Aspire Housing Limited

Annual Report & Financial Statements

Year Ended 31st March 2024

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Board Members, Executive Directors, Advisors and Bankers

Chair	Aman Dalvi
Executive Director	Sinéad Butters
Other Non-Executive Directors	Marina Barrett (retired 24 April 2024) Neale Clifton Jenny Danson Chenery (retired 19 March 2024) David Hunter Mike Lawton (retired 19 March 2024) Alasdair Macarthur (retired 31 December 2023) Paul Northcott Elizabeth Barnes Ian Ridgway (retired 31 May 2023) David Woodward (appointed 26 September 2023) Amanda Palmer (appointed 25 April 2024) Pat Baker (appointed 26 September 2023) Jane Atherton (appointed 1 January 2024)
Secretary	Paul Medford
Chief Executive	Sinéad Butters
Executive Director of Finance	Andrew Palmer
Executive Director of People	Andrei Szatkowski
Executive Director of Place	Dan Gray
Registered Office	Kingsley The Brampton Newcastle-under-Lyme Staffordshire ST5 0QW

Board Members, Executive Directors, Advisors and Bankers (continued)

Auditors	BDO LLP 3 Hardman Street Manchester M3 3AT
Principal Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES
Principal Bankers	Barclays Bank Plc PO Box 3333 15 Colmore Row Birmingham B3 2WN
Financial Conduct Authority registration number	31218R
Regulator of Social Housing registration number	L4238

Chair and Chief Executives' Introduction

Despite operating in a challenging external environment, we have worked hard to overcome this with the support of our Board to deliver a stronger governance structure and a robust and resilient financial model.

We are currently G2/V2, and we are working towards achieving G1; this has been a key focus for the past year. Final actions were completed in March 2024 when the Board approved a new Corporate Plan to 2030 and Business Plan.

The Regulator of Social Housing (Regulator) has consulted on a number of new standards; the 'Consumer Standards' and these went live from 1 April 2024. These new standards will be in addition to the existing Governance, Financial, Rent, and Value for Money standards and will be used by the Regulator to measure all social landlords.

In early 2024, we were subject to a cyber security incident. Due to having robust plans in place, we were able to recover quickly and no further action was taken by the Regulator or the Information Commissioner's Office.

We are proud that we continue to deliver great outcomes for our customers focussing on money and debt advice, support with obtaining benefits, employment and skills, and additional support to help customers sustain their tenancy; all of which are central to providing essential support with the cost of living.

The continuous investment in our customers' homes remains a key priority for us and features heavily in our financial plans and business plan. We've invested significantly in tackling damp and mould, identifying the root cause of issues whilst also prioritising our more vulnerable customers. In 2023/24 we spent £23m investing in our existing stock with future planned investment next year of £24m in Repairs, Investment and Sustainability, including £9m investment in improvement activities to maintain safe and decent homes.

Last year we delivered 165 new homes to support the continued affordable housing crisis and we're planning to deliver 24 during 2024/25.

Listening and acting on the customers' voice remains a top priority for us and supported us in developing our new Corporate Plan 2030. The plan has been co-created with our customers, colleagues, partners and Board using 7,500 pieces of customer feedback which centred around investing in homes, delivering a fantastic repairs service, tackling anti-social behaviour and listening and showing respect. We look forward to sharing our performance on delivering against our priorities with our Board and customers.

Over the last six months of the year, we have focussed on defining our future priorities to maximise the use of our resources. We have built strong financial foundations and developed a resilient financial model, rigorously stress-tested across various scenarios. This model ensures that we remain agile to confidently navigate future challenges.

By aligning our financial robustness with clear operational priorities, we are well-positioned to deliver better value services to our customers and communities.

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Aman Dalvi
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Aman Dalvi
Chair of the Board, Aspire Housing
30 July 2024

Signed by:
Sinéad Butters
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Sinéad Butters
Chief Executive, Aspire Housing
30 July 2024

Strategic Report

Introduction

The Board presents its Strategic Report, containing the Operating and Financial Review and value for money statement, for the year ended 31 March 2024.

Overview and background

Aspire Housing is a leading housing provider, property developer and place shaper based in Newcastle-under-Lyme. Created in July 2000, Aspire Housing owns and manages more than 9,000 homes and supports around 19,000 customers across Staffordshire and Cheshire. Profits are reinvested in new homes, in revitalising communities and in a comprehensive range of innovative support services designed to transform lives.

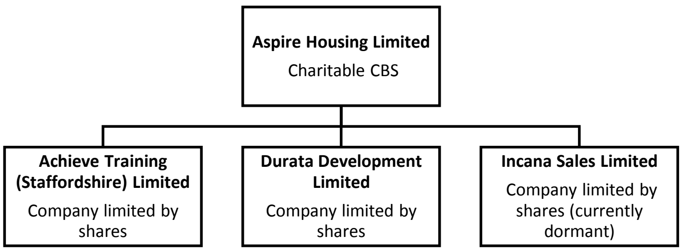
During the past year, Durata Development Limited, the Group's development company, completed three developments, started work on sixteen and has a further pipeline for the following few years as part of the strategy to increase growth and investment opportunities.

Inflation seems to have stabilised over the past year following inflation spikes across the economy, primarily due to rising energy costs and rising food and material costs. The cost-of-living crisis is continuing to have a severe, negative impact on our communities, and we're continuing to do the best that we can to try and minimise the impact on our customers; both through the services that we offer and the work we do with our partners. Pressures on the sector around ongoing demand for responsive repairs and damp and mould treatments continues to affect Aspire but we have continued to tackle the issues and prioritise our most vulnerable customers.

As a business, we put People First by delivering safe, decent homes and excellent housing services through our talented Aspire team. We do this by living our values: we champion the customer, we build togetherness and we are professional and always striving to work in a smarter, simpler, slicker way.

Legal structure and objectives

Aspire Housing Limited is registered with the Financial Conduct Authority as a Registered Society under the Co-operative and Community Benefit Societies Act 2014, and with the Regulator of Social Housing (RSH) as a social landlord.



The Aspire Group structure is simple and is appropriate with the parent organisation focused on delivering the corporate objectives. The structure is low risk with a clear focus on the delivery of core social housing that meets charitable criteria. Durata is used as a vehicle to deliver the pipeline of new homes.

Strategic Report (continued)

Achieve Training

Achieve Training is currently in the process of being wound-up, following the ceasing of its activities in 2022/23. It is anticipated that it be formally wound-up during the next 12-18 months. The Group accounts show Achieve as discontinued operations within the Statement of Comprehensive Income. As there was no trading in the year this shows as nil (2023 loss for the year of £2.1m).

As a result of the closure within Aspire Housing there was a £3.2m impairment of the intercompany debtor and the investment which is included in Operating Expenditure in 2023/24 and shown in Note 4 of the financial statements of Aspire Housing.

Financial review

Statement of Comprehensive Income (SOCI)

	2024	2023
Turnover	£53.1m	£49.8m
Operating Surplus	£10.5m	£8.3m
Margin before disposals	15.1%	11.0%
Margin after disposals	12.4%	16.7%

Turnover: £53.1m

Turnover for the year is £53.1m, an increase of 6.7% when compared to 2022/23 turnover of £49.8m. The movement was mainly due to an increase in rental income offset by the loss of turnover from the closure of Achieve Training. Social housing contributed £47.7m of the overall turnover (2023: £43.2m).

Operating Surplus: £10.5m

Operating performance continues to be strong with an operating surplus of £10.5m (2023: £8.3m). This surplus will support the investment in new and existing homes. In 2023 the operating surplus included losses of £2.1m from Achieve Training.

Surplus for the year after tax £2.8m

The net surplus after tax of £2.8m (2023: £0.3m) includes net interest and financing costs of £8.8m (2023: £8.5m) and taxation £0.1m (2023: £nil)

Total comprehensive income for the year £2.6m

Total comprehensive income for the year is £2.6m (2023: £0.1m) which includes a negative actuarial adjustment of £0.2m offsetting the surplus for the year.

Strategic Report (continued)

Statement of Financial Position

The Statement of Financial Position demonstrates the strength and capacity of the Group to continue to deliver our strategic objectives. An adjustment to the opening Financial Position has taken place primarily impacting Fixed Assets and Reserves. Further details can be found in Note 37.

Fixed Assets £306m

Capital expenditure is set out in notes 16-19. During the year we have invested a gross £22.6m (2023: £23.6m) in developing and acquiring new homes and have received approximately £3.2m of grant towards the cost of our new build programme. We have also continued to invest in our existing housing stock in order to maintain homes above the Decent Homes Standard. The capital cost of this investment during the year was approximately £6.4m (2023: £8.9m). This combined investment can be seen in the movement in the net book value of housing assets to £306m in from £289m in 2023.

Net Current Assets £26.7m

Net current assets are reported in the year compared to net current liabilities in the prior year (2023: £1.5m net current liability). This is due to cash and cash equivalents that have increased by £28.0m. The increase in cash is due to a planned final drawdown from a private placement refinancing exercise which was completed in July 2023 and will be used to finance future development.

Long Term Creditors £290m

The net movement in long term creditors is an increase of £41.8m. The majority of the increase is due to an increase in loans and borrowing of £40.0m. As detailed above, the final drawdown from a £145m private placement completed in the year. Further detail can be found in the Report of the Board Going Concern section. Deferred capital grant has increased by £1.6m.

Pension Provision £0.8m

The balance is in respect of the Social Housing Pension Scheme which increased by £0.1m to £0.8m (2023: £0.7m).

Reserves £46m

Reserves have increased by £2.6m to £45.6m (2023: £43.0m) reflecting the net comprehensive income for the year. Movement in the reserves balances is further shown in the Statement of Changes in Reserves on page 38.

Strategic Report (continued)

Statement of Cash Flows

This statement shows that the cash inflow generated from operating activities of £14.2m (2023: £12.0m).

During the year we invested £27.0m in new and existing housing assets (2023: £30.6m) and received grant income of £2.8m (2023: £4.5m).

Cashflow from financing activities includes cash interest paid in the year of £8.4m (2023: £8.2m) with the difference being a movement in recognised accrued interest. In cash terms, a net £40m was raised by way of finance.

Overall, with the continued investment in our housing stock and repayment of debt and interest this year, after cash generated from operating activities, there has been a net cash inflow of £28.1m.

Treasury Management

The Group has a formal Treasury Management Policy and Strategy which are reviewed annually by the Board. The Policy provides the framework within which the Group seeks to mitigate risk relating to the borrowings and cash holding it has at any one time. The Group maintains a risk-aware approach to its debt portfolio and seeks to ensure that sufficient liquidity is available to meet foreseeable needs.

Liquidity and Capital Structure

The Group finances its activities using facilities of £295m, comprised of £90m loan facilities with Lloyds Banking Group and Barclays, and capital markets of £205m. Current cash and facilities provide a high level of liquidity with £50m of available revolving credit facilities and £28.5m of cash and cash equivalents, including investments held as cash.

Loan Facilities	Facility £000's	Drawn £000's	Available £000's	Fixed £000's	Variable £000's
Bank Loans	90,000	40,000	50,000	40,000	50,000
Capital markets	205,000	205,000	-	205,000	-
Total facilities	295,000	245,000	50,000	245,000	50,000
Funding Mix	-	-	-	83.1%	16.9%

Interest rate management

The Group manages its interest rates through 83% of fixed rate funding and 17% of variable rate revolving credit facilities. The fixed rate funding is comprised of drawn fixed rate loans from banks. All debt is classified as basic financial instruments.

Strategic Report (continued)

Loan covenants

There are multiple covenants for the 4 lenders Barclays, Lloyds, L&G and the Private Placement.

The Private Placement has an interest cover covenant of EBITDA and all other lenders have EBITDA MRI covenants. For Barclays and Lloyds this includes shared ownership sales. In the calculation for the Private Placement and L&G the shared ownership sales are excluded. In addition, a minimum asset cover is required on each individual facility.

Lloyds and Barclays also require that net loans are not more than 70% of housing properties. L&G looks to ensure that the properties secured on its facility generates a net income cover of more than 1.05.

The Group ensures that it operates with a prudent level of headroom and monitors covenants on a monthly basis. This is reported to the Board on a quarterly basis. The Business Plan is very resilient to these covenants with a degree of headroom.

As at 31st March 2024 and throughout the year, the Group met its covenant targets.

Year-end covenant performance	Actual 2022/23	Covenant	Actual 2023/24	Met
Lloyds Interest Cover including Shared Ownership Sales	1.24	1.05	1.25	Yes
Barclays Interest Cover including Shared Ownership Sales	1.24	1.05	1.27	Yes
L & G Interest Cover excluding Shared Ownership Sales	1.12	1.10	1.24	Yes
Private Placement Interest Cover	1.87	1.05	2.39	Yes
L & G Net Rental Income	1.21	1.05	1.61	Yes
Lloyds and Barclays Net Debt	0.58	≤0.70	0.56	Yes
Lloyds Asset Cover	1.35	1.25	2.18	Yes
Barclays Asset Cover	1.54	1.27	No Debt Drawn	Yes
L & G Asset Cover	1.11	1.10	1.30	Yes
Private Placement Asset Cover	1.38	1.14	1.74	Yes

Strategic Report (continued)

Capacity

The maximum amount of debt that the Group can borrow is limited by the covenants shown above, however there is still a great deal of headroom available in the covenants for the foreseeable future. The other limiting factor on future borrowing is how much spare capacity the Group has to provide security against future borrowing.

The Group's assets are subject to regular revaluations to determine the portfolio value for the purpose of securing existing and new debt. Current valuations are estimated to be £456m against an asset cover requirement on existing facilities of circa £295m, leaving a healthy amount of headroom.

The Business Plan models the utilisation of this uncharged asset base going forwards, as more units are charged to raise debt in support of further development and this new development adds to the asset base. The plan shows that the Group maintains sufficient uncharged assets to support its strategic development objectives, but also to provide further security to existing borrowing should there be any unforeseen deterioration in the asset values.

Regulatory grade

The Regulator of Social Housing (Regulator) has consulted on a number of new standards; the 'Consumer Standards' and these went live from 1 April 2024. These new standards are the Safety and Quality Homes standard, the Transparency, Influence and Accountability standard, The Neighbourhood and Community standard and the Tenancy standard. These will be in addition to the existing Governance, Financial, Rent, and Value for Money standards and will be used by the Regulator to measure all social landlords. The Board and Executive team have sufficient controls and mechanisms in place to ensure we comply with all standards.

Aspire were regraded to a G2/V2 rating in January 2023. Whilst this is still a compliant grading, Aspire have been working through an action plan developed with the Board to ensure that learning can be taken wherever possible to strengthen the control environment. Aspire engaged regularly with the Regulator of Social Housing as it has delivered the action plan. The final elements of the action plan were completed in March 2024, with the agreement of a new Corporate Plan aligned to the updated Business Plan agreed by the Board at the same time.

In addition to the new consumer standards, Tenant Satisfaction Measures (TSMs) have been developed by the Regulator of Social Housing to assess how well social housing landlords are doing at providing good quality homes and services. We will use the feedback that we receive from TSMs to improve our services to customers and share our performance and feedback regularly with our Board.

Operating review

Last year was the final year of our existing Corporate Plan and during 2023 we developed a new Corporate Plan to 2030 which has been co-created with customers, partners, colleagues and our Board and sets an ambitious direction for the next six years.

Our new Core Purpose outlines what we stand for "We put people first by delivering safe, decent homes and excellent housing services through our talented Aspire team", and three new values of:

Strategic Report (continued)

Operating review (continued)

- we champion the customer;
- we build togetherness; and
- we are professional;

The above values are what we believe in as a business.

Our focus on what we need to do is captured in three strategic objectives:

- we will provide safe, decent and affordable homes;
- we will be customer service obsessed;
- we will nurture an environment where colleagues can be their best

Our customers echoed the same view - invest in our homes, deliver a fantastic repairs service, tackle anti-social behaviour, listen to us and show respect.

We are continuing to improve our inclusive approach to engaging with our customers by creating a dialogue together, building trust and establishing a sense of partnership with customers. By building on our strong engagement model and range of engagement opportunities, and through our OASIS (Observing Aspire Services and Improving Standards) customer group, we will enable customers to hold the organisation to account and improve and challenge service delivery.

We undertake regular colleague pulse surveys, with the most recent survey focussing on Wellbeing, and we continue to engage with our new 'Colleague Voice' group. We will build on a culture whereby colleagues feel empowered to raise concerns and to do the right thing and the Equality, Diversity and Inclusion Forum will champion inclusivity continuing to make people who work for Aspire proud.

Future developments, investment and repairs

Next year we will create 24 new homes for people in our communities and plan to build or acquire 488 new homes up to 2029/30 to help in tackling the housing crisis. We are investing £33.9m in development supported by £17.1m of Grant funding and £1.1m of sales income from Shared Ownership sales. We will continue to make significant investment in our stock to ensure that properties meet the Decent Homes Standard (DHS) and we respond to enhanced building safety requirements and future climate change targets. We invested £24m during 2023/24 and have a further £24m to invest in 2024/25 of which £9m will be upgrades to existing homes and to improve our communal areas.

Our focus is on improving our customer outcomes and performance including a continued focus on damp and mould and complaints. We will commence a transformation programme in the coming year to improve our responsive repairs service to ensure consistently high levels of customer satisfaction in response to the feedback from our customers, right-first-time service and value for money.

Risks and uncertainties

Risks that may prevent Aspire Housing and its subsidiaries achieving their objectives are considered and reviewed regularly by the Executive Team, Audit and Risk Committee (ARC) and the Board. The risks are recorded and assessed in terms of their impact and probability. Major risks, as well as management actions and controls, are reported to the ARC and Board quarterly.

Strategic Report (continued)

Risks and uncertainties (continued)

Major Risk	Management actions
Financial challenges which put significant pressure on the Business Plan	The budget and business plan have been reviewed and challenging choices made in relation to the optimum use of resources. The business plan is closely monitored with quarterly reports provided to Board and the future modelling indicates no current risk of breach. Discussions are currently being held with external funders to renegotiate EBITDA related lending covenants, which would release additional capacity to deliver the business plan aims.
Existing stock quality	The business plan is approved based on stock condition data and updated annually. An Asset Management strategy is in place to deliver improvements and the progress against this is monitored quarterly by the Strategic Investment Group. As noted above, the renegotiation of the lending covenants will release additional capacity.
Inflationary and supply chain pressure impacts on ability to deliver service commitments	30 year business plan in place and this reflects current costs to enable service delivery. Procurement activity has recently been brought back in-house to maximise the impact and delivery of this function. Long term contracts are in place for many supply relationships with robust annual contract reviews.
Poor data integrity	Data strategy agreed with Executive Team and delivery underway. Data and Security Oversight Group in place to identify and drive though improvements where needed. All data hosted by Aspire cloud infrastructure which is backed up. Internal audits undertaken by RSM across key compliance workstreams which include data integrity checks.
Data Security - loss of critical data	Security Ops Centre in place to monitor systems 24/7. Fully managed network supplied by ANS using CISCO firewalls. ANS are ISO27001 certified which means that they have appropriate security processes and controls. Monthly patching cycle in place for all servers managed by ANS and all desktop devices managed at Aspire IT. Annual penetration test to check for vulnerabilities in infrastructure and systems. MFA activated and enforced across accounts and network infrastructure.

Strategic Report (continued)

Treasury objectives and strategy

The Group regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured.

It also acknowledges that effective treasury management supports the achievement of Aspire's objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

The Board has set annual targets and approval criteria within which the treasury management function operates, including:

- a limit on exposure to variable interest rates; Aspire's policy is to keep at least 65% of its borrowings at fixed rates of interest. At the year-end 100% of its borrowings were at fixed rates while the facilities available show 83.1% at fixed rates;
- use of derivative instruments only when approved by the Board; £Nil as at 31 March 2024; and
- approved sources of borrowing and investment; all borrowing is from approved sources.

The Group is financed by a combination of retained reserves, long-term loan facilities and project-specific grants to part-fund the acquisition and development of new homes. The Group has the financial capacity to repay its loans in accordance with the repayment profile of its loan facilities.

All financial covenant limits set by lenders during the year have been met.

Corporate governance

We have adopted the NHF 2020 Code of Governance. During the year a social housing consultancy (DTP) were engaged to undertake a review of key governance areas to support the delivery of the G2 to G1 Action Plan. The output of the review was reported to the Nominations and Remuneration Committee in May 2023 and then noted at the Board in June 2023. An action plan was agreed to strengthen performance in a number of areas. Aspire has also adopted the NHF merger code. The Board meets frequently to determine policy and to monitor the performance of the Group and member organisations.

Aspire Housing operates two committees: an Audit and Risk Committee (ARC) and a Nomination and Remunerations Committee. The Board has delegated day to day management to a Group of Executive Directors. The Executive Team is led by the Chief Executive and has responsibility for making decisions in line with strategic issues and other issues with Group-wide implications, overseeing regulation and monitoring financial viability. The Executive Team meets on a regular basis and recommends policy and strategy decisions to the Board.

Strategic Report (continued)

Value for Money (VfM)

Our strategic approach to VfM

Aspire Housing is committed to the achievement of value for money in the delivery of all its services. VfM is embedded within our culture and within our corporate plan, our Governance structure and all of our key strategies, as set out in our VfM vision, to get the most out of our resources and ensure our money is well spent. We define value for money as the achievement of optimal value from the use of our resources as measured through the delivery of successful outcomes.

Our 2024-2030 corporate plan set out our vision of optimising VfM and reducing waste. Our VfM strategy focuses on effectiveness, efficiency and economy by:

- reducing costs, delivering safe and decent homes and excellent housing services ensuring every £1 of rent is well spent;
- ensuring people, processes and technology are smarter, simpler, slicker to achieve optimum return from resources; and
- making sure our investment in new homes, communities and people is well spent and we achieve our objectives.

The objectives of our VfM strategy are to ensure that:

- we provide an excellent customer experience;
- procurement is effective;
- good governance & a strategic approach from the Board, maintaining compliance with the Regulatory standards;
- we continue to embed a VfM Culture;
- we monitor performance with reporting & an improvement plan;
- we make efficient investment to ensure we get the most out of our assets;
- we deliver low cost new social & affordable homes; and
- we drive continuous improvement.

We set clear targets for financial efficiency and service quality, and progress against these targets is reported regularly to the Board. We continue to comply with the regulatory standard.

Asset Management Strategy

The core commitments made through our 2022-25 Asset Management Strategy are to:

- learn from customer feedback in order to improve satisfaction and exceed expectations;
- ensure that our homes are safe and of a high quality standard, meeting or exceeding all regulatory and legislative requirements;
- reduce the environmental impact of our homes to meet the Band C EPC before 2030 and Net Zero targets by 2050;
- manage assets actively, and buy services efficiently, to achieve best value for customers and communities;
- invest in regeneration, through the improvement and renewal of homes and neighbourhoods; and
- plan ahead for the future, using data and technology to inform decision making and improve customer experience.

Strategic Report (continued)

Asset Management Strategy (continued)

And also of particular relevance to the VFM Strategy our Asset Management Efficiency and Value objectives are to:

- Review our repairs and investment delivery model to maximise value from a single team approach across repairs, investment and cyclical;
- Continue to rationalise unsustainable stock, prioritising non-traditional properties, and review our disposal policy;
- Measure asset performance through a combined NPV/Quality model and model in future energy performance to 2050;
- Maintain a 5 year stock condition cycle across all homes and related assets based on need;
- Continue to invest in our in-house delivery model where value is demonstrated and exit services where it is not;
- Review core replacement component specifications against lifecycle costs, sustainability and align with new build;
- Develop a new procurement model across property services to rationalise suppliers with a continued local focus; and
- Maintain an up to date 30 year business plan investment commitment and externally validate stock condition data in 2024/25 (every 5 years).

Land management and strategic disposals

We have continued our strategy of assessing properties for disposal on becoming void in line with criteria approved by Board, with up to 50 disposals per annum. In 2023-24 we sold 21 properties (plus a property previously used as an older persons scheme comprising of 35 units) either at auction or by private treaty, generating gross sales proceeds of £3.1m (2023: £2.8m). The resources generated from these sales will be re-invested in the delivery of new affordable homes.

Stock investment

We continue to maintain a 30-year stock investment plan and rolling stock condition survey aligned with the business plan, with regular reviews of priorities and re-alignment of funding to meet the needs of the asset base and of our customers. We periodically commission an independent validation of the accuracy of our stock condition data (most recently in 2024/25) which provides assurance that our investment plans have a firm evidential base and that our resources can be targeted effectively.

Growth strategy and new homes provision

The Corporate Plan approved by the Board in 2024 set out an ambition to deliver 488 new homes by 2030. Completions over the past year and scheme under construction, committed and planned demonstrate that the Group is on track to achieve its plans.

Value for Money (VfM) metrics and targets

We report and compare our performance against the value for money metrics using the latest Global Accounts published by the RSH, which has reported sector performance outturns for 2022/23. This is a comprehensive data set for comparison purposes, and we have compared ourselves against other RPs using median and 1st quartiles. The table below shows our performance and our quartile position in relation to the median results of register providers nationally. We have used the word Upper to describe positive performance and conversely Lower to describe below the peer group average.

Strategic Report (continued)

Value for Money (VfM) metrics and targets (continued)

Table 1:

Regulator of Social Housing metrics	**Aspire Housing**		**Global Accounts 2022-23**	
	2022-23 Actual	**2023-24 Actual**	**Sector Median**	**Aspire Quartile position**
Re-investment %	11.2%	9.4%	6.6%	Upper
New Supply - social housing %	1.8%	1.7%	1.3%	Upper Median
Gearing	70.1%	70.7%	45.5%	Lower
EBITDA-MRI interest cover	57.8%	132.6%	124.4%	Upper
Headline social housing cost per unit	£4,068	£4,198	£4,568	Upper
Operating margin (social housing units)	16.7%	14.0%	19.9%	Lower Median
Operating margin (overall)	9.3%	15.7%	18.8%	Lower
Return on capital employed (ROCE)	2.5%	3.1%	2.8%	Upper Median

- Re-Investment % - looks at the scale of investment in our existing and new homes as a percentage of their value. Aspire continues to invest a significant proportion of its capacity in the building of new homes and investing in its existing stock. We have maintained upper quartile performance with 9.4% re-investment for the year which is at the 1st quartile results for 2022/23.

- New Supply % – expresses the number of new social homes delivered in 2023/24 as a proportion of all homes owned at 31 March 2024. Our development programme seeks to maximise the financial capacity that we have. We delivered upper median quartile performance compared to the sector with performance 0.5% above the median. Whilst we achieved more than the planned development in the year. We build 100% social housing units.

- Gearing – shows the proportion of net borrowing in relation to the value of the asset base and indicates the degree of dependence on debt finance. Aspire was created following the large-scale transfer of stock from Newcastle-under-Lyme Borough Council. As a Large Scale Voluntary Transfer (LSVT) the gearing levels required to finance the transfer means that our comparative performance to many traditional associations is unfavourable. Our plans seek to maximise our gearing capacity to deliver as much affordable housing as we can. We are 15.1% below the lower quartile.

Strategic Report (continued)

Value for Money (VfM) metrics and targets (continued)

- EBITDA-MRI Interest Cover – 'Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %' measures our level of cash surplus generated as a percentage of interest paid. We have lender covenants ranging between 105% - 110% and to a golden rule to maintain 15% headroom above the covenant. As we continue to maximise our borrowing to build more homes, our performance will inevitably reduce. Performance in the prior year was the result of a number of large areas of spend around fire risk and impairment in investments which were excluded from our covenants. In 2023-24 our comparison to the sector rose to above median as we returned to spend levels that met our golden rule requirements.

- Headline social housing cost per unit - combines several cost elements to provide our overall social housing cost per unit. Our overall headline social housing cost per unit increased from £4,068 in 2022-23 to £4,198 in 2023-24. The median based on 2022-23 data is £4,568 our performance for the current and comparison year is lower than this. The increase over the year represents 2.8% which when compared to inflationary factors in the year would show a reduction. We are continuing to invest in our homes to ensure that we are compliant with the decent homes standard and are moving towards net zero.

- Operating Margin (social housing units) – shows the profitability of our social assets and is an indicator of our operating efficiency of our social rented units. The increased costs for repairs and has resulted in operating margin of 14.0% which was lower than the sector median of 19.9%.

- Operating Margin – Shows the profitability of our assets and is an indicator of our operating efficiency. The increased costs for repairs has resulted in operating margin of 15.7% which was lower than the sector median of 18.8%. However, sales of housing properties included in operating margin improve the overall margin.

- Return on Capital Employed – Shows how well we are using our capital and debt to generate a financial return. Performance in 2023-24 is 3.1% and, compared to the benchmark, means we are in the upper median performers due to continued investment in services over the past 12 months.

We also participate in a benchmarking exercise and these additional metrics are set out in table 2. Targets for 2024-25 are based on the business plan unless stated otherwise.

Strategic Report (continued)

Value for Money (VfM) metrics and targets (continued)

Table 2: Other Benchmarked metrics	Aspire Housing			HouseMark 2022-23	
	2022-23 Actual	**2023-24 Actual**	**2024-25 Target**	**Median**	**1st Quartile**
New supply delivered – units	167	**165**	24	99	Upper Median
Overall satisfaction with service provided	81.9%	**78.5%**	79.2%*	80.0%	Lower Median
Occupancy at 31st March	98.6%	**99.2%**	99.1%*	99.5%	Lower
Ratio of responsive to planned repairs	57.7%	**116.6%**	81.5%	63.0%	Lower median
Rent collected as % of rent due	98.3%	**98.3%**	97.6%*	96.5%	Upper
Overheads as % of adjusted turnover	13.7%	**13.6%**	13.6%	13.8%	Upper median

** Aspire Housing VfM target based on upper quartile performance*

- New supply delivered – Performance in 2023-24 was 165 homes delivered, this was 45 above our target. Our new Corporate Plan has established a target to deliver a further 488 new homes by 2030.

- Overall satisfaction – Our overall satisfaction rates are just below the median. We know that a number of our customers are less satisfied with certain aspects of our service and our new Corporate Plan seeks to address this.

- Occupancy – Our performance in this area rose this year to 99.2% due to addressing number of challenges such as the condition of returned properties, staffing resources to tackle the repairs required and let them which affected our performance in 2022-23.

Strategic Report (continued)

Value for Money (VfM) metrics and targets (continued)

- Ratio of responsive to planned – For 2023-24 our performance was impacted by an increase in responsive costs is mainly driven by tackling the increase in damp and mold, repairs backlogs, reducing waiting and catching up on voids to achieve the rent loss budget. This has been offset by a reduction in the improvement budget to relieve the budgetary pressures. The budget and business plan expect that the pressure will continue into 2024/25 with plans in place to bring the ratio down to the sector level.

- Rent collected as a % of rent due – Our performance in this area at 98.3% is consistent with the prior year and pleasing given the difficulties in the past year and is above the median.

- Overheads as a % of adjusted turnover – For 2023-24 has remained at a similar level of 13.6%. We are lower than the median but working through transformation programmes to improve the metric through our corporate plan.

Aspire Housing has also established a set of VfM targets, linked to broader strategic objectives, which have been agreed with the Board, and performance against these targets is monitored and reported to the Board on a regular basis. The chosen metrics are drawn from the RSH and Sector Scorecard metrics, as indicated in the tables below, with the addition of several additional Aspire Housing specific metrics set out in table 3.

Table 3: **Additional Aspire Housing metrics**	**Aspire Housing**		
	2022-23 Actual	**2023-24 Actual**	**2024-25 Target**
EBITDA operating margin	35.4%	**36.1%**	36.8%
Void rent loss	1.8%	**0.9%**	0.9%
Current arrears	2.0%	**2.51%**	2.0%
Satisfaction with VfM of services provided	92.7%	**81.2%**	83.0%
Subsidy generated from asset sales	£2.81m	**£2.81m**	£2.25m
Procurement and Efficiency Savings	Not measured	**£400k**	£105k

Table 3 shows performance against Aspire additional metrics. Performance has been good across many of our additional metrics. Although we have seen a lower performance in arrears, as a result of pressures on collection at year end and Satisfaction with VfM of Rent as a result of the 7% increase applied for 2023/24. Our VfM strategy includes a renewed drive towards procurement and efficiency savings. For 2024-25 a modest target has been set as we work towards delivering our strategy.

Strategic Report (continued)

Strategic report

The Strategic report including the Operating and Financial Review was approved by the Board on 23 July 2024 and signed on its behalf by:

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Aman Dalvi
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Aman Dalvi
Chair of the Board, Aspire Housing
Kingsley, The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW

On 30 July 2024

Report of the Board

The Board presents the Aspire Housing Limited Annual Report (the 'Annual Report') and the audited financial statements for the year ended 31 March 2024.

Principal activities

The principal activities of Aspire Housing and its subsidiaries are:

- Housing for rent primarily for families who are unable to rent or buy at open market values and sheltered schemes for the elderly; as well as managing over 9,000 properties, Aspire also develops new affordable housing.
- The development of properties for affordable rented housing and low-cost home ownership.

Board Members and Executive Directors

Board members and executive directors of Aspire Housing who served during the year and up to the date of approval of these financial statements are set out on page 3.

The Chief Executive, Sinéad Butters, is an executive director of Aspire Housing. Sinéad Butters holds no interest in the association and acts as Chief Executive within the authority delegated by the Board.

Insurance policies indemnify Board members and officers against liability when acting for Aspire Housing and its subsidiaries.

The directors are remunerated for their service, with annual reviews made of the remuneration levels to ensure that they remain appropriate.

The Board normally meets four or five times per annum and would usually have one or two away days each year.

Non-executive directors are appointed for three-year terms, although retiring directors are permitted to serve one further term on the Board. The standard period of service is six years, with annual extensions permissible to a maximum of nine years subject to Nomination and Remuneration Committee approval. The performance of Non-Executive Directors is appraised by the Chair (and in the case of the Chair, by the Vice-Chair) on an annual basis.

Executive directors' remuneration

The remuneration of the executive directors is reviewed by the Nominations and Remuneration Committee, who make recommendations to be considered and determined by the Board. In line with the requirements of the NHF Code of Governance 2020, both the remuneration and the formal contract of employment are reviewed by the Board on a minimum of a triennial basis.

Service contracts

The executive directors are employed on the same terms as other employees and their notice period is six months.

Report of the Board (continued)

Pensions

The executive directors are able to participate in the Social Housing Pension Schemes on the same terms as all other eligible staff and the Aspire Housing contributes to the schemes on behalf of its employees. Non-executive directors are not eligible to participate in any pension scheme.

Other benefits

Full details of executive remuneration are set out in note 11 to the financial statements.

Statement of compliance

The Board report and financial statements have been prepared in accordance with applicable reporting standards and legislation.

A programme of internal checks has been undertaken during the year to ensure that Aspire Housing complies with the requirements of the Regulator of Social Housing's Governance and Financial Viability Standard. The Standard was updated in 2015 and, in relation to governance, providers are expected to:

- adhere to all relevant law;
- comply with their governing documents and all regulatory requirements;
- be accountable to tenants, the regulator and relevant stakeholders;
- safeguard taxpayers' interests and the reputation of the sector;
- have an effective risk management and internal controls assurance framework; and
- protect social housing assets.

Based on the checks undertaken the Board are confident that the above statements are met.

The standard also sets out the requirement to develop and maintain an effective assets and liabilities register. A steering Group consisting of senior managers within the business meets on a six-monthly basis to review the on-going maintenance and development of the register. A high level view of the current position with regards to key assets and liabilities across the organisation is presented to the Aspire Housing Board on a quarterly basis by way of further assurance.

In relation to financial viability, providers are expected to manage their resources effectively to ensure their viability is maintained whilst also ensuring that social housing assets are not put at undue risk. Appropriate steps are taken to ensure that they are not placed at risk via non-social housing activities.

Senior Managers within the organisation are asked to make a declaration at the end of each financial year to confirm that their operational areas have been managed with regards to the relevant standards and legislation. These statements then cascade upwards to underpin the Board statement on internal control. No significant areas of concern were raised through this process during the year.

Report of the Board (continued)

Employees

Aspire Housing is committed to ensuring that an effective framework for colleague consultation is in place, and that information on matters that concern them is effectively communicated to all colleagues and regular colleague briefings are held. The organisation recognises trade unions and meetings are held to discuss relevant matters.

Aspire is committed to Equality, Diversity and Inclusion and full and fair consideration is given to applications for employment made by all people, having regard to their particular aptitudes and abilities.

An Equality, Diversity and Inclusion Forum has been established with colleagues from across the business and meets quarterly.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety. Aspire has prepared detailed health and safety policies and provides training both to colleagues and to the Board on health and safety matters. A Safety Strategy Group, chaired by the Head of Safety and Compliance, meets regularly. An independent audit of Aspire's health and safety management system has been carried out by an ISO accredited auditor. Aspire plan to be certified to ISO 45001 standards by September 2024.

Donations

Aspire Housing made charitable donations totalling £Nil in the year (2023: Nil).

Disclosure of information to auditor

So far as each of the directors of the Group is aware, at the time this report is approved:

- there is no relevant information which the Group auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Statement of Board's responsibilities in respect of the report of the Board and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the association and of the income and expenditure of the Group and association for that period.

Report of the Board (continued)

Statement of Board's responsibilities in respect of the report of the Board and the financial statements (continued)

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and assess the Group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its 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. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website.

Board statement on internal control

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

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

In meeting its responsibilities, the Board has adopted a risk based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the organisation is exposed.

The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by Aspire Housing, which has been in place throughout the financial year and to the date of the approval of the report and financial statements. The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes:

Report of the Board (continued)

Board statement on internal control (continued)

- **Identification and evaluation of key risks**
  Responsibility has been clearly defined for the identification, evaluation and management of significant risks. There is a formal and on-going process of review in each area of Aspire Housing's activities. The Executive Team is responsible for monitoring corporate risk management, other corporate maps, project risk maps and operational maps. The Audit and Risk Committee (ARC) regularly reviews the application of the controls on the strategic risk map. The Board reviews the strategic risk map in its entirety, with a focus on ensuring that the risks listed are appropriate and the key ones which could prevent the successful delivery of the corporate plans. The Board also defines the risk appetite for the organisation.
- **Monitoring and corrective action**
  A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. The risk management framework, through the reporting of risk crystallisations, facilitates the reporting of internal control failures and ensures that corrective action is taken.
- **Control environment and control procedures**
  The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection. These are regularly reviewed and revised as appropriate.
- **Strategy and policy with regard to fraud**
  The prevention of fraud is managed through the Anti-Fraud, Bribery and Corruption Policy. Colleagues receive periodic training and specific alerts where a risk becomes heightened in any given moment. Following an advisory audit undertaken in 2022 the Governance Team monitored to completion (with updates provided to ARC) the delivery of a programme of actions. This work will be refreshed in 2024.
- **Information and financial reporting systems**
  The Board regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes. Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years, these are also reviewed and approved by the Board.
- **Independent review**
  The internal control framework and the risk management process are subject to regular review by the independent internal auditor. This provides independent assurance to the Board via the ARC. The ARC considers internal control at each of its meetings during the year.

Aspire were regraded to a G2/V2 rating in January 2023. Whilst this is still a compliant grading, we are working through our action plan developed with the Board and we are continuing to learn from the factors that led to the regrade. The Board will continue to work closely with the Regulator of Social Housing to deliver the action plan and ensure that our control and risk framework is as robust as possible to successfully deliver our corporate aims.

Report of the Board (continued)

Board statement on internal control (continued)

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the ARC to regularly review the effectiveness of the system of internal control. The ARC has received the Chief Executive's annual review of the effectiveness of the system of internal control for Aspire Housing, and the annual report of the internal auditor, and has reported its findings to the Board.

The Board are satisfied that there is sufficient evidence to confirm that adequate systems of internal controls existed and operated throughout the year and that those systems were aligned to an ongoing process for the management of the significant risks facing the organisation.

Going concern

When approving the financial statements, the Board is required to make an assessment of the organisation's ability to continue as a going concern. In doing this the Board needs to consider all available information about the future, which is at least, but not limited to, twelve months from the date when the financial statements are approved and signed.

The Group's business activities, together with the factors that are likely to affect its future position, performance and development, are set out within the Strategic Report. The Group has in place long-term debt facilities with £50 million of undrawn facilities and a cash balance of £28.5m on 31st March 2024. Which provide adequate resources to finance committed reinvestment and development programmes, along with the association's day to day operations. In 2021/22 we went to the market to refinance existing loans and raised additional finance with a private placement of £145m; this was achieved successfully at competitive rates. We used this to pay off more expensive fixed debt and variable debt. Savings will be made on interest paid over time. This private placement will also help finance our increased development activity. This will enable us to continue with our ambitions to not only reinvest in our existing homes but also to develop further new homes. We completed a draw down of the final £40m of the private placement debt in July 2023. The Group also has a long-term financial plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. The Business Plan is regularly tested against shocks and stresses that may negatively affect operating performance and a mitigation strategy exists to deal with such stresses should they materialise. Whilst uncertainty exists in the market such as high inflation, high costs and political uncertainty that would cast doubt on the Group and association's ability to continue as a going concern. Directors monitor such events closely and are satisfied that these uncertainties do not cast doubt onto future budgets and business plans.

On this basis, the Board has a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the annual report and financial statements are signed. There is a cash balance of £28.5m at the year end, undrawn and available facilities of £50m and a budget and financial business plan showing a Group generating surpluses into the future and compliance with loan covenants. For this reason, it continues to adopt the going concern basis in the financial statements.

Independent external auditors

A resolution to reappoint the Group's external auditor will be proposed at July 2024 meeting of the Aspire Housing Board. BDO LLP have indicated their willingness to continue in office should a resolution concerning their reappointment be agreed at the Board.

Report of the Board (continued)

The report of the Board, including the financial statements was approved by Board on 23 July 2024 and signed on its behalf by:

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Aman Dalvi
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Aman Dalvi
Chair of the Board, Aspire Housing
Kingsley, The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW

On 30 July 2024

Independent Auditor's Report to the Members of Aspire Housing Limited

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of Aspire Housing Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the Group and Association statement of comprehensive income, the Group and Association statement of financial position, the Group and Association statement of changes in reserves, the Group statement of cashflows 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 Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group's and of the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's Report to the Members Of Aspire Housing 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 Group and the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members Of Aspire Housing Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

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

We considered the significant laws and regulations to be the Accounting Direction for Private Registered Providers of Social Housing.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the 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 financial statement disclosures and agreeing to supporting documentation; 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.

Independent Auditor's Report to the Members Of Aspire Housing 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 (continued)

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;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition of non-rental income around year end.

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;
- Assessing significant estimates made by management for bias; and
- Completing substantive procedures depending on revenue stream to ensure revenue has been included within the appropriate accounting period.

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. This description forms part of our auditor's report.

Independent Auditor's Report to the Members Of Aspire Housing Limited (continued)

Use of our report

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

DocuSigned by:
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BDO LLP, Statutory Auditor
3 Hardman Street
Manchester
United Kingdom
Date 30 July 2024

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

Consolidated Statement of Comprehensive Income

For the year ended 31st March 2024

		2024			2023		
		Continued	**Discontinued**	**Total**	Continued	Discontinued	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Turnover	4	**53,075**	**-**	**53,075**	48,010	1,726	49,736
Cost of sales	4	**(2,371)**	**-**	**(2,371)**	(2,199)	-	(2,199)
Operating expenditure	4	**(42,389)**	**-**	**(42,389)**	(38,219)	(3,866)	(42,085)
Surplus on disposal of housing properties	7	**2,182**	**-**	**2,182**	2,836	-	2,836
Operating surplus	8	**10,497**	**-**	**10,497**	10,428	(2,140)	8,288
(Deficit)/surplus on disposal of other fixed assets	9	**(107)**	**-**	**(107)**	44	33	77
Interest receivable and similar income	13	**1,194**	**-**	**1,194**	476	-	476
Interest payable and similar charges	14	**(8,753)**	**-**	**(8,753)**	(8,454)	-	(8,454)
Surplus/(deficit) before taxation		**2,831**	**-**	**2,831**	2,494	(2,107)	387
Taxation on surplus/(deficit)	15	**(57)**	**-**	**(57)**	-	(48)	(48)
Surplus/(deficit) for the financial year		**2,774**	**-**	**2,774**	2,494	(2,155)	339
Actuarial losses on defined benefit pension scheme	29	**-**	**-**	**(200)**	-	-	(231)
Total comprehensive income for year				**2,574**			108

Historical cost surpluses and deficits are the same as those shown in the statement of comprehensive income.

The financial statements were approved and authorised for issue by the Board on 23 July 2024 and signed on its behalf on 30 July 2024 by:

DocuSigned by:	Signed by:	DocuSigned by:
Aman Dalvi	Sinéad Butters	
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Aman Dalvi	Sinéad Butters	Paul Medford
Chair	**Chief Executive**	**Secretary**

The notes on page 40 to 75 form part of these financial statements.

Association Statement of Comprehensive Income

For the year ended 31st March 2024

	Note	2024 £'000	2023 £'000
Turnover	4	**53,087**	48,023
Cost of sales	4	**(2,371)**	(2,199)
Operating expenditure	4	**(42,376)**	(41,373)
Surplus on disposal of housing properties	7	**2,182**	2,836
Operating surplus	8	**10,522**	7,287
(Deficit)/surplus on disposal of other fixed assets	9	**(107)**	44
Interest receivable and similar income	13	**1,194**	1,034
Interest payable and similar charges	14	**(8,753)**	(8,454)
Surplus/(Deficit) before taxation		**2,856**	(89)
Taxation	15	**(51)**	-
Surplus/(Deficit) for the financial year		**2,805**	(89)
Actuarial losses on defined benefit pension scheme	29	**(200)**	(231)
Total comprehensive income/(loss) for year		**2,605**	(320)

Historical cost surpluses and deficits are the same as those shown in the statement of comprehensive income. All the results are from continuing activities.

The financial statements were approved and authorised for issue by the Board on 23 July 2024 and signed on its behalf on 30 July 2024 by:

DocuSigned by:
Aman Dalvi
E5A4DD7F69AE479...

Aman Dalvi
Chair

Signed by:
Sinéad Butters
D0C76DA43BEE45D...

Sinéad Butters
Chief Executive

DocuSigned by:
EC866982C7CA449...

Paul Medford
Secretary

The notes on page 40 to 75 form part of these financial statements.

Consolidated Statement of Financial Position

For the year ended 31st March 2024

	Note	2024 £'000	2023 (Restated) £'000
Fixed assets			
Intangible fixed assets	16	-	-
Tangible fixed assets – housing properties	17	305,589	289,004
Tangible fixed assets - other	18	4,351	4,846
		309,940	293,850
Current assets			
Properties for sale	20	1,626	2,265
Stock	21	1,289	2,986
Debtors – receivable within one year	22	5,029	3,397
Cash and cash equivalents		28,513	440
		36,457	9,088
Creditors: amounts falling due within one year	23	(9,791)	(10,589)
Net current assets/(liabilities)		26,666	(1,501)
Total assets less current liabilities		336,606	292,349
Creditors: amounts falling due after one year	24	(290,291)	(248,661)
Pension provision	29	(754)	(701)
Total net assets		45,561	42,987
Capital and reserves			
Called up share capital	31	-	-
Income and expenditure reserve		45,561	42,987
		45,561	42,987

The financial statements were approved and authorised for issue by the Board on 23 July 2024 and signed on its behalf on 30 July 2024 by:

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Aman Dalvi	Sinéad Butters	Paul Medford
Chair	**Chief Executive**	**Secretary**

The notes on page 40 to 75 form part of these financial statements.

Association Statement of Financial Position

For the year ended 31st March 2024

	Note	2024 £'000	2023 (Restated) £'000
Fixed assets			
Tangible fixed assets – housing properties	17	**306,219**	289,445
Tangible fixed assets - other	18	**4,351**	4,846
Fixed asset investments	19	**250**	250
		310,820	294,541
Current assets			
Properties for sale	20	**1,626**	2,265
Stock	21	**1,289**	2,986
Debtors – receivable within one year	22	**4,356**	3,424
Cash and cash equivalents		**28,469**	191
		35,740	8,866
Creditors: amounts falling due within one year	23	**(9,844)**	(11,117)
Net current assets/(liabilities)		**25,896**	(2,251)
Total assets less current liabilities		**336,716**	292,290
Creditors: amounts falling due after one year	24	**(290,291)**	(248,523)
Pension provision	29	**(754)**	(701)
Total net assets		**45,671**	43,066
Capital and reserves			
Called up share capital	31	**-**	-
Income and expenditure reserve		**45,671**	43,066
		45,671	43,066

The financial statements were approved and authorised for issue by the Board on 23 July 2024 and signed on its behalf on 30 July 2024 by:

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Aman Dalvi	Sinéad Butters	Paul Medford
Chair	**Chief Executive**	**Secretary**

The notes on page 40 to 75 form part of these financial statements.

Statement of Changes in Reserves

For the year ended 31st March 2024

	Note	Group £'000	Association £'000
Restated Balance at 31st March 2022	37	42,879	43,386
Surplus/(deficit) for the year		339	(89)
Actuarial losses on defined benefit pension scheme	29	(231)	(231)
Total comprehensive income/(loss) for the year		108	(320)
Restated Balance at 31st March 2023		42,987	43,066
Surplus for the year		**2,774**	**2,805**
Actuarial losses on defined benefit pension scheme	29	**(200)**	**(200)**
Total comprehensive income for the year		**2,574**	**2,605**
Balance at 31st March 2024		**45,561**	**45,671**

The notes on page 40 to 75 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31st March 2024

	2024	2023
Cash flows from operating activities	**£'000**	£'000
Surplus/(deficit) for the financial year	**2,774**	339
Adjustments for:		
Depreciation of fixed assets – housing properties	**8,465**	8,095
Depreciation of fixed assets – other	**741**	949
Other finance costs	**30**	15
Amortisation of intangible assets	**-**	-
Amortised grant	**(901)**	(706)
Interest payable and financing costs	**8,566**	8,290
Interest receivable	**(1,039)**	(327)
Taxation expense	**-**	48
Pension costs less contributions payable	**(177)**	(167)
Surplus on sale of fixed assets – housing properties	**(2,182)**	(2,836)
(Deficit)/surplus on sale of fixed assets - other	**107**	(77)
Increase/(decrease) in properties for outright sale	**638**	(927)
(Increase)/decrease in stock	**(65)**	9
(Increase)/decrease in debtors	**(1,544)**	540
Decrease in creditors	**(1,290)**	(1,197)
Taxation	**57**	-
Net cash generated from operating activities	**14,180**	12,048
Cash flows from investing activities		
Proceeds from sale of fixed assets – housing properties	**3,668**	3,477
Proceeds from sale of fixed assets - other	**1,562**	174
Purchase of fixed assets – housing properties	**(20,098)**	(21,839)
Improvements to housing properties	**(6,170)**	(8,801)
Purchase of fixed assets - other	**(705)**	(717)
Receipt of grant	**2,968**	4,480
Interest received	**1,038**	327
Net cash used in investing activities	**(17,737)**	(22,899)
Cash flows from financing activities		
Interest paid	**(8,370)**	(8,157)
Loans repaid	**-**	(58,285)
New loans – bank	**40,000**	29,373
Net cash generated/ (used in) from financing activities	**31,630**	(37,069)
Net increase/(decrease) in cash and cash equivalents	**28,073**	(47,920)
Cash and cash equivalents at beginning of year	**440**	48,360
Cash and cash equivalents at end of year	**28,513**	440

The notes on page 40 to 75 form part of these financial statements.

Notes forming part of the financial statements

1. Legal Status

The association is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 (registration number 31218R) and is registered with the Regulator of Social Housing as a social housing provider (registration number L4238). The association is a public benefit entity.

2. Accounting Policies

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Aspire Housing Limited includes the Cooperative and Community Benefit Societies Act 2014 (and related Group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland," the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 "Accounting by registered social housing providers" and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historical cost basis. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Disclosure exemptions

In preparing the separate financial statements of the parent association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent association would be identical;
- no cash flow statement has been presented for the parent association;
- disclosures in respect of the parent association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Aspire Housing Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

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

2. Accounting Policies (continued)

Going concern

When approving the financial statements, the Board is required to make an assessment of the organisation's ability to continue as a going concern. In doing this the Board needs to consider all available information about the future, which is at least, but not limited to, twelve months from the date when the financial statements are approved and signed.

The Group's business activities, together with the factors that are likely to affect its future position, performance and development, are set out within the Strategic Report. The Group has in place long-term debt facilities with £50 million of undrawn facilities and a cash balance of £28.5m on 31st March 2024. Which provide adequate resources to finance committed reinvestment and development programmes, along with the association's day to day operations. In 2021/22 we went to the market to refinance existing loans and raised additional finance with a private placement of £145m; this was achieved successfully at competitive rates. We used this to pay off more expensive fixed debt and variable debt. Savings will be made on interest paid over time. This private placement will also help finance our increased development activity. This will enable us to continue with our ambitions to not only reinvest in our existing homes but also to develop further new homes. We completed a draw down of the final £40m of the private placement debt in July. The Group also has a long-term financial plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. The Business Plan is regularly tested against shocks and stresses that may negatively affect operating performance and a mitigation strategy exists to deal with such stresses should they materialise. Whilst uncertainty exists in the market such as rising inflation, high costs and political uncertainty that would cast doubt on the Group and association's ability to continue as a going concern. Directors monitor such events closely and are satisfied that these uncertainties do not cast doubt onto future budgets and business plans.

On this basis, the Board has a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the annual report and financial statements are signed. There is a cash balance of £28.5m at the year end, undrawn and available facilities of £50m and a budget and financial business plan showing a Group generating surpluses into the future and compliance with loan covenants. For this reason, it continues to adopt the going concern basis in the financial statements.

Turnover and revenue recognition

Turnover comprises rent and service charge income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale, other services included at the invoiced value (excluding VAT) of goods and services supplied in the year, revenue grants receivable in the year, donations and fund-raising activities.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Service charge income is recognised when expenditure is incurred. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

2. Accounting Policies (continued)

Turnover and revenue recognition (continued)

Revenue is recognised at the point the Group has fulfilled its obligations in accordance with contractual terms. Any clawback of contract income in respect of the period is deducted from income and is recognised as a liability. Donations and fund-raising income are recognised at the point that invoices are raised whilst other income is recognised at the point of receipt.

The total turnover of the Group for the year has been derived from its principal activities wholly undertaken in the UK.

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The charge for taxation is based on surpluses arising on certain activities which are liable to tax.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at that date resulting in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Loan finance issue costs

Loan finance costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

2. Accounting Policies (continued)

Pensions

The Group participates in a defined benefit pension scheme, the Social Housing Pension Scheme (SHPS). which provide benefits based on career average pensionable pay. The assets of both schemes are invested and managed independently of the Group. The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's Statement of Financial Position sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

A decision was made to close SHPS to future accrual effective from 30 April 2021. This decision was made by the Board following consultation with members. See note 29 for further details.

The Group also operates a defined contribution plan for all new employees under which the Group pays fixed contributions into the SHPS auto enrolment scheme and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

Holiday pay accrual

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

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to terminate employment.

Housing properties

Housing properties, principally properties held for rent and held for social benefit, constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment (where applicable). The cost of housing land and property includes the cost of acquiring land and buildings, development costs, directly attributable administration costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Property, Plant and Equipment and held at cost less any impairment and are transferred to completed properties when ready for letting. Completed housing properties acquired from subsidiaries are valued at cost plus any uplift at the date of acquisition.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets in the Statement of Comprehensive Income.

2. Accounting Policies (continued)

Shared ownership properties and staircasing

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

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

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

The Group has an asset management strategy which includes disposal of housing properties, land and other housing related assets where it is economically or strategically advantageous to do so. The net proceeds of sale are used for the re-provision of social housing properties or reinvestment in making existing stock fit for long term future use.

Depreciation of housing properties

Housing land and property is split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives. Land is not depreciated on account of its indefinite useful economic life. Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

Description	Economic useful life (years)
Structure	60
Aerials	20
Showers	30
Central heating	30
Boilers	12 to 15
Energy efficiency	30
Roofs	50
Kitchens	20
Sound insulation	30
Bathrooms	30
Rewires	30
Windows and doors	40
Lifts	30

2. Accounting Policies (continued)

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last reporting date in the pattern by which the Group expects to consume an asset's future economic benefit.

Other properties

Commercial premises, shops and garages are classified as held for social benefit and are accounted for on this basis for reporting purposes.

Other tangible fixed assets

Other tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of other tangible fixed assets

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)
Freehold buildings	30
Shops	40
Garages	30
Furniture, fixtures and fittings	7
Plant and equipment	7
Computers and office equipment	3
Homeworking equipment	5
Second Hand Plant and equipment	1-6
Second Hand Computers and office equipment	1
Second Hand Vehicles	2

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

2. Accounting Policies (continued)

Government grants

Social housing grant, from Homes England, received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

Where social housing grant funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Other grants

Grants received in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate. Capital grants are held as a deferred asset (income) on the Statement of Financial Position and amortised to the Statement of Comprehensive Income over the life of the property to which it relates.

Recycled Capital Grant Fund

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

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of fixed assets and goodwill

The housing property portfolio for the Group is assessed for indicators of impairment at each Statement of Financial Position date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

2. Accounting Policies (continued)

Impairment of fixed assets and goodwill (continued)

The Group defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value, an impairment is recognised in the Statement of Comprehensive Income immediately.

Stock

Stock represents work in progress and completed properties, properties developed/held for outright sale and shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs. On disposal, sales proceeds are included in turnover and the costs of sales, including costs incurred in the development of the properties, marketing and other incidental costs are included in operating expenses. An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the Statement of Comprehensive Income.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the income statement in other operating expenses.

The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents in the Group's Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less. The Group has also identified some investments, which meet the definition of cash and cash equivalents but are restricted in their use; these investments have been classified as restricted cash equivalents.

2. Accounting Policies (continued)

Leased assets

All leases are treated as operating leases. Rentals receivable or payable under the agreements are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Ring-fenced funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and from other housing schemes under agreements where the income and expenditure is ring-fenced to the scheme itself and may be repayable are included in creditors. Interest is applied to balances as required by any agreement.

Reserves

Where income received, and expenditure incurred, is for restricted purposes, these will be separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds will also be allocated to the fund.

3. Significant Judgements and Estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Housing properties

In determining the intended use, the Group has considered if assets are held for social benefit or to earn commercial rentals. The Group has determined that all housing properties are held for social benefit. The useful depreciable lives of each component of social benefit housing properties are reviewed at each reporting date and compared to actual performance to ensure the assumed lives remain appropriate. A review each year seeks to ensure that the useful economic lives, remaining term and component splits are applied consistently.

Other tangible fixed assets

Other tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The estimates of useful life for the different component types and assets are detailed above. They are estimated on sector averages and the opinion of experienced asset practitioners. A review each year seeks to ensure that the useful economic lives and remaining terms are applied consistently.

Impairment

Reviews for impairment of housing properties are carried out when an indication of impairment exists. Indications for a review of impairment are examples of the following:

- changes in the market, economic or legal, including regulatory, environment in which the Group operates - for example the 2015 rent policy which resulted in a material impact on the net income collected in the future for housing properties; and
- changes in the rate of return from housing properties (demand and asset management reviews including the additional fire safety investment expenditure following the Grenfell Disaster) or a material reduction in market values.

3. Significant Judgements and Estimates (continued)

Impairment (continued)

Any impairment review is conducted at the scheme level i.e. the cash generating unit. The judgement this year is that there have been no triggers to impairment. This judgement is based on a re-let repairs contract at lower cost, improved procurement leading to lower component replacement costs, improved rental income outlook based on recent government statements, and no deterioration in underlying void and arrears performance. Economic risks are not expected to have a long-term effect on carrying values. The implications of the current economic conditions have been considered and whilst there is likely to be a short-term impact on some of the financial metrics these are not considered to be triggers for impairment.

Basic financial instruments

The assessment of certain loans and interest rate fixes as basic financial instruments requires judgement. Such instruments have been reviewed in detail and have been assessed as basic because key clauses indicate that funders will not suffer a loss on breakage. In addition, such instruments are only entered into by the Group in order to give budgetary and cash flow certainty; they are not entered into for trading purposes.

Bad debt

A bad debt provision is held in the accounts to counter the risk of failure to recover current and former tenants rent and service charge arrears and trade debtors. A judgement is made whether it is likely that a debt will be recovered, despite actions by the income management and finance teams. Therefore, based on previous practice and knowledge of debt recovery a provision is estimated.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries and accepts the estimations they use are reasonable. The key assumptions are as follows:

Assumptions	SHPS
Inflation (CPI)	4.9%
Rate of discount on the scheme	3.1%
Rate of salary increase	2.8%
Rate of increase in pensions	2.8%
Life expectancy male non-pensioner	21.8 years
Life expectancy female non-pensioner	23.4 years
Life expectancy male pensioner	20.5 years
Life expectancy female pensioner	23.0 years

Full details are disclosed in the pensions costs note 29.

4. Turnover, Cost of Sales, Operating Expenditure and Operating Surplus – Group

	2024			
	Turnover	**Cost of sales**	**Operating expenditure**	**Operating surplus**
	£'000	**£'000**	**£'000**	**£'000**
Social housing lettings	**47,736**	**-**	**(41,042)**	**6,694**
Other social housing activities				
First tranche low-cost home ownership sales	**2,654**	**(2,371)**	**-**	**283**
Other	**1,742**	**-**	**(789)**	**953**
Total social housing activities	**52,132**	**(2,371)**	**(41,831)**	**7,930**
Non-social housing activities				
Lettings	**943**	**-**	**(558)**	**385**
Total non-social housing	**943**	**-**	**(558)**	**385**
Surplus on disposal of housing properties	**-**	**-**	**-**	**2,182**
	53,075	**(2,371)**	**(42,389)**	**10,497**

	2023			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings	43,198	-	(36,007)	7,191
Other social housing activities				
First tranche low-cost home ownership sales	3,108	(2,199)	-	909
Other	712	-	(1,394)	(682)
Total social housing activities	47,018	(2,199)	(37,401)	7,418
Non-social housing activities				
Lettings	992	-	(808)	184
Achieve Training	1,726	-	(3,866)	(2,140)
Durata Development	-	-	(10)	(10)
Total non-social housing	2,718	-	(4,684)	(1,966)
Surplus on disposal of housing properties	-	-	-	2,836
	49,736	(2,199)	(42,085)	8,288

4. Turnover, Cost of Sales, Operating Expenditure and Operating Surplus – Association

	2024			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings	**47,736**	**-**	**(41,042)**	**6,694**
Other social housing activities				
First tranche low-cost home ownership sales	**2,654**	**(2,371)**	**-**	**283**
Other	**1,754**	**-**	**(776)**	**978**
Total social housing activities	**52,144**	**(2,371)**	**(41,818)**	**7,955**
Non-social housing activities				
Lettings	**943**	**-**	**(558)**	**385**
Total non-social housing	**943**	**-**	**(558)**	**385**
Surplus on disposal of housing properties	**-**	**-**	**-**	**2,182**
	53,087	**(2,371)**	**(42,376)**	**10,522**

	2023			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings	43,198	-	(36,007)	7,191
Other social housing activities				
First tranche low-cost home ownership sales	3,108	(2,199)	-	909
Other	725	-	(1,394)	(669)
Total social housing activities	47,031	(2,199)	(37,401)	7,431
Non-social housing activities				
Lettings	992	-	(808)	184
Impairment of investment in subsidiary	-	-	(3,164)	(3,164)
Total non-social housing	992	-	(3,972)	(2,980)
Surplus on disposal of housing properties	-	-	-	2,836
	48,023	(2,199)	(41,373)	7,287

5. Income and Expenditure from Social Housing Lettings

	Group and Association				
	General needs £'000	Housing for older people £'000	Low-cost home ownership £'000	2024 £'000	2023 £'000
Income					
Rent receivable net of identifiable service charges and voids	39,057	2,597	1,524	43,177	39,329
Service charge income	2,542	1,058	57	3,658	3,163
Amortised government grants	654	155	92	901	706
Turnover from social housing lettings	42,253	3,810	1,673	47,736	43,198
Expenditure					
Management	(10,090)	(671)	(394)	(11,155)	(10,270)
Service charge costs	(2,589)	(1,077)	(58)	(3,724)	(3,626)
Routine maintenance	(11,519)	(766)	(449)	(12,734)	(8,315)
Planned maintenance	(4,239)	(282)	(165)	(4,686)	(5,517)
Bad debts	(332)	-	-	(332)	(236)
Depreciation of housing properties	(7,608)	(506)	(297)	(8,411)	(8,043)
Operating expenditure on social housing lettings	(36,377)	(3,302)	(1,363)	(41,042)	(36,007)
Operating surplus on social housing lettings	5,876	508	310	6,694	7,191
Void losses	365	54	-	419	773

6. Accommodation in Management

	Group and Association			
	As at 1 April 2023 No.	Additions and transfers in No.	Disposals and transfers out No.	**As at 31 March 2024 No.**
Social housing				
General housing – social rent	7,369	2	(48)	**7,323**
General housing – affordable rent	814	136	-	**950**
General housing – housing for older people	632	-	(50)	**582**
General housing – temporary accommodation	7	-	(1)	**6**
Low-cost home ownership	478	28	(3)	**503**
Total owned	9,300	166	(102)	**9,364**
Accommodation managed by others	(2)	-	-	**(2)**
Accommodation managed for others	47	-	(47)	**-**
Total managed	9,345	166	(149)	**9,362**
Leaseholders	268	1	-	**269**

Properties managed on behalf of others relate to management contracts only and the third-party organisations own the properties and the associated risks and rewards.

7. Surplus on Disposal of Housing Properties

	Group and Association					
	Shared ownership staircasing £'000	**Right-to-Buy and Right-to-Acquire £'000**	**Asset management disposals £'000**	**Demolitions £'000**	**2024 £'000**	2023 £'000
Housing properties						
Disposal proceeds	363	498	4,407	-	5,268	4,046
Cost of disposals	(231)	(171)	(1,484)	(441)	(2,327)	(1,077)
Selling costs	(6)	(7)	(559)	-	(572)	(214)
Grant (repaid)/ released	-	(187)	-	-	(187)	81
	126	133	2,364	(441)	2,182	2,836

8. Operating Surplus

This is arrived at after charging

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Depreciation of housing properties	**8,465**	8,095	**8,465**	8,095
Depreciation of other tangible fixed assets	**741**	947	**741**	915
Operating lease charges:				
land and building	**148**	137	**148**	47
vehicles	**618**	635	**618**	491
plant and equipment	**10**	26	**10**	16
Auditors' remuneration (excluding VAT):				
audit of financial statements	**83**	48	**83**	48
audit of financial statements of Group subsidiaries	**7**	30	**-**	-
fees for non-audit services	**32**	30	**29**	16

9. Surplus/(loss) on Disposal of Other Fixed Assets

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Disposal proceeds	**1,268**	100	**1,268**	63
Cost of disposals	**(1,375)**	(23)	**(1,375)**	(19)
	(107)	77	**(107)**	44

10. Employees

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Wages and salaries	**13,371**	15,263	**13,371**	12,689
Social security costs	**1,333**	1,508	**1,333**	1,286
Pension costs	**1,133**	1,118	**1,133**	1,050
	15,837	17,889	**15,837**	15,025

10. Employees (continued)

The average number of employees (including Executive Management Team) expressed as full-time equivalents (calculated based on a standard working week of 37 hours) during the year was as follows:

	Group		Association	
	2024	2023	**2024**	2023
	No.	No.	**No.**	No.
Operations - Housing	**139**	121	**139**	121
Operations - Maintenance	**138**	154	**138**	154
Resources – Central Administration	**98**	98	**98**	98
Achieve	**-**	84	**-**	-
	375	457	**375**	373

The full-time equivalent number of staff who received remuneration from £60,000 upwards (including those who received settlement payments for loss of office) were as follows:

	Group		Association	
	2024	2023	**2024**	2023
	No.	No.	**No.**	No.
£60,001 to £70,000	**13**	7	**13**	6
£70,001 to £80,000	**5**	5	**5**	5
£80,001 to £90,000	**6**	3	**6**	3
£90,001 to £100,000	**2**	4	**2**	4
£100,001 to £110,000	**3**	1	**3**	1
£110,001 to £120,000	**1**	2	**1**	-
£120,001 to £130,000	**-**	2	**-**	2
£130,001 to £140,000	**2**	1	**2**	1
£140,001 to £150,000	**2**	3	**2**	3
£150,001 to £160,000	**-**	-	**-**	-
£180,001 to £190,000	**-**	1	**-**	1
£190,001 to £200,000	**-**	1	**-**	1
£200,001 to £210,000	**1**	1	**1**	1

11. Directors' and Senior Executive Remuneration

The directors are defined as the members of the Board of Management, the Chief Executive and the Executive Management Team disclosed on page 3.

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Executive directors' emoluments	**558**	844	**558**	844
Pension contributions	**34**	49	**34**	49
Compensation for loss of office	**-**	120	**-**	120
Amounts paid to non-executive directors	**91**	95	**91**	74
	683	1,108	**683**	1,087

Pension contributions are made into defined benefit contribution for all executive directors.

The total amount payable to the Chief Executive in respect of emoluments was £186,000 (2023: £181,000). Pension contributions of £nil (2023: £nil) were made to a defined contribution pension scheme on her behalf. With effect from 1st January 2022 a pension contribution cash alternative of 10% of basic salary, less the Employer NI contribution has been applied in line with the Pension Contributions Cash Alternative Policy. Any pension entitlement of the Chief Executive is identical to those of other members and no enhanced or special terms apply.

In 2024 the highest paid director was the Chief Executive.

12. Board Members

	Remuneration	Member of Group Board	Member of Subsidiary Board	Member of Audit & Risk Committee	Member of Nominations and Remuneration Committee
	£'000				
Aman Dalvi (Chair)	**16**	✓			✓
Marina Barrett	**6**	✓		✓	
John Capper	**3**			✓	
Neale Clifton	**6**	✓			
David Hunter	**9**	✓	✓		✓
Mike Lawton	**7**	✓			
Alasdair Macarthur	**7**	✓		✓	
Paul Northcott	**6**	✓			
David Woodward	**5**	✓		✓	
Ian Ridgway	**1**	✓			
Amanda Palmer	**1**	✓			
Joanne Kennedy-Reardon	**1**			✓	
Martin Townsend	**2**			✓	
Jenny Danson	**6**	✓			✓
Elizabeth Barnes (VC)	**9**	✓	✓		✓
Pat Baker	**3**	✓			
Jane Atherton	**3**	✓			
	91				

Expenses paid to non-executive directors during the year were £3,390 (2023: £5,608).

13. Interest Receivable and Similar Income

	Group		**Association**	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Interest receivable and similar income	**1,037**	327	**1,037**	327
Interest income on net defined benefit plan assets	**157**	149	**157**	149
Income from the closure of Realise	**-**	-	**-**	558
	1,194	476	**1,194**	1,034

14. Interest Payable and Similar Charges

	Group and Association	
	2024	2023
	£'000	£'000
Bank loans and overdrafts	**3,118**	3,968
Other loans	**5,280**	4,158
Loan fees amortised	**121**	107
Recycled capital grant fund	**2**	2
Interest expense on net defined benefit liability	**187**	164
Other finance costs	**45**	55
	8,753	8,454

15. Taxation

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
UK corporation tax				
Current tax on surplus for the year	**57**	-	**51**	-
Total current tax charge	**57**	-	**51**	-
Deferred tax				
Origination and reversal of timing differences	**-**	48	**-**	-
		48	**-**	-
Taxation on surplus on ordinary activities	**57**	48	**51**	-

15. Taxation (continued)

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

	Group		Association	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Surplus/(deficit) on ordinary activities before tax	**2,831**	339	**2,856**	(89)
Surplus/(deficit) on ordinary activities at the standard rate of corporation tax in the UK of 25% (2022: 19%)	**708**	64	**714**	(17)
Effects of				
Charitable exemptions	**(651)**	(366)	**(663)**	75
Utilisation of tax losses from Group relief	**-**	-	**-**	(58)
Depreciation in excess of capital allowances		2	**-**	-
Losses eliminated	**-**	622	**-**	-
Total tax charge for period	**57**	48	**51**	-

16. Intangible Fixed Assets - Group

	Goodwill on consolidation £'000
Cost	
At 1 April 2023	2,291
At 31 March 2024	2,291
Amortisation	
At 1 April 2023	(2,291)
Charge for the year	-
At 31 March 2024	(2,291)
Net book value	
At 31 March 2024	**-**
At 31 March 2023	-

Goodwill arising on consolidation is being amortised over the directors' estimate of its useful life of 10 years. This estimate is based on a variety of factors such as the long-term strategic benefit of the entities acquired, the cash earning potential of the businesses and the expected useful life of the cash generating units to which the goodwill is attributed.

17. Tangible Fixed Assets – Housing Properties

	Group				
	General needs completed	**General needs under construction**	**Low-cost home ownership completed**	**Low-cost home ownership under construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 April 2023 (Restated)	325,514	17,681	28,781	1,819	373,795
Additions – construction costs	-	17,686	-	4,939	22,625
Transfer between categories	68	-	(28)	-	40
Additions – improvement works	6,231	-	-	-	6,231
Completed schemes	25,534	(25,534)	2,830	(2,830)	-
Transfer to properties held for sale	-	-	462	(2,836)	(2,374)
Disposals	(3,524)	(154)	(251)	-	(3,929)
At 31 March 2024	353,823	9,679	31,794	1,092	396,388
Depreciation					
At 1 April 2023 (Restated)	(83,140)	-	(1,651)	-	(84,791)
Charge for year	(8,119)	-	(346)	-	(8,465)
Eliminated on disposals	2,434	-	23	-	2,457
At 31 March 2024	(88,825)	-	(1,974)	-	(90,799)
Net Book Value					
At 31 March 2024	**264,998**	**9,679**	**29,820**	**1092**	**305,589**
At 31 March 2023 (Restated)	242,374	17,681	27,130	1,819	289,004

The prior period opening balances of Cost and Depreciation have been restated as per the details in Note 37.

17. Tangible Fixed Assets – Housing Properties (continued)

	Association				
	General needs completed £'000	**General needs under construction £'000**	**Low-cost home ownership completed £'000**	**Low-cost home ownership under construction £'000**	**Total £'000**
Cost					
At 1 April 2023 (Restated)	326,093	17,681	28,781	1,819	374,374
Additions – construction costs	-	17,737	-	4,939	22,676
Transfer between categories	68	-	(28)	-	40
Additions -improvement works	6,231	-	-	-	6,231
Completed schemes	25,534	(25,534)	2,830	(2,830)	-
Transfer to properties held for sale	-	-	462	(2,836)	(2,374)
Disposals	(4,524)	(154)	(251)	-	(3,929)
At 31 March 2024	354,402	9,730	31,794	1,092	397,018
Depreciation					
At 1 April 2023 (Restated)	(83,140)	-	(1,651)	-	(84,791)
Charge for year	(8,119)	-	(346)	-	(8,465)
Eliminated on disposals	2,434	-	23	-	2,457
At 31 March 2024	(88,825)	-	(1,974)	-	(90,799)
Net Book Value					
At 31 March 2024	**265,577**	**9,730**	**29,820**	**1,092**	**306,219**
At 31 March 2023 (Restated)	242,953	17,681	27,130	1,819	289,583

	Group and Association	
	2024 £'000	2023 £'000
The net book value of housing properties may be further analysed as:		
Freehold	**295,103**	278,411
Long leasehold	**11,116**	11,172
	306,219	289,583

	Group and Association	
	2024 £'000	2023 £'000
Works to properties:		
Improvements to existing properties capitalised	**6,231**	8,901
Major repairs expenditure to Statement of Comprehensive Income	**4,635**	5,517
	11,018	14,418

17. Tangible Fixed Assets – Housing Properties (continued)

	Group and Association	
	2024	2023
	£'000	£'000
Total Social Housing Grant received or receivable to date is as follows:		
Capital grant – housing properties	**47,513**	45,705
Recognised in the Statement of Comprehensive Income	**8,438**	7,393
	55,951	53,098

18. Tangible Fixed Assets – Other

	Group and Association						
	Freehold property	**Leasehold property**	**Shops and garages**	**Computers and office equipment**	**Plant and equipment and motor vehicles**	**Assets under construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost							
At 1 April 2023	3,143	56	4,598	3,245	1,089	-	12,131
Additions	149	-	-	230	53	273	705
Transfer of property to Housing	-	-	(90)	-	-	-	(90)
Reclassification of assets	-	-	-	(81)	-	81	-
Disposals	(244)	(56)	(128)	(147)	(412)	(67)	(1,054)
At 31 March 2024	3,048	-	4,380	3,247	730	287	11,692
Depreciation							
At 1 April 2023	(1,326)	(14)	(2,453)	(2,711)	(781)	-	(7,285)
Charge for year	(119)	-	(115)	(425)	(82)	-	(741)
Reclassification of Current assets	-	-	50	-	-	-	50
Eliminated on disposals	(4)	14	75	147	403	-	635
At 31 March 2024	(1,449)	-	(2,443)	(2,989)	(460)	-	(7,341)
Net Book Value							
At 31 March 2024	**1,599**	**-**	**1,937**	**258**	**270**	**287**	**4,351**
At 31 March 2023	1,817	42	2,145	534	308	-	4,846

19. Fixed Asset Investments - Association

	Subsidiaries
	£'000
Cost	
At 1 April 2023	6,734
Investment in Achieve	-
At 31 March 2024	**6,734**
Impairment	
At 1 April 2023	(6,484)
Charge for year	-
At 31 March 2024	**(6,484)**
Net Book Value	
At 31 March 2024	**250**
At 31 March 2023	250

During 2023, the association had recognised an impairment loss of £3,262,000 in respect of its investment in Achieve Training (Staffordshire) Limited. In May 2022 Aspire Housing invested £1,000,000 into Achieve and subsequently waived £2,262,000 of intercompany debt resulting in the investment in that year of £3,262,000. The subsidiary is in the process of a managed closedown. As a result of the business ceasing activity the value of the investment was impaired to £nil.

The subsidiaries in which the association has an interest in are as follows:

Name	Country of incorporation	Proportion of voting rights / ordinary share capital held	Nature of business	Nature of entity	Status of the Company
Durata Development Limited	England	100%	Professional and construction services	Incorporated company	Active
Achieve Training (Staffordshire) Limited	England	100%	Employment and training	Incorporated company	Activity winding down
Incana Sales Limited	England	100%	Outright sales	Incorporated company	Dormant

20. Properties for Sale

	Group and Association	
	2024	2023
	£'000	£'000
Renew property	**102**	103
Low-cost homes ownership – completed	**438**	350
Low-cost home ownership – work in progress	**1,086**	1,812
	1,626	2,265

The above assets are held on the Statement of Financial Position at the lower of cost or net realisable value.

21. Stock

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Work in progress	**1,289**	2,984	**1,289**	2,984
Raw materials and consumables	**-**	2	**-**	2
	1,289	2,986	**1,289**	2,986

22. Debtors

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Due within one year				
Rent and service charge arrears	**2,275**	1,957	**2,275**	1,957
Less: provision for doubtful debts	**(1,251)**	(1,229)	**(1,251)**	(1,229)
	1,024	728	**1,024**	728
Trade debtors	**55**	77	**44**	77
Amounts owed by Group undertakings	**-**	-	**13**	102
Other debtors	**1,185**	386	**510**	311
Prepayments and accrued income	**2,765**	2,206	**2,765**	2,206
	5,029	3,397	**4,356**	3,424

Amounts owed by Group undertakings are repayable on demand and do not attract interest.

23. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Trade creditors	**1,398**	1,453	**1,335**	1,418
Rent and service charges received in advance	**1,878**	1,575	**1,878**	1,575
Amounts owed to Group undertakings	**-**	-	**808**	1,922
Taxation and social security	**479**	443	**477**	433
Other creditors	**1,796**	1,490	**1,368**	924
Deferred capital grant (note 26)	**950**	800	**950**	800
Right-to-buy creditor	**187**	533	**187**	533
Corporation Tax	**57**	-	**51**	-
Renew recycled grant	**125**	-	**125**	-
Accruals and deferred income	**1,957**	3,525	**1,701**	2,742
Accrued interest	**964**	770	**964**	770
	9,791	10,589	**9,844**	11,117

Amounts owed to Group undertakings are repayable on demand and do not attract interest.

24. Creditors: Amounts Falling Due After One Year

	Group and Association	
	2024	2023 (Restated)
	£'000	£'000
Loans and borrowings (note 25)	**245,000**	205,000
Loan issue costs	**(2,222)**	(2,333)
	242,778	202,667
Deferred capital grant (note 26)	**46,563**	45,043
Recycled capital grant fund (note 27)	**343**	511
Voluntary right-to-buy fund	**88**	88
Sinking fund balances	**519**	352
	290,291	248,661

25. Loans and Borrowings

	Group and Association		
	Bank loans £'000	**Other loans £'000**	**2024 £'000**
Loans maturity of debt:			
In one year or less, or on demand	-	-	-
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	**40,000**	-	**40,000**
In more than five years	-	**205,000**	**205,000**
	40,000	**205,000**	**245,000**

	Group and Association		
	Bank loans £'000	Other loans £'000	2023 £'000
Loans maturity of debt:			
In one year or less, or on demand	-	-	-
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	-	-	-
In more than five years	40,000	165,000	205,000
	40,000	165,000	205,000

Loans are secured by specific charges on the housing properties of the Group. The loans bear interest at fixed rates of 3.4% or at variable rates calculated at a margin above the London Inter Bank Offer Rate.

At 31 March 2024 the Group had undrawn loan facilities of £50m (2023: £90m).

26. Deferred Capital Grant

	Group and Association	
	2024 £'000	2023 (Restated) £'000
At 1 April	**45,844**	40,525
Grants received during the year	**3,223**	6,370
Grants recycled from the recycled capital grants fund	**(123)**	(133)
Disposals	**(530)**	(212)
Released to income during the year	**(901)**	(706)
At 31 March	**47,513**	45,844

To be released within one year (note 23)	**950**	800
To be used after more than one year (note 24)	**46,563**	45,044
At 31 March	**47,513**	45,844

27. Recycled Capital Grant Fund

	Group and Association	
Funds pertaining to activities within areas covered by	**Homes England 2024 £'000**	Homes England 2023 £'000
At 1 April	**511**	498
Inputs to fund:		
grants recycled from deferred capital grants	**123**	238
interest accrued	**2**	2
grant reclassified	**-**	(227)
Recycling of grant:		
new build	**(168)**	-
At 31 March	**468**	511
Amounts falling due within one year (note 23)	**125**	-
Amounts falling due after more than one year (note 24)	**343**	511
	468	511
Amount three years old or older where repayment may be required	**-**	-

Withdrawals from the recycled capital grant fund were used for the purchase and development of new housing schemes for letting.

28. Financial Instruments

The Group's and association's financial instruments may be analysed as follows:

	Group		Association	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Financial assets				
Financial assets measured at amortised cost				
Trade debtors	**55**	77	**44**	77
Other receivables	**4,974**	3,320	**4,312**	3,347
Cash and cash equivalents	**28,513**	440	**28,469**	191
Total financial assets	**33,542**	3,837	**32,825**	3,615
Financial liabilities				
Financial liabilities measured at amortised cost				
Loans payable	**(245,000)**	(205,000)	**(245,000)**	(205,000)
Financial liabilities measured at amortised cost				
Trade creditors	**(1,398)**	(1,453)	**(1,335)**	(1,418)
Other creditors	**(7,130)**	(7,803)	**(7,247)**	(8,366)
Total financial liabilities	**(253,528)**	(214,256)	**(253,582)**	(214,784)

29. Pensions

All association employees are auto enrolled into a defined contribution scheme with the Pensions Trust. From 1st April 2014 Achieve has auto-enrolled employees into a contribution scheme with the Pensions Trust on the same terms as Aspire Housing.

Prior to 2022 employees who did not choose the defined contribution scheme enrolled in either the Staffordshire County Council Pension Fund (SCCPF) (administered in accordance with the Local Government Pension Fund regulations) or the Social Housing Pension Scheme (SHPS). Both are multi-employer schemes providing defined benefits based on members earnings and the length of participation in the pension scheme.

A decision was made to close both SCCPF fund and SHPS to future accrual effective from 30th April 2021. This decision was made by the Board following consultation with members. Following this decision negotiations with SCCPF concluded a cessation valuation which was paid in 2021/22.

Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30th December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30th September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31st March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31st March to 28th February inclusive.

The latest accounting valuation was carried out with an effective date of 30th September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31st March 2022 to 28th February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus. The estimated position at 31st March 2024 shows a deficit of £754k (2023: £701k)

29. Pensions (continued)

Social Housing Pension Scheme (continued)

	Group and Association	
	2024	2023
	£'000	£'000
Reconciliation of present value of plan liabilities		
At 1 April	**3,878**	5,915
Expenses	**5**	5
Interest cost	**187**	164
Actuarial gains	**(144)**	(2,156)
Benefits paid	**(37)**	(50)
At 31 March	**3,889**	3,878

	Group and Association	
	2024	2023
	£'000	£'000
Reconciliation of fair value of plan assets		
At 1 April	**3,177**	5,293
Interest income on plan assets	**157**	149
Contributions by employer	**183**	172
Actuarial gains	**(345)**	(2,387)
Benefits paid	**(37)**	(50)
	3,135	3,177
Fair value of plan assets	**3,135**	3,177
Present value of plan liabilities	**(3,889)**	(3,878)
Net pension scheme liability	**(754)**	(701)

Amounts recognised in comprehensive income are as follows:

	Group and Association	
	2024	2023
	£'000	£'000
Included in management costs:		
Expenses	**5**	5
	5	5

29. Pensions (continued)

Social Housing Pension Scheme (continued)

	Group and Association	
	2024	2023
	£'000	£'000
Included in other finance costs:		
Interest income	**157**	149
Interest expense	**(187)**	(164)
Net interest cost	**(30)**	(15)

The analysis of the actuarial gain/(loss) recognised in comprehensive income was as follows:

	Group and Association	
	2024	2023
	£'000	£'000
Experience gains arising on the scheme assets	**(345)**	(2,387)
Experience (losses)/gains arising on the scheme liabilities	**11**	(103)
Changes in assumptions underlying the present value of scheme liabilities	**134**	2,259
	(200)	(231)

The principal actuarial assumptions used at the balance sheet date were as follows:

	Group and Association	
	2024	2023
Discount rate	**4.9%**	4.8%
Future salary increases	**3.1%**	3.1%
Future pension increases	**2.8%**	2.8%
Inflation assumption	**2.8%**	2.8%
Mortality assumptions:		
current pensioners – male	**20.5 years**	21.0 years
current pensioners – female	**23.0 years**	23.4 years
future pensioners – male	**21.8 years**	22.2 years
future pensioners – female	**24.4 years**	24.9 years

29. Pensions (continued)

Social Housing Pension Scheme (continued)

	Group and Association	
	2024	2023
	£'000	£'000
Composition of plan assets:		
Global Equity	**312**	59
Absolute Return	**122**	34
Distressed Opportunities	**111**	96
Credit Relative Value	**103**	120
Alternative Risk Premia	**99**	6
Emerging Markets Debt	**41**	17
Risk Sharing	**183**	234
Insurance-Linked Securities	**16**	80
Property	**126**	137
Infrastructure	**317**	363
Private Equity	**3**	-
Private Debt	**123**	141
Opportunistic Illiquid Credit	**123**	136
High Yield	**-**	11
Cash	**62**	23
Long Lease Property	**20**	96
Secured Income	**94**	146
Liability Driven Investment	**1,276**	1,464
Currency Hedging	**(1)**	6
Net Current Assets	**5**	8
	3,135	3,177

The employer's contributions to the SHPS by the association for the year were £2,000 (2023: £2,000) and the employers contribution rate was 13.3%. At the year-end £Nil (2023: £nil) was owed to the scheme and is included in creditors falling due within one year.

Defined Contribution Scheme

A defined contribution pension scheme is also operated by the Group. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £906,000 (2023: £841,000). Contributions totalling £77,000 (2023: £68,000) were payable to the fund at the year end and are included in creditors falling due within one year.

30. Deferred tax

	Group	
	2024	2023
	£'000	£'000
Deferred tax liabilities		
Accelerated capital allowances	**-**	-
Unused tax losses	**-**	-
	-	-

As the future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals. The utilisation of tax losses is dependent on future profits.

31. Share capital

	Group and Association	
	2024	2023
	£	£
At 1 April	**9**	9
Shares issued in the year	**3**	-
Shares cancelled in the year	**(4)**	-
At 31 March	**8**	9

The share capital of the association 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. When a shareholder ceases to be a member, that share is cancelled, and the amount paid thereon becomes the property of the association. Therefore, all shareholdings relate to non-equity interests.

32. Contingent Liabilities

There are no contingent liabilities for the Group and association in the year.

33. Operating Leases

The Group and association had minimum lease payments under non-cancellable operating leases as set out below:

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Amounts payable as lessee				
Not later than one year	**599**	647	**599**	649
Later than one year and not later than five years	**378**	840	**378**	840
Later than five years	**-**	-	**-**	-
Total	**977**	1,487	**977**	1,489

34. Capital Commitments

	Group and Association	
Capital commitments are as follows:	**2024**	2023
	£'000	£'000
Capital expenditure		
Commitments contracted but not provided for	**13,864**	24,469
Commitments approved by the Board but not contracted for	**88,686**	89,375
	102,550	113,844

The Group is committed to a programme of property acquisition and units for refurbishment. Likewise, the Group will continue to seek further development opportunities and will look to obtain potential development sites throughout the year. The above commitments represent schemes approved by Board and will be financed by property sales (£5.9m), capital grant (£28.0m) and funding from the existing loan facility and the Group's own resources (£68.7m).

35. Related Party Transactions

The association provides management services and other services to its subsidiaries. The association also receives charges from its subsidiaries. During the year Aspire Housing Limited, a registered provider, had the following intra-Group transactions with the following non-regulated entities: Achieve Training (Staffordshire) Limited, The Realise Foundation and Durata Development Limited. The quantum and basis of those charges is set out below:

		Amounts charged to / (from) non-regulated entities	
		2024	2023
Entity	**Allocation basis**	**£'000**	£'000
Achieve Training (Staffordshire)	Apportionment of management costs	**-**	172
	Rent on Offices	**-**	28
	Directly attributable works	**-**	(1,464)
The Realise Foundation	Directly attributable administration costs	**-**	-
	Reserves balance gifted	**-**	558
Durata Development	Development services	**(4,658)**	(14,459)
	Apportionment of management costs	**12**	13
		(4,646)	(15,152)

During the year 2 board members were also Tenants. Amanda Palmer appointed 20th February 2024 with annual rent and service charge payable of £7,016 arrears at 31st March were £Nil. Marina Barrett with annual rent and service charges payable of £2,995 (2023: £2,483); arrears at 31st March were £Nil (2023: £Nil).

36. Net Debt Reconciliation

	At 1 April 2023	Cash flows	Other non-cash changes	At 31 March 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	440	28,073	-	**28,513**
Bank and other loans	(202,666)	(40,000)	(112)	**(242,778)**
Net debt	(202,226)	(11,927)	(112)	**(214,265)**

37. Prior Year Adjustment

The accounts have been restated following a review of the fixed asset register which identified a historical difference between the accounting records and the fixed asset register. During the year a full review of the asset register took place which included a detailed reconciliation and recalculation of the depreciation calculation following a change in the system used.

An error in the calculation in the system relating to Depreciation of £1.9m relating to the opening balance has been adjusted in the financial statements.

A further error was identified relating to land and associated grant amortisation that should have been disposed of in 2018. Adjustments of £585k relating to the land and £138k relating to the grant amortisation have been made to the opening statement of financial position.

As a result a prior period adjustment has been made to the opening balance sheet as at 1 April 2022. The following page details the adjustments made which are included within the Statement of financial position within the closing balance as at 31 March 2023.

The element of the adjustment that related to the financial year 2022/23 has been included in the opening balance as at 01 April 2022 as the value of the adjustment was considered by management to be immaterial.

Statement of financial position	Position as at 01 April 2022	Adjustment	Restated position as at 01 April 2022	Restated position as at 31 March 2023
	£'000	£'000	£'000	
Housing Properties Cost	**349,236**	(585)	248,651	373,795
Depreciation	**(77,247)**	(1,904)	(79,151)	(84,791)
Tangible fixed assets – housing properties	**271,989**	(2,489)	269,500	289,004

37. Prior Year Adjustment (continued)

Statement of financial position	Position as at 01 April 2022	Adjustment	Restated position as at 01 April 2022	Restated position as at 31 March 2023
	£'000	£'000	£'000	
Deferred capital grant	(39,658)	(138)	(39,796)	(45,044)
Creditors: amounts falling due within one year	(273,776)	(138)	(273,914)	(248,661)
Revenue reserves				
Profit and loss account carried forward	45,506	(2,627)	42,879	42,987

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