SWAYTHLING HOUSING SOCIETY LIMITED**

**Annual Report and Financial Statements**

**Year Ended 31 March 2024**

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**GENERAL INFORMATION**

**BOARD OF DIRECTORS**

Jane Alderman

Joanna Makinson

Wayne Morris

Simon Porter

resigned 31 March 2024

Jocelyn McConnachie

Lou Taylor

Mary-Kathryn Rallings Adams

David Montague

Margaret Porteus

appointed 2 October 2023

Stephen Skuse

appointed 2 October 2023

Veronica Gordon (Co-optee)

John Gary Orr

Caroline Moore

**SECRETARY**

Gemma Burton-Connolly

resigned 1 September 2023

Sarah Pearson

appointed 2 September 2023

**REGISTERED OFFICE**

Collins House

Bishopstoke Road

Eastleigh

Hampshire

SO50 6AD

**BANKERS**

Lloyds Bank

25 Gresham Street

London

EC2V 7HN

**AUDITOR**

BDO LLP

2 City Place

Beehive Ring Road

Gatwick

West Sussex

RH6 0PA

## **STRATEGIC REPORT**

### **Organisational Overview**

The Swaythling Housing Society Limited is regulated by the Regulator of Social Housing as a registered provider. The Society is a member of Abri Group Limited, with a registered head office in Eastleigh.

### **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 previously administered the Help to Buy contract for the South region as an agent for Homes England, helping thousands of people rent or purchase a home through a variety of products. The scheme closed to new applications on 31 October 2022 and ceased operating on 30 September 2023, at which point activity within the Society ceased.

The Society is funded over the long term by a range of loans, bonds, 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 £16m year on year. Income from recharges increased by £9m, rentals increased by £5m, proceeds from property sales increased by a net £4m partly offset by a £3m reduction in Help to Buy income. Turnover from social tenures has increased by £5m to £52m and contributes 40% of the Society's turnover.

Income from first tranche sales contributes £18m, a decrease of £2m, with market sales increasing by £5m to £9m in the year, 20% of turnover in aggregate. Supply of and demand for property remained high in the year, despite the continued economic pressure during the year. First tranche sales volumes were in line with the prior year at 130 units and all 28 market sales units built sold quickly.

Income from Help to Buy transactions was £3m lower than the prior year as the scheme ceased operations in the year. The Society 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 £2m income.

Cost of sales on first tranche sales reduced by £2m, offset by an increase in market sales, in line with turnover. The margins on first tranche sales increased from 18% to 20%, whilst surpluses from market sales were 18%.

Operating costs increased by £6m to £87m. Employee costs increased by £9m to £70m, driven by the 8% increase in employee numbers as a result of employees joining the Society from other entities in the Group. Management costs increased by £1m, after accounting for £1m of credits on pension cessation, whilst costs associated with repairs and maintenance increased by £1m.

Surpluses generated on the sale of fixed assets remained in line with the prior year at £5m, with staircasing transactions accounting for most of the proceeds and surplus, in line with the prior year. £0.8m in proceeds were also generated from the sale of old diesel vans, as fleet was upgraded to more fuel-efficient models. Overall, margins increased from 46% to 54%.

## **STRATEGIC REPORT (continued)**

### **Performance Highlights (continued)**

#### ***Financial Performance (continued)***

Operating surpluses have increased from £20m to £27m because of increases in turnover outpacing increases in operating costs, with margins improving from 18% to 21% as a result.

Net interest costs have increased from £6m to £9m; our portfolio of loans and borrowings have been stable during the year with increasing variable rates increasing borrowing costs and reduced development activity decreasing capitalised interest.

The fair value of our investment properties has reduced by £4.2m in the year. At the reporting date, the Society is actively seeking to dispose a proportion of its market rent stock and where offer values from independent third parties are below external market valuations, these have been used as a more prudent indicator of fair value.

The Society has recorded a surplus before tax of £14m at a margin of 11%, against £15m at 13% in 2022/23; with a corresponding £2m corporation charge recognised as a result.

In other comprehensive income, there have been actuarial losses of £4m within the Abri Group Pension Scheme.

#### ***Financial Position***

Housing properties have increased by £17m, driven by 172 additions across affordable rents and shared ownership, lower than the 310 in 2022/23. Additions of £24m to Housing Properties are notably lower than the £53m in the prior year; our social housing stock, with a carrying value of £701m, represents 89% of our fixed asset base. The valuation of investment properties has reduced by £4m to £48m at the reporting date.

Within current assets, our closing cash position of £8m is £2m 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 £11m higher than the prior year at £19m; the balance at year end is wholly attributable to shared ownership properties under construction, with only £3m of completed stock unsold at year end.

Receivables are £12m lower than the prior year at £10m, due to the absence of Strategic Partnership Grant Funding being due from Homes England, with the funding claimed in full during the financial year.

Payables due within one year are £15m higher than the prior year at £100m with decreases in loans and borrowings and accruals offset by a significant increase in amounts owed to Group undertakings. The balance at year end also includes Gift Aid accrued of £13m; payable by 31 December 2024 the amount fully mitigates our corporation tax liability.

Within long term liabilities, loans and borrowings are £16m lower than the prior year at £248m due to a reduced aging profile. Deferred Capital Grant has reduced by £3m due to grant amortisation in the year.

The value of defined benefit pension liabilities have decreased by £1m to £19m and now relate solely to the Abri Group Pension Scheme, following the cessation of the Royal County of Berkshire Local Government Pension Scheme, in which the Society previously participated in the year.

Following the positive results of the year, our Society funds are £151m.

**STRATEGIC REPORT (continued)**

**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.

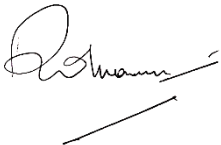
**Value for Money**

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.

**Approval of Strategic Report**

The strategic report was approved by the Board on 19 August 2024 and signed on its behalf by:



**Wayne Morris**

Director

**DIRECTORS' REPORT**

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

**Group and Executive Board Members**

**Group Board**

As a registered provider in the Abri Group, the legal Directors of The Swaythling Housing Society Limited 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. An overview of the positions each serving Director holds on other committees within the Abri Group as at the reporting date are outlined below.

**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:

	Abri Group	The Swaythling Housing Society	Silva Homes	Radian Capital	Radian Developments	Yarlington Homes	Yarlington Property Management	Yarlington Treasury Services	Forest Future Homes
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	Chair	X

Key: Non-Executive Member; *Executive Board Member*. X denotes membership.

**DIRECTORS' REPORT (continued)****Committee Memberships**

An overview of the positions each serving Director holds on other committees within the Abri Group are outlined below:

	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	-
Gary Orr	-	-	Member	Member	-	-
Caroline Moore	-	Member	-	-	-	-

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

Key: Non-Executive Member; Executive Board Member.

**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, 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 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 £250.0m of nominal drawn debt (2023: £272.0m) of which £8.9m (2023: £16.0m) 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 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. The Society has two Homes England loans which are repayable as single instalments and are subject to an increasing fixed nominal rate of interest. The Society also has an intercompany loan at a floating rate of interest.

Total debt of £250.0m nominal at 31 March 2024 (2023: £272.0m) consisted of 80% (2023: 79%) fixed rate debt, of which £122.1m (2023: £125.7m) was made up of embedded interest rate swaps running for all or part of the loan term, £76.3m (2023: £88.7m) relates to fixed rate bonds and £0.6m (2023: £0.6m) to fixed rate Homes England loans. There are no options in our portfolio.

## **DIRECTORS' REPORT (continued)**

### **Capital and Treasury Management (continued)**

#### ***Financial Loan Covenant Compliance***

Financial loan covenants are primarily measured by EBITDA MRI 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.

#### ***Surplus assets for future debt security***

At 31 March 2024 the Society had £359.6m (2023: £368.2m) unsecured completed housing properties not required for charging to existing debt facilities. These are sufficient to raise over £342.5m (2023: £343.9m) of future new debt assuming asset cover ratios of 105% for Existing Use Value as Social Housing (EUV-SH) for social properties and 120% for Market Value Subject to Tenancies (MV-T) for market rent properties.

#### ***Future Funding Options***

At 31 March 2024, the Society had £54.4m in available liquidity. This comprised £4.4m of immediately available cash and cash equivalents and £50.0m in revolving credit facilities; the Society also retained access to £75.0m of undrawn intercompany loans. 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 Limited joined the Abri 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 Society operates under the NHF 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

## **DIRECTORS' REPORT (continued)**

### **Governance and Regulation (continued)**

#### ***Code of Governance (continued)***

- 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.

#### ***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 1,548 (2023: 1,429) full-time equivalent employees during the year, calculated on standard working hours per week for each employee. During the year, a number of employees of Abri Group limited transferred to the Society, following the closure of a number of local government defined benefit pension schemes to future accrual.

The Society is the principal employer in the Group and employs all new starters. However, on a day-to-day basis all employees serve the interests of all group entities simultaneously depending on the specifics of their roles and responsibilities. An overview of the communication to, and engagement with, all colleagues irrespective of employer is included in our Group accounts.

#### **Post Balance Sheet Events**

On 27 June 2024 the Society exchanged contracts for the sale of 76 market rented units for proceeds of £8.4m. The carrying value of the units within investment properties at the reporting date had been determined using offer prices and as such the disposal gave rise to no surplus or deficit. Sales had not been completed by the date of signing of this report.

#### **Going Concern**

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

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

## **DIRECTORS' REPORT (continued)**

### **Going Concern (continued)**

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

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

The Board has prepared cashflow forecasts covering a period of 19 months from the date of approval of these financial statements. Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that there are no material uncertainties that cast doubt on the 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:

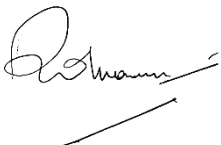
- so far as each Board Member is aware, there is no relevant audit information needed by the Society's auditor in connection with preparing their report, of which the Society's auditor is unaware; and
- each Board Member has taken all the steps that they ought to have taken as a Board Member to make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

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

### **Approval of the Board**

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



**Wayne Morris**  
Director

## STATEMENT OF THE BOARD'S RESPONSIBILITIES

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

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

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

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

### Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of The Swaythling Housing Society Limited ("the Society") for the year ended 31 March 2024 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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.

### *Independence*

We remain independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society'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 THE SWAYTHLING HOUSING SOCIETY LIMITED  
(continued)**

**Other information**

The board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 or Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

**Responsibilities of the Board**

As explained more fully in the board members responsibilities statement, 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

**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)**

*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 Society and the industry in which it operates;
- discussion with management and those charged with governance; and
- obtaining and understanding of the Society'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 Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

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;
- 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.

**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)**

*Fraud (continued)*

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 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Society, 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 Society'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 Society and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Paula Willock*

8F75FEDC31D1467...

**Paula Willock (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor

Gatwick, United Kingdom

22 August 2024

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**Year Ended 31 March 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>
Turnover	3	131,059	115,549
Cost of sales	3	(21,422)	(18,633)
Operating costs	3	(87,530)	(81,609)
Surplus from disposal of fixed assets	3	4,787	5,012
<b>Operating surplus</b>		<b>26,894</b>	<b>20,319</b>
Finance income	4	648	434
Finance costs	5	(9,338)	(6,195)
Fair value movement on investment properties	13	(4,445)	574
<b>Surplus on ordinary activities before tax</b>	<b>6</b>	<b>13,759</b>	<b>15,132</b>
Tax charge for the year	7	(2,010)	(3,724)
<b>Surplus on ordinary activities after tax</b>		<b>11,749</b>	<b>11,408</b>
<b>Other comprehensive income/(loss)</b>			
Actuarial losses on defined benefit pension schemes	24	(3,939)	(5,330)
Tax charge recognised in other comprehensive income	7	2,010	3,724
<b>Total comprehensive income</b>		<b>9,820</b>	<b>9,802</b>

All activities derive from continuing operations.

The notes on pages 19 to 52 form part of these financial statements.

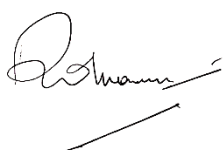
**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Intangible assets	10	3	23
Housing properties	11	702,008	683,787
Other fixed assets	12	12,617	9,366
Investment properties	13	47,775	52,220
Equity loans	14	26,908	28,185
		<b>789,311</b>	<b>773,581</b>
<b>Current assets</b>			
Properties for sale	16	17,426	29,774
Inventories		974	788
Receivables	17	9,082	21,920
Cash and cash equivalents		7,822	9,581
		<b>35,304</b>	<b>62,063</b>
Payables: amounts due within one year	18	(99,672)	(84,558)
<b>Net current liabilities</b>		<b>(64,368)</b>	<b>(22,495)</b>
<b>Total assets less current liabilities</b>		<b>724,943</b>	<b>751,086</b>
Payables: amounts due after one year	19	(255,120)	(272,377)
Provisions	20	(4,828)	(5,037)
Deferred capital grant due after one year	21	(271,979)	(275,270)
Equity loan grant	14	(22,453)	(23,474)
Pension liability	24	(19,271)	(20,364)
<b>Net assets</b>		<b>151,292</b>	<b>154,564</b>
<b>Capital and reserves</b>			
Share capital	26	0	0
Revenue reserve		151,292	154,564
<b>Society's funds</b>		<b>151,292</b>	<b>154,564</b>

The notes on pages 19 to 52 form part of these financial statements.

The financial statements of The Swaythling Housing Society Limited, registered society number 10237R, on pages 16 to 52 were approved by the Board and authorised for issue on 19 August 2024 and signed on its behalf by:



**Wayne Morris**  
Director



**Joanna Makinson**  
Director



**Sarah Pearson**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital £'000</b>	<b>Revenue reserve £'000</b>	<b>Total £'000</b>
<b>At 1 April 2022</b>	<b>0</b>	<b>152,948</b>	<b>152,948</b>
Surplus on ordinary activities after tax	-	11,408	<b>11,408</b>
Tax charge recognised in other comprehensive income	-	3,724	<b>3,724</b>
Actuarial losses on defined benefit pension schemes	-	(5,330)	<b>(5,330)</b>
Gift aid paid – prior year	-	1,230	<b>1,230</b>
Gift aid accrued – current year	-	(9,416)	<b>(9,416)</b>
<b>At 31 March 2023</b>	<b>0</b>	<b>154,564</b>	<b>154,564</b>
Surplus on ordinary activities after tax	-	11,749	<b>11,749</b>
Tax charge recognised in other comprehensive income	-	2,010	<b>2,010</b>
Actuarial losses on defined benefit pension schemes	-	(3,939)	<b>(3,939)</b>
Gift aid paid – prior year	-	32	<b>32</b>
Gift aid accrued – current year	-	(13,124)	<b>(13,124)</b>
Shares issued during the year	0	-	<b>0</b>
Shares cancelled during the year	(0)	-	<b>(0)</b>
<b>At 31 March 2024</b>	<b>0</b>	<b>151,292</b>	<b>151,292</b>

The notes on pages 19 to 52 form part of these financial statements.

## 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

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

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

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

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

The Board has prepared cashflow forecasts covering a period of 19 months from the date of approval of these financial statements. Given the strength of our financial position and availability and liquidity of undrawn loan facilities, the Board believes that there are no material uncertainties that cast doubt on the 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.

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

**2. ACCOUNTING POLICIES (continued)**

**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.

**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.

**Turnover**

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

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

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

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

**Cost of Sales**

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

On market sales, the cost of sales represents the full construction cost of the unit sold. On first tranche transactions, the percentage of equity purchased determines the percentage of total unit costs recognised in the Statement of Comprehensive Income.

**Help to Buy**

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

**Revenue Grant**

The 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.

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

**2. ACCOUNTING POLICIES (continued)**

**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 predominantly 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.

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 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 and interest charged on equity loans.

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

**2. ACCOUNTING POLICIES (continued)**

**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)**

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.

**Gift Aid and charitable distributions**

Gift Aid accruals, facilitated by deeds of covenant, and charitable distributions relate to amounts to be paid to the Group parent and amounts paid in the year to fellow Group subsidiaries respectively. Both transactions are presented as distributions from reserves.

**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 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.

**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.

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

**2. ACCOUNTING POLICIES (continued)**

**Intangible Assets**

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

**Fixed Assets - Housing Properties**

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.

**Land**

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

**Depreciation**

***Freehold Buildings and Components***

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

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

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

***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.

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

**2. ACCOUNTING POLICIES (continued)**

***Other Fixed Assets***

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

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

**Investment Properties**

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

Investment properties are measured at cost on acquisition or initial recognition and subsequently revalued to their market value at least annually with gains and losses recognised in the Statement of Comprehensive Income. Details of the advisers from whom values are obtained and the basis of valuation adopted are included in note 13.

**Investments in Equity Loans**

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

The Society 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.

**Properties Held for Sale**

All unsold market sale and 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 affordable home 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.

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

**2. ACCOUNTING POLICIES (continued)**

**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.

**Provisions**

The Society 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 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.

**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.

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

**2. ACCOUNTING POLICIES (continued)**

**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 surpluses.

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 has a legally enforceable right to set off current tax assets against current tax liabilities.

**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**

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.

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

**2. ACCOUNTING POLICIES (continued)**

**Critical Judgments, 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 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.

***Provisions for Fire Safety works***

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

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

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

***Provisions for Arrears and Other Debtors***

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

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

***Classification of Investment Properties***

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

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

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

**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 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.

***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.

***Classification of Loans with Embedded Interest Rate Swaps***

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

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

***Fair Value Measurement***

The Society uses external professional advisers to determine the fair value of financial instruments and investment properties. Whilst the fair value of financial instruments is based on quoted prices, investment properties are valued according to the methodologies and assumptions applied by the adviser as outlined in note 13.

***Housing Properties and Components – values and useful economic lives***

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

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

***Defined Benefit Pension Obligations***

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

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					2023				
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on asset disposals £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on asset disposals £'000	Operating surplus/ (deficit) £'000
<b>Social housing lettings</b>	<b>52,203</b>	-	<b>(38,308)</b>	-	<b>13,895</b>	<b>47,171</b>	-	<b>(37,832)</b>	-	<b>9,339</b>
<b>Other social housing activities</b>										
Development administration	46	-	(243)	-	<b>(197)</b>	88	-	(616)	-	<b>(528)</b>
Intercompany recharges	45,721	-	(45,721)	-	-	36,738	-	(36,738)	-	-
First tranche sales	17,752	(13,800)	(477)	-	<b>3,475</b>	19,338	(15,349)	(413)	-	<b>3,576</b>
Disposal of fixed assets	-	-	-	4,787	<b>4,787</b>	-	-	-	5,012	<b>5,012</b>
Other	135	-	(295)	-	<b>(160)</b>	165	-	(147)	-	<b>18</b>
	<b>63,654</b>	<b>(13,800)</b>	<b>(46,736)</b>	<b>4,787</b>	<b>7,905</b>	<b>56,329</b>	<b>(15,349)</b>	<b>(37,914)</b>	<b>5,012</b>	<b>8,078</b>
<b>Non-social housing activities</b>										
Market rent properties	3,354	-	(939)	-	<b>2,415</b>	3,212	-	(945)	-	<b>2,267</b>
Market sales	9,405	(7,622)	(70)	-	<b>1,713</b>	3,446	(3,284)	(41)	-	<b>121</b>
Help to Buy agency	392	-	(448)	-	<b>(56)</b>	3,029	-	(2,739)	-	<b>290</b>
Photovoltaics	228	-	(34)	-	<b>194</b>	207	-	(25)	-	<b>182</b>
Garages	137	-	(75)	-	<b>62</b>	142	-	(29)	-	<b>113</b>
Other	1,686	-	(920)	-	<b>766</b>	2,013	-	(2,084)	-	<b>(71)</b>
	<b>15,202</b>	<b>(7,622)</b>	<b>(2,486)</b>	-	<b>5,094</b>	<b>12,049</b>	<b>(3,284)</b>	<b>(5,863)</b>	-	<b>2,902</b>
<b>Total</b>	<b>131,059</b>	<b>(21,422)</b>	<b>(87,530)</b>	<b>4,787</b>	<b>26,894</b>	<b>115,549</b>	<b>(18,633)</b>	<b>(81,609)</b>	<b>5,012</b>	<b>20,319</b>

## 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					2023				
	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
<b>Social housing lettings</b>										
<b>Turnover</b>										
Rent receivable net of identifiable service charges (net of voids)	32,674	1,470	7,675	5,997	<b>47,816</b>	29,499	1,327	6,592	5,583	<b>43,001</b>
Service charge income	753	180	1,006	2	<b>1,941</b>	715	184	989	1	<b>1,889</b>
<b>Net rental income</b>	<b>33,427</b>	<b>1,650</b>	<b>8,681</b>	<b>5,999</b>	<b>49,757</b>	<b>30,214</b>	<b>1,511</b>	<b>7,581</b>	<b>5,584</b>	<b>44,890</b>
Amortisation of capital grant	1,489	77	421	459	<b>2,446</b>	1,376	77	368	460	<b>2,281</b>
<b>Net turnover</b>	<b>34,916</b>	<b>1,727</b>	<b>9,102</b>	<b>6,458</b>	<b>52,203</b>	<b>31,590</b>	<b>1,588</b>	<b>7,949</b>	<b>6,044</b>	<b>47,171</b>
<b>Operating costs</b>										
Management	(7,728)	(454)	(3,529)	(1,059)	<b>(12,770)</b>	(7,645)	(454)	(3,429)	(1,063)	<b>(12,591)</b>
Service charge costs	(2,038)	(120)	(930)	(279)	<b>(3,367)</b>	(1,602)	(95)	(719)	(223)	<b>(2,639)</b>
Routine maintenance	(5,887)	(346)	-	(806)	<b>(7,039)</b>	(7,108)	(421)	-	(988)	<b>(8,517)</b>
Planned maintenance	(2,290)	(135)	-	(314)	<b>(2,738)</b>	(1,740)	(103)	-	(242)	<b>(2,085)</b>
Major repairs expenditure	(3,627)	(219)	-	(511)	<b>(4,357)</b>	(3,207)	(372)	-	(875)	<b>(4,454)</b>
Bad debts	(138)	(8)	(63)	(19)	<b>(228)</b>	(189)	(11)	(85)	(26)	<b>(311)</b>
Depreciation of housing properties	(5,057)	(193)	(1,182)	(986)	<b>(7,418)</b>	(4,752)	(194)	(1,016)	(973)	<b>(6,935)</b>
Loss on disposal of components	(306)	(52)	-	(33)	<b>(391)</b>	(256)	(19)	-	(25)	<b>(300)</b>
	<b>(27,070)</b>	<b>(1,527)</b>	<b>(5,704)</b>	<b>(4,007)</b>	<b>(38,308)</b>	<b>(26,499)</b>	<b>(1,669)</b>	<b>(5,249)</b>	<b>(4,415)</b>	<b>(37,832)</b>
<b>Operating surplus</b>	<b>7,846</b>	<b>200</b>	<b>3,398</b>	<b>2,451</b>	<b>13,895</b>	<b>5,091</b>	<b>(81)</b>	<b>2,700</b>	<b>1,629</b>	<b>9,339</b>
Void losses	(166)	(15)	(7)	(24)	<b>(212)</b>	(192)	(17)	(1)	(39)	<b>(249)</b>

## 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	2024			2023		
	Sale proceeds £'000	Cost of sales £'000	Surplus £'000	Sale proceeds £'000	Cost of sales £'000	Surplus £'000
Staircasing	4,245	(2,297)	1,948	6,620	(3,084)	3,536
Right to Buy/Acquire				255	(70)	185
Other registered providers				-	(388)	(388)
Existing unit sales	1,778	(444)	1,334	760	(303)	457
Equity loan redemptions	2,173	(1,347)	826	3,378	(2,156)	1,222
Other fixed assets	679		679	-	-	-
	<b>8,875</b>	<b>(4,088)</b>	<b>4,787</b>	<b>11,013</b>	<b>(6,001)</b>	<b>5,012</b>

The cost of sales attributed to other registered providers in the prior year relates to the correction of sales proceeds.

Stock Units	2023 Number	2024 Additions	2024 Disposals	2024 Reclass	2024 Number
<b>Social Housing Properties - Owned and/or managed</b>					
General needs housing	4,574	78	(8)	(1)	4,643
Supported/housing for older people	271	-	-	2	273
Affordable home ownership	2,052	94	(17)	(9)	2,120
Other social housing	636	-	-	-	636
	<b>7,533</b>	<b>172</b>	<b>(25)</b>	<b>(8)</b>	<b>7,672</b>
<b>Non-social Housing Properties - Owned and/or managed</b>					
Market rent housing	<b>339</b>	-	-	-	<b>339</b>
	<b>7,872</b>	<b>172</b>	<b>(25)</b>	<b>(8)</b>	<b>8,011</b>
<b>Other</b>					
Owned/Not Managed - Leasehold*	497	-	-	12	509
Owned/Not Managed - Market sale	1	27	(24)	(4)	
Equity loans	752	-	(36)	-	716
<b>Total</b>	<b>9,122</b>	<b>199</b>	<b>(85)</b>	<b>-</b>	<b>9,236</b>
<b>Non-Housing Properties</b>	<b>283</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>282</b>
<b>Total Units</b>	<b>9,405</b>	<b>199</b>	<b>(86)</b>	<b>-</b>	<b>9,518</b>
<i>Properties under construction</i>	<i>517</i>				<i>266</i>

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

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

**4. FINANCE INCOME**

	2024 £'000	2023 £'000
Interest receivable from cash and cash equivalents	313	120
Equity loan interest	335	314
	<b>648</b>	<b>434</b>

**5. FINANCE COSTS**

	2024 £'000	2023 £'000
Interest costs on loans and borrowings	9,095	7,869
Servicing fees of loans and borrowings	350	379
Capitalised interest	(1,744)	(3,032)
Interest payable on intercompany loans	161	163
	<b>7,862</b>	<b>5,379</b>
Interest on Recycled Capital Grant Fund	687	388
Interest on pension scheme liabilities	789	428
	<b>9,338</b>	<b>6,195</b>

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

**6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX**

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

	2024 £'000	2023 £'000
Depreciation of fixed assets	8,649	7,835
Amortisation of social housing grant	(2,426)	(2,215)
Impairment of other fixed assets	-	1,158
Defined contribution pension cost	7,172	5,610
Defined benefit service cost	24	162
<b>Operating lease expense:</b>		
Land and buildings	102	-
Office equipment, computers and motor vehicles	1,127	274
<b>Fees payable to the Society's auditor (excluding VAT):</b>		
In their capacity as auditors	41	32
In respect of other assurance related services	3	2

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

## 7. TAX

	2024 £'000	2023 £'000
<b>Current tax</b>		
UK corporation tax	781	538
<b>Deferred tax</b>		
Timing differences, origination and reversal	1,229	3,186
<b>Tax charge for the year</b>	<b>2,010</b>	<b>3,724</b>

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

	2024 £'000	2023 £'000
<b>Total tax reconciliation</b>		
Surplus on ordinary activities before tax	13,759	15,132
Tax on surplus on ordinary activities at 25% (2023: 19%)	3,439	2,875
<b>Effects of:</b>		
Fixed asset differences	756	1,106
Expenses not deductible for tax purposes	854	853
Income not taxable for tax purposes	(611)	(434)
Chargeable gains	717	622
Movement in unrecognised deferred tax	(1,874)	(4,064)
Gift aid	(3,281)	(1,789)
Adjustment to tax charge in respect of prior periods	-	1
Current tax charged directly to equity	781	538
Deferred tax charged directly to equity	1,229	3,185
Remeasurement of deferred tax for change in tax rates	-	831
<b>Total tax charge</b>	<b>2,010</b>	<b>3,724</b>

The deduction of £3,281k (2023: £1,789k) of gift aid relates to an amount of £13,124k (2022: £9,416k) to be gifted prior to 31 December 2024, with the tax benefit taken in the year ended 31 March 2024 as permitted by Section 199 of the Corporation Tax Act 2020.

## 8. DIRECTORS' EMOLUMENTS

The Key Management Personnel of the Society, who are all remunerated by the Society, 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

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

## 8. DIRECTORS' EMOLUMENTS (continued)

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

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

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.

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

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

	2024 £'000	2023 £'000
Non-Executive Group Board Members	1,532	132
Executive Board Members	184	1,513
Corporate Directors	1,722	1,469
	<b>3,438</b>	<b>3,114</b>
Amount payable to the highest paid Director (excluding pension contributions)	<b>340</b>	<b>338</b>

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)****9. STAFF COSTS**

During the year, a number of employees of Abri Group limited transferred to the Society, following the closure of a number of local government defined benefit pension schemes to future accrual. The average number of employees expressed as full-time equivalents (calculated on standard working hours per week for each employee) during the year was:

	<b>2024</b>	<b>2023</b>
	<b>FTE</b>	<b>FTE</b>
Central office and support staff	284	250
Development staff	102	86
Housing and customer service staff	465	498
Repairs and maintenance staff	697	595
	<b>1,548</b>	<b>1,429</b>
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs (for the above employees)</b>		
Wages and salaries	57,033	50,462
Social security costs	5,812	5,276
Pension costs	7,196	5,772
	<b>70,041</b>	<b>61,510</b>

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:

	<b>2024</b>	<b>2023</b>
<b>Salary banding</b>	<b>FTE</b>	<b>FTE</b>
£60,000 - £69,999	39	36
£70,000 - £79,999	30	17
£80,000 - £89,999	17	11
£90,000 - £99,999	12	13
£100,000 - £109,999	6	1
£110,000 - £119,999	1	2
£120,000 - £129,999	3	3
£130,000 - £139,999	3	2
£140,000 - £149,999	1	3
£150,000 - £159,999	5	3
£160,000 - £169,999	3	1
£170,000 - £179,999	-	1
£230,000 - £239,999	1	1
£240,000 - £249,999	2	2
£250,000 - £259,999	1	-
£260,000 - £269,999	-	1
£340,000 - £349,999	-	1
£350,000 - £359,999	1	-
	<b>125</b>	<b>98</b>

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

10. INTANGIBLE ASSETS

	Internally generated in-house software applications £'000
<b>Cost</b>	
At 1 April 2023 and 31 March 2024	267
Disposals	(85)
<b>At 31 March 2024</b>	<b>182</b>
<b>Accumulated amortisation</b>	
At 1 April 2023	(244)
Charge for the year	(20)
Disposals	85
<b>At 31 March 2024</b>	<b>(179)</b>
<b>Net book value</b>	
<b>At 31 March 2024</b>	<b>3</b>
<b>At 31 March 2023</b>	<b>23</b>

## 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	
<b>Cost</b>							
At 1 April 2023	539,678	171,172	<b>710,850</b>	32,887	17,821	<b>50,708</b>	<b>761,558</b>
Additions	17	-	<b>17</b>	15,915	9,072	<b>24,987</b>	<b>25,004</b>
Additions - works to existing properties	3,447	-	<b>3,447</b>	-	-	-	<b>3,447</b>
Transferred into management	15,004	15,521	<b>30,525</b>	(15,004)	(15,521)	<b>(30,525)</b>	
Disposals and demolitions	(1,807)	(2,288)	<b>(4,095)</b>	-	-	-	<b>(4,095)</b>
Net movement to current assets	-	81	<b>81</b>	-	-	-	<b>81</b>
<b>At 31 March 2024</b>	<b>556,339</b>	<b>184,486</b>	<b>740,825</b>	<b>33,798</b>	<b>11,372</b>	<b>45,170</b>	<b>785,995</b>
<b>Accumulated depreciation</b>							
At 1 April 2023	(70,113)	(7,658)	<b>(77,771)</b>	-	-	-	<b>(77,771)</b>
Charge for the year	(6,236)	(1,182)	<b>(7,418)</b>	-	-	-	<b>(7,418)</b>
Disposals and demolitions	1,069	133	<b>1,202</b>	-	-	-	<b>1,202</b>
<b>At 31 March 2024</b>	<b>(75,280)</b>	<b>(8,707)</b>	<b>(83,987)</b>	-	-	-	<b>(83,987)</b>
<b>Net book value</b>							
<b>At 31 March 2024</b>	<b>481,059</b>	<b>175,779</b>	<b>656,838</b>	<b>33,798</b>	<b>11,372</b>	<b>45,170</b>	<b>702,008</b>
<b>At 31 March 2023</b>	<b>469,565</b>	<b>163,514</b>	<b>633,079</b>	<b>32,887</b>	<b>17,821</b>	<b>50,708</b>	<b>683,787</b>

## 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	488,126	26,731	514,857
Shared Ownership	180,549	6,602	187,151
	<b>668,675</b>	<b>33,333</b>	<b>702,008</b>

## Interest capitalisation

	2024 £'000	2023 £'000
Interest capitalised in the year	1,744	3,032
Cumulative interest capitalised	12,105	11,205
Rate used for capitalisation	4.28%	3.90%

## Expenditure on works to existing housing properties

	2024 £'000	2023 £'000
Amounts capitalised	3,447	3,119
Amounts charged to Statement of Comprehensive Income	14,134	15,057

Included within the amounts above and other areas of operating costs is a total of £3,263k (2023: £1,404k) related to fire safety expenditure.

## Security

The Society had housing property with a net book value of £299m pledged as security at 31 March 2024 (2023: £301m).

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

## 12. OTHER FIXED ASSETS

	Freehold land and premises £'000	Computers, fixtures and fittings £'000	Vehicles, plant and equipment £'000	Total £'000
<b>Cost</b>				
At 1 April 2023	11,346	3,860	4,498	19,704
Additions	1,026	2,153	729	3,908
Intercompany transfers	-	184	-	184
Disposals and demolitions	(48)	(2,861)	(3,197)	(6,106)
<b>At 31 March 2024</b>	<b>12,324</b>	<b>3,336</b>	<b>2,030</b>	<b>17,690</b>
<b>Accumulated depreciation</b>				
At 1 April 2023	(2,648)	(3,389)	(4,301)	(10,338)
Charge for the year	(186)	(427)	(228)	(840)
Disposals and demolitions	49	2,861	3,196	6,105
<b>At 31 March 2024</b>	<b>(2,785)</b>	<b>(955)</b>	<b>(1,333)</b>	<b>(5,073)</b>
<b>Net book value</b>				
<b>At 31 March 2024</b>	<b>9,539</b>	<b>2,381</b>	<b>697</b>	<b>12,617</b>
<b>At 31 March 2023</b>	<b>8,698</b>	<b>471</b>	<b>197</b>	<b>9,366</b>

## 13. INVESTMENT PROPERTIES

	Completed £'000
<b>Value</b>	
At 1 April 2023	52,220
Revaluation deficit	(4,445)
<b>At 31 March 2024</b>	<b>47,775</b>

The deficit on revaluation of investment property has been credited 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.

At the reporting date, a subset of properties actively being marketed for sale, have been valued according to the offers received from independent third parties. These offers, which are cumulatively £2.4m lower than external valuations, are deemed to be a more accurate reflection of fair value.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)****13. INVESTMENT PROPERTIES (continued)**

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Cost	43,604	43,604
Depreciation	(5,161)	(4,745)
<b>Net book value</b>	<b>38,443</b>	<b>38,859</b>

**14. EQUITY LOANS**

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

Equity loans are secured by way of an equity charge over the property purchased by the recipient of the loan.

We have received £22.5m of grant (2023: £23.5m) in respect of the equity loans in issue. The grants will be recycled on redemption of the loans.

**15. INVESTMENTS**

The Society has a 26% interest in Aspect Building Communities Limited, a company limited by guarantee. Aspect was formed to bring forward housing developments to increase housing supply and boost the local economy by working in partnership with local organisations. We are a co-investor alongside another registered provider and two local authorities who all contribute to the annual overheads. No investment value is held at the reporting date as it is deemed irrecoverable.

Our investment in Parity Trust is not considered to be recoverable and was fully impaired in 2015.

The Society holds in trust one 50p share in Swaythling Assured Home plc on behalf of Abri Group Limited; the Society has no beneficial interest in this share.

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

## 16. PROPERTIES FOR SALE

	Completed properties			Properties in course of construction			Total £'000
	Market sale £'000	Shared ownership £'000	Total £'000	Market sale £'000	Shared ownership £'000	Total £'000	
At 1 April 2023	337	6,361	<b>6,698</b>	11,197	11,879	<b>23,076</b>	<b>29,774</b>
Additions	-	-	-	3,442	5,583	<b>9,025</b>	<b>9,025</b>
Completed in year	7,221	10,308	<b>17,529</b>	(7,221)	(10,308)	<b>(17,529)</b>	-
Net movement from housing properties	-	(81)	<b>(81)</b>	-	-	-	<b>(81)</b>
Cost of properties sold	(7,558)	(13,734)	<b>(21,292)</b>	-	-	-	<b>(21,292)</b>
<b>At 31 March 2024</b>	<b>-</b>	<b>2,854</b>	<b>2,854</b>	<b>7,418</b>	<b>7,154</b>	<b>14,572</b>	<b>17,426</b>

## 17. RECEIVABLES

	2024 £'000	2023 £'000
<b>Gross arrears of rent and service charges</b>		
Social	1,573	1,976
Non-social	388	407
	<b>1,961</b>	<b>2,383</b>
Bad debt provision	(1,118)	(1,067)
<b>Net tenant arrears</b>	<b>843</b>	<b>1,316</b>
Trade receivables	273	646
Social Housing Grant receivable	-	12,064
Other receivables and prepayments	4,831	4,523
Short-term non-liquid assets	3,135	3,371
<b>Amounts due within one year</b>	<b>9,082</b>	<b>21,920</b>

Short-term non-liquid assets comprises cash held in liquidity funds.

Included within other receivables and prepayments above is £62k (2023: £74k) of staff loans.

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

## 18. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR

	Note	2024 £'000	2023 £'000
Loans, borrowings, and accrued interest	19	10,730	17,523
Deferred income and payments on account		2,295	2,013
Other tax and social security payable		1,472	1,288
Trade payables		1,578	4,562
Other payables		4,596	4,159
Accruals		11,079	13,127
Contract retentions		866	1,057
Deferred capital grant	21	2,543	2,407
Recycled capital grant	22	6,722	4,252
Amounts owed to Group undertakings		44,667	24,754
Gift Aid Accrued	7	13,124	9,416
		<b>99,672</b>	<b>84,558</b>

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	2024 £'000	2023 £'000
Loans, borrowings, and accrued interest		247,618	263,141
Contract retentions		309	309
Recycled Capital Grant Fund	22	7,193	8,927
		<b>255,120</b>	<b>272,377</b>

**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 2.5% and 8.1%, with maturity dates ranging from 2024-2037 inclusive. A bank loan at a variable rate of interest of 5.6% priced with reference to SONIA, lender margin and including credit adjustment spread is also held, with maturity in 2034.

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 11.1%, with maturity dates ranging from 2030-2043 inclusive.

The Society has intercompany loan facilities with Abri Group Limited, at a variable rate of the Bank Rate plus 1.25%, which are currently undrawn and mature in 2024. The Group also holds a single loan with Homes England which matures in 2033.

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 2024 (continued)

## 19. 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	Intercompany Loans £'000	HE loans £'000	Total £'000	Bank loans £'000	Bonds £'000	Intercompany Loans £'000	HE loans £'000	Total £'000
<b>In multiple instalments</b>										
One year or less	8,400	453	-	-	<b>8,853</b>	3,600	435	-	-	<b>4,035</b>
One to two years	9,300	494	-	-	<b>9,794</b>	8,400	473	6,000	-	<b>14,873</b>
Two to five years	59,400	1,762	-	-	<b>61,162</b>	63,900	1,688	-	-	<b>65,588</b>
Five years or more	96,000	7,497	-	-	<b>103,497</b>	100,800	8,002	-	-	<b>108,802</b>
	<b>173,100</b>	<b>10,206</b>	-	-	<b>183,306</b>	<b>176,700</b>	<b>10,598</b>	<b>6,000</b>	-	<b>193,298</b>
<b>In a single instalment</b>										
One year or less	-	-	-	-	-	-	12,000	-	-	<b>12,000</b>
Five years or more	-	66,100	-	572	<b>66,672</b>	-	66,100	-	572	<b>66,672</b>
	-	<b>66,100</b>	-	<b>572</b>	<b>66,672</b>	-	<b>78,100</b>	-	<b>572</b>	<b>78,672</b>
	<b>173,100</b>	<b>76,306</b>	-	<b>572</b>	<b>249,978</b>	<b>176,700</b>	<b>88,698</b>	<b>6,000</b>	<b>572</b>	<b>271,970</b>

The total value of all loans and borrowings includes a further £8.4m (2023: £8.7m) of capitalised fees, premiums, and accrued interest.

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

## 20. PROVISIONS

	2024 £'000	2023 £'000
<b>Balance brought forward at 1 April</b>	<b>5,037</b>	<b>8,058</b>
Variations to provisions brought forward	1,435	715
New provisions in year	-	183
Release of provisions in year	(1,644)	(3,919)
<b>Balance carried forward at 31 March</b>	<b>4,828</b>	<b>5,037</b>

Provisions relate to remedial works for defective cladding and/or insulation on blocks more than 11m in height and for redundancies in the Help to Buy team. 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. DEFERRED CAPITAL GRANT

	Completed £'000	In course of construction £'000	Total £'000
<b>Cost</b>			
At 1 April 2023	245,880	66,959	312,839
<b>Inputs</b>			
Transferred into management	8,170	(8,170)	-
<b>Outputs</b>			
Recycled on disposal	(810)	-	(810)
<b>At 31 March 2024</b>	<b>253,240</b>	<b>58,789</b>	<b>312,029</b>
<b>Accumulated amortisation</b>			
At 1 April 2023	(35,162)	-	(35,162)
Released on disposal	101	-	101
Charge for the year	(2,446)	-	(2,446)
<b>At 31 March 2024</b>	<b>(37,507)</b>	<b>-</b>	<b>(37,507)</b>
<b>Amortised deferred capital grant</b>			
<b>At 31 March 2024</b>	<b>215,733</b>	<b>58,789</b>	<b>274,522</b>
<b>At 31 March 2023</b>	<b>210,718</b>	<b>66,959</b>	<b>277,677</b>

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

## 21. DEFERRED CAPITAL GRANT (continued)

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	2,543	-	2,543
Deferred capital grant due after one year	213,190	58,789	271,979
	<b>215,733</b>	<b>58,789</b>	<b>274,522</b>

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.

## 22. RECYCLED CAPITAL GRANT FUND

	2024 £'000	2023 £'000
<b>Cost</b>		
At 1 April	13,179	15,724
<b>Net inputs to fund</b>		
Grants recycled	1,831	2,400
Interest accrued	687	388
Transfers to other Group members	(1,877)	(4,696)
Other	95	-
<b>Recycling of grant</b>		
New build	-	(630)
Other	-	(7)
<b>At 31 March</b>	<b>13,915</b>	<b>13,179</b>
Recycled capital grant due within one year	6,722	4,252
Recycled capital grant due after one year	7,193	8,927
	<b>13,915</b>	<b>13,179</b>

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

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

**23. DEFERRED TAX**

Deferred tax is provided as follows:

	2024 £'000	2023 £'000
Fixed asset timing differences	3,199	1,417
Short term timing differences	(4,038)	(2,809)
Capital gains	839	144
Losses and other deductions	-	1,248
<b>Provision for deferred tax</b>	<b>-</b>	<b>-</b>

Deferred tax assets and liabilities are offset only where the Society has a legally enforceable right to do so. An asset of £1.1m (2023: £1.3m) 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.

**24. PENSIONS****Defined Contribution Scheme**

In October 2022, the Group introduced a new Defined Contribution scheme, administered by Standard Life to replace two legacy schemes. 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 Society 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 legacy Abri Group.

	2024 £'000	2023 £'000
<b>Accounting charge</b>		
The Pensions Trust Flexible Retirement Plan	-	2,324
Aviva Life	-	373
Standard Life	7,352	2,906
	<b>7,352</b>	<b>5,603</b>
<b>Outstanding contributions at 31 March</b>		
Standard Life	<b>633</b>	<b>479</b>

**Defined Benefit Schemes****Abri Group Pension Scheme (AGPS)**

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

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

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

## 24. PENSIONS (continued)

## Defined Benefit Schemes (continued)

*Royal County of Berkshire Pension Fund (RCB)*

The Society participated in RCB, a multi-employer Local Government Pension Scheme until the scheme was closed to future accrual in April 2023. In July 2023, cessation debt of £1.4m was settled, fully discharging the Society's liability to the scheme.

At the reporting date the schemes in the Society had the following net liabilities:

	2024 £'000	2023 £'000
AGPS defined benefit pension deficit	19,271	17,811
RCB defined benefit deficit	-	2,553
	<b>19,271</b>	<b>20,364</b>

Financial assumptions adopted for FRS 102 purposes:

	AGPS		RCB	
	2024 %	2023 %	2024 %	2023 %
<b>Increases per annum</b>				
CPI inflation	3.0	3.0	-	3.1
Salary increases	-	4.0	-	4.1
Discount rate	4.9	4.8	-	4.4

Post retirement mortality assumptions:

	AGPS	
	Males	Females
Retiring today	21.5	23.8
Retiring in 20 years	23.1	25.2

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

	2024			2023		
	AGPS £'000	RCB £'000	Total £'000	AGPS £'000	RCB £'000	Total £'000
Equities	3,575	-	3,575	39	3,397	3,436
Bonds	31,440	-	31,440	32,349	-	32,349
Property	2,236	-	2,236	4,021	691	4,712
Cash	3,439	-	3,439	2,214	83	2,297
Alternative assets	9,222	-	9,222	10,977	470	11,447
Private credit	4,274	-	4,274	6,396	794	7,190
<b>Total market values of assets</b>	<b>54,186</b>	<b>-</b>	<b>54,186</b>	<b>55,996</b>	<b>5,435</b>	<b>61,431</b>

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

## 24. PENSIONS (continued)

## Defined Benefit Schemes (continued)

	2024			2023		
	AGPS £'000	RCB £'000	Total £'000	AGPS £'000	RCB £'000	Total £'000
<b>The Society's share in defined benefit scheme obligations:</b>						
Fair value of scheme assets	54,186	-	<b>54,186</b>	55,996	5,435	<b>61,431</b>
Present value of defined benefit obligation	(73,457)	-	<b>(73,457)</b>	(73,807)	(7,988)	<b>(81,796)</b>
<b>Society share of deficit in the scheme</b>	<b>(19,271)</b>	-	<b>(19,271)</b>	<b>(17,811)</b>	<b>(2,553)</b>	<b>(20,365)</b>
<b>Movements in the fair value of scheme assets</b>						
Opening fair value of scheme assets	55,996	5,435	<b>61,431</b>	91,487	5,699	<b>97,186</b>
Interest income on scheme assets	2,725	20	<b>2,745</b>	2,543	135	<b>2,678</b>
Actuarial (losses)/gains	(5,606)	-	<b>(5,606)</b>	(38,673)	(223)	<b>(38,896)</b>
Expenses	(285)	-	<b>(285)</b>	(242)	(6)	<b>(248)</b>
Contributions from employers	3,375	20	<b>3,395</b>	3,440	230	<b>3,670</b>
Contributions from scheme members	-	-	-	-	2	<b>2</b>
Benefits paid	(2,019)	(37)	<b>(2,056)</b>	(2,559)	(402)	<b>(2,961)</b>
Accrual for exit payment	-	1,402	<b>1,402</b>	-	-	-
Assets extinguished on settlement	-	(6,840)	<b>(6,840)</b>	-	-	-
<b>Closing fair value of scheme assets</b>	<b>54,186</b>	-	<b>54,186</b>	<b>55,996</b>	<b>5,435</b>	<b>61,431</b>
<b>Movements in the present value of defined benefit obligations</b>						
Opening defined benefit obligation	(73,807)	(7,988)	<b>(81,795)</b>	(103,592)	(11,461)	<b>(115,053)</b>
Service cost	(23)	(1)	<b>(24)</b>	(148)	(14)	<b>(162)</b>
Interest cost	(3,505)	(29)	<b>(3,534)</b>	(2,836)	(270)	<b>(3,106)</b>
Actuarial gains	1,667	-	<b>1,667</b>	30,210	3,357	<b>33,566</b>
Benefits paid	2,019	37	<b>2,056</b>	2,559	402	<b>2,961</b>
Contributions by scheme members	-	-	-	-	(2)	<b>(2)</b>
Past service cost including curtailments	192	-	<b>192</b>	-	-	-
Liabilities extinguished on settlement	-	7,981	<b>7,981</b>	-	-	-
<b>Closing defined benefit obligation</b>	<b>(73,457)</b>	-	<b>(73,457)</b>	<b>(73,807)</b>	<b>(7,988)</b>	<b>(81,796)</b>

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

## 24. PENSIONS (continued)

## Defined Benefit Schemes (continued)

Analysis of amounts charged to the Statement of Comprehensive Income:

	2024			2023		
	AGPS	RCB	Total	AGPS	RCB	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>SOCI - Operating and Finance Costs</b>						
Service costs	23	1	24	148	14	162
Expenses	285	-	285	242	6	248
Curtailement cost	(192)	-	(192)	-	-	-
Gain on cessation	-	1,141	1,141	-	-	-
Net finance charge	780	9	789	293	135	428
	<b>896</b>	<b>1,151</b>	<b>2,047</b>	<b>683</b>	<b>155</b>	<b>838</b>
<b>Within Actuarial gains/(losses)</b>						
Actual less expected return on assets	(5,606)	-	(5,606)	(38,673)	(223)	(38,896)
Gains from changes in assumptions	2,323	-	2,323	40,706	3,780	44,485
Experience losses on liabilities	(656)	-	(656)	(10,496)	(423)	(10,919)
	<b>(3,939)</b>	<b>-</b>	<b>(3,939)</b>	<b>(8,463)</b>	<b>3,134</b>	<b>(5,330)</b>

## 25. CHARITABLE DISTRIBUTIONS

The Society made charitable distributions to the following recipients:

	2024	2023
	£'000	£'000
Abri Group Limited	<b>9,385</b>	<b>11,000</b>

At 31 March 2023, £9,416k was accrued for Gift Aid payments to be made prior to 31 December 2023 to fully mitigate corporation tax liabilities for the prior year. Upon completion of corporation tax returns the above payment was made and the remaining accrual released back to revenue reserves.

## 26. SHARE CAPITAL

	2024	2023
	£	£
<b>Shares of £1 each</b>		
Issued and fully paid at 1 April	25	29
Shares issued during the year	3	1
Shares cancelled during the year	(3)	(5)
<b>Shares issued and fully paid at 31 March</b>	<b>25</b>	<b>25</b>

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.

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

## 27. CAPITAL AND OTHER COMMITMENTS

	2024 £'000	2023 £'000
<b>Capital expenditure commitments were as follows</b>		
In contract	43,266	55,336
Approved but not contracted	9,050	10,263
<b>Total capital commitments</b>	<b>52,316</b>	<b>65,599</b>
Other commitments	11,050	26,224
<b>Total commitments</b>	<b>63,366</b>	<b>91,823</b>

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

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

	2024 £'000	2023 £'000
Cash at bank	7,821	9,581
Undrawn Revolving Credit Facilities	50,000	50,000
Cash generated from operating activities	5,545	6,018
	<b>63,366</b>	<b>65,599</b>

Cash generated from operating activities represents the difference between total commitments and all existing sources of funding available to the Society and is lower than amounts budgeted within the year ended 31 March 2025 alone.

## 28. OPERATING LEASES

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

	Land and buildings		Other	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Amounts payable as lessee</b>				
Not later than one year	120	60	1,571	10
Later than one year and not later than five years	134	103	2,961	9
Later than five years	6	-	-	-
	<b>260</b>	<b>163</b>	<b>4,532</b>	<b>19</b>

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

## 28. OPERATING LEASES (continued)

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

	Commercial properties		Leases with partnership agencies		Tenancy leases	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Amounts receivable as lessor</b>						
Not later than one year	70	85	218	253	4,661	11,584
Later than one year and not later than five years	169	233	694	765	-	14,540
Later than five years	105	126	325	182	-	1,989
	<b>344</b>	<b>444</b>	<b>1,237</b>	<b>1,200</b>	<b>4,661</b>	<b>28,113</b>

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.

## 29. RELATED PARTY TRANSACTIONS

## Pension Schemes

The Abri Group Pension Scheme and The Royal County of Berkshire Pension Fund are considered to be related parties and full disclosure is provided in note 24.

## Loans

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

## 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

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

## Jointly Controlled Entities

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

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

## 29. RELATED PARTY TRANSACTIONS (continued)

The following transactions and balances are shown from the perspective of the Society:

	2024 £'000	2023 £'000
<b>Transactions - Income</b>		
Corporate overhead recharge to YHL	40	-
Corporate overhead recharge to RDL	15	-
	<hr/>	<hr/>
<b>Transactions - Expenditure</b>		
Purchase of properties developed from YHL	(3,297)	(7,380)
<i>Purchase of properties developed from TPP</i>	<i>(37)</i>	<i>(140)</i>
<i>Purchase of properties developed from LSC</i>	<i>(940)</i>	<i>(940)</i>
	<hr/>	<hr/>
<b>Balances - Assets</b>		
<i>Receivable from AHS for transactional services</i>	<hr/> <i>15</i>	<hr/> <i>15</i>
<b>Payables</b>		
<i>Payable to LSC for purchase of properties</i>	<i>-</i>	<i>(173)</i>
<i>Payable to TPP for purchase of properties</i>	<i>-</i>	<i>(24)</i>
	<hr/>	<hr/>

## 30. 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.

## 31. POST BALANCE SHEET EVENTS

On 27 June 2024 the Society exchanged contracts for the sale of 76 market rented units for proceeds of £8.4m. The carrying value of the units within investment properties at the reporting date had been determined using offer prices and as such the disposal gave rise to no surplus or deficit. Sales had not been completed by the date of signing of this report.