Co-operative and Community Benefit Society (FCA) 28985R

Regulator of Social Housing number L4240

A2Dominion Housing Group Limited

Annual Report and Financial Statements

Year ended: 31 March 2024

Contents

Introduction

Chair's statement

Now more than ever, our focus has been on strengthening customer-facing services and improving the quality of our homes. This last year has seen us take the initiative by better aligning our strategy with the values held by our customers and stakeholders, as well as with the requirements of the Regulator of Social Housing and the Housing Ombudsman.

Our improvement plans

We know that we haven't been performing to the standards our customers expect and deserve. So in 2023 we decided to make self-referrals to the Regulator and, as a result, were downgraded from G1/V2 to G3/V2.Whilst disappointing, we remain confident that we have robust action plans in place to address the significant changes needed, so we can get things right first time for our customers.

The Board is also confident that given time, the strengthened executive team will be able to deliver on our recovery plan and give us a strong platform on which to deliver our customer ambitions, whilst getting us back to our desired high standards and previous regulatory grading.

We have already identified many areas for improvement and our teams have been working hard to rebuild customer confidence in our services. This includes reviewing historic reports of damp and mould, ensuring our complex buildings are managed effectively and developing a new resident engagement strategy.

These changes have also been reflected in the redesign of our management teams to enable a greater focus on maximising customer care. We've recruited experts from across a range of housing, property and customer fields, including strong internal candidates.

Stronger foundations

Significant benefits for colleagues and customers have come about from this wide-ranging programme and moving forward we want to continue to focus investment on improving and maintaining our services and homes. This change in direction is one of several initiatives that are helping us to build stronger foundations together and improve our services.

We had an operating surplus of £48.7 million from our day-to-day operations (up by 12.2% from the previous year) although we recorded an overall deficit of £21.0 million for 2024 (2023: £12.8 million deficit). This result reflects the Group's decision in its Corporate Strategy to refocus finances on improvements to services and customers' homes, as well as investment in building safety work. We have then accelerated our efforts and investment further after the regulatory downgrade in January 2024. It also reflects our new approach to property development, focusing on the regeneration of neighbourhoods and moving away from our previous emphasis on private sales homes via our FABRICA by A2Dominion brand. The Group also decided to introduce a new approach to improving its IT systems. This will help drive service improvements and efficiencies for customers and colleagues and will be more cost effective in the medium-term. As a result, the costs of our legacy IT programme have now been written down for accounting purposes.

Our balance sheet remains strong, with more than £3.5bn of fixed assets and investments, and a reserves position of over £1bn. With significant liquidity and a strong asset base, the Group has been taking the tough calls now, resetting the business to ensure it is well prepared to meet the significant challenges faced across the wider housing sector in years to come so we can do more to support customers and alleviate housing needs.

Our ambition is to speed up the rate of improvement of our services and homes, and to regenerate some of our larger estates. To support this, we moved our head office back to Ealing, one of our original offices dating back to the 1990s, and opened several neighbourhood centres to be closer to our customers.

We also made the decision to withdraw from providing homes in some outer areas where we know other providers can offer our customers more specialist local knowledge, whilst helping us to ensure better value for money and stability. As always, any surplus from these transfers is reinvested back into improving homes and services.

Leading change

This year we refreshed our leadership team to help accelerate the delivery of our improvement plan. We introduced the new roles of Chief Customer Officer to focus on delivering and improving our services to customers, and Chief Property Officer to lead on all services that touch a customer's home, such as repairs and building and fire safety.

We also recruited some highly experienced board members from within the housing sector: Elaine Elkington, Paul Fiddaman, and Emma Palmer. In addition, Peter Hatch has joined us as a committee member with valuable experience to help us deliver better for customers.

My thanks, and those of the Board, go to Caroline Tiller and Peter Walker – whose nine years' service as Board members came to an end in 2024, as well as to Ozzie Clarke-Binns.

We would also like to thank our previous executive management team members for their many years of service: Anne Waterhouse, Executive Director of Financial Services, Dean Tufts, Executive Director of Finance & Strategy and Nick Hutchings, Managing Director (Commercial), who have both now retired.

Finally, the Board and I would like to thank our CEO Ian Wardle and all our colleagues across the Group for their tireless drive to improve and develop A2Dominion at every level. Their focus on getting things right for our customers is key to the future of our work.

Alan Collett,
Chair

Highlights:

Customer services and homes

- Customer satisfaction 77.8% (80% 2022/23)
- Satisfaction with repairs 87% (86% 2022/23)
- Homes meeting Decent Homes Standards 99.4% (99.9 2022/23)
- Average no. of days to complete a repair 14 days (20 days 2022/23)
- Average days to let a home to a new resident 30 days (38 days 2022/23)
- Financial support to customers £9.7m (£7m 2022/23)
- Social Value £12.3m (£11.2m)
- New homes completed 668 (745 2022/23)

Our performance

- Operating surplus £48.7m (up by 12.2% from 2022/23)
- Turnover £399.6m (£389.1m 2022/23)
- Deficit £21m (£12.6m 2022/23)
- Mean gender pay gap 20.9% (24.9% 2022/23)
- Median pay gap 18.1% (22.7% 2022/23)

Who we are

We are a housing association committed to a new vision – providing homes people love to live in by 2030. We have over 38,000 homes in management across London and southern England. We provide a wide range of homes for social, affordable, and private rent, specialist services, as well as homes for sale and shared ownership. Our 70,000 plus customers come from a diverse range of backgrounds with varying levels of income. We're here to provide them all with homes that are safe, high quality and sustainable. And with social housing roots going back eight decades, we continue to ensure that every penny of surplus is reinvested into our charitable social purpose – delivering more homes and better services for customers.

A year of transition

During 2022/23 we identified that some of our services had not been performing to the expectations our customers and ourselves would expect. Following some internal and external reviews, we self-referred ourselves to the Regulator of Social Housing as we believed that we had not met the relevant standards. We were downgraded to a non-compliant G3/V2 rating in January 2024. We were aware of the improvements needed when we set the new Corporate Plan in 2023, although further areas have been identified for improvement, so have been working hard to improve outcomes for customers and colleagues. We also started to streamline our organisation to focus more on being a social landlord and we withdrew from providing care services.

Building stronger foundations

We are taking steps to address our performance through our improvement plan - which sets areas of focus that will help us return to a compliant rating as soon as possible.

The Board believe that delivering these improvements is an enormous opportunity to re-set, rebuild and improve outcomes for customers and colleagues. This will make A2Dominion a more responsive and resilient housing association delivering outstanding customer service and helping to address the housing needs across London and the South.

In recent years, several factors have caused our operational costs to increase. We know that, currently, the amount we spend each year on managing our social rented homes is higher than the average of our peers in the sector.

We are working to reduce our costs and have made savings and efficiencies of £5.6m in 2023/24, with a further £17.4m due in 2024/25.

Most of these savings will be redirected and reinvested as we balance lowering our costs and continuing to support our increased focus on customer care and investment in homes to ensure they are safe and effectively managed.

Key investment areas include repairs, redevelopment and regeneration of homes and estates and our complaints service.

We provide:

- Social and affordable housing
- Shared ownership
- Key worker, student and temporary accommodation
- Supported housing
- Private and intermediate rented homes
- Market sale homes
- Community projects to help customers improve their health, wellbeing, and finances.

Our development

- From around 8,000 homes in 1980, to over 38,000 properties in management today
- More than 7,500 new homes built over the past ten years
- £1.02bn of net assets
- 100% of profits reinvested into homes, services, and communities.

Our services

Homes and neighbourhoods

We provide and maintain a wide range of homes from affordable and social housing to starter homes, private rent and shared ownership options. We manage outside green spaces, along with play areas and communal facilities for people to enjoy.

Caring for customers

- Our specialist teams provide help and advice on everything from budgeting and benefits to domestic abuse support and helping to combat anti-social behaviour.
- We supported 2,596 people who contacted our domestic abuse service.
- We provided accommodation and support for 91 people who were homeless.
- More than 800 people were supported in our retirement schemes.

Property management

We provide property maintenance services, planned repairs and estate services, and reinvest millions of pounds each year into upgrading and improving the homes we manage.

Community investment

We provide community events, wellbeing programmes, social activities and services including employment skills to help improve communities and people's lives.

Land and development

We develop land to provide high quality, affordable, shared ownership and market sale new homes. An element of our future pipeline is developed in joint venture partnerships, with the majority of new homes in the future expected to be delivered from redevelopment and regeneration of our own buildings and estates, and via strategic land.

Strategic report

Our Group performance

Homes and neighbourhoods that are safe, high quality and sustainable

Supporting the consumer standards: safety and quality, neighbourhood, and community

We are committed to ensuring all our homes are safe and well maintained, but we know that more work is needed to ensure customers feel listened to and trust us to do the right thing.

Our ambition:

We want to be a trusted housing association where people love to live in their homes. We're delivering an extensive programme of improvements to our existing homes to meet regulatory standards and our own strategic commitments.

Our progress in 2023/24

Strategic KPI	Details	2023/24 achieved	2023/24 target	2022/23 achieved
Median repair days		14	=<15 days	20 days
Cumulative planned maintenance	*2,240 components achieved out of 5,984 (kitchens, bathrooms, windows doors and roofs)*	37.4%	100%	80%
Environment and carbon reduction (average level of annual carbon production per home)		2.04 tonnes CO2	2.02 tonnes CO2	2.05 tonnes CO2
Satisfaction with repairs		87%	85%	86%
Fire Risk Assessment (average compliance with LLHS*)	*Out of a total of 1,893 units, 1,890 are compliant*	99.9%	100%	98%
Domestic gas (average compliance with LLHS*)	*Out of a total of 17,029 units, 16,998 are compliant*	99.8%	100%	99%
Electrical (average compliance with LLHS*)	*Out of a total of 25,107 units, 21,667 are compliant*	86.3%	100%	97%
Passenger lifts (average compliance with LLHS*)	*Out of a total of 410 units, 382 are compliant*	93.2%	100%	83%
Water safety (average compliance with LLHS*)	*Out of a total of 345 units, 330 are compliant*	95.7%	100%	98%
Asbestos (average compliance with LLHS*)	*Out of a total of 1,497 units, 1,497 are compliant*	100%	100%	98%

**LLHS – Landlord Health & Safety Compliance Measure*

Responsive repairs

In 2023/24 95,000 responsive repairs were carried out and, on average, repairs were completed within 14 days, which is better than our target of 15 days and a marked improvement on the 20-day average for 2022/23.

However, we know we have a long way to go to meet the standards our customers expect and that we set for ourselves, and there have been occasions when we have let customers down through poor communication and slow response times. This is why we are continually looking to improve our repairs service to help with increased demand for repairs, and to reduce future appointment waiting times.

Jo Evans was appointed as the new Director of Repairs and Maintenance in January 2024. Her priority is delivering change to improve customer experience. Other improvements include better diagnosis of repairs as they come in, faster turnaround, and greater emphasis on on-going maintenance to reduce repairs requests over time. We're also introducing a live-tracking system, which provides updates and sends customers text reminders the day before an appointment, and at each stage of the repair.

Lifts

We appreciate that some of our customers have been impacted by long wait times for lift repairs. During the last year our main lift contractor was taken over by a larger organisation which resulted in a significant drop in service levels and longer waiting times than we would have liked.

So, we have taken action, and have seen lift outages reduce, with the average waiting time for repairs reducing from 60 to 33 days with total lifts in service at any one time at 96%. Monthly service visits have improved month-on-month and in terms of Lifting Operations and Lifting Equipment Regulations (LOLER), we are currently at 93% compliance. We are also going out to tender for a new lift contractor, and this is due to go live in 2024.

Planned maintenance

There were delays in planned and cyclical procurement, and in awarding new contracts which significantly delayed delivery of component replacements this year. Coupled with cost increases of these new contracts (20% to 25% increase on the unit average cost over last year's programmes) and a delayed start, we will delivered a reduced programme of works for the 2023/24 financial year. We have undertaken validation surveys of all works due going forward this year to produce a mitigation plan that ensures we maintain Decent Homes compliance.

In 2023/24 we spent £4 million repairing and fitting a total of 242 new kitchens and 164 new bathrooms. New windows were installed to 367 properties and replacement doors to 438 customer homes at a cost of £3.7 million. We spent £1.9 million on new roofs at 37 of our schemes, and £4 million on our cyclical repair & redecoration programme.

The total investment in our stock including planned maintenance, major works, building safety and repairs was £96.8m in 2023/24.

Our Decent Homes compliance figure for 2023/24 was 99.42%. There were 114 properties that did not meet the Decent Homes Standard. The works to these properties are now scheduled to take place within our 2024/25 programme to bring failing homes back to compliance.

Building safety

Over the past year we've continued to enhance our reporting and monitoring of landlord compliance measures. Our Building Safety Team has responded to more than 6,500 customer enquiries and completed three-stage inspections of 144 buildings (over 11 metres) where we are wholly responsible.

Highlights:

- We've submitted 12 applications to the Building Safety Fund (BSF) totalling £26 million
- Funding has been approved for six buildings to the value of £8.4 million, and we're awaiting the outcome for six applications worth an additional £17.6 million
- We obtained compliance information on behalf of our customers in 114 buildings where responsibility lies with other landlords; and
- Of these buildings, 75 were already compliant and 23 had completed remedial work. One building is currently in the remediation process and the remaining nine are in the plan to be remediated in 24/25.

Fire safety

We have completed fire safety inspections in 100% of buildings over 18 metres and 84% of buildings between 11 and 18 metres. We also provide a free wellbeing, legal and emotional support programme for customers impacted by our cladding inspection and remediation programme. We've:

- Carried out in-depth inspections of 319 buildings of all heights
- Identified 65 buildings that needed fire safety work.
- invested £38 million and received £7 million in government funding so far

We are due to complete fire safety works at 7 buildings in 2024/25 and are on track to fully complete the programme by 2026.

Enhanced Housing Management Team (EHMT)

This team was set up in 2023 to focus on ensuring the safety of high and mid-rise buildings within our direct responsibility. These buildings are predominantly mixed tenure, owned by us, and were impacted by the introduction of the Fire Safety Bill and Building Safety Act. These homes were identified using a range of factors - building height; equipment complexity within the buildings; repair history and resident complaints (and this covers 90% of high-rise buildings where we are accountable. The other homes remain within our operations and existing housing models.

Highlights of the Enhanced Housing Management Programme include:

- Providing residents with a single point of contact for all queries
- Increasing our resident newsletters and holding more resident webinars so we can keep people informed
- Visits and inspections are being carried out at least once a week
- Pursuing and resolving any long-term outstanding issues as a priority
- Creating estate management strategies for each scheme so they have a bespoke diagnostic approach
- Colleagues being trained to operate fire safety equipment, carry out testing and weekly inspections
- Building safety cases being set up per scheme to ensure full data clarity.

Damp and mould

We want all our homes to be free from damp and mould, and last year we welcomed government legislation to address this across the social housing sector. We have been expanding our team of surveyors and contractors specifically to address damp and mould issues, to accelerate our programme of works.

Customers are receiving support to reduce the likelihood of damp and mould in their homes, and we will continue to revisit properties to check on their current condition. Moving forward, the team will be investigating and implementing new technologies to help reduce condensation levels and identify issues at an earlier stage.

Highlights of the damp and mould programme include:

- By September 2023, we had reopened 5,366 historical cases of damp and mould to ensure customer's problems had been fully resolved. Our customers have been contacted and works planned where needed
- The team received 3,033 new cases requiring a specialist inspection

- We introduced new roles (Customer Liaison Case Managers) to support customers in more complex cases, giving a named point of contact for updates.

Anti-social behaviour (ASB)

We work with our customers where anti-social behaviour (ASB) is an issue, and our resident involvement group raises awareness and provide useful contacts. Last year, we investigated 652 cases of anti-social behaviour. On average, we resolved complaints of ASB within 72 days, quicker than our target of 90 days. Complex cases of ASB, such as those involving legal action, can often take longer than 90 days to get a resolution.

In December 2023 we also launched our new dedicated Anti-social Behaviour Resolution Team, along with new technology and training making it easier to report ASB online.

Looking ahead

Our priorities for the strategy period to 2030:

- Delivering our programme of improving homes, based on our assessment of what we need to invest to meet legal standards, as well as our own commitments, so that our customers are safe and affordably warm
- Completing building safety cases and action plans for tall buildings to meet the requirements of the Building Safety Act for buildings over 18 metres (and extending to those over 11 metres as and when the remit extends)
- A specialist team will ensure that we understand and comply with all property safety requirements, including Landlord Health & Safety compliance (LLHS). Their role will be to keep us up to date with legislative changes so we can keep customer homes safe
- Accelerating the redevelopment of homes and estates, considering investment needs and decarbonisation.

Customer care: respond and resolve with respect

Supporting the consumer standards: transparency, influence and accountability

We're committed to building strong relationships with our customers to deliver high quality services, but we know more needs to be done to meet expectations. In the past year we've gone back to our core values as a housing association and placed more emphasis on getting things right the first time. To deliver these improvements we're working hard to provide customers with better information and stronger service delivery, so they know that they are being heard.

Our ambition:

We will listen to our customers and make sure we are delivering on our promises, especially in relation to complaints, repairs, and service delivery. We set ourselves high standards and want to meet them, as well as those set by the Regulator of Social Housing and Housing Ombudsman.

Strategic KPI	2023/24 achieved	2023/24 target	2022/23 achieved
Deliver customer promise: customer effort score (weighted average of customer contact centre, repairs, and complaint handling)[1]	4.1	<=4.0	4.1
Deliver social impact: social value through community work and investment [1]	£12.3m	£12m	£11.2m
Complaints – % escalated to the Ombudsman	1.28%	<1.0%	1.2%

Customer satisfaction

We want our customers to live happy lives and know they can rely on us. Based on feedback from surveys with customers after receiving a service, in 2023/24 we recorded a customer satisfaction score of 77.8% against a target of 82%. This rating combines customer satisfaction with repairs (87.39%), complaints (73.96%) and our customer contact centre (72.05%). We know we have more to do so we have put in place targeted improvement plans for each of these areas, including system upgrades, improving visibility, and more choice for customers when they interact with us. Progress has already been made on omni-channel improvements and self-serve appointments for repairs.

In addition to this, we also carried out Tenant Satisfaction Measures which were introduced by the Regulator of Social Housing for all social landlords in England. The overall satisfaction from social and affordable rent customers was 58% with key areas for improvement relating to how we respond to enquiries, the quality of our repairs service and how we handle complaints.

Complaint handling

We want to put things right at the first time of asking and when this does not happen, we receive a higher number of complaints. Our ways of working, particularly around record keeping, has not been good enough and we have since carried out a review of our complaint handling process and implemented new measures.

As part of our drive to improve services we encouraged customers to report any issues they may be experiencing. We want to be there for customers and

[1] Social value is a way to measure the impact of our projects and services. We follow a method used by the housing sector (developed by the Housing Associations' Charitable Trust) to quantify services that do not have a monetary value (such as wellbeing and mental health) and their impact. This estimates the unseen financial value to the people and communities who benefit from these services and their impacts.

provide reassurance that we will do the things we say we will.

In 2023/24, our Customer Contact Centre resolved 72% of queries at the first point of contact. When we are unable to fix an issue at the first point of asking, we need to be better at following up.

We responded to 42% of stage 1 complaints within a 10-day response time, and 68% of stage 2 complaints within 20 days. This is below the 100% target set by the Housing Ombudsman Complaint Code. In this period 1.28% of complaints were escalated to the Housing Ombudsman.

We regret that there were 4 cases where the Housing Ombudsman Service issued Complaint Handling Failure Orders. This was because we took too long to respond, or provide information to the Ombudsman.

There were also 10 cases that had severe maladministration, where we took too long to address issues and were required to provide a higher level of redress. We've offered our apologies to the individual residents affected and fully accept the Ombudsman's findings and recommendations.

We've since made changes to improve our complaints service. Now, all Stage 1 complaints are processed from start to finish on our complaints system, which keeps information in one place and builds a clearer picture of the complaint. We've also reviewed our internal processes for handling complaints, so we have the right colleagues involved from the start, and work within the timescales provided by the Housing Ombudsman's Complaint Handling Code.

Stage 1 complaints:

- We received 151 complaints per 1,000 low-cost rental homes (LCRA) homes and 132 per 1,000 low-cost home ownership (LCHO) homes
- This is above the 111 LCRA target and 79 LCHO target.

Stage 2 complaints:

- We received 20 complaints per 1,000 LCRA and 31 per 1,000 LCHO
- This is above the 6 LCRA target and 8 LCHO target.

Listening to customers

We've prioritised involving customers in shaping and improving our services. Our Customer Involvement Programme provides the opportunity for them to be heard, and let us know where they want us to improve.

We held a 'Meet the Ombudsman' event in November 2023, with more than 150 customers joining in-person and online. The event led by Richard Blakeway from the Housing Ombudsman, and our CEO Ian Wardle provided the opportunity for an open and honest discussion about how we can improve our handling of complaints.

Improvements to make things easier for customers

We achieved a customer effort score of 4.1, this is just above our target of less than 4. This figure calculates how easy it is for customers to deal with us via repairs, complaints, contact centre and new homes surveys. A higher volume of complaints has resulted in customers waiting longer for their issue to be resolved and we are working to improve this by expanding the team and introducing a live-chat to respond to queries faster.

Tenancy sustainment

Our Tenancy Sustainment team helped 2,245 customers claim £9.7 million in financial support in 2023/24, this is an increase from £7 million in the previous year. The continued impact of the cost-of-living crisis has seen referrals for money management assistance increase by 44% compared to last year.

Highlights:

- We supported over 1,000 benefit claims, including housing benefit, universal credit, council tax support, pensioner, and child benefits
- 100% success rate at benefit tribunals resulting in backdated benefits payments totalling over £42,000
- More than 30 customers helped to access Local Authority Household Support Funding, receiving an average payment of £1,500 to clear rent arrears
- £104,000 accessed through grants and charitable funding to help customers access to furniture, white goods, and food banks
- Our in-house Tenancy Sustainment Fund supported more than 100 customers with over £28,000 in funding to help buy white goods and furniture, as well as dealing with debts.

Social value

We continued to invest in our customers and in the communities we operate in, generating £12.3 million in social value in 2023/24. This figure is slightly above our £12 million target. We've seen an increased demand for support amid the cost-of-living crisis, for emotional wellbeing, mental health and food poverty support.

Donations fund

Our donations fund has supported our customers living in specialist housing by funding projects to the value of £105,467. The legacy fund was used for a variety of purposes in our supported housing homes including TVs for communal areas, garden furniture and art supplies, as well as events such as Christmas, Easter, Iftar, and days out to the seaside.

Applications increased by 89% in 2023/24 and the funding awarded rose by 138%. This year's fund generated £664,694 in social value.

Empty properties

We took an average of 30 days to relet our homes in 2023/24, 8 days fewer than last year. This takes into account the time taken by our contractor to complete any works. Although within target, the year has not been without challenges. Our private rent homes had a change of contractor which formed a temporary backlog of empty properties. Our social rent stock had a higher number of homes being empty for longer due to an increase in the number of homes that required remedial works.

Unaccompanied Asylum-Seeking Children Service

Our Specialist Housing team continues to run a scheme to help unaccompanied asylum-seeking children and the service has expanded to include 44 units of accommodation across Oxford and West Berkshire.

Looking ahead

Going forward we will:

- Continue to measure the new Tenant Satisfaction Measures and look to improve the scores.
- Continue to improve our complaints handling and response processes to resolve complaints faster and more effectively, overseen by a new customer scrutiny group
- Provide a digital roadmap to solve standard questions and transactions quickly and easily for customers, while providing telephone and in person responses to more complex queries and for customers who do not use digital channels
- Undertake focused work to improve the customer experience, including leasehold customers, where satisfaction tends to be lower.

Tenant Satisfaction Measures

- Last year the regulator introduced Tenant Satisfaction Measures (TSMs) to show how well social housing landlords are doing at providing good quality homes and services to tenants and shared owners. These measures have been adopted by all social landlords as a way to compare and benchmark performance. These are different to our customer satisfaction scores which are based on feedback from surveys with customers after receiving a service.
- Overall satisfaction with our services was 58% among social and affordable rent customers and shared owners, below our 63% target and lower compared to other housing providers.

Tenant Satisfaction Measure	Social and affordable rent customers	Shared ownership customers	G15 landlords 2023/24 (social and affordable rent)	G15 landlords 2023/24 (shared ownership)
Overall satisfaction	58%	23.8%		
Satisfaction with our overall repairs service	57.2%		62.3%	
Satisfaction with the time taken to complete your most recent repair	54.6%		59.3%	
Satisfaction that your home is safe	63.9%	39.2%	70.6%	55.6%
Satisfaction that we listen to your views and act upon them	47.4%	18.3%	52.6%	25.3%
Satisfaction that we keep you informed about the things that matter to you	59.4%	34.9%	65.6%	47.7%
Satisfaction that we treat you fairly and with respect	62.7%	33.8%	69.9%	47.6%
Satisfaction with our approach to handling your complaint	32.5%	9.5%	30.8%	14.6%
Satisfaction that we keep communal areas clean and well maintained	60.9%	40.2%	62.2%	44.3%
Satisfaction that we make a positive contribution to the neighbourhood	47.2%	21.1%	57.1%	30.7%
Satisfaction with our approach to handling anti-social behaviour	47.7%	18%	55.9%	29.8%

Development to meet housing needs

Supporting the new homes quality code

We aim to provide high quality, affordable homes where they are needed most. At A2Dominion we build homes under our FABRICA by A2Dominion brand, and we market them for social and private sale in order to fund affordable properties for our customers.

Our Development and Regeneration Strategy will see a renewed focus on improving existing customers' homes while, wherever possible, also taking the opportunity to develop much needed social housing in partnership with key local stakeholders. Therefore, going forward, we will invest our efforts into redevelopment and regeneration, with a focus on quality and safety.

Our ambition:

- Redevelop homes and estates where they are not economically sustainable, considering investment needs and decarbonisation
- Build homes for social and private sale – with profits reinvested into providing more homes for affordable and social rent
- Meet our sustainability and carbon targets
- Mitigate economic pressures by reviewing our long-term partnerships, and find ways to share opportunities, control costs, protect margins and minimise risks.

New homes	2023/24 achieved	2023/24 target	2022/23 achieved
New homes handed over	668	719	745
New homes starting on site	9	198	340
Sales (number of homes and sales income)1	281 units £87.8m	290 units £92.5m	346 units £100.4m

[1] *Sales information* excludes *joint-ventures*

New homes handed over

We completed 668 homes in 2023/24, achieving 93% of our target. Of these, 329 were affordable homes, including shared ownership, affordable, and social rent homes.

We achieved 309 outright sales and 30 market rent. Despite market conditions and other factors that have impacted our sales, our diverse portfolio of private and shared ownership properties allows us to offer affordable properties, providing our customers with a range of options to suit their needs.

Starts on site

We are committed to improving the living standards of our customers' homes and providing them with safe, high quality and sustainable properties. During the course of 2023/24, we took the decision to reduce the number of new developments we started on site in order to focus on the redevelopment and improvement of our customers' existing homes. There were also a number of external pressures resulting in delays to our planned developments including deferred construction due to viability and contractor liquidation.

Sales

We completed the sale of 281 units worth £87.8 million, which was 3.1% below our target of 290. A number of homes were planned to be available in the latter part of the financial year, and delays meant we were unable to complete on many of our properties. Delays in completion have resulted in many plots being sold in the first quarter of the 2024/25 financial year.

Looking ahead

With the current economic climate, and a focus on our Building Stronger Foundations Together improvement plan, we're putting more emphasis on our existing homes and assets. We're therefore refocusing our future pipeline on the redevelopment and regeneration of existing buildings and estates to ensure delivery of new homes at a higher quality and safety standard.

Starting in 2024/25, we will:

- Continue to deliver high quality, sustainable affordable homes
- Deliver our existing build programme as forecast
- Develop our Regeneration & Development Business Plan ensuring we address the quality of our stock and customer needs
- Work towards ensuring our Regeneration & Development Business Plan is self-financing to support business objectives
- Look to dispose of non-core assets in order to deploy more of our capital in support of our social housing activity
- Regularly review our projects to ensure they continue to meet targets and achieve the returns required to fund our affordable homes
- Investigate and implement new ways of funding and partnerships with key stakeholders.

A strong, sustainable, and effective organisation

We will remain financially secure and meet governance, compliance, and regulatory requirements to provide assurances for all our stakeholders. We are continuing to work closely with the Regulator of Social Housing on our improvement plan following the G3/V2 grading at the start of 2024.

Our ambition

- We will manage our cost base to sustain service delivery and help withstand external shocks
- We will provide a value for money service, maximise our social impact and look at new income streams to grow
- We will use benchmarking to understand the potential to improve, and business intelligence to target our resources
- We will take our responsibility seriously around environmental impact, improving performance and reduce our carbon emissions.

Strategic KPI	2023/24 achieved	2023/24 target	2022/23 achieved
Improve our financial performance: operating margin	12.2%	19.6%	11.2%
Sales margin (including joint venture sales)	9.5%	13.9	11.5%
Safeguard / maintain confidence of our lenders, stakeholders, and shareholders: credit rating	A	A	A
Regulatory rating	G3/V2	G1/V2	G1/V2
Ensure we have the right people, resources, and excellence to protect the organisation: colleague engagement	78%	82%	82%

Our financial performance against a backdrop of continuing challenge

We are reporting a deficit of £21.0 million for 2023/24. This is an increase from the deficit of £12.8 million reported in 2022/23. This comes as we continue to invest in our existing homes, providing safe, affordable, quality housing while ensuring financial viability and sustainability amidst an increasingly constrained economic environment. The Group has a strong asset base and significant liquidity to continue to meet these challenges (see the financial performance summary on pages 32 to 33).

Regulatory ratings

We are working through our Building Stronger Foundations Together improvement plan following our downgrade to a non-compliant G3/V2 rating in January this year by the Housing Regulator.

The plan, which includes our Voluntary Undertaking (VU), focuses on improving services for our customers whilst strengthening our organisation across nine themes:

1. High quality data – improving the data we hold on our customers and properties.

2. More effective financial governance – whilst ensuring our finances are regularly monitored.

3. Stronger risk management – ensuring risks are always considered and contingency plans put in place, if needed.

4. Confident business planning – ensuring business plans are stress tested and risks are managed.

5. Stronger board effectiveness – providing more training and support for our boards.

6. Improved repairs and complaints – improving our key customer-facing services.

7. Effectively manage complex buildings – meeting all our landlord responsibilities and improving our management of third parties.

8. Accurate rent and service charge setting – reviewing how we set rent and service charges to make sure they are accurate.

9. Improve commercial processes – improve how we evaluate any new development opportunities to reduce risk.

We are looking forward to focusing all our efforts on improving services to our customers, as well as getting back to a compliant rating as soon as possible.

Financial stability

We remain financially strong, and Fitch maintained our A credit rating in October 2023. The leading credit agency described our financial outlook as stable. This rating allows the business to borrow at the best possible rates and demonstrates the security of the Group for lenders and bond investors.

Colleague engagement

Our people are at the heart of everything we do, and so in 2024 we made the decision to rename our HR directorate to People Services. Our colleague engagement survey recorded a score of 78%, which was lower than the 82% achieved in 2022/23. This figure is based on how colleagues feel in terms of fairness, respect and being themselves at work. As a result, People Services are supporting teams across the business to identify areas for improvement.

Colleagues working closer together

We moved our registered address back to our customer-facing premises in Ealing, promoting more collaboration between central service and operational colleagues. The relocation from Paddington also saved us more than £3m annually to reinvest into the business and provide better value for money for customers.

Equality, Diversity & Inclusion (ED&I)

We continue to make positive strides in relation to ED&I, and we know we can do more to encourage further development across our teams and through new opportunities.

Highlights:

- Our mean gender pay gap narrowed in the past 12 months from 24.9% in 2022 to 20.9% in 2023
- Our median pay gap also fell in the same period from 22.7% to 18.11%
- We recruited more women into senior positions, including at executive level
- Reviewed our pay policy to maintain pay equity and to reward high performance regardless of gender.
- Looking ahead we expect our pay gap to continue to narrow in the coming years following our decision to exit our care service at the end of 2023.

Digital transformation and cyber security

For several years we have been working on an IT and business change programme under the banner of Fit for the Future Programme (FFP).

Phase 1 and Phase 2 have been delivered, meaning Dynamics is well embedded in the organisation and provides a strong foundation on which to build enhanced functionality. This allows us the option of moving forward with “off the shelf solutions” for customer facing systems such as housing management, rents and service charges which can all be integrated with the Dynamics foundation. This also provides further opportunities in areas such as:

- Telephony
- Omni-channel – allowing more ways for customers to contact us
- 360 view of our customers – allowing for a greater understanding of their journey with us
- Customer My Account app
- Customer service training
- Asset management
- Repairs
- Estate inspections
- Finance and procurement

Since its inception we have changed significantly as an organisation, and our primary objective is now fully focused on improving customers’ homes and delivering services that benefit them directly. Therefore, we took the decision to channel investment to where it is needed most: looking after our customers’ homes and providing them with a better experience when they contact us.

Alongside these major changes, we also continue to invest in cyber security and have set up a dedicated cyber team to monitor online threats and continue to improve our defences. We have retained our Cyber Essentials Plus certification for another year, providing continued assurance around our security systems and controls.

Environmental, Social and Governance (ESG) reporting

We published our third ESG report in 2023, showing our commitment to meeting sustainability targets. In that period, we built more new homes rated EPC A than another other large housing association (Inside Housing; Biggest Builder Survey). In 2020/21, we were early adopters of ESG reporting amongst our peers.

Looking ahead

From 2023/24 and in the years ahead, we will:

- Update our target operating model to enhance our ways of working and processes
- Drive efficiency to manage down costs in proportion to our income
- Ensure our IT and data systems provide maximum benefit for our customers and colleagues
- Continue our Equality, Diversity, and Inclusion plan
- Be more accessible and responsive for our customers.

Risk management

The Group's definition of risk is an event which could hinder the Group from achieving its strategic priorities.

Both the strategic and operational risk registers set out the description of the key risks, including the events that may trigger them and how they might impact the Group. They also set out the assessed current risk exposure based on an evaluation of the controls in place, the Board's desired target risk exposure, its appetite for the risk and the actions identified to improve controls to ensure each risk is within the Board's expectations.

These controls are assessed against three lines of defence and the Board has agreed that its definition of risk appetite is 'the amount of risk A2Dominion is prepared to accept, tolerate, or be exposed to at any point in time based upon current risk exposure'.

The Group has also approved an Assurance Framework mapping out how the Board receives assurance based upon a range of independent reviews and audits of key areas of activity.

The Group's approach to risk management rests on four principles:

Principle	How this is achieved
Effectively identifying and mitigating key business risks to support the continued viability and success of the Group.	▪ Annual review of the Long-Term Financial Forecast by the Executive Management team and the Board; ▪ Monthly review of risk registers by the Executive Management team; ▪ Identifying risks within the context of the sector risk profile and global outlooks; ▪ Quarterly review of the Strategic Risk Register by the Audit, Risk and Assurance Committee and the Board; ▪ Quarterly reviews of assigned risks by each committee ▪ Action plans for each risk to ensure risk exposure matches Board targets; ▪ Quarterly compliance audits of key areas of business operations; ▪ Deep dives of risks at each Audit, Risk and Assurance Committee meeting; ▪ Internal audit programme linked to the risk registers; ▪ Risk exposure assessed against controls in place; and ▪ Identifying causes and consequences for each risk.
Embedding risk management throughout the organisation by keeping it real for managers.	▪ Separate strategic and operational risk registers in place; ▪ All risks directly linked to corporate objectives; ▪ Each risk has an owner and sponsoring committee; and ▪ Key performance indicators and compliance programme in place.
A simple and efficient risk management process that is proportionate to the needs of the business and easy for managers and the Board to operate.	▪ Register applies across entire Group; ▪ Monthly reporting against early warning triggers; and ▪ Variation in risk exposure presented to Audit, Risk and Assurance Committee.
A risk management process that adds value to the business.	▪ Action plans against agreed timescales monitored by the Executive Management Team and Audit, Risk and Assurance Committee; ▪ Opportunities identified with risk assessments embedded; and ▪ Review risk management strategy biennially.

Risk management supports the achievement of business objectives by:

- enhancing the quality of decision-making, planning and prioritisation
- contributing to effective allocation of resources protecting and enhancing the Group's financial viability, assets and reputation.

As a result of the rapidly changing environment in which it operates and the challenges of maintaining financial strength and regulatory compliance, effective risk management is a Group priority. In order to grow and improve services, the Group recognises it needs to take some risks, but these must be well-managed and have appropriate controls and mitigations in place. The Board reviews its risk appetite annually.

Where risks fall outside of the Board's target, risk exposure action plans are established. The Audit, Risk and Assurance Committee receives updates on actions at each meeting and provides constructive challenge to executives where targets are not met.

The Group Board has agreed there are 17 strategic risks that could, if not managed effectively, have a significant effect on the Group and its ability to meet its strategic priorities.

The Group tests its financial resilience to risk by running a range of multi-variate stress-testing scenarios against its Long-Term Financial Forecast. These test, among other things, liquidity, covenant compliance and adherence to the Board's limits for borrowing. These tests help to provide assurance that the Group has robust arrangements in place to protect its social housing assets. This leads to a review of the financial mitigations to ensure they remain appropriate to manage the financial impact that the scenarios may cause.

The table below shows the key strategic risks which the Group considers pose a threat to its delivery of its strategic priorities as at 31 March 2024:

Key risk area	Key controls in place	Board identified risk appetite
HOMES AND NEIGHBOURHOODS THAT ARE SAFE, HIGH QUALITY AND SUSTAINABLE		
Insufficient understanding and compliance with health and safety obligations in respect of customers, staff and contractors leading to loss of life, serious incident, injury or harm and property damage.	• H&S Strategy aligned to Corporate Plan and H&S Strategic Risk. • Policies, procedures, and management action plans developed in response to changes in legislation. • Risk Assessments in place for key H&S Risks including those related to property services. • Issues escalation process in place (P1 register). • Crisis management plan for serious health and safety incidents (including Gold, Silver and Bronze Groups when required). • Staff awareness and training of H&S issues including at induction. • Approved Health & Safety strategy, policy, and action plan in place. • Quarterly compliance testing via internal audit on landlord health and safety areas. • Internal audit programme covering key areas of H&S compliance.	**Averse**
Failure to have an integrated and strategic approach to sustainable property asset management.	• Financial assumptions for repairs and maintenance included in the Long Term Financial Forecast (LTFF). • Asset options appraisal considers financial and non-financial aspects of performance. • Lifespan system in place to hold property asset data and to develop and monitor works programmes based on stock condition surveys. • Development Handover to Property Services process. • Approved Asset Management Strategy 2021-25. • Approved Sustainability Strategy and associated action plan. • Monitoring of legislation and associated guidance. • Register of statutory requirements in place. • Stock condition surveys carried out by independent third-party surveyors.	**Averse**

Key risk area	Key controls in place	Board identified risk appetite
Non-compliance with the latest Government guidance/obligations relating to tall buildings (over 18 metres/storeys) and lack of time, resources and access to funding in order to minimise business and leaseholder costs.	• Dedicated project team in place to deliver remediation programme • Key control documents created. • Managing agent project linked to tall buildings project to enable scrutiny of blocks where A2Dominion is not the responsible person. • Monthly meetings for key workstreams to monitor progress. • External legal advisers appointed. • Development of Fire Safety Remediation Framework for future proof compliance. • Approved Asset Management Strategy 2021-2025. • Tall and Complex Buildings Project risk register. • Weekly and monthly compliance dashboards. • Monitoring of complaints/dissatisfaction. • Monthly tracking of project plan, reporting to Executive Management team and Audit, Risk and Assurance Committee. • Quarterly meetings with programme sponsor. • Audit, Risk and Assurance Committee deep dive review.	**Averse**
Failure to ensure the effective and efficient delivery of the JV responsive repairs service to customers.	• Repairs Improvement Plan in place with a separate JV Recovery Plan aligned to the Voluntary Undertaking. • New Repairs Structure in place for A2Dominion and JV. • Policies and procedures relating to repair both within the JV and A2D kept under regular review to ensure they are fit for purpose and reflect our landlord obligations. • Quarterly H&S reporting and inspection regime from the JV flowing through to Health and Safety Executive. • Quarterly CSC reporting Voice of the Customer data to give oversight on customer feedback of completed repairs. • Regular monitoring of legislation and associated guidance.	**Not yet confirmed**

<table>
<tr><th>Key risk area</th><th>Key controls in place</th><th>Board identified risk appetite</th></tr>
<tr><td></td><td>Transfer of KPI data to Power BI utilising data from our own systems where possible to give one version of the truth.
Enhanced Health & safety training programme in place. Additional training provided on SOR and CDM to JV Staff.</td><td></td></tr>
<tr><td colspan="3">CUSTOMER CARE: RESPOND AND RESOLVE WITH RESPECT</td></tr>
<tr><td>Non delivery of customer-led services in line with the Consumer Standards.</td><td>Skills matrix for all staff with gaps identified.
Customer experience plan and strategy 2020-25 in place.
Service Level Agreement for repairs JVs managed through contract management meetings and escalated to JV partnership boards as necessary.
Survey programme including service satisfaction KPI in place (including a customer effort KPI) for all key service areas.
Updated customer website and portal to enable customer feedback to be captured.
Approved Complaints Policy, escalation procedure and compensation policy in place.
Approved Knowledge Management Strategy.
Mazars Quarterly Compliance Testing – Complaints.</td><td>Minimal</td></tr>
<tr><td>Insufficient controls and practices in place for ensuring data quality in the Group’s single data source system.</td><td>Management of report security to ensure only appropriate visibility of data as per the security requirements.
Emails containing sensitive data are automatically flagged to users and a confirmation required (using Egress).
Fit for the Future Phase 3 data migration ensuring data quality and integrity.
Approved Data Quality Strategy.
Data Governance Group managing data governance and quality within applications, including data ownership and stewardship.</td><td>Minimal</td></tr>
</table>

Key risk area	Key controls in place	Board identified risk appetite
	• Review of Data Process Impact Assessment (DPIA) by the IGG for all business and application changes that impact data. • Information Governance Group (IGG) to oversee all data related activities; including policies and procedures, and application development. • Data Impact Assessment which must be approved by the Information Governance Group (IGG).	
DEVELOPMENT TO MEET HOUSING NEEDS		
Insufficient processes in place to ensure development schemes are delivered to budget and schedule.	• Performance reporting through EMT-led performance clinic and delivery group. • Monitoring of external funding grants using relevant grant systems to ensure compliance with funding requirements. • Build Cost Information Service (BCIS) monitoring reports. • Scheduled meetings to review performance against budgets and project plans. • Structured project planning and monitoring meetings with structured escalation of site issues, budget overruns, or other matters. • Quarterly joint venture meetings scheduled with partners and minutes available to the Strategic Development and Asset Committee (SDAC) via Reading Room. • Group Board-approved Land and Development Strategy with delegated monitoring by EMT and SDAC. • Group Board-approved development scheme appraisal reviewed annually.	**Minimal**
A STRONG, SUSTAINABLE AND EFFECTIVE ORGANISATION		
Failure to have an IT strategy and investment that meet requirements and policy	• Annual IT objectives aligned to IT Strategy. • IT Roadmap agreed with EMT. • Business case for all IT projects approved by EMT. • Consistent Project Management approach for all IT projects. • Chief Officer acts as sponsor for IT Projects within their area of responsibility.	**Minimal**

Key risk area	Key controls in place	Board identified risk appetite
	• IT Team provide resource to implement IT Projects to business project teams lead by business. • External assurance on key solution decisions. • Periodic external assurance on IT Projects in line with internal audit plan. • IT Projects review as part of Voluntary Undertaking monthly Delivery Group meeting. • I&E spend and project spend reported monthly through management accounts. • Oversight of IT Projects by Audit, Risk & Assurance Committee. • Governance arrangements for reporting of Programme status.	
Failure to respond to changes in the operating environment arising from Government legislation, policy, or political change.	• Covenant thresholds reported in the Management Accounts. • Management accounts produced by the Treasury/Finance Teams. • Annual budget approved by the Board ahead of the long-term financial plan. • Monitoring (undertaken by subject matter experts) of future legislation including consumer, fire safety, tall buildings, de-carbonisation and First Homes. • Statement of Internal Control to EMT, ARAC and the Board. • Annual Long-Term Financial risk scenario planning exercise presented to ARAC, Finance Committee, and Group Board. • Approved Treasury Management Strategy. • Mazars Internal Audit Reviews. • External Audit of Accounts.	**Averse**
Failure to have in place a diverse and resilient workforce by inability to attract, retain, grow, and develop high-quality employees and non-executive directors.	• New reward scheme approved by Governance and Remuneration Committee. • Formal job evaluation process. • HR Business Partners and talent acquisition team advise on recruitment options. • Governance and Remuneration Committee set reward scheme parameters.	**Averse**

Key risk area	Key controls in place	Board identified risk appetite
	• Monthly reports to Executive Management team on turnover and absence. • Diversity and Inclusion Steering Group established. • Biannual employee engagement surveys. • Monitoring of employee relation cases. • Employee engagement survey analysis and briefing at Executive Management team and reported to Governance and Remuneration Committee. • Gender Pay Gap reporting to Executive Management team and Governance and Remuneration Committee. • Six-monthly report to Governance and Remuneration Committee on reward schemes. • Board approved Reward Policy in place. • Investor in People Accreditation and Review. • External analysis of 'Your View' employee engagement survey results. • Annual Appraisal Process for Board and Executives. • Skills and succession plan in place. • Board and Member Effectiveness Review. • Monitoring of skills on the Board and its Committees by Governance and Remuneration.	
Insufficiently robust arrangements for securing data and systems from internal and external attack.	• Quarterly review of intelligence gathering and privacy risks. Management review reporting on emerging risks and key considerations. • Documented and verified security requirements within the data mapping and transformation elements of data migration process. • 24x7 Network Scanning / Alert / Remediation service in place with Redscan to protect against possible attack. Monthly Service Review to continuously improve security. • User access and changes controlled by the SLAM. • Policies in place for Information Security, Patch Management, Network Security, Physical Security, Use of Computers Internet, and Email at Work.	**Minimal**

Key risk area	Key controls in place	Board identified risk appetite
	• All Laptops are encrypted and protected with Multi Factor Authentication (MFA). • Data, loss, and prevention software (Egress Software) rolled out. • Email containing sensitive data are automatically flagged to users and a confirmation required (using Egress). • Cyber Essentials Plus Certification is retained annually. • KnowBe4 software has been installed, to provide regular Cyber Training and awareness campaigns to users, including Phishing Testing. Regular Phishing testing and training are carried out. • Quarterly internal audit compliance checks of SLAM process.	
Ineffective business planning and stress testing to protect the Group's financial viability from being compromised by unforeseen external and internal factors.	• Maintain up-to-date knowledge of key economic indicators including trigger KPIs. • Forecast liquidity reporting to Finance Committee quarterly. • Movement in house prices and sales performance is modelled to identify long-term trends. • Stress Tested Business Plan with mitigation strategies in place. • Quarterly monitoring of financial covenant compliance. • Board approved Treasury Management Strategy & policy and procedures in place. • Use of Brixx financial modelling system to inform LTFF. • Internal audits of key financial planning and response activity included in audit plan. • External advisor team retained to provide market information review and advice on specific projects. Regular advice from external experts and tracking market indices.	**Averse**
Insufficiently robust arrangements in place to ensure compliance with key regulatory requirements.	• Health and Safety compliance, audit, and training programmes. • Group-wide policies and mandatory training in data and safeguarding. • In-house teams with specialism in key areas of compliance including audit, risk, data protection, health and safety, property, and development. • Review of compliance performance including safety information at Board, Committee and EMT. • Annual review of RSH compliance.	**Averse**

Key risk area	Key controls in place	Board identified risk appetite
	• Tri-annual review of Pension Regulator compliance. • Periodic fraud and compliance briefings to enhance reporting of incidents. • Approved data protection strategy and policies in place, including logs and processes for managing data processing activities. • Regular dialogue with Regulator, including use of co-regulation principles and thereafter delivery of service improvements. • Approved declaration of Interest, fraud, money laundering and whistleblowing registers. • Annual Assurance Statement. • Programme of deep dives for compliance and other issues through ARAC. • Regular oversight of internal audit recommendation implementation by EMT and ARAC. • Consent process to obtain personal data from customers/ stakeholders. • Annual internal audit plan with quarterly reporting to ARAC. • External audit highlights report. • Delivery of the Voluntary Undertaking Action Plan.	
Refinancing and liquidity risks resulting in funding not being available when required.	• Pamwin for cash-flow forecasting and monitoring. • Monitoring of KPIs, cash-flow and KPI triggers quarterly including covenants. • Impact of interest rate changes on the Group tested by Financial Planning Team. • Annual assessment of credit rating through Fitch. • Annual joint venture risk assessment review. • Budget assumptions for pension contributions and performance reported to Board. • On-going management compliance (including monitoring) with Development Gateways and Development Hurdles. • Tri-annual valuation of SHPS results and benefit options reviewed by Group Board. • Monitoring of loan facilities over the next 18 months to cope with a 12-month sales delay.	**Averse**

Key risk area	Key controls in place	Board identified risk appetite
	• Monitoring of the Group's five-year net debt requirements to ensure compliance with Board KPIs looking forward 18 months. • Monitoring of the Group's forecast key financial metrics to ensure compliance with Board KPIs looking forward five years. • EMT monitoring of Annual Budget and cash flow. • Finance Committee monitoring of Annual Budget and cash flow. • Reporting to, and monitoring, of Development Schemes by SDAC. • Fitch rating review. • Annual audits by GLA and Homes England.	
Failure to maximise growth opportunities.	• Group Board-approved corporate improvement plan and Voluntary Undertaking with Regulator. • New business hurdles and return on investment rates agreed and monitored through agreed KPI suite. • Commercial Investment Reports reported to SDAC. • Group Board-approved Investment Strategies in place. • Group Board-approved Regeneration Strategy in place. • Group Board-approved Property Acquisitions Strategy and action plan in place. • Group Board-approved Merger and Acquisitions Strategy in place.	**Minimal**
Poorly managed stock disposals could lead to poor financial outcomes.	• Project steering group in place with reporting and escalation framework agreed. • Project plan/approach approved by EMT with available stock for disposal. • Risk register established and regularly reviewed at steering group. • Monthly performance updates provided to EMT. • Regular communication with stakeholders.	**Averse**

Key risk area	Key controls in place	Board identified risk appetite
The Group might not be able to manage the delivery of both the improvements required by the VUAP and undertake business as usual activities.	• Introduced a heat map and schedule of changes to ensure dependencies and capacity is actively managed. Circulated to EMT weekly. • Creation of VU resource plan ensuring we have the right resources deployed on the critical priority. • Agreed Target Operating Model approved and monitored at monthly Delivery Group meetings. • Comprehensive staff plan in place, including resources for managing change and managing staff engagement.	**Averse**

Financial performance summary

The Group as well as the wider social housing sector have been facing the dual challenges of providing safe, affordable, quality housing while ensuring financial viability and sustainability amidst an increasingly constrained economic environment. The Group, through its strong balance sheet with significant liquidity and more than £3.5 billion in assets and investments, can meet these challenges now and in the years to come.

Profitability continues to come under pressure from the economic constraints. There are a number of initiatives and actions the Group has already put in place to reduce costs and improve income generation, but there is still work to do in improving that further, with cost reductions embedded in 2023/24 and further reductions budgeted for 2024/25 set to assist in allowing us to reduce costs and reinvest in our priority areas.

The Group this year has again seen pressure on operational costs, a decrease in property sales, and has continued to increase spending to ensure our homes are safe and comply with new regulations. The result for the year is lower than the previous year, impacted by a one-off impairment of intangible fixed assets and once again by impairments on schemes in development and costs of aborting potential developments as the Group continues to assess schemes' feasibility.

Group statement of comprehensive income and expenditure	2024 £m	2023 £m
Turnover	399.6	389.1
Cost of sales	(86.5)	(96.1)
Operating costs	(293.9)	(270.7)
Surplus on sale of fixed assets	27.4	14.4
Share of jointly controlled entity operating profit	2.1	6.7
Operating surplus	**48.7**	**43.4**
Operating margin	12.2%	11.2%
Net interest charges	(61.5)	(66.9)
Deficit after interest charges	**(12.8)**	**(23.5)**
Change in fair value of investments	0.1	(0.8)
Movement in fair value of financial instruments	2.5	4.7
Movement in fair value of investment properties	(14.5)	0.6
Tax on deficit on ordinary activities	4.6	7.1
Non-controlling interest	(0.9)	(0.9)
Deficit for the financial year	**(21.0)**	**(12.8)**

Turnover for the year is up 2.7% (2023: down 16.5%), the majority of that increase coming from social housing lettings. Within that increase property sales fell by £12.6 million year on year due to a lower volume year and some sales rolling over into 2024/25, due to scheme delays.

Operating surplus has increased by £5.3 million, a 12.2% increase year on year.

Overall, the result for the year was a deficit of £21.0 million with operating costs increasing by £23.2 million, an 8.6% increase (2023: 27.1% increase).

The Group continues to review its cost base with several initiatives put in place to reduce costs and improve income generation. As part of this review the Group has evaluated the continued investment in ongoing transformation projects, taking into consideration the changes the Group has undergone since projects were started, their feasibility and future cost, with the decision being taken to write off the costs of the legacy IT programme resulting in a one-off impairment of £25.8 million, which has impacted our overall result for the year. This will enable the Group to channel investment where it is needed most and focus on our commitment to improving customer's homes and delivering services that benefit them directly.

The viability of development schemes continue to be reviewed by the Group in the context of the wider economic environment and as a result there were a number of potential development schemes aborted costing £1.5 million as well as scheme impairments of £12.6 million, with £7.6 million of that included in cost of sales.

Operating costs continued to be affected by inflation increases and supply chain pressures with increases in management costs of £9.8 million and service charge costs of £4.7 million, the largest impact coming in particular from higher costs in utilities, decanting and insurance of £5.9 million. Leasehold costs were also affected by the same cost drivers, up by £6.1 million. Responsive repair costs rose by £7.7 million, from inflation increases and a higher volume of works than anticipated.

We continued to maintain our investment in our stock through our responsive repairs, planned and major works programmes, spending £96.8 million, an overall increase of £10.7 million with a £9.1 million increase in the amount capitalised.

Net interest charges were down on last year by £5.4 million, with our overall loans and borrowings reducing year on year by £39.0 million.

Group statement of financial position	2024 £m	2023 £m
Fixed assets and investments	3,574.9	3,600.2
Current assets	240.6	275.3
Creditors including loans and borrowings	(1,767.6)	(1,783.5)
Deferred grant	(1,030.7)	(1,050.8)
Non-controlling interest	(1.6)	(1.4)
Net reserves	**1,015.6**	**1,039.8**

Fixed assets and investments are down year on year, primarily due to units disposed of as part of the stock rationalisation programme and impairment of other fixed assets partially offset by an increase in the cost of housing properties from construction and maintenance work.

Current assets have reduced due to lower work in progress, reflecting the lower level of development activity and a lower cash balance.

Total creditors are lower year on year reflecting a reduction in the loans and borrowing balance and a decrease in deferred capital grant.

Value for money performance

The focus of approach continues to be delivering quality services and support to our customers despite the continued financial pressures on the housing sector. The challenges have affected the performance of our efficiency indicators outlined on pages 36 to 38. We remain committed to ensuring our costs are reasonable and that we provide the best value for our customers.

Our Corporate Strategy forms the foundation of a VfM approach with our strategic priorities and is supported by our VfM statement which outlines how the Group achieves VfM through the Corporate strategy.

VfM is not only about minimising cost but achieving more from our resources and ensuring investment choices are in support of our strategic priorities and delivering the underlying actions. This will enable the Group to provide and manage homes and services that meet a wide range of needs.

Approach

Our strategic priorities will ensure the Group achieves VfM by and through:

- First and foremost, working with and listening to our customers as well as other stakeholders in order to prioritise investment in our core services and communities;
- Using better information and oversight of our homes to manage and maintain their condition to a high standard;
- Ensuring efficiency and simplicity across all business activity, including the order of priorities and roles so that we are clear whose job it is as well as improving the efficiency and effectiveness of our systems and processes;
- Ensuring managers understand and are accountable for delivering return on investment and that the Group has a well-developed culture for achieving and demonstrating VfM. Considering economy, efficiency and effectiveness as defined in the VfM code;
- Maximising income, looking for new income streams and using the Group's assets and resources efficiently and effectively;
- Maintaining quality and minimising cost, driven through a range of procurement and partnership approaches and reviewing how we compare against similar organisations and understanding our costs and realising organisational efficiencies where appropriate; and
- Ensuring reliability, predictability and profitability from our commercial activities.

The following table aligns our strategic priorities with supporting priority actions over the life of the corporate strategy.

These priority actions will contribute to improving the Group's performance against the VfM metrics reported below. The performance for the year against our strategic priorities for the year can be seen in our strategic report.

Strategic priorities	Looking ahead we will:
Homes and neighbourhoods that are safe, high quality and sustainable.	• Deliver our continuous programme of improving homes. • Complete building safety cases and action plans for tall buildings. • Accelerate redevelopment of homes and estates that are not economically viable.
Customer care: respond and resolve with respect.	• Introduce measurement and reporting for the new Tenant Satisfaction Measures and Consumer Standards. • Improve our complaints handling and response processes. • Provide a digital roadmap so that we can solve standard questions and transactions through digital means quickly and easily for customers. • Undertake focused work to improve the customer experience for leasehold customers.
Development to meet housing need.	• Deliver our existing build programme as forecast providing high quality, sustainable affordable homes. • Develop our Property Investment Strategy ensuring we address the quality of stock and customer needs and that the strategy is self-financing. • Undertake regular reviews to ensure projects continue to meet targets and required returns to fund our affordable homes. • Investigate new ways of funding and building and funding with key stakeholders.
A strong, sustainable and effective organisation.	• Update our target operating model to provide clarity on our structure and processes. • Drive and embed organisational efficiency to manage down costs in proportion to our income. • Ensure IT and data systems provide maximum benefit for our customers and colleagues.

Assessing value for money

Value for money is monitored through a range metrics including those required by the Regulator for Social Housing. We use a sector-wide efficiency scorecard that has been developed to allow for consistent measures to highlight how an organisation is performing against key efficiency measures. These include the nine measures contained within the VfM Standard set by the Regulator of Social Housing. These indicators provide an overview of the Group's efficiency in relation to business health, development capacity, outcomes delivered, effective and active asset management and operating efficiencies against 2022/23 results for us and the median of the G15 peer group (source: G15 internal benchmarking report).

The metrics used in the sector scorecard are as defined by the Regulator of Social Housing and do not in all cases match our own covenant or internal metrics disclosed elsewhere in the annual report.

The 2023/24 targets set for the nine key metrics were: Operating margin (overall) 15.7%; social housing lettings margin 20.2%; EBITDA MRI 60.0%; social housing units delivered 1.2%; non-social housing units delivered 0.3%; gearing 52.6%; reinvestment 4.2%; return on capital employed 2.2%; and headline social housing cost £7,680 per unit.

Business health indicators	A2Dominion actuals		G15 median
	2024	2023	
Operating margin overall[1]	4.8%	5.7%	16.0%
EBITDA MRI interest cover[1]	14.2%	29.6%	74.0%
Social housing margin	18.0%	12.1%	20.0%

[1] Excludes share of jointly controlled entities and surplus on sale of fixed assets.

Current performance: The operating margin, social housing margin and EBITDA MRI interest cover are lower when compared to the G15 median and our 2023/24 targets. The one-off in year write off of intangible fixed assets has impacted this year's result for overall operating margin and EBITDA MRI interest cover. Further increases in operating costs; affecting service charges, housing management costs and routine maintenance spend have affected these metrics. These metrics, although to a lesser extent than the prior year, are also impacted by development abortive costs and scheme write downs.

Future performance: As in prior years there will continue to be further pressure on these metrics with increased investment in fire and safety works over the next few years in addition to the continued impact of other external economic factors. The metrics are forecast to start to improve again from 2024/25 when our efficiency programme starts to deliver.

Development capacity indicators[1]	A2Dominion actuals		G15 median
	2024	2023	
New supply delivered (absolute)	495	693	814
New supply delivered social housing units (absolute)	329	477	517
New supply delivered non-social housing units (absolute)	166	216	194
New supply delivered: social housing units (as a % of social units owned)	1.0%	1.5%	1.2%
New supply delivered: non-social housing units (as a % of units owned)	0.5%	0.6%	0.3%
Gearing	52.7%	54.2%	46.0%

[1] Excludes joint venture units.

Current performance: The delivery of 495 homes is marginally below our new supply percentage targets, the G15 median and our prior year result. The year was forecast to be lower volume and is reflective of our reduced development activity. There were delays which meant some units were pushed into 2024/25. Gearing has once again fallen year on year, in line with target, and is within our lender covenants, although still remains higher than our peers.

This measure is impacted by the accounting method used among our peers (use of deemed cost on transition to FRS102) along with the age profile of the units and continues to show our ongoing investment in our homes and development schemes.

Future performance: The future absolute delivery is forecast to reduce but will remain at a similar level for the next couple of years with 1044 homes in the development pipeline over that period. Gearing has reduced over the last couple of years and will continue to reduce over the next few years to be below the level of the peer group. Our gearing continues to be forecast well within our lending covenant levels.

Outcomes delivered indicators	A2Dominion actuals		G15 median
	2024	2023	
Customer satisfaction	77.0%	80.1%	76.0%
Reinvestment	4.3%	3.1%	6.0%
Investment in communities (absolute)	£2.9m	£3.7m	£3.9m

Current performance: The customer satisfaction measure has fallen this year and is below our target of 82% and slightly ahead of the peer group median. This is an area where we know there is more to do and have put in place targeted improvement plans. The reinvestment metric is on target and has increased once again, reflecting our level of development activity as well as our increased investment in major and planned repairs including fire remediation works. There has been a drop in the investment in communities measure which has fallen below the median of our peers.

Future performance: To improve customer satisfaction we are improving our complaints handling and response processes, providing a digital roadmap to solve standard questions and transactions quickly and undertaking focused work to improve customer experience. The Group will continue to support and provide sustained funding to its community investment projects. The reinvestment metric reflects the Group's level of development delivery activity in a given year, as schemes are completed, they will contribute to this measure. The level of reinvestment will be affected by the decrease in the development pipeline and increase in investment in maintaining our properties.

Effective asset management indicators	A2Dominion actuals		G15 median
	2024	2023	
Ratio of responsive repairs to planned maintenance	67.9%	57.4%	62.0%
Return on capital employed (ROCE)	1.4%	1.2%	2.2%
Occupancy	99.7%	99.5%	98.9%

Current performance: The ratio of responsive repairs to planned maintenance has increased above the median of the G15 and our prior year result. This is due to increased costs in responsive repairs being in excess of the increase in the level of investment in planned and major repairs. Our ROCE remains below the peer median for 2023 and our target but has improved marginally on the prior year reflecting the impact of the increase in our operating surplus, although supressed by the one off intangible fixed asset write off. The occupancy metric has shown a slight increase year on year and is reflective of empty property turnaround.

Future performance: The ratio of responsive to planned repairs varies each year, driven by the programme of planned works due to be delivered. This is impacted by the property's components lifecycles and means that in some years there may be more work required than in others due to the timing of the replacement of a property's components. Our ROCE is expected to rise above the peer median form 2024/25 onwards reflecting the forecast increases in the Group's surplus.

Operating efficiencies indicators	A2Dominion actuals		G15 median
	2024	2023	
Overall social housing cost per unit (£)	7,652	6,997	6,239
Management cost per unit (£)	2,375	2,011	1,584
Service charge cost per unit (£)	1,235	1,061	1,010
Maintenance cost per unit (£)	1,575	1,410	1,652
Major repairs cost per unit (£)	1,865	1,630	1,515
Other social housing costs per unit (£)	602	886	471
Rent collected	98.7%	99.4%	99.6%
Overheads as % of adjusted turnover	12.5%	12.6%	11.2%

Current performance: Our overall cost per unit for social housing has again increased significantly compared to the previous year and is well above the 2023 peer group median but in line with our target of £7,680 cost per unit. This is a result of the previously mentioned increased costs in responsive maintenance, housing management and service charge costs. Overheads as a percentage of adjusted turnover have decreased slightly but still remains higher than our peer group. Rent collected has decreased compared to 2023.

Future performance: In common with the last few years these metrics will be under continued pressure from economic pressures and our continued investment into our properties, particularly regarding building safety. These are all factors that will impact the housing sector. The metrics will be positively impacted from 2024/25 as we begin to deliver our targeted efficiencies.

Treasury review

The Group has a formal treasury management policy, which is regularly reviewed and approved biennially by the Group's Finance Committee (last approved in March 2024) The purpose of the policy is to establish the framework within which the Group seeks to protect and control risk and exposure in respect of its borrowings and cash holdings. The treasury policy addresses funding and liquidity risk, covenant compliance and interest rate management. The Group holds floating rate loans which expose it to interest rate risk. To mitigate this risk the Group uses interest rate swaps (see page 118).

The Group has five active borrowers: A2Dominion Homes Limited, A2Dominion South Limited, A2Dominion Residential Limited, A2Dominion Developments Limited and A2Dominion Housing Options Limited. The Group has two active funding vehicles, A2Dominion Housing Finance Limited, which on-lends a £50.0 million loan directly to A2Dominion South, and A2D Funding II PLC, which lends a retail bond issue of £150.0 million to the Group's parent company A2Dominion Housing Group Limited. A2Dominion Housing Group has loan facilities and has issued bonds, the proceeds of which are on-lent to the above borrowers.

Borrowings and arranged facilities as at 31 March 2024 can be summarised as follows:

	Arranged £m	Drawn £m
A2Dominion Homes Limited	643.2	428.6
A2Dominion South Limited	573.7	437.2
A2Dominion Housing Options Limited	128.3	128.3
A2Dominion Residential Limited	252.9	252.9
A2Dominion Developments Limited	171.5	171.5
A2Dominion Housing Group Limited	120.6	120.6
	1,890.2	1,539.1
Fair value adjustment of loans arising on consolidation		9.3
Loan issue costs		(5.6)
Bond discounts		(0.8)
Net debt (note 25)		**1,542.0**

As at 31 March 2024 the percentage of fixed and index linked loans to variable was as follows:

	Fixed or index linked %
A2Dominion Homes Limited	68.0
A2Dominion South Limited	97.1
A2Dominion Housing Options Limited	100.0
A2Dominion Residential Limited	100.0
A2Dominion Developments Limited	100.0
Weighted Average for Group	**86.5**

Current liquidity

It is the Group's normal policy not to hold significant cash balances but to ensure that loan facilities are in place to fund future liquidity requirements. Any excess cash is invested with a number of counterparties at competitive rates of interest. This is until the funds are required to meet the commitments within the Group's development programme.

Cash and bank balances at 31 March 2024 were £45.5 million (2023: £56.0 million).

Net current assets were £9.5 million (2023: £77.7 million). Additionally, as at 31 March 2024, the Group had available facilities in place to borrow a further £351.1 million (2023: £382.5 million). The Group's liquidity therefore remains strong and is the cornerstone of the Group's risk management strategy to ensure that it remains liquid in a potential market downturn.

Loan covenants are primarily based on interest cover and gearing ratios. Interest cover is after adding back housing property depreciation and impairment on housing properties and includes surpluses from sales but excludes capitalised interest. Interest cover and gearing covenants only apply to the two largest Group entities, A2Dominion Homes Limited and A2Dominion South Limited and these were comfortably met throughout the year. Both companies derive most of their income from rented social housing. There are no other Group entities with either interest or gearing covenants, nor are there any Group level interest or gearing covenants.

The Group's loan covenants are all structured in line with FRS 102 apart from one which is yet to be migrated and contains a frozen UK GAAP clause.

Accounting policies

The principal accounting policies of the Group are set out on pages 78 to 89.

Governance

Board and committee structure

The Group's governance structure is set out below. The Board operates five Standing Committees within a structure approved in September 2020, following an independent review of the Group's governance arrangements by Campbell Tickell.

In December 2020, the Board also approved revised Standing Orders, supported by a new delegation framework and Responsibility, Accountability, Consulted and Informed (RACI) matrix, along with a range of flowcharts to provide greater clarity on decision making.

All of our committees are made up of Board members and independent committee members.

Group Board				
Audit, Risk and Assurance Committee	Customer Service Committee	Finance Committee	Governance & Remuneration Committee	Strategic Development and Asset Committee

	Remit	Key areas of work completed during the year
Group Board	Leads the Group, oversees its activities and sets the Group's vision, strategies, plans and resources and directs its business. The Board's primary responsibility is the protection of the Group's assets, ensuring they are used to fulfil the organisation's objectives. The Board exercises effective control across the Group to enable it to achieve its objectives and ensure that it acts lawfully and in accordance with generally accepted standards of governance, performance and probity. The Group Board oversees the work of each Committee and is responsible for establishing each one's terms of reference. In accordance with the adopted Code of Governance, the Board has a number of matters reserved to it. While it may delegate review of these to other bodies, only the Board may approve decisions. The Board approves the strategy and supporting plans in which its Committees operate. Anything that falls outside a Board-approved strategy is brought back to the Board to approve or reject.	This year, in particular the Board has: Approved Board and Committee membership for 23/24. Approved the Governance Review Report and Action Plan. Approved the arrangements for the JV for the London contract for repairs and maintenance. Approved the Repairs Improvement Plan. Approved the Complaints Code Self-Assessment for publication on the corporate website. Overseen arrangements with our software partner regarding our Fit for the Future transformation programme. Approved the disposal of 479 homes to MTD as part of the stock rationalisation programme. Approved a programme of Private Rented Stock disposals. Approved a proposal to close the Paddington office and move all staff to our owned Ealing office with estimated savings of £6.9 million over 5 years. Approved the engagement of Baringa to develop a comprehensive Data Strategy and roadmap. Approved amendments to the Rent Policy

	Remit	Key areas of work completed during the year
		Approach to 2024/25 alongside approving a contribution of £100k towards the hardship fund. Approved the Enhanced Housing Management model to be adopted for all 18m+ properties. Reviewed and approved changes to the risk grading matrix. Worked with the Executive Team on the Voluntary Undertaking and Voluntary Undertaking Action Plan following governance downgrade by the Regulator of Social Housing. Approved changes in representation for our Joint Ventures.
Approved Audit, Risk and Assurance Committee	The Audit, Risk and Assurance Committee has been established by the Group Board to undertake the detailed examination and review of matters set out in its Terms of Reference and either make recommendations to the Board or, on delegated matters, to approve recommendations made to it. The Committee, in particular, is: *Responsible for:* • the scrutiny of the Group's Statutory Accounts prior to consideration by the Group Board • the review of appointment, terms of reference, conduct and performance of the External Auditors and the Internal Auditors • ensuring there is an overall process for an effective internal control system • having in place and maintaining an effective system in relation to the Group's risk identification and management • ensuring that the Group has in place appropriate controls to safeguard assets • ensuring the Group complies with the Governance and Financial Viability, Rent and Value For Money Standards established by the Regulator of Social Housing. *Accountable for:*	The key achievements of the Committee in the year include: • Approved the definition of the 'must pass' scenario for the 24/25 Business Plan • Overseeing the Group's insurance arrangements • Reviewed and approved Health & Safety policies for: ○ Fixed Electrical Management ○ Gas Management ○ Lifting Management ○ Water Hygiene Management ○ Asbestos Management ○ Building Safety ○ Window Restrictors • Reviewed and approved the following policies: ○ Anti-Financial Crime ○ Safeguarding Adults ○ Safeguarding Children ○ Whistleblowing ○ Non-Audit Services ○ Data Protection • Managed the delivery of the audit plan for the year ensuring that actions are monitored and delivered. • Undertook a deep dive on data and reviewed the Data Strategy.

<table>
<tr><th></th><th>Remit</th><th>Key areas of work completed during the year</th></tr>
<tr><td></td><td>ensuring that the Group has in place an appropriate Confidential Reporting ("whistle blowing") policy which allows staff, in confidence, to raise concerns about possible impropriety in matters of financial reporting, financial control or any other matter relating to the Group's activities
the provision of internal audit services for the Group
the Group's compliance with the requirements of legislation and regulatory requirements in respect of health and safety matters
ensuring that the Committee receives adequate financial and business management reports to scrutinise performance.</td><td></td></tr>
<tr><td>Customer Service Committee</td><td>The Customer Service Committee has been established by the Group Board to undertake the detailed examination and review of matters set out in its Terms of Reference.

The Committee takes the lead on all customer matters across all tenures, including customer satisfaction and performance against customer measures – for example neighbourhood satisfaction and complaints monitoring.

It challenges the Group's decisions and decision-making processes to ensure A2Dominion is a customer-led business and that services are designed to make it easy for the customer to transact and access them. The Committee's decisions are informed by customer insight.

The Committee is, in particular:

Responsible for:
ensuring the Group complies with the Home, Customer Involvement and Empowerment, Home and Tenancy Standards established by the Regulator of Social Housing and Care Quality Commission standards
scrutinising proposals for customer performance indicators</td><td>The key achievements of the Committee in the year include:
Approved the following policies:
○ Aids & Adaptations
○ Allocation
○ Environmental Services
○ Tenancy
Reviewed the Complaints and Resolution Service annual report noting the higher volume of complaints received
Overseeing actions taken in response to Housing Ombudsman recommendations
Reviewed the work of the Project Oak taskforce on damp and mould
Reviewed and recommended the following policies to Group Board for approval:
○ Complaints Policy and Procedure
○ Decants Policy
○ Responsive Repairs Policy
Reviewed the Tenant Satisfaction Measures, noting priorities for 24/25, and data collection methods</td></tr>
</table>

	Remit	Key areas of work completed during the year
	and targets for performance measures • oversight of compliance with and performance against the Housing Ombudsman Complaints Code *Accountable for:* • monitoring achievement against agreed customer performance indicators.	• Reviewed progress against our Customer Transformation project journey • Carried out a deep dive into the Neighbourhood and Community Standard • Approved the scopes for the Customer Scrutiny Groups • Approved the Customer Annual Report.
Finance Committee	• The Finance Committee has been established by the Group Board to undertake the detailed examination and review of matters set out in its Terms of Reference. • The Committee is, in particular: • Responsible for: • examination of draft budgets prior to consideration by the Group Board • examination and review of the Group's Tax Strategy prior to recommendation to the Board • review of the Group's Treasury Strategy and Treasury Policy • review the Long-term Financial Forecast prior to submission to the Board • review of the results of stress-testing and annual scenario planning prior to submission to the Board. • Accountable for: • the scrutiny of the Group's financial performance indicators • consideration and approval of the Group's borrowing and loan arrangements • consideration and approval of the Group's investments. • The Committee also acts as the Board for A2Dominion Housing Finance Limited and A2Dominion Treasury Limited.	• The key achievements of the Committee in the year include: • The approval of the 2023 LTFF base plan to be used as the basis of the 2023 Financial Forecast Return • The approval of a recommendation to Group Board to implement a Group Charge with effect from the 2022/23 financial year • The approval of the proposed assumptions to be used in the 2024 LTFF Board Reverse Stress Scenario Modelling • Reviewing the Group's borrowing cap • The recommendation of the budget assumptions for 24/25 to the Group Board. • Working with Centrus to devise a Financial Strategy to build financial resilience and improve operating efficiencies. • Reviewing the Value for Money performance benchmarking • Reviewing the Annual Treasury Strategy 2024/25 for approval by Group Board • Reviewing the cost optimisation work around corporate overheads. • Approving the prepayment of the £60 million IFM Floating Rate Note.

	Remit	Key areas of work completed during the year
		• Approving the trickle transfer of void properties to A2DD from A2DR for Keybridge House and Wharf Road. • Reviewing the Tax Strategy for 24/25 and recommended to the Group Board for approval. • Reviewing the 2024/25 Annual Treasury Plan and recommending that the Group not raise any further funding during the year. • Approving new ISDA lines with National Australia Bank to A2Dominion Homes Ltd and A2Dominion South Ltd • Approving the cancellation of the £30 million MORhomes Loan • Approving the entering into of side letters with Nationwide Building Society to restate our financial covenants from UK GAAP to FRS102.
Governance and Remuneration Committee	The Governance and Remuneration Committee has been established by the Group Board to undertake detailed examination and review of the matters set out in its Terms of Reference. The Committee is, in particular: *Responsible for:* • ensuring that appointments to the Board are in accordance with the Group's recruitment policies and procedures • that remuneration to Board Members and Executive Directors is considered fairly, transparently and regularly • the Group has sufficient arrangements for Board and Executive succession • that amendments to the Group's governance documents are scrutinised • that the Group has adequate arrangements for providing assurance of compliance with the adopted Code of Governance.	The key achievements of the Committee in the year include: • Overseeing the next phase of Board and Committee member recruitment resulting in the appointment of three new Group Board members and a new independent member for the Customer Service Committee. All appointments will bring additional scrutiny and focus to service provision to customers. • Overseeing the delivery of the Governance Review Action Plan. • A review of policies for Dispute Resolution, Appraisals and Standing Orders. • Overseeing the development of a new Target Operating Model • A review of staff benefits including bonus schemes, flexible benefits and pensions.

	Remit	Key areas of work completed during the year
Strategic Development and Asset Committee	The Strategic Development and Asset Committee has been established by the Group Board to undertake the detailed examination and review of matters set out in its Terms of Reference. The Committee is, in particular: *Responsible for:* • ensuring the Group has in place and achieves the requirements of: • a Land and Enabling Strategy supported by an Annual Development Programme • a Group Asset Management Strategy supported by an Asset Management and Investment Rolling Programme • a clear approach to disposal of assets within agreed criteria • scrutinising variations to agreed schemes, projects or programmes above the range established within the Group's RACI matrix are fully considered • validating that development, asset management and disposal programmes meet required standards and performance measures. *Accountable for:* • approving variations to agreed schemes, projects or programmes within the range established within the Group's RACI matrix.	The key achievements of the Committee in the year include: • Reviewing and overseeing the work on stock rationalisation and disposals during the year • Reviewing and overseeing the build programme • Approving the Development Programme for 2024/25. • Approving the Asset Maintenance and Investment Programme 2024/25 • Reviewing and endorsing the Climate Resilience Strategy

Board of management

Alan Collett, Chair
Alan has an extensive background in private sector housing development, investment, and valuation. He was President of the Royal Institution of Chartered Surveyors (RICS) for 2012/13, and recently completed a 9-year term as Non-Executive Director of the Hyde Group, where he was Chair for the last three years. Previous non-executive roles include being a Board Member at the Empty Homes Agency, and Chairman of the British Property Federation Residential Committee. He is currently a director of M&G Residential Limited Partnership, an Honorary Fellow of the University College of Estate Management, an adviser to Hearthstone Investments and the home investor fund. With a strong interest in providing new homes, Alan was also a member of the National House Building Council for 9 years.

Rachel Bowden
Rachel is a Chartered Internal Auditor and the Founder and Director of Thinking Audit Ltd, providing governance and assurance support to a diverse range of organisations from local authorities to FTSE100 businesses. Rachel is our Chair of the Audit, Risk and Assurance Committee.

Elaine Elkington
Elaine is the owner and director of Elaine Elkington and Associates Limited, an independent consultancy business working in housing management, regeneration, strategy development, and organisational performance turnaround. Elaine was previously a Trustee and Governing Board member at the Chartered Institute of Housing and remains a fellow of the professional body. She is currently a Group Board Member of H21, a national retirement living specialist housing association. Elaine joined the Group Board and Customer Service Committee in February 2024.

Paul Fiddaman (Appointed 1st April 2024)
Paul has over 30 years' experience in the housing sector, and is the Group CEO of Karbon Homes, a housing association based in the North of England. Paul is a Chartered Accountant, and a very experienced non-Executive in the housing and charitable sectors. Paul is the current Chair of the Northern Housing Consortium, and the North East Housing Partnership. Paul joined the Group Board in April 2024 and is a member of the Finance Committee.

Andrew Kirkman
Andrew is Chief Financial Officer of CLS Holdings PLC, a FTSE 250 property investment company. Previously, he was Finance Director at Harworth Group PLC and Finance Director at Viridor, as well as Chief Financial Officer at Balfour Beatty Capital and Global Head of Corporate Finance at Bovis Lend Lease. Andrew is a Fellow of the Institute of Chartered Accountants and has an MA (Oxon) in Politics, Philosophy and Economics. Andrew is a member of our Finance Committee.

Emma Palmer (Appointed 1st April 2024)
Emma is the Chief Executive of Eastlight Community Homes. She has also worked across a range of housing associations and local authorities including Greenfields Community Housing, East Thames, Estuary Housing Association and Moat. Emma is a Fellow of the Chartered Institute of Housing, Chair of Buildfast and, in June 2023, she was granted the Lifetime Achievement Award at Inside Housing's Housing Heroes Awards. She joined the Group Board at A2Dominion in April 2024 and is the Chair of the Customer Service Committee.

Alex Roth
Alex has worked in the technology and digital space for over 20 years across a range of industries and organisations. He is a specialist in digital transformation, both from a technology and organisational change perspective. Alex was the Global Head of Digital Delivery for British American Tobacco before taking up the role of Chief Information Officer for Landsec. He is currently Chief Digital Officer at Informa. Alex is a co-optee on A2Dominion's Customer Service Committee and a member of the Audit, Risk and Assurance Committee.

Nigel Turner
Nigel has worked in the development and investment sector for over 30 years having previously been COO at McCarthy Stone and Executive Director for Developments, Property and Business Services at Kier Group. He is a chartered surveyor, with extensive experience in development and regeneration and a particular focus on operational excellence, quality, and customers. Nigel is Chair of our Strategic Development and Assets Committee. He is also on our Customer Services Committee.

Dennis Watson
Dennis has over 35 years' experience in the banking sector. His last role at Barclays was Managing Director and Head of Real Estate, leading teams that serviced the bank's UK commercial and residential property companies. He has also run teams focussed on structuring funding solutions for the Housing Association, Local Authority, Education and Project Finance sectors. Dennis is a member of our Strategic Development and Assets Committee and our Finance Committee.

Louise Wilson
Louise is a highly experienced people professional who has led the global people functions at high street retailers The Body Shop and Clarks the shoe company. She now works as an advisor, mentor, and leadership facilitator for various organisations. Louise is a supporter of the arts and is a Trustee on an arts-focused charity. She also sits on the Board and is Chair of the Remuneration Committee of Suffolk Group Holdings (Trading as Vertas Group), and sits on the Board, Services and People committees of Thames Reach (a charity for people experiencing homelessness). Louise Chairs our Governance and Remuneration Committee.

Ian Wardle, Group Chief Executive (See Executive Officers listings below for Ian's full bio).

Ozzie Clarke-Binns, Caroline Tiller and Peter Walker left the Group Board at the end of March 2024.

Executive Officers

Ian Wardle, Group Chief Executive
Ian has overall responsibility for the management of A2Dominion. He joined the company in September 2022, having previously been Chief Executive at Thirteen Group since 2016. Prior to this, Ian was Managing Director of Reading Borough Council, Director of Regeneration Services at Redcar & Cleveland Borough Council, Project Director for the Sunniside Regeneration Project in Sunderland, and Development Director at Taylor Wimpey.

Tracey Barnes, Chief Finance Officer (Appointed 1st April 2023)
Tracey is responsible for the financial and central services within the Group. She has over 35 years' experience in finance roles, including as a Director at Board level with experience in the social housing, consumer products and manufacturing sectors across four continents. Tracey previously worked at Sovereign Housing Association, where she was Chief Finance Officer. Prior to this, she worked at Diageo for 20 years, holding a number of roles including Chief Finance Officer of East African Breweries Ltd, Chief Finance Officer of Diageo Ireland and Managing Director of Diageo Business Services India.

Kate Gascoigne, Chief Customer Officer
Kate's area of responsibility is customer facing services for the Group. She has almost 20 years' experience in the housing sector and has worked for 15 years as a turnaround consultant for large housing associations, contractors, and local government. Kate also spent five years as an Executive Director at two separate housing associations in the northwest, Irwell Valley and Your Housing Group. Kate joined A2Dominion as a consultant in February 2023 from Vivid Homes based in Portsmouth. She was appointed to the role of Chief Customer Officer on a permanent basis in December 2023.

Michael Reece, Chief Property Officer
Michael holds overall responsibility of all services relating to customers' property and the commercial side of the business, such as construction, sales, and marketing. He has over 35 years of experience in the housing sector and has worked for housing associations, contractors, and consultants. Michael joined A2Dominion from Savills, one of the most respected consultants in the sector. Prior to this he was Group Operations Director at Aster Group, where he worked for just under 12 years. Michael has a law degree and an MBA.

Andrew Boyes, Executive Director (Change & IT)
Andrew manages all our Information Technology (IT) and IT change projects. He has over 30 years' experience in IT, working across a broad range of business sectors including housing, insurance, retail, and distribution. Andrew has been an IT Director since 1998, holding three Director roles before he joined A2Dominion in 2009 as Group Director of IT. He became Executive Director (Change and IT) in 2014.

The Strategic Report was approved by the Board on 25 September 2024 and signed on its behalf by:

DocuSigned by: Alan Collett CDF8A2A4760842B... A Collett	Signed by: Rachel Bowden B1EFC4144BD0476... R Bowden	DocuSigned by: Melanie Adams DB18BA8ADB874F8... M Adams
Chair	**Board Member**	**Secretary**

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London EC2M 7DT

Report of the Board

The Board presents its report and the Group's audited financial statements for the year ended 31 March 2024.

Principal activities

A2Dominion Housing Group Limited is a social landlord administered by a board of directors with a broad range of expertise and experience. It is also the parent entity of the A2Dominion Group ("the Group") and all further references to the Group refer to the consolidated Group rather than the Association. The subsidiaries of the Group are listed in note 17 to the financial statements and their activities detailed on page 5.

Business review

Details of the Group's performance for the year and its future plans are set out in the Strategic Report.

Housing property and other fixed assets

Details of changes to the Group's fixed assets are shown in notes 13 to 17 to the financial statements.

Reserves

After transfer of the deficit of £21.0 million (2023: deficit £12.8 million) and other movements in reserves, the Group's year-end reserves amounted to £1,015.6 million (2023: £1,039.8 million).

Donations

A2Dominion Housing Group Limited made no charitable donations during the year (2023: nil) and made no political donations (2023: nil). Entities within the Group donated £18,360 to charitable organisations (2023: £60,024).

Post balance sheet events

The present Board members ("The Board") consider that there have been no events since the year end that have had a significant effect on the Group's financial position.

Financial instruments

The Group's approach to financial risk management is outlined in the Strategic Report.

Employees

A key strength of the Group lies in the quality of its employees. In particular, it is their contribution that gives the Group the ability to meet its objectives and commitments to customers in an efficient and effective manner.

The Group shares information on its objectives, progress and activities through regular briefings, seminars and meetings involving Board members, the senior management team and our people.

The Group is committed to equal opportunities and, in particular, supporting the employment of people with disabilities, both in recruitment and in the retention of employees who become disabled whilst in the employment of the Group.

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. Members of the Board, together with the executive officers, have undertaken external and accredited health and safety training appropriate to their role. The Group operates a Health and Safety Executive Committee which is responsible for monitoring all health and safety activities and reporting on these through the Audit, Risk and Assurance Committee to the Board. The Group has in place detailed health and safety policies and provides training and education on health and safety matters.

Board members and executive officers

The Board and the executive officers of the Group are set out on pages 47 to 49. The Board is drawn from a wide background bringing together professional, sector and commercial experience. The executive officers are the Chief Executive Officer and the other members of the Group's Executive Management team.

The executive officers hold no interest in the Group's shares and act as executives within the authority delegated by the Board. Group insurance policies indemnify the Board and officers against liability when acting for the Group.

Service contracts

Executive officers are employed on the same terms and conditions as all our people, save that their notice periods are between six and 12 months.

Pensions

Executive officers are members of the A2Dominion Benefit Scheme, which is a defined contribution pension scheme. They participate in the scheme on the same terms as all other eligible staff and the Group contributes to the scheme on behalf of its employees.

Other benefits

Executive officers are entitled to other benefits such as healthcare insurance. Details of their total remuneration are included in note 7 to the financial statements.

Governance

The regulatory judgement rating for A2Dominion Housing Group is G3/V2. This judgement rating was effective from 3 January 2024 following a period of intense engagement with the Regulator of Social Housing (RSH).

This judgement covers A2Dominion Housing Group Limited, A2Dominion Homes Limited, A2Dominion Housing Options Limited, and A2Dominion South Limited.

Since the onboarding of the Chair and CEO in 2022, several independent reviews have been commissioned that identified historic breaches of the Regulator's standards and areas requiring urgent improvement. Engagement and self-referrals to the Regulator led to A2Dominion being placed on the Gradings Under Review list in 2023 and downgraded from G1 to G3 in January 2024.

Report of the Board

The Board was already delivering a Corporate Action and Improvement Plan to address many of these issues. However, because of the breadth and depth of some of these issues, this has now been crystallised and focused into a Voluntary Undertaking with a focus on assurance that a demonstrable long-lasting impact will be delivered. The delivery of the VUAP (Voluntary Undertaking Action Plan) underpins how A2Dominion will return to a compliant governance grading and will be aligned to the strategic risk register as a key mitigation tool.

The Board has carried out its annual assessment of compliance against the RSH's regulatory framework for registered providers and reports that, whilst overall, there is some assurance that the Group has sufficient controls to confirm that it complies with the Regulatory Standards, this must be qualified in three areas.

Against the specific outcomes of the Governance & Financial Viability Standard the Board recognises that there is work to be done across all areas and most specifically against outcomes (d) safeguard taxpayers' interests and the reputation of the sector and (e) have an effective risk management and internal controls assurance framework.

It does not currently comply with the Governance & Financial Viability Standard in 4/14 areas which are applicable to the Group; this is aligned to the regulatory judgement received by the RSH.

With regards to the Home Standard (replaced by Safety and Quality standard from April 2024) A2Dominion has identified some areas where improvements can be made; these will be delivered through the existing repairs action plan which forms part of the Voluntary Undertaking Action Plan.

It does not currently fully comply with the Rent Standard and work is underway with a third party to bring A2Dominion back to full compliance with this standard.

The Board has also reviewed its governance arrangements for compliance against its adopted code of governance, the National Housing Federation Code of Governance published in 2020. The Board notes that there are areas of the code with which it is not fully compliant and accepts that these are areas for improvement. Specifically the items around risk and compliance (items 4.3 and 4.4 in the code) are highlighted as areas of non-compliance. This mirrors action plans already in train as part of the Voluntary Undertaking. Overall however, they are content that they comply with the majority of the code.

The Board recognises that the regulatory judgement from the RSH identifies control weaknesses within the Group and is committed to addressing these via the Voluntary Undertaking and all associated action plans. The self-assessments against the regulatory framework and code of governance help to provide assurance that the governance arrangements in some areas are reasonable but fall short in other areas and improvement is required. The Board can confirm that no material adverse events have occurred because of this downgrade which could impact any of the Group's existing loan agreements.

Customer involvement

Customer involvement and engagement is led by the Customer Engagement team. The team are committed to creating meaningful ways for customers to scrutinise performance and play an active role in developing housing-related policies and strategic priorities through co-creation and scrutiny groups. We have a programme of engagement which complements these groups which includes customer quality assurance, policy consultation and service improvement workshops.

Our customer engagement strategy is overseen by the Customer Services Committee (CSC) which consists of customers, industry experts from other customer-facing organisations and two Board members who provide a link to the Board.

Complaints

The Group's Complaints Policy has been updated to reflect the new code and learning from the self-assessment process. The Policy is accessible for our customers and provides a simple process for raising and escalating complaints.

The Group has conducted a self-assessment against the new statutory Housing Ombudsman's complaints code. There are now 72 'must do' elements of the new Code whereas in previous years there were 45. We have assessed ourselves as non-compliant with eight elements of the Code over three main themes: managing unacceptable behaviour, response timescales, and following up outstanding actions promptly (promise dates).

Internal controls assurance

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

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating, and managing the significant risks faced by the Group is on-going and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the Annual Report and Financial Statements.

Key elements of the control framework during the year included:

• Rules and Memoranda and Articles of Association	• Annual budget agreed before beginning of financial year
• Standing Orders including a RACI matrix	• Long-term financial forecasts tested against a range of stresses
• A scheme of delegations to the Chief Executive	• Monthly management information to budget holders
• Terms of Reference for each Committee identifying responsibilities and accountabilities	• Monthly and quarterly cashflow forecasting
• Delegated powers detailing responsibilities for expenditure and authorisation of payments	• Quarterly reports to the Board on KPI performance
• Written policies and procedures	• Reports to the ARAC on any fraudulent activity & Annually to Board
• Risk management framework	• Codes of Conduct and registers for hospitality and declarations of interest
• Position descriptions and appraisal system	• Treasury management policy and regular reports on performance
• Internal audit programme specifically linked to the strategic risk register	• Reports of proceedings or minutes from committees considered by the Board
• Annual external audit	• An annual report provided to the Audit, Risk and Assurance Committee by internal and external auditors and regular progress updates
• Monitoring implementation of audit recommendations at Audit, Risk and Assurance Committee	

The Audit, Risk and Assurance Committee oversees the Group's compliance with landlord health and safety, the management of risk and health and safety reporting, and compliance.

The Board cannot delegate accountability for the system of internal control, but it can, and has, delegated authority to the Audit, Risk and Assurance Committee to regularly review the effectiveness of the systems in place.

The Audit, Risk, and Assurance Committee reviews the Group risk registers at each meeting to ensure all risks are fully assessed, with mitigations identified to bring the risks within the approved risk appetite. In addition, each of the Group's committees review risks and actions specific to their areas of responsibility. The Audit, Risk and Assurance Committee regularly reviews the fraud register. Any control weaknesses or fraud identified during the year are reported to and monitored by the Audit, Risk and Assurance Committee, which reviews the mitigating actions and the timescales for their completion.

The Audit, Risk and Assurance Committee and the Board have received the Chief Executive Officer’s annual review of the effectiveness of the system of internal control for the Group and the annual report of the internal auditor.

The Board has reviewed and evaluated the effectiveness of the internal controls as well as the fraud register, and the annual report of the internal auditor as reported to them by the Audit, Risk and Assurance Committee. In reviewing the internal auditor's report, the Board has noted a need to ensure recommendations arising from internal audits are completed on time having noted that several were delayed during the year. The internal audit focus in the year has been ensuring that reports help understand the root causes of issues along with ensuring clear and measurable management responses and actions are in place.

In line with the Financial Reporting Council Guidance on Audit Committees, the Audit, Risk and Assurance Committee carried out a separate exercise to review its independence, performance, and effectiveness, and agreed and implemented actions to further improve its effectiveness.

Board members' responsibilities

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

Co-operative and Community Benefit Society and social housing legislation require the Board to prepare financial statements for each financial year for the Group and Association in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable the Board to ensure that the financial statements comply 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.

The Board is also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

These financial statements are prepared on a going concern basis. As part of a rigorous going concern assessment which includes preparation of the annual budget and long-term financial plan the Board has considered a range of factors that could impact the business including those affecting the wider economy. The Board has established that these factors are not considered to have a material effect on any going concern assessment however they will continue to be strictly monitored.

As part of the assessment the Board reviewed an updated long-term financial plan in June 2024, with a focus on the next five years, which considers various economic factors including the increase in inflation and interest rates, and the impact of modelled scenarios in combination, together with any mitigations that could be taken. The modelling confirmed that the Group and Association could survive these scenarios and still be able to continue to operate within all banking covenants, with adequate cash resources and available debt facilities. Following the recent Regulatory downgrade to G3, the Board sought appropriate legal opinions and reviewed all financing arrangements to determine that the Group remained in compliance with all loan covenants. The Board were satisfied that no covenant breach was identified and all loans are presented as short or long term liabilities in line with the original maturity profiles agreed and that the existing debt facilities can be included in full in the updated long-term financial plan.

The Association has net liabilities and is supported by its asset owning subsidiaries. A2Dominion Housing Group Limited's Board has control over these subsidiaries and their assets. These subsidiaries provide ongoing support to the parent which will continue to allow A2Dominion Housing Group Limited to meet its liabilities as they fall due. The Group Board has determined the Association will be able to return to positive reserves within five years which is supported by the modelling in the long-term financial plan.

The principal risks that could affect this strategy are discussed in the Strategic Report on pages 22 to 31.

On this basis the Board has reasonable expectation that the Group and Association have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the Financial Statements. The Board is therefore of the opinion that the going concern basis adopted in the preparation of the Financial Statements is appropriate.

Annual General Meeting

The Annual General Meeting was held on 11 October 2023 and the next will be held on 16 October 2024.

Disclosure of information to auditor

At the date of making this report each of the Group's Board members, as set out on page 47 to 48, confirm the following:

- so far as each Board member is aware, there is no relevant information needed by the Group's auditors in connection with preparing their report of which the Group's auditors are unaware
- each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant information needed by
- the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

External auditors

BDO LLP has indicated their willingness to continue in office and a resolution to re-appoint them for the coming year is proposed at the Annual General Meeting.

The Report of the Board was approved by the Board on 25 September 2024 and signed on its behalf by:

DocuSigned by: Alan Collett CDF8A2A4760842B...	Signed by: Rachel Bowden B1EFC4144BD0476...	DocuSigned by: Melanie Adams DB18BA8ADB874F8...
A Collett	R Bowden	M Adams
Chair	**Board Member**	**Secretary**

Streamlined energy and carbon reporting

A2Dominion is required to report the emissions from qualifying subsidiaries under the Streamlined Energy and Carbon Reporting (SECR) framework, under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

A2Dominion Residential Limited and A2Dominion Developments Limited, are the two entities in the Group that meet SECR qualification criteria, and the data is therefore for these two entities alone. The data included below covers the reporting requirements detailed in the SECR regulations.

This summary has been compiled on the best available data at the time of production, in accordance with the baseline compliance SECR criteria for unquoted businesses with an annual energy consumption below 40 MWh, as it includes the total UK energy use of electricity, natural gas and direct transport (company-owned vehicles). This includes UK energy use, and the associated Greenhouse Gas (GHG) emissions, which are classified as:

Scope 1:

activities for which the Group is responsible involving the combustion of gas, or consumption of fuel for the purposes of transport.

Scope 2:

the purchase of electricity by the Group for its own use, including for the purpose of transport.

Scope 3:

emissions associated with third party logistics providers which occur at sources which A2Dominion does not own or control. Although not mandatory for inclusion in the SECR summary, Scope 3 emissions have been considered for "well to tank" of natural gas and diesel fuels and also for the transmission and distribution losses (T&D) element of delivered electricity.

SECR Annual Report Statement

This statement covers the year 1 April 2023 to 31 March 2024. The scope of emissions included in the report are natural gas, diesel (gas oil) and electricity.

Where office space is shared with other parts of the business, the energy usage in these areas has been allocated on a pro-rata basis.

The variance to the base year is due to a reduction in the number of properties owned by either A2Dominion Residential Limited or A2Dominion Developments Limited. This also affects year on year variances but for gas there has also been the addition of a district heat network and for electricity a more balanced work pattern with more staff in our offices that has affected consumption.

Energy consumption (kWh)		2023/24	2022/23[1]	Baseline (2019/20)	Variance
Scope 1: Energy consumption	Total Energy (kWh)	3,596,516	3,143,319	9,612,538	(63%)
Scope 2: Electricity purchased	Total electricity (kWh)	1,106,167	469,251	3,197,393	(65%)
Scope 3: Indirect transport	Employee owned vehicles (kWh)	42,217	126,514	871,792	(95%)
Total Scope 1,2 and 3 energy consumption (kWh)		**4,744,900**	**3,739,084**	**13,681,723**	**(65%)**

Carbon emissions (tCO_2e)	2023/24	2022/23[1]	Baseline (2019/20)	Variance
Scope 1: Combustion of fuel and operation of facilities	663	586	1,792	(63%)
Scope 2: Location Based (LB)	229	91	817	(72%)
Scope 2: Market Based (MB)	52	13	0	
Scope 3: Emissions	11	32	213	(95%)
Total Carbon (Scope 1,2 and 3) – LB (tCO2e)	**903**	**709**	**2,822**	**(68%)**
Total Carbon (Scope 1,2 and 3) – MB (tCO2e)	**726**	**631**	**2,005**	**(64%)**

[1] *Revised figures for 2022/23 with 50% energy and emissions accounted for development sites and 17% energy and emissions for transport.*

Definitions:

tCO2e:

Tonnes of carbon dioxide equivalent, which is a measure that allows you to compare the emissions of other greenhouse gases relative to one unit of CO_2. It is calculated by multiplying the greenhouse gas emissions by its 100-year global warming potential.

Location based:

Organisations are encouraged to use location-based grid average emission factors to report the emissions from electricity, including those consumed from the grid. Where available, time specific (e.g. hour-by-hour) grid average emission factors should be used in order to accurately reflect the timing of consumption and the carbon-intensity of the grid.

Market based:

Where organisations have entered into contractual arrangements for renewable electricity, e.g. through Power Purchase Agreements or the separate purchase of Renewable Energy Guarantees of Origin (REGOs), or consumed renewable heat or transport certified through a Government Scheme and wish to reflect a reduced emission figure based on its purchase, this can be presented in the relevant report using a "market-based" reporting approach.

Intensity ratios

Intensity ratio	Formula	2023/24	2022/23[1]	Baseline (2019/20)	Variance
IR1	tCO2e (Location based)/ Number of employees	4.75	4.05	19.74	-76%
IR2	tCO2e (Location based)/ Units in management	0.03	0.02	0.07	-64%
IR3	tCO2e (Location based)/ Completed units	1.35	1.05	6.79	-80%

[1] *Revised figures for 2022/23 with 50% energy and emissions accounted for development sites and 17% energy and emissions for transport.*

Independent auditor's report to the members of A2Dominion Housing Group Limited

Opinion on the financial statements

In our opinion:

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

We have audited the financial statements of A2Dominion Housing Group Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2024, which comprise the consolidated statement of comprehensive income, the Association statement of comprehensive income, the consolidated statement of financial position, the Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the Audit, Risk and Assurance Committee, we were appointed by the Board to audit the financial statements for the year ending 31 March 2009 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 16 years, covering the years ending 31 March 2009 to 31 March 2024.

We remain independent of the Group and the Parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Association.

Conclusions relating to going concern

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

Our evaluation of the Board's assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting is set out in the Key Audit Matters section of our report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

Coverage	*100% (2023: 99%) of Group surplus before tax* *100% (2023: 98%) of Group revenue* *100% (2023: 97%) of Group total asset*
Key audit matters	
Materiality	*Group financial statements as a whole* £57m based on 1.5% of total assets ((2023: £6.4m) based on 7.5% *adjusted operating surplus)* *Group specific* £6m based on 2% of turnover (2023: n/a).

Key audit matters:

	2024	2023
The recoverable amount of property developed for sale	✓	✓
Carrying value of investments in jointly controlled entities	✓	✓
Impairment of social housing assets in the course of construction	✓	✓
Going concern	✓	x

An overview of the scope of our audit

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

We identified 6 components which, in our view required an audit of their complete financial information due to their size or risk characteristics and were therefore considered to be significant components: A2Dominion Housing Group Limited, A2Dominion South Limited, A2Dominion Homes Limited, A2Dominion Developments Limited, Green Man Lane LLP and West King Street Renewal LLP. These components are all audited by the Group engagement team.

We identified 1 component which, in our view required specified procedures due to significant risk characteristics and was therefore considered to be a significant component. This entity is A2Dominion Funding II Plc, and is audited by a separate BDO UK audit team, who report to the Group audit team in accordance with Group reporting instructions.

Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter

The recoverable amount of property developed for sale
This relates to items included in note 18 of the financial statements.
 	
This area also represents a key area of estimation uncertainty for management, as described on page 88.
	As explained in the accounting policies, properties developed
	
	for sale, including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and estimated sales proceeds less all costs to complete and sell, resulting in an amount recognised in the balance sheet of £108m.
	
	For completed properties at the balance sheet date an assessment is needed of the anticipated selling price.
	
	For properties under construction at the balance sheet date, an assessment is needed of both an expected selling price and a determination of the expected costs to complete and sell.
	
	Due to the volume of properties under construction and the level of judgement involved in estimating both selling price and costs to complete and sell, we considered there to be a significant risk that the carrying amount of properties developed for sale is misstated and this was therefore a key audit matter.
		Our response included the following:
		
		Having obtained management's assessment of the recoverable amount of properties developed for sale, we selected a sample on which to perform detailed testing. Our samples were chosen from the populations of items that represented both shared ownership and outright sale properties and both completed and under construction schemes at year-end.
		
		1. For forecast sales price:
		• Completed units sold after the year end – we agreed proceeds to completion statement
		• Completed units not sold after year end and schemes still under construction – we obtained one or more of: third party formal valuation of the property; sales prices achieved for similar units in the year; or valuation of properties for marketing purposes. We enquired and assessed what management plans are for unsold properties.
		• For land bank – we obtained one or more of: third party formal valuation of the property or exchanged contract amounts of offers received. We enquired and assessed what management plans are for the site.
		
		2. For costs to complete (one of or a combination of the following):
		• For schemes with a main contractor we
		    ○ obtained the latest cost consultant report or build contractor's invoice and compared construction costs against total contract value, taking into account latest contract variations; and
		    ○ obtained details of the expected costs to complete from the scheme budget and agreed the budgeted contract costs of the development to the latest contract documentation and considered the appropriateness of any estimates used.
		• For direct procurement schemes, we compared the expected build costs to the standard build costs in the area.
		• We assessed the accuracy of cost forecasting by looking at the outturn of costs compared to budget on schemes completed in the year.
		• We attended Commercial Directorate Strategic Review (CSR) meetings and made enquiries of the Head of Commercial Finance for

Key audit matter		How the scope of our audit addressed the key audit matter
		indications of cost overruns, contractor disputes or solvency issues in relation to the schemes tested. 3. For costs to sell – we reviewed computations of selling costs and compared against known selling costs that have been incurred in the year. **Key observations:** Based on the evidence obtained we did not identify any indications that the assessments of the recoverable amount made by management were inappropriate.
Carrying value of investments in jointly controlled entities As explained in Note 2 (Accounting Policies), interests in jointly controlled entities are accounted for using the equity method of accounting. The consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group, recognising a share of surplus of £2.1m for the year ended 31 March 2024 (Note 17). In the consolidated statement of financial position, the interests in jointly controlled entity undertakings are shown as the Group's share of the identifiable net assets, recognising a share of net assets of £74.3m as at 31 March 2024.	The Group's joint ventures are all development vehicles for which the net assets are principally represented by property developed for sale. Given the level of estimation uncertainty in determining both sales proceeds and costs to complete for the developments, and therefore the return on investment, there is a risk of material misstatement.	Our response included the following: Having obtained management's assessment of the carrying value of investments in jointly controlled entities we selected a sample on which to perform detailed testing. For property for sale balances, we performed the procedures listed above in the key audit matter addressing the recoverable amount of property developed for sale. For other assets and liabilities, we agreed the amounts involved to supporting documentation including considering external debt finance and ensuring the members loans were appropriately ranked. We obtained draft financial statements for each of the Group's jointly controlled entities, reviewed profit distribution policy and recalculated the share of surplus for the year and share of net assets included in the consolidated statement of comprehensive income and consolidated statement of financial position. **Key observations:** Based on our procedures we noted no exceptions.

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of social housing assets in the course of construction As described in Note 2 (Accounting Policies), the Group annually assesses housing properties for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. As these assets are held for service potential, judgement is required in determining the appropriate method for calculating the value in use. This area is also considered by management a key estimation uncertainty as described in Note 2.	Every year the Board need to consider and document whether there are any impairment indicators in relation to their fixed asset social housing properties in the course of construction. Potential impairment triggers for assets in the course of construction in the current year may include: ▪ Design variations / findings once on site / construction price inflation (even on fixed price contracts) ▪ Potential contractor failure ▪ Significant delays on site. For assets with indicators of impairment there is then inherent estimation uncertainty in determining the recoverable amount. Due to the volume of expenditure in this area and the judgement involved in making this assessment we consider this to be a significant risk and a key audit matter.	We obtained from management their consideration of impairment for the year. We confirmed that management had included all asset groups (including all tenure types) in their consideration of impairment of properties under the course of construction. For social housing assets under construction management use the scheme as the CGU, which is considered to be appropriate and in line with the sector norm. We ensured that the basis of the impairment assessment was in line with sector norms and SORP requirements. When reviewing the indicators that management had considered in their assessment, we checked that they had included the following as a minimum: ▪ Are all schemes under construction on target to complete on time and in line with the original budget ▪ Contractor or development contract pricing issues ▪ Are there any changes in the use of assets (i.e. shared ownership changing to general needs)? Where an indicator of potential impairment exists, we obtained management's detailed impairment review, including: ▪ How management calculated the recoverable amount for each scheme ▪ How management calculated value in use (this may include a calculation of 'Depreciated Replacement Cost') for each scheme ▪ How management determined cost to complete. We obtained evidence to support and challenge the basis of management calculations, whilst considering whether the basis of the calculation is appropriate given our understanding of the organisation, its strategic objectives, the properties and external factors. We obtained evidence to support and challenge the use of all key assumptions as appropriate. **Key observations** Our work identified no misstatements or inappropriate application of judgement or estimation. Based on our procedures we noted no exceptions and found management's key assumptions to be reasonable.

Key audit matter		How the scope of our audit addressed the key audit matter
Going Concern Disclosures in respect of going concern are set out in Note 2.	During the year, the Regulator of Social Housing downgraded the group's governance grading to G3, indicating non-compliance with the regulator's Governance and Financial Viability Standard. As a result of the regulatory downgrade, any non-compliance with loan covenants could have had an effect on loan presentation and the loan repayment profiles included in the long-term financial plans of the parent and the subsidiaries. Given the significance of this we have assessed the robustness of the Board's consideration of the impact of these factors on the business and its going concern assessment, including consideration of severe but plausible downside scenarios to be a significant risk and Key Audit Matter.	Our evaluation of the Board's assessment of the Group and the Parent Association's ability to continue to adopt the going concern basis of accounting included: ▪ We obtained management's assessment that supports the Board's conclusions with respect to the disclosures provided around going concern; ▪ We reviewed the mathematical accuracy of the forecast cash flows and confirmed they were in line with our expectations based on our understanding of the Group; ▪ We considered the appropriateness of management's forecasts by reviewing and assessing assumptions applied by management, assessing historical forecasting accuracy and considered the reasonableness of the range of scenarios included in management's consideration of downside sensitivity analysis; ▪ We challenged management on the suitability of the mitigating actions identified in their assessment and the quantum and period ascribed to these mitigating actions; ▪ We obtained an understanding of the financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions; ▪ We assessed the facility and covenant headroom calculations; ▪ We reviewed the impact on covenant compliance, loan repayment profiles and loan presentation of the Regulator of Social Housing's Regulatory Judgment in the year (which stated that the Group was non-compliant with the Governance elements of the Regulatory Standards). As part of this we reviewed and challenged the information provided by management, including the legal opinions they obtained, their discussions with lenders, and all loan agreements and related side letters; and ▪ We reviewed the wording of the going concern disclosures and assessed for consistency with management's forecasts. **Key observations** Our conclusion are set out in the Conclusions related to going concern section of our report.

Our application of materiality

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

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

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

	Group financial statements		Parent Association financial statements	
	2024	2023	2024	2023
				Financial statement materiality
Materiality	£57m	£6.4m	£15m	£1.3m
Basis for determining materiality	1.5% of total assets	7.5% of adjusted operating surplus	1.5% of total assets	3% of turnover
Performance materiality	£42.75m	£2.8m	£11.2m	£0.9m
Basis for determining performance materiality	70% of materiality	70% of materiality	70% of materiality	70% of materiality
Specific materiality				
Specific materiality	£6.0m	N/A	N/A	N/A
Basis for determining specific materiality	2% of revenue	N/A	N/A	N/A
Specific performance materiality	£4.5m	N/A	N/A	N/A
Basis for determining specific performance materiality	70% of materiality	N/A	N/A	N/A

Rationale for the benchmark applied

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

Our approach to calculating materiality for the association was revised to be based on 1.5% of total assets. This reflects the fact that following a Group restructure the Association is now the main investor in its subsidiaries, whereas previously it only provided back office services to group members.

We have determined that 70% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by the number areas of the financial statements subject to significant estimation uncertainty.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, based on a percentage of up to 65% (2023: 95%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £340,000 to £37,000,000 (2023: £151,000 to £6,080,000). In the audit of each component, we further applied performance materiality levels of 70% (2023: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £120,000 (2023: £128,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the statement of responsibilities of the Board, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the industry in which it operates;
- discussion with management and those charged with governance; and
- obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be 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.

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 employment law, Financial Conduct Authority (FCA) regulations, the Regulator of Social Housing's Regulatory Standards, data protection and health and safety legislation.

Our procedures in respect of the above included:

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

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered cut off of property sales revenue to be an area susceptible to fraud.

Our procedures in respect of the above included:

- Testing the operating effectiveness of automated controls over journals;
- Testing a sample of journal entries throughout the year, which met defined risk criterion, by agreeing to supporting documentation;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the recoverable amount of properties developed for sale (see Key Audit Matters), impairment of housing properties (see Key Audit Matters), going concern (see Key Audit Matters), the value of defined benefit pension liabilities and the valuation of derivative financial instruments; and
- Testing the application of cut off on revenue, notably shared ownership and outright property sales, for the evidence that it was recorded in the correct 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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:
E Kulczycki
C7998D5EC4924F4...

Elizabeth Kulczycki (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

Date 26 September 2024

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

Financial Statements

Consolidated statement of comprehensive income

For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Turnover	3	399.6	389.1
Cost of sales	3	(86.5)	(96.1)
Operating costs	3	(293.9)	(270.7)
Surplus on sale of fixed assets	3, 9	27.4	14.4
Share of jointly controlled entity operating profit	3, 17	2.1	6.7
Operating surplus	**3, 5**	**48.7**	**43.4**
Interest receivable and other income	10	2.9	2.8
Interest payable and similar charges	11	(63.7)	(69.1)
Other finance costs	28	(0.7)	(0.6)
Change in fair value of investments	17	0.1	(0.8)
Movement in fair value of financial instruments	11	2.5	4.7
Movement in fair value of investment properties	15	(14.5)	0.6
Deficit on ordinary activities before taxation		**(24.7)**	**(19.0)**
Tax on deficit on ordinary activities	12	4.6	7.1
Deficit on ordinary activities after taxation		**(20.1)**	**(11.9)**
Non-controlling interest		(0.9)	(0.9)
Deficit for the financial year		**(21.0)**	**(12.8)**
Actuarial (losses)/gains on defined pension schemes	28	(5.6)	4.3
Movement in fair value of hedging instruments	11	2.7	29.3
Movement in deferred tax	12	(0.3)	(0.8)
Total comprehensive (loss)/ income for year		**(24.2)**	**20.0**
Deficit for the year attributable to:			
Non-controlling interest		0.9	0.9
Parent association		(21.0)	(12.8)
		(20.1)	(11.9)
Total comprehensive (loss)/income attributable to:			
Non-controlling interest		0.9	0.9
Parent association		(25.1)	19.1
		(24.2)	20.0
All amounts relate to continuing activities			

The notes on pages 78 to 133 form part of these financial statements.

Association statement of comprehensive income

For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Turnover	3	99.6	75.5
Operating costs	3	(92.7)	(105.9)
Operating surplus/ (deficit)	3, 5	**6.9**	**(30.4)**
Interest receivable and other income	10	34.8	27.0
Interest payable and similar charges	11	(35.0)	(28.0)
Other finance costs	28	(0.7)	(0.6)
Surplus/ (deficit) on ordinary activities before taxation		**6.0**	**(32.0)**
Tax on surplus/ (deficit) on ordinary activities	12	-	-
Surplus/ (deficit) for the financial year		**6.0**	**(32.0)**
Actuarial (losses)/ gains on defined benefit pension schemes	28	(5.1)	1.7
Total comprehensive income/(loss) for the year		**0.9**	**(30.3)**
All amounts relate to continuing activities.			

The notes on pages 78 to 133 form part of these financial statements.

Consolidated statement of financial position

	Note	2024 £m	2023 £m
Fixed assets			
Tangible fixed assets – housing properties	13	2,839.0	2,813.5
Tangible fixed assets – other	14	22.0	23.3
Intangible fixed assets	14	11.0	28.3
Investment properties	15	587.7	608.8
Investments – Homebuy loans	16	2.2	2.2
Investments – other	17	38.7	38.7
Investments – jointly controlled entities	17	74.3	85.4
		3,574.9	**3,600.2**
Current assets			
Properties for sale	18	108.0	145.3
Debtors receivable within one year	19	79.0	60.1
Debtors receivable after one year	19	8.1	13.9
Cash and cash equivalents	20	45.5	56.0
		240.6	**275.3**
Creditors: Amounts falling due within one year	21	(231.1)	(197.6)
Net current assets		**9.5**	**77.7**
Total assets less current liabilities		**3,584.4**	**3,677.9**
Creditors: Amounts falling due after more than one year	22	(2,520.4)	(2,608.5)
Provision for liabilities and charges	27	(28.7)	(12.3)
Net assets excluding pension liabilities		**1,035.3**	**1,057.1**
Pension liabilities	28	(18.1)	(15.9)
Net assets		**1,017.2**	**1,041.2**
Capital and reserves			
Non-equity share capital	30	-	-
Cash flow hedge reserve		**(6.8)**	**(9.5)**
Restricted reserve		**0.5**	**0.5**
Income and expenditure reserve		977.0	999.3
Designated reserve		44.9	49.5
Total income and expenditure reserves		**1,021.9**	**1,048.8**
Consolidated funds		1,015.6	1,039.8
Non-controlling interest		1.6	1.4
		1,017.2	**1,041.2**

The financial statements were approved by the Board and authorised for issue on 25 September 2024 and signed on its behalf by:

DocuSigned by: Alan Collett CDF8A2A4760842B...
A Collett
Chair

Signed by: Rachel Bowden B1EFC4144BD0476...
R Bowden
Board Member

DocuSigned by: Melanie Adams DB18BA8ADB874F8...
M Adams
Secretary

The notes on pages 78 to 133 form part of these financial statements.

Association statement of financial position

	Note	2024 £m	2023 £m
Fixed assets			
Tangible fixed assets – other	14	1.1	2.2
Intangible fixed assets – other	14	11.0	28.3
Investments in subsidiaries	17	120.6	80.6
		132.7	111.1
Current assets			
Debtors receivable within one year	19	214.2	216.5
Debtors receivable after one year	19	662.6	710.3
Cash and cash equivalents	20	16.2	26.7
		893.0	953.5
Creditors: Amounts falling due within one year	21	(261.3)	(293.1)
Net current assets		**631.7**	**660.4**
Total assets less current liabilities		**764.4**	**771.5**
Creditors: Amounts falling due after more than one year	22	(821.3)	(828.5)
Provision for liabilities and charges	27	(1.9)	(4.2)
Net liabilities excluding pension liabilities		**(58.8)**	**(61.2)**
Pension liabilities	28	(18.1)	(16.6)
Net liabilities		**(76.9)**	**(77.8)**
Capital and reserves			
Non-equity share capital		-	-
Income and expenditure reserve		(76.9)	(77.8)
Association's deficit		**(76.9)**	**(77.8)**

The financial statements were approved by the Board and authorised for issue on 25 September 2024 and signed on its behalf by:

DocuSigned by:
Alan Collett
CDF8A2A4760842B...

A Collett
Chair

Signed by:
Rachel Bowden
B1EFC4144BD0476...

R Bowden
Board Member

DocuSigned by:
Melanie Adams
DB18BA8ADB874F8...

M Adams
Secretary

The notes on pages 78 to 133 form part of these financial statements.

Consolidated statement of changes in equity

	Income and expenditure reserve £m	Designated reserve £m	Total income and expenditure reserves £m	Restricted reserves £m	Cash flow hedge reserve £m	Total excluding non-controlling interests £m	Non-controlling interests £m	Total including non-controlling interests £m
Balance at 1 April 2023	999.3	49.5	1,048.8	0.5	(9.5)	1,039.8	1.4	1,041.2
(Deficit)/ surplus for the year	(21.0)	-	(21.0)	-	-	(21.0)	0.9	(20.1)
Other comprehensive income:								
Actuarial losses on defined benefit pension scheme	(5.6)	-	(5.6)	-	-	(5.6)	-	(5.6)
Movement in fair value of hedging instrument	-	-	-	-	2.7	2.7	-	2.7
Cash flow hedge reserve recycled to surplus or deficit	-	-	-	-	-	-	-	-
Movement in deferred tax	(0.3)	-	(0.3)	-	-	(0.3)	-	(0.3)
Other comprehensive (loss)/ income for the year	(5.9)	-	(5.9)	-	2.7	(3.2)	-	(3.2)
Capital contribution and distributions	-	-	-	-	-	-	(0.7)	(0.7)
Transfer of designated expenditure from income and expenditure reserve	(0.8)	0.8	-	-	-	-	-	-
Transfer of designated expenditure to income and expenditure reserve	5.4	(5.4)	-	-	-	-	-	-
Balance at 31 March 2024	**977.0**	**44.9**	**1,021.9**	**0.5**	**(6.8)**	**1,015.6**	**1.6**	**1,017.2**

Consolidated statement of changes in equity

	Income and expenditure reserve £m	Designated reserve £m	Total income and expenditure reserves £m	Restricted reserves £m	Cash flow hedge reserve £m	Total excluding non-controlling interests £m	Non-controlling interests £m	Total including non-controlling interests £m
Balance at 1 April 2022	1,012.4	45.7	1,058.1	0.5	(38.8)	1,019.8	1.7	1,021.5
(Deficit)/ surplus for the year	(12.8)	-	(12.8)	-	-	(12.8)	0.9	(11.9)
Other comprehensive income:								
Actuarial gains on defined benefit pension scheme	4.3	-	4.3	-	-	4.3	-	4.3
Movement in fair value of hedging instrument	-	-	-	-	26.1	26.1	-	26.1
Cash flow hedge reserve recycled to surplus or deficit	-	-	-	-	3.2	3.2	-	3.2
Movement in deferred tax	(0.8)	-	(0.8)	-	-	(0.8)	-	(0.8)
Other comprehensive income for the year	3.5	-	3.5	-	29.3	32.8	-	32.8
Capital contribution and distributions	-	-	-	-	-	-	(1.2)	(1.2)
Transfer of designated expenditure from income and expenditure reserve	(14.2)	14.2	-	-	-	-	-	-
Transfer of designated expenditure to income and expenditure reserve	10.4	(10.4)	-	-	-	-	-	-
Balance at 31 March 2023	**999.3**	**49.5**	**1,048.8**	**0.5**	**(9.5)**	**1,039.8**	**1.4**	**1,041.2**

Association statement of changes in equity

	Income and expenditure reserve £m
Balance at 1 April 2023	(77.8)
Surplus for the year	6.0
Other comprehensive income:	
Actuarial loss on defined benefit pension schemes	(5.1)
Other comprehensive loss for the year	**(5.1)**
Balance at 31 March 2024	**(76.9)**

	Income and expenditure reserve £m
Balance at 1 April 2022	(47.5)
Deficit for the year	(32.0)
Other comprehensive income:	
Actuarial gain on defined benefit pension schemes	1.7
Other comprehensive income for the year	**1.7**
Balance at 31 March 2023	**(77.8)**

Consolidated statement of cash flows

For the year ended 31 March 2024	2024 £m	2023 £m
Cash flows from operating activities		
Operating surplus for the financial year	**48.7**	**43.4**
Adjustments for:		
Depreciation of fixed assets – housing properties	36.0	37.3
Depreciation of fixed assets – other	4.4	4.7
Accelerated depreciation on replaced components	2.2	2.2
Impairment of fixed assets – housing properties	5.0	16.9
Impairment of intangible fixed assets	25.8	-
Amortised grant	(17.3)	(18.9)
Share of jointly controlled entity operating surplus	(2.1)	(6.7)
Cost element of housing property sales in operating surplus	40.4	17.1
Cost element of investments property sales in operating surplus	8.9	62.8
Difference between net pension expense and cash contribution	(4.1)	(4.3)
(Decrease)/increase in trade and other debtors	(8.0)	27.5
Decrease in stocks	43.4	46.5
Increase/ (decrease) in creditors	9.2	(6.0)
Increase/ (decrease) in provisions	16.4	(0.6)
Cash from operations	**208.9**	**221.9**
Taxation Paid		
Net cash generated from operating activities	**208.9**	**221.9**
Cash flows from investing activities		
Purchase of fixed assets – housing properties	(118.7)	(86.4)
Purchase of fixed assets – other	(12.4)	(8.8)
Purchase of fixed asset investment properties	(1.9)	(5.9)
Receipt of grant	6.0	5.9
Repayment of grant	-	(9.3)
Investment in jointly controlled entities	(1.4)	(19.3)
Repayment of jointly controlled entities capital	12.4	9.2
Distribution of jointly controlled entities profits	2.2	2.6
Loans payment by/(to) jointly controlled entities	-	9.0
Interest received	2.9	2.8
Net cash used in investing activities	**(110.9)**	**(100.2)**
Cash flows used in financing activities		
Interest paid	(69.8)	(77.5)
New loans – bank	54.9	145.9
New loans – other	-	-
Repayment of loans – bank	(61.5)	(102.1)
Repayment of loans – other	(32.1)	(150.0)
Net cash used in financing activities	**(108.5)**	**(183.7)**
Net decrease in cash and cash equivalents	**(10.5)**	**(62.0)**
Cash and cash equivalents at the beginning of year	56.0	118.0
Cash and cash equivalents at the end of year	**45.5**	**56.0**

Notes to the financial statements

1. Legal status

The Association is registered in England with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing (RSH) in England as a social landlord. The registered address is stated on page 50 The Association is a Public Benefit Entity.

2. Accounting policies

Basis of preparation

The Financial Statements have been prepared on the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies as set out below. The Financial Statements are presented in Sterling (£m).

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for the Group 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" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

These financial statements are prepared under FRS102. 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.

Going concern

The Group and Association's financial statements have been prepared on the going concern basis. The Board reviewed and approved the budget for 2024/25 in March 2024 and the thirty-year long-term financial plan in June 2024. Following the recent Regulatory downgrade to G3, the Board sought appropriate legal opinions and reviewed all financing arrangements to determine that the Group remained in compliance with all loan covenants. The Board were satisfied that, no covenant breach was identified and all loans are presented as short or long term liabilities in line with the original maturity profiles agreed and that the existing debt facilities can be included in full in the updated long-term financial plan.

The review with a focus on the period to 31 March 2026 and consideration of the following three years, included the base case and a stress test variant to assess the Group's resilience. The stress test variant calculated the maximum one-off cash cost that the Group's registered providers could suffer before breaching lender covenants, assuming a permanent and significant reduction in sales proceeds together with a sales delay. The banking covenants are only in A2Dominion Homes Limited and A2Dominion South Limited. The modelling confirmed that the registered providers could sustain a significant one-off cash cost and sales price reduction and still be able to continue to operate within all banking covenants, with adequate cash resources available. Mitigating actions which could be taken include property disposals, delaying uncommitted expenditure and reviewing costs with a view to achieving further savings. Therefore, the Board has a reasonable expectation the Group has adequate resources to continue in operation for the foreseeable future. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

The Association has net liabilities and is supported by its asset owning subsidiaries. A2Dominion Housing Group Limited's Board has control over these subsidiaries and their assets. These subsidiaries provide ongoing support to the parent which will continue to allow A2Dominion Housing Group Limited to meet its liabilities as they fall due. The Group Board has determined the Association will be able to return to positive reserves within five years which is supported by the modelling in the long-term financial plan.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, 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.

2. Accounting policies (continued)

- no cash flow statement has been presented for the parent association.
- no disclosure has been given for the aggregate remuneration of the key management personnel of the association as their remuneration is included in the totals for the Group as a whole.

Basis of consolidation

As required by the Statement of Recommended Practice: Accounting by registered social housing providers 2018, the Group has prepared consolidated financial statements. The Group consolidated financial statements present the results of the Association and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

As required by FRS 102 section 9 paragraph 11 Special Purpose Entities (SPE) are fully consolidated in the Group's financial statements where the Group controls that entity. An entity is controlled by the Group where the Group retains the risks, receives the majority of the benefits, has ultimate decision-making powers and the activities of the SPE are being conducted on behalf of the Group. In the consolidated financial statements, the items of subsidiaries are recognised in full. On initial recognition, noncontrolling interests are measured at the proportionate share of the acquired business' identified assets and liabilities. The minority interests' proportionate shares of the subsidiaries' results and equity are recognised separately in the statement of comprehensive income and statement of financial position, respectively.

Jointly controlled entities

An entity is treated as a jointly controlled entity where the Group is party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in jointly controlled entities are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the jointly controlled entities. The consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group.

In the consolidated statement of financial position, the interests in jointly controlled entity undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Turnover

Turnover comprises rental income receivable in the year, income from property developed for sale including shared ownership first tranche sales, other services included at the invoiced value (excluding VAT) of goods and services supplied in the year, donations received and revenue grants receivable in the year. Rental income is recognised at the point properties become available for letting and income from first tranche sales and developed for sale properties are recognised at the point of legal completion. Other income is recognised in the period it is receivable.

Operating segments

There are publicly traded securities within the Group and therefore a requirement to disclose information about the Group operating segments under IFRS 8. For the purposes of segmental reporting the Chief Operating Decision Makers (CODM) have been identified as the Executive Management team (EMT) and the Board. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group rather than geographical location. As permitted by IFRS 8 this is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. Segmental information is disclosed in note 3 and as part of the analysis of housing properties in note 13.

Executive Management Team (EMT) and the Board review the Group's internal reporting to assess performance and allocate resources. Management has determined the operating segments as social housing lettings, other social housing activities and non-social housing activities. Other social housing activities include supporting people services, management services, leasehold services, community investment and social housing property sales. Non-social housing activities includes non-social housing lettings, joint controlled entity operating profits and housing developed for sale. Assets and liabilities are not reported by operating segment or tenure other than housing properties, which are shown in note 13, classified between general housing and shared ownership.

2. Accounting policies (continued)

Long-term contract accounting

The amount of profit attributable to the stage of completion of a long-term contract (development contracts spanning multiple financial years) is recognised when the outcome of the contract can be foreseen with reasonable certainty. Income earned from such contracts is stated at the amount appropriate to their stage of completion calculated using the percentage of completion method plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the statement of comprehensive income, after deducting foreseeable losses and payments on account not matched with turnover. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Supporting people income and expenditure

Income receivable and costs incurred from contracts are recognised in the period they relate to on a receivable basis and included within other social housing activities in the statement of comprehensive income. Any excess of cost over the grant received is borne by the Group where it is not recoverable from tenants.

Supported housing managed by agencies

Social Housing Grants and other revenue grants for supported housing claimed by the Group are included in the statement of comprehensive income. The treatment of other income and expenditure in respect of supported housing depends on whether the Group or its partner carries the financial risk. Where the Group carries the financial risk, all the supported housing schemes' income and expenditure is included in the statement of comprehensive income.

Service charges

Service charges receivable are recognised in turnover. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable. Any over or under recovery is adjusted for in the following year to reflect actual costs incurred. The Group adopts the variable method for calculating and charging service charges to its leaseholders and shared owners. Tenants are charged a fixed service charge.

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.

Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change 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.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met
- where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Accounting policies (continued)

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 statement of comprehensive income includes VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue & 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 in the statement of financial position.

Finance costs

FRS 102 requires finance costs to be charged to the statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount after initially recognising issue costs as a reduction in the proceeds of the associated capital instrument.

Interest is capitalised on borrowings to finance developments, apart from private sale to the extent that it accrues in respect of the period of development if it represents either:

- interest on borrowings, specifically financing the development programme after deduction of interest on Social Housing Grant (SHG) in advance
- interest on borrowings of the Group as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the statement of comprehensive income in the year.

Pensions

Contributions to the A2Dominion Benefit Scheme, the Association's defined contribution pension scheme, are charged to the statement of comprehensive income in the year in which they become payable. The Association participates in one funded multi-employer defined benefit scheme, the Surrey County Council Scheme with another Group entity participating in the Oxfordshire County Council Scheme, both of which are closed to new entrants. The Association's A2Dominion Benefit Scheme's defined benefit section is closed with no active members, with the Group continuing to pay deficit reduction payments (Note 28).

Under defined benefit accounting the Scheme's assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs and any other changes in fair value of the assets and liabilities are recognised in the accounting period in which they arise. The operating costs and finance costs with any actuarial gains and losses are recognised in the consolidated statement of comprehensive income. The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities are recognised in the Group's statement of financial position.

Holiday pay accrual

A liability is provided for to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement at the balance sheet date.

2. Accounting policies (continued)

Housing properties

Housing properties are stated at cost and are principally properties available for rent and shared ownership. Housing properties under construction are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Shared ownership properties are split proportionally 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 proceed included in turnover, and the remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for impairment.

General needs housing properties for rent are split between their land and structure costs and a specific set of major components which require periodic replacement. On replacement the new major works component is capitalised with the related net book value of replaced components expensed through the statement of comprehensive income as accelerated depreciation. Component accounting is not applicable to shared ownership housing properties.

Improvements to existing properties which are outside the normal capitalisation policy of component additions, are works which result in an increase in the net rental income, such as a housing property's reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business and that provide an enhancement to the economic benefits in excess of the standard of performance anticipated when the asset was first acquired, constructed or last replaced.

Only the directly attributable overhead costs associated with new developments or improvements are capitalised.

Depreciation of housing properties

Freehold land is not depreciated. Depreciation is charged to write down the cost of freehold housing properties other than freehold land to their estimated residual value on a straight-line basis over their estimated useful economic lives at the following annual rates:

Major components:

Building	75 years	Kitchens	20 years
Bathrooms	30 years	Heating	15 years
Roofs	50 years	Windows and doors	30 years
Lifts	20 years	Electrical	30 years

The portion of shared ownership property expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount or the actual expected depreciation charge for such assets is considered material, individually or in aggregate.

Assets during 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. Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

2. Accounting policies (continued)

Donated land

Land donated by local authorities and others is added to cost at the fair value of the land at the time of the donation, considering any restrictions on the use of the land.

Land options

The premium payable on an option to acquire land at a future date is amortised over the life of the option. The options are regularly reviewed to assess the likelihood of the option being exercised and at the early stages most of the associated expenses are charged to the statement of comprehensive income.

Shared ownership and staircasing

Under shared ownership arrangements, the Group disposes of a long lease of shared ownership housing units to persons who occupy them, for an amount of between 25% and 75% of the open market value (the “first tranche”). The occupier has the right to purchase further proportions at the current valuation at that time up to 100% (“staircasing”). A shared ownership property comprises two assets: that to be disposed of in the first tranche sale, which is recorded as a current asset; and that retained by the Group, which is recorded as a fixed asset in the same manner as for general needs housing properties.

Proceeds of sale of first tranches are accounted for as turnover in the statement of comprehensive income, with the apportioned cost being shown within operating results as the cost of sale.

Subsequent tranches sold (“staircasing sales”) are disclosed in the statement of comprehensive income as a surplus or deficit on sale of fixed assets. Such staircasing sales may result in capital grant being recycled, deferred or abated and this is credited in the statement of comprehensive income in arriving at the surplus or deficit.

Mixed tenure developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area or unit basis depending on appropriateness for each scheme.

Other tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

Furniture, fixtures and fittings - 20% - 25% per annum

Freehold offices - 2% per annum

Freehold alterations - 10% per annum

Leasehold offices - Length of the lease

Computers, office equipment and motor vehicles - Between 14.3% and 33.3% per annum

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter

Intangible fixed assets

Intangible fixed assets are recognised for IT projects and computer software including employee costs directly incurred in development.

Amortisation is provided evenly on the cost of other intangible fixed assets to write them down to their estimated residual values over ten years for new systems and three years for improvements to existing systems.

Social Housing Grant (SHG)

Grant received in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the SORP for Registered Social Housing Providers 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 SORP for Registered Social Housing Providers 2018 the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

2. Accounting policies (continued)

Where SHG funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a qualifying new development and moved to work in progress. When the new development is completed the SHG is moved back into deferred income and amortised. 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 the statement of comprehensive income over the same period as the expenditure to which they relate once performance related conditions have been met.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are 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. Grants in respect of revenue expenditure are credited to the statement of comprehensive income in the same period as the expenditure to which they relate.

Recycled Capital Grant Fund

Following certain relevant events, primarily the sale of dwellings, the Regulator of Social Housing (RSH) can direct the Group to recycle the capital grant (SHG) or to repay the recoverable capital grant back to the Homes England. Where the grant is recycled the recoverable capital grant is credited to a Recycled Capital Grant Fund which is included as a creditor due within one year or due after more than one year as appropriate.

Sales under Right to Buy

Surpluses and deficits arising from the disposal of properties under the Right to Buy legislation are included within surplus on sale of fixed assets on the face of the statement of comprehensive income. The surpluses or deficits are calculated by reference to the carrying value of the properties. On the occurrence of a sale of properties that were originally transferred to Spelthorne Housing Association (now owned by A2Dominion South Limited), a relevant proportion of the proceeds is payable back to Spelthorne Borough Council.

Investment properties

Investment properties consist of commercial, student accommodation and market rent properties not held for social benefit. Investment properties, completed and under construction, are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised as part of the surplus for the year.

Valuation of investments

Investments in subsidiaries are measured at cost, less any provision for impairment. Cash and unlisted investments classified as fixed asset investments are measured at cost. Listed investments classified as fixed asset investments are remeasured to fair value at each balance sheet date. Gains and losses on remeasurement are recognised as part of the surplus for the year.

Impairment

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet 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. 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.

The Group defines cash generating units as schemes. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.

2. Accounting policies (continued)

Properties for sale

Shared ownership first tranche and commercial outright sale developments, both completed and under construction, are carried on the statement of financial position at the lower of cost and net realisable value. Cost comprises materials, direct labour, interest charges incurred during the development period and direct development overheads. Net realisable value is based on estimated sales price obtained from independent valuers and after allowing for all further costs of completion and disposal.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in operating costs.

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor based on the age profile of the debt, historical collection rates and the class of debt.

Concessionary loans

Concessionary loans are those loans made or received by the Group that are made:

- to further its public benefit objectives
- at a rate of interest which is below the prevailing market rate of interest
- not repayable on demand.

These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed. The Group has a number of arrangements that are considered concessionary loans.

Equity loans, Homebuy loans and grant

Under these arrangements the Group receives Social Housing Grant (Homebuy only) representing a maximum of 30% of the open market purchase price of a property to advance interest free loans of the same amount to a homebuyer. The buyer meets the balance of the purchase price from a combination of personal mortgage and savings. Loans advanced by the Group under these arrangements are disclosed in the investments section of the statement of financial position.

In the event that the property is sold on, the Group recovers the equivalent loaned percentage value of the property at the time of the sale. The grant becomes recyclable when the loans are repaid and the amount of grant to be recycled is capped at the amount received when the loan was first advanced. If there is a fall in the value of the property, the shortfall of proceeds is offset against the recycled grant. There are no circumstances in which the Group will suffer any capital loss.

Loans

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), and subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Cash and cash equivalents

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

Derivative instruments and hedge accounting

The Group holds floating rate loans which expose the Group to interest rate risk, to mitigate against this risk the Group uses interest rate swaps. These instruments are measured at fair value (mark-to-market) at each reporting date. Each instrument's mark-to-market value is calculated with reference to mid-market rates. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group has designated each of the swaps against either existing drawn floating rate debt or against highly probable future floating rate debt. Hedge effectiveness is assessed using the hypothetical derivative method. To the extent the hedge is effective movements in fair value adjustments (other than adjustments for Group or counter party credit risk) are recognised in other comprehensive income and presented in a separate cash flow hedge reserve.

2. Accounting policies (continued)

Leased assets

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Leasehold sinking funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors with the related cash held in designated bank accounts (note 20).

Provisions

The Group recognises provisions for liabilities of uncertain timing or amounts. Provision is made for specific and quantifiable liabilities, measured at the best estimate of expenditure required to settle a legal or constructive obligation at the balance sheet date. Where the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as finance cost in the statement of comprehensive income in the year it arises.

Contingent liabilities

A contingent liability is disclosed for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made. This includes a contingent liability reflecting the potential future obligation to repay SHG where properties are disposed of.

Designated reserves

Designated reserves are held to provide reserves in respect of future major repairs spend. The Group maintains a reserve that covers the next three years, forecasted major repairs expenditure. Annually a transfer from designated reserves directly to the income and expenditure reserve is made for the value of the repairs expenditure incurred during that year.

Restricted funds

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the Group. Restrictions arise when specified by a donor or grant maker or when funds are raised for particular restricted purposes.

Qualifying charitable donations

Entities within A2Dominion Group make qualifying charitable donations to other Group members to ensure that each entity has sufficient funding for their needs. All donations are initially treated as if they are distributions, made to the direct parent of that entity, and recorded in the statement of equity/reserves at the point there is a legal obligation to make the payment. Qualifying charitable donations received from a subsidiary are treated as income and recognised at the point of legal entitlement.

In some cases the distribution may be made to the parent with the intention that it be transferred to another Group member. Where that donation is transferred from the parent to another Group member the payment is treated as an investment by the parent in the recipient. As the investment is made with no expectation of return, it is immediately impaired, and the impairment charge is recorded in the statement of comprehensive income. The substance of these transactions is that the receipt of the distribution and subsequent investment do not form part of the activities of the parent so these transactions are netted off in the statement of comprehensive income.

2. Accounting policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. A scheme is a group of uniquely identifiable related units which are determined to be the smallest identifiable type of group of assets that generate cashflows independent from another groups of assets. Scheme level has therefore been identified as a suitable CGU.
- The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset. Where property is held primarily for the provision of social benefit it is accounted for as property, plant and equipment in accordance with FRS102 section 17. Properties that are held for capital appreciation or to earn commercial rents or both are accounted for as investment property in accordance with FRS102 section 16.
- Whether investments in subsidiaries are recoverable based on the net assets of the subsidiary investment in relation to its total share capital. Where a subsidiary has a net liability position at year end the investment is assessed for recoverability based on the ability of that company to trade out of that position and this is based on the forecast future cashflows.
- The residual value of Shared Ownership Properties greater than carrying value. The impairment review methodology applies an average staircasing margin to the unsold equity. This average is based on the margins achieved in the current year.
- The presentation of loans. As a result of the Regulatory Downgrade, management, with support from legal advisors, reviewed all financing arrangements to determine that we remained in compliance with all loan covenants and were able to satisfy ourselves to this effect, no covenant breach was identified and all loans are presented as short or long term liabilities in line with the original maturity profiles agreed.
- The categorisation of financial instruments as basic or other, determining whether they are held at cost or fair value.

Judgements in applying accounting policies and key sources of estimation uncertainty

Other key sources of estimation uncertainty

- Tangible fixed assets (see notes 13 and 14)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as economic conditions are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

- Allocation of costs (see note 14)

Appropriate allocation of costs between mixed tenure developments and between first and subsequent shared ownership tranches.

Assumptions reflect those approved by management appraisals. Scheme costs are split by unit based on the floor area on the planning application and the site plan.

First and subsequent shared ownership cost of sales are calculated on a unit level based on the actual percentage of the equity sold applied on the total scheme cost on the Balance Sheet.

- Investment properties (see note 15)

Market Rent investment properties are professionally valued annually using a discounted cash flow method, in nominal terms, in line with the traditional approach used by private investors when appraising an opportunity. In each case, a 10-year holding period has been used, with reversion of an exit value defined by the type of asset. Appropriate assumptions have been used as set out below and have had regard for the investors' target rates of return and appropriate costs of servicing the buildings and tenancies.

- Discount rate – 6.0%-7.0%
- Average cost per unit per annum (% of the gross rental income) – 29.0%
- Exit yield – 3.7%-5.0%
- Rental growth 2.5%
- Sale rate – 0.0%

- Recoverable amount of properties developed for sale (see note 18)

Properties developed for sale are carried on the statement of financial position at the lower of cost or net realisable value. Cost is taken as the production cost which includes an appropriate proportion of attributable overheads. Net realisable value is based on estimated sale proceeds after allowing for further costs to completion and selling costs.

- Fair value measurement of derivatives (see note 26)

These instruments are measured at fair value (mark-to-market) at each reporting date. Each instrument's mark-to-market is calculated with reference to mid-market rates.

- A2Dominion Benefit Scheme (see note 28)

The A2Dominion Benefit Pension Scheme's defined benefit valuation liability is calculated based on proposed actuarial assumptions by The Pensions Trust. In adopting these assumptions, the Group and our pension advisors reviewed the assumptions and determined that they fell within expected market range apart from the mortality allowance which we maintained in line with the prior year assumptions and considered them to be still within the market range.

- Defined benefit pension scheme surpluses (see note 28)

Where it is probable the Group will not benefit from the surpluses or an asset, surpluses on defined benefit pension schemes are restricted to the asset ceiling calculated by the pension schemes actuaries. For the Oxford Local Government Pension Scheme, the surplus was restricted to the asset ceiling calculated by the schemes actuaries as it is not probable a surplus or a material asset will be realised by the Group.

- Fire safety provision (see note 27)

    - Building safety provisions requires judgement to be made as to whether a constructive or legal obligation exists and whether a reliable estimation can be made. Management makes judgements on a scheme-by-scheme basis taking into account the facts and circumstances of each scheme. The key judgements applied are:
    - Constructive obligation: Where the Group have made specific communications to residents that creates a valid expectation that certain works will be undertaken.
    - Legal obligation: A provision will be recognised where it is not reasonably practical or possible to avoid undertaking certain works.
    - Reliable estimate: A provision will be recognised where management can reliably estimate the remediation costs.

Provisions recognised in the financial statements are based on previous constructive obligations made as a result of resident forums and/or direct correspondence to residents, where the Group communicated specific remedial works required and the final timelines when such works would be undertaken have been confirmed. Additions to provisions relate to schemes where contracts are in place at the year end with the value of the provision based on the stated contract value.

FRS 102 paragraph 21.6 states legal obligations can arise when an entity has an obligation that can be enforced by law and also states that obligations that will arise from the entity's future actions do not satisfy the condition in paragraph 21.4(a), no matter how likely they are to occur, even if the entity may intend to carry out expenditure to operate in accordance with legal requirements. In the Building Safety Act 2022 (BSA), specific remedial works are enforceable by the First-tier Tribunal issuing either Remediation Orders under section 123 or remediation contribution orders under section 124. The Group have not had any such orders issued.

No legal obligations were triggered for any additional schemes or properties.

Any remedial works not included in existing provisions are considered to be future operating costs which are strictly prohibited from recognition in accordance with FRS 102 paragraph 21.11B.

In accordance with FRS 102 paragraph 21.9, any pending claims or reimbursements from contractors are not offset against the provision.

3. Turnover, cost of sales, operating costs and operating surplus

Group	Turnover £m	Cost of sales £m	Operating costs £m	Other operating items £m	Operating surplus/ (deficit) £m
			2024		
Social housing lettings	**253.4**	**-**	**(207.8)**		**45.6**
Other social housing activities					
Supporting people	3.0	-	(2.4)	-	0.6
Management services	2.0	-	(0.1)	-	1.9
First tranche sales[1]	28.4	(27.2)	-	-	1.2
Development costs	-	-	(6.7)	-	(6.7)
Abortive costs	-	-	(1.5)	-	(1.5)
Impairment	-	-	(25.8)		(25.8)
Surplus on sale of fixed assets	-	-	-	27.4	27.4
Leasehold property services	13.7	-	(21.6)	-	(7.9)
Community investments	0.5	-	(2.9)	-	(2.4)
Other	0.9	-	(1.4)	-	(0.5)
	48.5	**(27.2)**	**(62.4)**	**27.4**	**(13.7)**
Non-social housing activities					
Lettings	36.4	-	(20.6)	-	15.8
Development for sale[2]	59.4	(59.4)	-	-	-
Land sales	0.1	-	-	-	0.1
Development costs	-	-	(3.3)		(3.3)
Strategic land abortive costs	-	-	-	-	-
Share of jointly controlled entity operating profit	-	-	-	2.1	2.1
Private care retirement sales	-	-	-	-	-
Other	1.8	0.1	0.2	-	2.1
	97.7	**(59.3)**	**(23.7)**	**2.1**	**16.8**
	399.6	**(86.5)**	**(293.9)**	**29.5**	**48.7**

[1]*First tranche cost of sales includes impairment of £1.9 million.*

[2] *Development for sale cost of sales includes impairment of £5.7 million.*

3. Turnover, cost of sales, operating costs and operating surplus (continued)

Group	2023				
	Turnover £m	Cost of sales £m	Operating costs £m	Other operating items £m	Operating surplus/ (deficit) £m
Social housing lettings	**232.8**	**-**	**(204.7)**	**-**	**28.1**
Other social housing activities					
Supporting people	2.8	-	(2.4)	-	0.4
Management services	1.6	-	(0.2)	-	1.4
First tranche sales[1]	29.8	(29.7)	-	-	0.1
Development costs	-	-	(9.0)	-	(9.0)
Abortive costs	-	-	(5.6)	-	(5.6)
Surplus on sale of fixed assets	-	-	-	14.4	14.4
Leasehold property services	10.7	-	(15.5)	-	(4.8)
Community investments	0.5	-	(3.7)	-	(3.2)
Other	3.6	-	(2.5)	-	1.1
	49.0	**(29.7)**	**(38.9)**	**14.4**	**(5.2)**
Non-social housing activities					
Lettings	34.8	-	(17.3)	-	17.5
Development for sale[2]	69.2	(65.3)	-	-	3.9
Land sales	-	-	-	-	-
Development costs	-	-	(7.5)	-	(7.5)
Strategic land abortive costs	-	-	(2.3)	-	(2.3)
Share of jointly controlled entity operating profit	-	-	-	6.7	6.7
Private care retirement sales	1.4	(1.1)	-	-	0.3
Other	1.9	-	-	-	1.9
	107.3	**(66.4)**	**(27.1)**	**6.7**	**20.5**
	389.1	**(96.1)**	**(270.7)**	**21.1**	**43.4**

[1] *First tranche cost of sales includes impairment of £2.0 million.*

[2] *Development for sale cost of sales includes impairment of £5.6 million.*

3. Turnover, cost of sales, operating costs and operating surplus (continued)

Group	2024						2023
Particulars of income and expenditure from social housing lettings	General needs housing £m	Supported housing £m	Temporary housing £m	Key worker £m	Low cost home ownership £m	Total £m	Total £m
Turnover from social housing lettings							
Rent receivable net of identifiable service charges	144.0	11.0	9.2	21.2	19.3	**204.7**	190.1
Service charge income	11.2	8.5	-	1.2	7.6	**28.5**	21.4
Amortised government grants	14.0	1.2	0.1	0.4	1.6	**17.3**	18.9
Net rental income	169.2	20.7	9.3	22.8	28.5	**250.5**	230.4
Nomination fees	-	-	0.3	-	-	**0.3**	0.3
Other income	1.3	0.2	-	0.1	1.0	**2.6**	2.1
Turnover from social housing lettings	170.5	20.9	9.6	22.9	29.5	**253.4**	232.8
Expenditure on social housing lettings							
Management	(38.9)	(12.5)	(2.0)	(8.1)	(5.2)	**(66.7)**	(56.9)
Service charge costs	(19.5)	(6.4)	-	(1.1)	(7.7)	**(34.7)**	(30.0)
Routine maintenance	(30.0)	(4.3)	(1.5)	(2.0)	(1.3)	**(39.1)**	(31.4)
Major repairs	(10.7)	(1.0)	(0.4)	(0.7)	(2.4)	**(15.2)**	(18.0)
Planned maintenance	(4.0)	(0.8)	(0.2)	(0.2)	-	**(5.2)**	(8.5)
Bad debts	(1.0)	(0.4)	(0.1)	(0.1)	(0.2)	**(1.8)**	(1.4)
Property lease charges	(0.1)	(0.3)	(1.5)	-	-	**(1.9)**	(2.1)
Depreciation of housing properties	(30.4)	(2.4)	(0.6)	(2.6)	-	**(36.0)**	(37.3)
Accelerated depreciation on replaced components	(1.8)	(0.4)	-	-	-	**(2.2)**	(2.2)
Housing impairment	(3.1)	-	-	-	(1.9)	(5.0)	(16.9)
Operating costs on social housing lettings	(139.5)	(28.5)	(6.3)	(14.8)	(18.7)	**(207.8)**	(204.7)
Operating surplus/ (deficit) on social housing lettings	31.0	(7.6)	3.3	8.1	10.8	**45.6**	28.1
Void losses	(1.0)	(1.1)	(0.4)	(0.8)	(0.1)	**(3.4)**	(3.5)

3. Turnover, cost of sales, operating costs and operating surplus (continued)

Particulars of turnover from non-social housing lettings	2024 £m	2023 £m
Market rent	23.2	22.2
Student accommodation	11.7	10.9
Other	1.5	1.7
	36.4	**34.8**

Association	2024		
	Turnover £m	Operating costs £m	Operating surplus/ (deficit) £m
Other social housing activities			
Management services	99.2	(66.4)	32.8
Other[1]	0.4	(26.3)	(25.9)
	99.6	**(92.7)**	**6.9**

1 Operating cost includes impairment of intangible fixed assets (note14).

	2023		
	Turnover £m	Operating costs £m	Operating surplus/ (deficit) £m
Other social housing activities			
Management services	74.4	(65.9)	8.5
Other[1]	1.1	(40.0)	(38.9)
	75.5	**(105.9)**	**(30.4)**

1 Operating costs include the increase in bad debt provision (note 19).

4. Accommodation in management and development

Group	2023 No.	Additions No.	Disposals No.	Reclassifications No.	2024 No.
Social housing					
General needs housing	17,375	12	(428)	(7)	16,952
Affordable housing	1,636	113	(18)	2	1,733
Supported housing and housing for older people	1,741	1	(12)	8	1,738
Shared ownership	3,872	204	(22)	(86)	3,968
Key worker accommodation	2,587	-	-	4	2,591
Temporary accommodation	424	-	(4)	-	420
Other (includes garages, offices, and community centres)	1,126	1	(20)	(1)	1,106
Total owned and managed	28,761	331	(504)	(80)	28,508
General needs housing	64	53	(7)	3	113
Supported housing and housing for older people	478	-	(10)	(12)	456
Total owned and managed by others	542	53	(17)	(9)	569
Accommodation managed for others					
Supported housing and housing for older people	28	15	-	-	43
Keyworker	24	-	-	-	24
Leasehold	5,436	32	(43)	73	5,498
Freehold	1,746	109	-	16	1,871
Temporary accommodation	103	-	(22)	-	81
Market rent	1	-	(1)	-	-
Other	3	-	(1)	-	2
Total managed for others	7,341	156	(67)	89	7,519
Total owned and managed	**36,644**	**540**	**(588)**	**-**	**36,596**
Non-social housing					
Student accommodation	1,451	-	-	-	1,451
Market rent	1,278	30	(23)	-	1,285
Other (commercial)	107	15	-	-	122
Total owned and managed	2,836	45	(23)	-	2,858
Overall					
Total owned	32,139	429	(544)	(89)	31,935
Total managed for others	7,341	156	(67)	89	7,519
Total owned and managed	**39,480**	**585**	**(611)**	**-**	**39,454**
Accommodation in development	2,733				1,305

5. Operating surplus

This is arrived at after charging

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Depreciation of housing properties	36.0	37.3	-	-
Accelerated depreciation on replaced components	2.2	2.2	-	-
Depreciation of other tangible fixed assets	1.4	1.9	0.8	1.1
Depreciation of other intangible fixed assets	3.0	2.8	3.0	2.8
Impairment of housing properties	5.0	16.9	-	-
Impairment of Intangible fixed assets	25.8	-	25.8	-
Impairment of current assets	7.6	7.6	-	-
Operating lease rental				
- land and buildings	2.6	5.2	-	2.4
- office equipment, computer and vehicles	0.3	0.1	0.1	0.1
Auditor's remuneration (exclusive of VAT)				
- fees payable for the audit of the Group's accounts	0.5	0.4	-	-

6. Employees

Average monthly number of employees expressed in full time equivalents:

A full-time equivalent is based on a 35-hour week.

	Group		Association	
	2024	2023	2024	2023
Administration	278	295	277	294
Development and sales	87	102	87	102
Housing, support and care	643	640	639	636
Repairs subsidiary	334	256	-	-
	1,342	**1,293**	**1,003**	**1,032**

6. Employees (continued)

Employee costs	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Wages and salaries	59.7	57.8	48.3	48.1
Social security costs	6.4	6.6	5.3	5.5
Pension costs	3.3	3.2	2.9	2.8
Pension provision[1]	0.2	0.2	0.2	0.2
	69.6	**67.8**	**56.7**	**56.6**
Pension costs recognised in other comprehensive income				
Actuarial (loss)/ gain on defined pension scheme	**(5.6)**	**4.3**	**(5.1)**	**1.7**

[1] Provision for the local government pension schemes.

7. Directors and senior executive remuneration

Group	2024 £'000	2023 £'000
Salary and other benefits	1,447	1,473
Pension contributions, or pay in lieu thereof, in respect of services as directors	83	87
Total remuneration paid to executive directors	**1,530**	**1,560**
Emoluments of the highest paid executive officer (excluding pension contributions but including performance related pay and benefits in kind)	253	275

The highest paid executive officer participates on the same terms in the same defined contribution pension that is open to all eligible staff.

Salary banding for all employees earning over £60,000 (includes salary, performance related pay, compensation for loss of office, benefits in kind and pension contributions paid by the Group)

Salary Banding	**2024 No.**	**2023 No.**
£60,000 to £70,000	70	65
£70,001 to £80,000	35	28
£80,001 to £90,000	33	28
£90,001 to £100,000	23	18
£100,001 to £110,000	11	17
£110,001 to £120,000	9	10
£120,001 to £130,000	2	6
£130,001 to £140,000	3	4
£140,001 to £150,000	5	2
£150,001 to £160,000	2	6
£160,001 to £170,000	3	3
£170,001 to £180,000	1	3
£180,001 to £190,000	-	1
£190,001 to £200,000	-	-
£200,001 to £210,000	-	-
£210,001 to £220,000	3	1
£220,001 to £230,000	1	-
£230,001 to £240,000	2	3
£240,001 to £250,000	-	-
£260,001 to £270,000	-	1
£270,001 to £280,000	1	-
£290,001 to £300,000	-	1
	204	**197**

8. Board members

Fees of £240,167 (2023: £262,941) were paid to non-executive Board members during the year. Taxable travel allowances paid during the year to Board members amounted to nil (2023: nil). Non-executive Board members during the year ended 31 March 2024 were paid as follows:

		Member of					
Board/Committee Member	Members pay	Audit, Risk and Assurance Committee	Customer Service Committee	Strategic Development and Asset Committee	Finance Committee	Governance & Remuneration Committee	Group Board
Mike Anderson	£8,250	✓			✓		
Rachael Barber	£5,500		✓				
Rachel Bowden	£17,750	✓					✓
Alan Collett	£32,500					✓	✓
Steve Dickinson	£8,250			✓			
Helene Griffin	£5,500		✓				
Liz Harrison	£5,500		✓				
Andrew Kirkman	£13,500				✓		✓
Mark Parker	£8,250			✓			
Alex Roth	£13,500	✓	✓				✓
Jas Saggu	£5,500	✓					
Coretta Scott	£5,500		✓				
Nigel Turner	£17,750		✓	✓			✓
Dennis Watson	£13,500			✓	✓		✓
Rob Weaver	£8,250			✓			
Louise Wilson	£17,750					✓	✓
Appointed							
Elaine Elkington	£2,250		✓				✓
Peter Hatch	£917		✓				
Resigned							
Ozzie Clarke-Binns	£13,500		✓				✓
Caroline Tiller	£17,750	✓	✓			✓	✓
Peter Walker	£19,000				✓	✓	✓

9. Surplus on sale of fixed assets

Group	2024						2023
	Shared ownership £m	Investment properties £m	Sales to other registered providers £m	Other housing properties £m	Homebuy & equity loans £m	Total £m	Total £m
Disposal proceeds	14.4	10.4	57.7	8.8	-	91.3	95.2
Cost of disposals	(8.4)	(8.9)	(37.2)	(6.8)	-	(61.3)	(79.3)
Selling costs	(0.1)	(0.5)	(1.1)	(0.1)	-	(1.8)	(0.4)
Grant recycled	(0.5)	-	-	(0.3)	-	(0.8)	(1.1)
	5.4	**1.0**	**19.4**	**1.6**	**-**	**27.4**	**14.4**

10. Interest receivable

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Interest receivable and similar income	2.9	2.8	1.0	-
Received from other Group entities	-	-	33.8	27.0
	2.9	**2.8**	**34.8**	**27.0**

11. Interest payable and similar charges

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Loans and bank overdrafts (on liabilities at amortised cost)	72.9	69.6	34.5	26.3
Finance related costs	(2.6)	4.3	0.5	1.7
Recycled capital grant fund/disposal proceeds fund	0.7	0.4	-	-
	71.0	**74.3**	**35.0**	**28.0**
Interest payable capitalised on housing properties under construction	(6.9)	(4.8)	-	-
Interest payable capitalised on investment housing properties under construction	(0.4)	(0.4)	-	-
	63.7	**69.1**	**35.0**	**28.0**
Capitalisation rates used to determine the finance costs capitalised during the year	3.7% - 5.2%	3.5% - 4.6%	-	-
Other financing costs through statement of comprehensive income				
Movement in fair value of financial instruments	2.5	4.7	-	-
Other financing costs through other comprehensive income				
Gain on fair value of hedged derivative instruments	2.7	29.3	**-**	**-**

12.Tax on surplus on ordinary activities

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Current tax				
UK corporation tax on surplus for the year	-	-	-	-
Adjustments in respect of prior years	-	-	-	-
Total current tax charge	-	-	-	-
Deferred tax				
Effect of tax rate change on opening balances	-	-	-	-
Adjustment in respect of prior periods	0.1	0.3	-	-
Origination and reversal of timing differences	(4.7)	(7.4)	-	-
Total deferred tax credit	**(4.6)**	**(7.1)**	-	-
Total credit in the year	**(4.6)**	**(7.1)**	-	-
Movement in deferred tax charge				
Provision at start of year	(0.2)	6.1	-	-
Deferred tax (credited) in the statement of comprehensive income for the year	(4.6)	(7.1)	-	-
Deferred tax charged in the statement of equity	0.3	0.8	-	-
Provision at end of year	**(4.5)**	**(0.2)**	-	-

A reconciliation of the tax credit to the deficit on ordinary activities before tax is provided below:

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Deficit on ordinary activities before tax	(24.7)	(19.0)	-	-
UK corporation tax at 25% (2023: 19%)	**(6.2)**	**(3.6)**	**-**	**-**
Effects of:				
Other tax adjustments, reliefs and transfers	(1.7)	(2.3)	-	-
Deferred tax adjustments	2.5	(1.3)	-	-
Fixed asset differences	0.8	0.1	-	-
Current tax credit for year	**(4.6)**	**(7.1)**	**-**	**-**

The deferred tax credit relates to deferred tax generated from the movement in unrealised value of our investment properties, share of joint controlled entity operating profits received and recognised as income in the accounts compared to that recognised in the taxable surplus and other timing differences between taxable and accounting surpluses, assessed at an effective rate of 25% (2023: 19%).

13.Tangible Fixed Assets: properties

Group	Social housing completed £m	Social housing under construction £m	Shared ownership completed £m	Shared ownership under construction £m	Keyworker completed £m	Keyworker under construction £m	Total £m
Cost or valuation							
At 1 April 2023	2,610.6	110.0	367.3	51.9	144.9	6.5	3,291.2
Reclassification	0.3	(0.8)	(1.4)	1.9	-	-	-
Additions at cost							
Construction works	-	44.0	-	19.7	-	14.0	77.7
Capitalised interest	-	4.1	-	2.1	-	0.7	6.9
Works to existing properties	35.2	-	-	-	2.1	-	37.3
Transfer to current asset	-	(15.0)	-	-	-	-	(15.0)
Schemes completed	28.4	(28.4)	41.0	(41.0)	-	-	-
Disposals							
Planned disposals	(4.4)	-	(0.6)	-	-	-	(5.0)
Stock Transfer	(38.3)	-	(1.6)	-	-	-	(39.9)
Replaced components	(5.7)	-	-	-	(0.3)	-	(6.0)
Staircasing sales	-	-	(8.4)	-	-	-	(8.4)
At 31 March 2024	**2,626.1**	**113.9**	**396.3**	**34.6**	**146.7**	**21.2**	**3,338.8**
Depreciation and impairment							
At 1 April 2023	427.2	12.7	0.4	6.2	31.2	-	477.7
Reclassification	-	-	-	-	-	-	-
Transfer (to)/ from current assets	-	(9.0)	-	-	-	-	(9.0)
Charge for the year	33.4	-	-	-	2.6	-	36.0
Impairment	2.7	0.3	-	2.0	-	-	5.0
Disposals							
Planned disposals	(0.5)	-	-	-	-	-	(0.5)
Stock Transfer	(5.6)	-	-	-	-	-	(5.6)
Replaced components	(3.5)	-	-	-	(0.3)	-	(3.8)
At 31 March 2024	**453.7**	**4.0**	**0.4**	**8.2**	**33.5**	**-**	**499.8**
Net book value							
At 31 March 2024	**2,172.4**	**109.9**	**395.9**	**26.4**	**113.2**	**21.2**	**2,839.0**
At 31 March 2023	2,183.4	97.3	366.9	45.7	113.7	6.5	2,813.5

13.Tangible Fixed Assets: properties (continued)

Housing properties book value, net of depreciation comprises	2024 £m	2023 £m
Freehold land and buildings	1,937.2	1,917.2
Long leasehold land and buildings	843.7	835.6
Short leasehold land and buildings	58.1	60.7
	2,839.0	**2,813.5**

Expenditure on works to existing properties	2024 £m	2023 £m
Amounts capitalised	37.3	28.2
Amounts charged to income and expenditure account	20.4	26.5
Total	**57.7**	**54.7**

The amount of assets given as security (existing use value (EUV) basis of valuation) as at 31 March 2024 is £1.6 billion (2023: £1.6 billion).

Valuation for disclosure only	2024 £m
Completed housing properties at valuation	3,634.0

The completed housing properties at valuation disclosed above includes housing properties held as investment properties (note 15).

For information purposes only, completed housing properties are valued at 31 March 2024 by Jones Lang LaSalle Limited and Savills (L&P), qualified professional independent external valuers.

The valuation of the social housing and shared ownership properties was undertaken in accordance with the Royal Institute of Chartered Surveyors (RICS) Red Book. Properties are valued either at EUV for Social Housing (EUV-SH), or Market Value (MV -T) for all non-social housing.

In valuing housing properties, discounted cash flow methodology was adopted with key assumptions:

Social housing and shared ownership only	
Discount rate (income)	4.5%-6.5%
Discount rate (sales)	7.5%-7.75%
Rent Assumptions	
Social rented (including supported housing and housing for older people)	Current rent plus CPI+1.0%
Shared ownership	RPI+0.5%
Other rents	RPI+1.0% or in accordance with any relevant lease or nomination agreements.

Impairment

The Group considers an individual scheme to represent separate cash generating units when assessing for impairment in accordance with the requirements of FRS102 and SORP 2018. During the current year, the Group has recognised impairment of fixed asset housing properties of £5.0 million (2023: £16.9 million) mainly due to an increase in development costs in shared ownership and rented schemes. This relates to 769 units that have a net book value of £30.6 million before impairment.

14.Other Fixed Assets

Group	Other tangible fixed assets					Other intangible fixed assets	
	Furniture fixtures and fittings £m	Leasehold offices £m	Computers, office equipment and motor vehicles £m	Freehold offices £m	Total tangible assets £m	Computer software & IT project £m	Total intangible assets £m
Cost							
At 1 April 2023	7.0	0.8	4.8	22.8	35.4	38.6	38.6
Additions	0.4	-	0.5	-	0.9	11.5	11.5
Disposal	(1.2)	(0.6)	(0.1)	-	(1.9)	-	-
At 31 March 2024	6.2	0.2	5.2	22.8	34.4	50.1	50.1
Depreciation							
At 1 April 2023	5.6	0.5	3.6	2.4	12.1	10.3	10.3
Charged in year	0.5	-	0.7	0.2	1.4	3.0	3.0
Impairment	-	-	-	-	-	25.8	25.8
Disposal	(0.7)	(0.3)	(0.1)	-	(1.1)	-	-
At 31 March 2024	5.4	0.2	4.2	2.6	12.4	39.1	39.1
Net book value							
At 31 March 2024	**0.8**	**-**	**1.0**	**20.2**	**22.0**	**11.0**	**11.0**
Net book value							
At 31 March 2023	1.4	0.3	1.2	20.4	23.3	28.3	28.3

14. Other Fixed Assets (continued)

Association	Other tangible fixed assets				Other intangible fixed assets	
	Furniture fixtures and fittings £m	Leasehold offices £m	Computers, office equipment and motor vehicles £m	Total tangible assets £m	Computer software & IT project £m	Total intangible assets £m
Cost						
At 1 April 2023	3.0	0.8	4.8	8.6	38.6	38.6
Additions	-	-	0.5	0.5	11.5	11.5
Disposals	(1.2)	(0.6)	(0.1)	(1.9)	-	-
At 31 March 2024	1.8	0.2	5.2	7.2	50.1	50.1
Depreciation						
At 1 April 2023	2.3	0.5	3.6	6.4	10.3	10.3
Charged in year	0.1	-	0.7	0.8	3.0	3.0
Impairment	-	-	-	-	25.8	25.8
Disposal	(0.7)	(0.3)	(0.1)	(1.1)	-	-
At 31 March 2024	1.7	0.2	4.2	6.1	39.1	39.1
Net book value						
At 31 March 2024	**0.1**	**-**	**1.0**	**1.1**	**11.0**	**11.0**
Net book value						
At 31 March 2023	**0.7**	**0.3**	**1.2**	**2.2**	**28.3**	**28.3**

15.Investment properties

Group	Student accommodation £m	Market rent £m	Commercial £m	Properties under construction at fair value £m	Total £m
At 1 April 2023	140.5	427.1	25.8	15.4	608.8
Additions	-	0.4	-	1.5	1.9
Capitalised interest	-	-	-	0.4	0.4
Disposals	-	(8.9)	-	-	(8.9)
Schemes completed	-	14.8	2.5	(17.3)	-
Revaluation	2.5	(16.1)	(0.9)	-	(14.5)
At 31 March 2024	**143.0**	**417.3**	**27.4**	**-**	**587.7**

The Group's investment properties are valued annually as at 31 March by Jones Lang LaSalle Limited, qualified professional independent external valuers. The valuations were undertaken in accordance with the RICS Red Book. Market rent units, student accommodation and commercial assets are valued at Fair Value (FV).

In valuing the market rent properties, a discounted cash flow methodology was adopted with the following key assumptions:

Discount rate	6.25%-7.5%
Level of long-term annual rent increase	2.50%

Full vacant possession value for the market rent 31 March 2024 is £508.1million. This gives an indication of the worth of these if they were to be sold individually in the open property market.

Commercial properties have been valued using a rent capitalisation methodology (i.e., rent and yield approach). For the majority of our income producing assets a Net Initial Yield has been used to capitalise the current rental income into perpetuity.

Student accommodation has been valued using a discounted cash flow methodology, where each scheme has been valued on an individual basis.

The loss on revaluation of investment property of £14.5 million (2023: £0.6 million gain) has been debited to the Statement of Comprehensive Income for the year.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

Group	Student accommodation £m	Market rent £m	Commercial £m	2024 £m	2023 £m
Historic cost	71.8	404.6	20.7	497.1	486.9
Accumulated depreciation	(16.1)	(11.3)	(1.4)	(28.8)	(27.4)
	55.7	**393.3**	**19.3**	**468.3**	**459.5**

16.Investments: Homebuy loans

Group	2024 £m	2023 £m
At 1 April	2.2	2.3
Loans redeemed	-	(0.1)
At 31 March	**2.2**	**2.2**

Investments in Homebuy loans represent an equity stake in third party properties purchased under the Homebuy scheme. Security for the loans is based on the assets the loans relate to. Terms of repayment for all loans are on redemption.

17.Fixed asset investments

Group	Equity loans £m	Other £m	Total £m	Association Investment in subsidiaries £m
At 1 April 2023	4.4	34.3	38.7	80.6
Additions	-	-	-	40.0
Disposals/redeemed	(0.1)	-	(0.1)	-
Movement in fair value	-	0.1	0.1	-
Impairment of investment	-	-	-	-
At 31 March 2024	**4.3**	**34.4**	**38.7**	120.6

Investments in equity loans represent an equity stake in third party properties purchased under the equity loan scheme. Security for the loans is based on the assets the loans relate to. Terms of repayment for all loans are on the sale of the property.

Other investments relate to the following, representing fair value remeasurements:

	31 March 2024		31 March 2023	
	Cost £m	Market value £m	Cost £m	Market value £m
Investments listed on a recognised stock exchange	1.0	1.9	1.0	1.9
British government securities	3.2	3.9	3.2	3.8
Cash and utilised investments	5.1	5.1	5.1	5.1
Freehold investments	14.9	23.5	14.9	23.5
	24.2	**34.4**	**24.2**	**34.3**

Investments are measured at the quoted market price on a recognised stock exchange as at the 31 March 2024. Freehold investments are valued at Market Value determined by Savills Limited, qualified external valuers. This is based on the present value of future income streams with yields applied between 3.31% - 7% depending on ground rent review terms.

17.Fixed asset investments (continued)

Group	Jointly controlled entities £m
Cost	
At 1 April 2023	74.6
Additions	1.4
Disposal/Redeemed	(12.4)
At 31 March 2024	**63.6**
Share of retained profits	
At 1 April 2023	10.8
Profit for the year	2.1
Distributions	(2.2)
31 March 2024	**10.7**
Net book value	
At 31 March 2024	**74.3**
At 31 March 2023	85.4

17.Fixed asset investments (continued)

The Group holds an interest in 10 jointly controlled entities through A2Dominion Developments Limited:

Company	Country of incorporation or registration	Partner	Group interest	Group voting rights	Nature of business	Nature of entity
Elmsbrook (Crest A2D) LLP	England	Crest Nicholson Operations Limited	50%	50%	Develops and sells properties	Limited Liability Partnership
Green Man Lane LLP	England	Rydon (Ealing) Limited	50%	50%	Develops and sells properties	Limited Liability Partnership
Keybridge House LLP	England	Mount Anvil (Keybridge House) Limited	50%	50%	Develops and sells properties	Limited Liability Partnership
Keybridge House 2 LLP	England	Mount Anvil (Keybridge House 2) Limited	50%	50%	Develops and sells properties	Limited Liability Partnership
Crest A2D (Walton Court) LLP	England	Crest Nicholson Operations Limited	50%	50%	Develops and sells properties	Limited Liability Partnership
A2D NK Homes LLP	England	Nicholas King Homes PLC	80%	50%	Develops and sells properties	Limited Liability Partnership
A2D NKH Chinnor LLP	England	Nicholas King Homes PLC	80%	50%	Develops and sells properties	Limited Liability Partnership
A2D NKH Cranleigh LLP	England	Nicholas King Homes PLC	80%	50%	Develops and sells properties	Limited Liability Partnership
West King Street Renewal LLP	England	London Borough of Hammersmith & Fulham	50%	50%	Develops and sells properties	Limited Liability Partnership
A2DD-HP Boston Road LLP	England	Higgins Construction PLC	50%	50%	Develops and sells properties	Limited Liability Partnership

17.Fixed asset investments (continued)

The amount included in respect of jointly controlled entities includes the following:

Group	A2D NK Homes LLP £m	Green Man Lane LLP £m	Crest A2D (Walton Court) LLP £m	Elmsbrook (Crest A2D) LLP £m	A2DD-HP Boston Road LLP £m	West King Street Renewal LLP £m	Total £m
Turnover	11.1	-	21.3	9.4	12.3	31.8	85.9
Cost of sales and administration expenses	(10.2)	(0.2)	(22.4)	(9.4)	(10.4)	(31.2)	(83.8)
Surplus/(deficit) for the year	**0.9**	**(0.2)**	**(1.1)**	**-**	**1.9**	**0.6**	**2.1**
Share of:							
Current assets	22.9	8.7	19.7	4.8	23.5	33.5	113.1
Liabilities due within one year	(21.2)	(2.3)	(1.4)	(1.1)	(9.9)	(2.9)	(38.8)
Net assets	**1.7**	**6.4**	**18.3**	**3.7**	**13.6**	**30.6**	**74.3**
Share of capital commitments	5.4	10.4	0.8	4.5	13.5	30.5	65.1

17.Fixed asset investments (continued)

The principal undertakings in which the Association has an interest are as follows:

Company	Country of incorporation or registration	Group's share of voting rights	Nature of business	Nature of entity
A2Dominion Homes Limited	England	100%	Rents properties for social housing	Registered provider of social housing
A2Dominion South Limited	England	100%	Rents properties for social housing	Registered provider of social housing
A2Dominion Housing Options Limited	England	100%	Rents properties for affordable housing	Non-charitable registered provider of social housing
A2Dominion Residential Limited	England	100%	Rents properties at market rents	Incorporated Company
A2Dominion Developments Limited	England	100%	Develops and sells properties	Incorporated Company
A2D NKH (Mytchett) Limited	England	100%	Develops and sells properties	Incorporated Company
A2Dominion Housing Finance Limited	England	100%	Raise funds for the operational business	Non-charitable Co-operative and Benefit Society
A2Dominion Treasury Limited	England	100%	Raise funds for the operational business	Incorporated Company
Pyramid Plus London LLP	England	70%	Property maintenance services	Limited Liability Partnership
Pyramid Plus South LLP	England	70%	Property maintenance services	Limited Liability Partnership
A2D Funding II PLC[1]	England	-	Issue retail bonds and lend proceeds	Public Limited Company
A2Dominion Enterprises Limited	England	100%	Dormant Company	Incorporated Company
A2Dominion Investments Limited	England	100%	Dormant Company	Incorporated Company
Affordable Property Management Limited	England	100%	Dormant Company	Incorporated Company
Home Farm Exemplar Limited	England	100%	Non-Trading	Incorporated Company
Westland Close Management Limited	England	100%	Dormant Company	Incorporated Company
Kingsbridge Residential Limited	England	100%	Dormant Company	Incorporated Company
Upper Richmond Buildings Limited	England	100%	Non-Trading	Incorporated Company

[1] The Group guarantees the bond issue principal and interest within A2D Funding II PLC.

18.Properties for sale

Group	2024 £m	2023 £m
Open market sale: completed properties	2.6	5.2
Open market sale: under construction	83.5	99.1
Shared ownership: completed properties	14.8	16.6
Shared ownership: under construction	7.1	24.4
	108.0	**145.3**

19.Debtors

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Due within one year				
Rent and service charges receivable	14.3	12.0	-	-
Less: Provision for bad and doubtful debts	(4.5)	(3.9)	-	-
Net arrears	**9.8**	**8.1**	**-**	**-**
Trade debtors	0.4	0.5	0.4	0.1
Other debtors	19.5	26.0	3.1	4.6
VAT recoverable	-	0.1	-	-
Fire safety recovery	13.9	1.2	-	-
Prepayment and accrued income	15.9	16.0	1.3	2.4
Loans due from joint ventures	15.6	4.9	-	-
Loans due from Group entities	-	-	7.7	7.4
Amounts due from Group entities	-	-	201.7	202.0
Capital and agency debtors	3.9	3.3	-	-
	79.0	**60.1**	**214.2**	**216.5**
Due after more than one year				
Loans due from subsidiary undertakings under on-lending arrangements (note 35)	-	-	702.6	750.3
Less: Provision for bad and doubtful debts	-	-	(40.0)	(40.0)
Loans due from joint venture	-	10.6	-	-
Other debtors	3.6	3.1	-	-
Deferred tax (note 29)	4.5	0.2	-	-
	8.1	**13.9**	**662.6**	**710.3**
	87.1	**74.0**	**876.8**	**926.8**

20.Cash and cash equivalents

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Cash at bank	27.6	40.1	12.4	22.9
Cash held in charge account[1]	3.8	3.8	3.8	3.8
Cash held in relation to sinking funds	14.1	12.1	-	-
	45.5	**56.0**	**16.2**	**26.7**

[1] This cash is held as security for the Surrey County Council Government Pension Scheme.

21.Creditors: amounts due in less than one year

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Loans and borrowings (note 25)	38.0	34.4	7.7	7.4
Trade creditors	14.7	15.5	13.2	14.5
Rent and service charges received in advance	16.7	16.9	-	-
Deferred capital grant (note 23)	66.5	32.2	-	-
Recycled capital grant fund (note 24)	5.4	1.9	-	-
Amounts owed to Group entities	-	-	223.3	254.6
Other taxation and social security	1.1	1.7	1.7	1.4
Other creditors	13.9	19.0	0.8	2.3
Loan due to joint venture	-	-	-	-
Accruals and deferred income	63.2	56.6	14.6	12.9
Interest accrued	2.4	2.2	-	-
Capital creditors	9.2	17.2	-	-
	231.1	**197.6**	**261.3**	**293.1**

22.Creditors: amounts falling due after more than one year

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Loans and borrowings (note 25)	1,504.0	1,546.6	821.3	828.5
Deferred capital grant (note 23)	964.2	1,018.6	-	-
Interest rate swap – cash flow hedge	9.0	14.2	-	-
Recycled capital grant fund (note 24)	9.3	10.5	-	-
Sinking funds	15.3	13.4	-	-
Capital creditors	10.5	5.2		
Other creditors	8.1	-	-	-
	2,520.4	**2,608.5**	**821.3**	**828.5**

23.Deferred capital grant

Group	2024 Housing property £m	2024 Homebuy £m	2024 Total £m	2023 Housing property £m	2023 Homebuy £m	2023 Total £m
At 1 April	1048.6	2.2	1,050.8	1,068.5	2.3	1,070.8
Grants received during the year:						
Housing properties	6.0	-	6.0	5.9	-	5.9
Recycled capital grant fund	1.9	-	1.9	0.5	-	0.5
Grants recycled during the year:						
Recycled capital grant fund	(2.8)	-	(2.8)	(4.1)	(0.1)	(4.2)
Amortised grant	(17.2)	-	(17.2)	(18.4)	-	(18.4)
Grants written off during the year	(0.1)	-	(0.1)	(0.5)	-	(0.5)
Transfer on asset disposal to other registered provider	(7.9)	-	(7.9)	-	-	-
Grant repaid	-	-	-	(3.3)	-	(3.3)
At 31 March	**1,028.5**	**2.2**	**1,030.7**	**1,048.6**	**2.2**	**1,050.8**
Due within one year	66.5	-	66.5	32.2	-	32.2
Due in more than one year	962.0	2.2	964.2	1,016.4	2.2	1,018.6

Without the amortisation of grant introduced under FRS 102, the amount of grant as at 31 March 2024 would have been £1,313.5 million (2023: £1,321.0 million).

	Group 2024 £m	Group 2023 £m
Work in progress	49.6	89.8
Completed grant	1,263.9	1,231.2
	1,313.5	**1,321.0**

24. Recycled capital grant fund

Group	2024			2023		
	Homes England £m	Greater London Authority £m	Total £m	Homes England £m	Greater London Authority £m	Total £m
At 1 April	4.5	7.9	12.4	3.5	9.8	13.3
Inputs to fund:						
Grants recycled from deferred capital grants	0.7	2.1	2.8	1.0	3.2	4.2
Grants recycled from statement of comprehensive income	0.2	0.5	0.7	0.3	0.7	1.0
Interest accrued	0.2	0.5	0.7	0.2	0.2	0.4
Recycling of grant:						
New build properties	(1.9)	-	(1.9)	(0.5)	-	(0.5)
Grant repaid	-	-	-	-	(6.0)	(6.0)
At 31 March	**3.7**	**11.0**	**14.7**	**4.5**	**7.9**	**12.4**
Due within one year	1.2	4.2	5.4	1.9	-	1.9
Due in more than one year	2.5	6.8	9.3	2.6	7.9	10.5

25.Loans and borrowings

Loans and borrowings consist of bank loans secured by fixed charges on individual properties and the proceeds from retail, wholesale bonds and floating rate notes.

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Due within one year				
Bank loans	38.0	32.2	7.7	7.4
Other loans	-	2.2	-	-
	38.0	**34.4**	**7.7**	**7.4**
Due after more than one year				
Bank loans	613.1	576.8	78.2	86.0
Bonds	634.2	634.0	484.4	634.0
Other loans	262.3	342.3	259.8	110.0
Loan issue costs	(5.6)	(6.5)	(1.1)	(1.5)
	1,504.0	**1,546.6**	**821.3**	**828.5**
Within one year	38.0	34.4	7.7	7.4
Between one and two years	42.1	37.5	8.9	7.7
Between two and five years	623.5	355.2	490.1	239.2
After five years	844.0	1,160.4	323.4	583.1
Loan issue costs	(5.6)	(6.5)	(1.1)	(1.5)
	1,542.0	**1,581.0**	**829.0**	**835.9**

			Interest rate			Margin	
	Loan balance £m	Premium/ (discount) £m	Lowest	Highest	Weighted average	Lowest	Highest
Loans on floating rates	208.3	-	SONIA + CAS	SONIA + CAS	SONIA + CAS	0.33%	2.03%
Floating rate loans hedged with interest rate swaps	135.0	-	4.04%	4.76%	4.53%	0.43%	1.12%
Non-cancellable floating rate loans hedged with embedded fixes	408.4	-	4.08%	5.97%	4.77%	0.25%	0.75%
Index linked loans	0.4	-	5.50%	5.50%	5.50%	-	-
Bond and private placements	786.9	(0.8)	1.96%	11.33%	4.04%	-	-
Unmatched standalone swap	-	-	-	-	-	-	-
Total	**1,539.0**	**(0.8)**					

25.Loans and borrowings (continued)

The bank and other loans are repaid by bullet payments or in half-yearly and quarterly instalments and carry fixed and variable rates of interest ranging from 1.96% to 11.33%. The final instalments fall to be repaid in the period 2025 to 2049 as tabulated below:

		Loan repayment	
	Interest rate maturity ladder £m	Bullet £m	Instalment £m
Within 1 year	231.2	-	36.7
2 to 5 years	494.0	459.4	200.4
6 to 10 years	313.4	189.8	232.4
11 to 15 years	312.4	126.1	163.1
16 to 20 years	182.2	50.0	72.8
21 to 25 years	5.0	-	7.5
Total	**1,538.2**	**825.3**	**712.9**

At 31 March 2024 the Group had undrawn loan facilities of £351.1 million (2023: £382.5 million) which carry margins between 0.3% and 1.1%.

As at 31 March 2024, debtors include £0.8 million cash (2023: £0.8 million) charged to lenders.

Loan Security
Borrowings consist of secured loan and club bond facilities totalling £844.2 million (2023: £883.0 million) and unsecured retail and wholesale bonds and floating rate notes totalling £694.0 million (net of discount) (2023: £694.0 million).

Loan facilities are secured by fixed charges over properties. Properties are charged to lenders based on either Market Value – Tenanted (MV-T) or Existing Use Value – Social Housing (EUV-SH), with asset cover ratios ranging between 105% to 150%. As at 31 March 2024, the overall charged value of properties was £2.3 billion, with an equivalent EUV-SH value of £1.6 billion.

Retail and wholesale bonds, while unsecured carry a pledge to bond holders to retain unencumbered assets to the value of 130% of all unsecured borrowings. As at 31 March 2024, unencumbered assets consist of:

	Valuation basis	£m	Unsecured asset cover
Development work in progress	Cost	404.6	
Fixed asset investments	Fair Value	479.6	
Social housing properties	EUV-SH	1,536.7	
		2,420.9	348%

All completed properties are revalued annually by Jones Lang LaSalle LLP using the appropriate accounting valuation method; EUV-SH for social housing stock and fair value for fixed asset investments. As at 31 March 2024, the accounting value of all completed stock was £3.6 billion, compared with an open market value of (assuming long leases and no fire safety remedial works) of £9.7 billion

26.Financial instruments

	Group	
	2024 £m	2023 £m
Financial assets		
Financial assets that are debt instruments measured at fair value:		
Fixed asset investments	10.9	10.8
Total financial assets	**10.9**	**10.8**
Financial liabilities		
Derivative financial instruments designated as standalone interest rate swaps without options measured at fair value	9.0	14.2
Total financial liabilities	**9.0**	**14.2**

The measurement of the financial instruments held at fair value, in accordance with FRS 102 paragraph 34.22, are categorised as Level Two: Inputs that are observable for the asset or liability, either directly or indirectly. The Board has considered the sensitivity for the interest rate risk it is exposed to and have determined that there is no material impact on the surplus for the year or the reserves.

The Group holds floating rate loans which expose it to interest rate risk, which is mitigated by interest rate swaps. These are interest rate swaps without options to receive floating/pay fixed rates for a fixed period:

Entity	Profile	Notional £m	Swap fixed rate	Start date	End date	Payments	SONIA basis
A2Dominion South	Bullet	35.0	4.570%	30/05/2013	30/11/2037	Quarterly	3 Month
A2Dominion South	Bullet	25.0	4.450%	01/04/2009	01/07/2035	Quarterly	3 Month
A2Dominion South	Bullet	25.0	4.520%	21/05/2013	21/05/2038	Quarterly	3 Month
A2Dominion South	Amortising	34.0	4.760%	30/06/2011	05/09/2030	Quarterly	3 Month
A2Dominion Homes	Bullet	16.0	4.040%	01/01/2009	22/09/2036	Quarterly	3 Month

During the year the change in fair value of the interest rate swaps was £5.2 million (2023: £34.0 million). Of the total notional value, £34.0 million is amortising in line with the underlying debt.

27.Provisions

Group	Pension £m	Major Works and defects £m	Fire safety provision £m	Legal and contractual £m	Holiday pay £m	Total £m
At 1 April 2023	3.4	4.2	3.9	0.5	0.3	12.3
Additions	0.2	-	22.6	-	-	22.8
Utilised in the year	(2.1)	-	(3.9)	(0.4)	-	(6.4)
At 31 March 2024	**1.5**	**4.2**	**22.6**	**0.1**	**0.3**	**28.7**

Association	Pension £m	Contractual £m	Holiday pay £m	Total £m
At 1 April 2023	3.4	0.5	0.3	4.2
Additions	0.2	-	-	0.2
Utilised in the year	(2.1)	(0.4)	-	(2.5)
At 31 March 2024	**1.5**	**0.1**	**0.3**	**1.9**

The pension provision relates to the provision for any future cessation events of the Oxford and Surrey LGPS schemes.

The major works and defects provision reflects the latent defect work contractually required by the Group but yet to be completed. The provision relates to a number of schemes with work expected to be completed within three years and reflects the total cost the company expects to incur on its contractual liability.

The Group's fire safety provision is a result of providing for works to its properties to fulfil its responsibilities regarding fire safety. Following completion of a review of its tall buildings which included independent intrusive surveys, it was identified that the Group needs to complete works relating to external wall systems including cladding, remediation of balconies and other external features.

A programme of works has been identified and communicated to residents, thereby creating a constructive obligation. In some cases, these costs can be recovered from third parties, e.g., the original construction contractor or funding approved and provided by the Building Safety Fund. Where there is a contractual obligation as at 31 March 2024 the Group has provided for the estimated liability.

The legal and contractual provision relates to an ongoing dispute and future contractual obligations.

28.Pensions

The Group's employees are members of the A2Dominion Benefit Scheme (A2BS) or the Surrey and Oxfordshire County Council Schemes or the Scottish Widows schemes. Further information on the defined benefit schemes is given below. Only the defined contribution (DC) section within A2BS is open to all new employees apart from the employees of the two property maintenance subsidiaries who are only eligible for the Scottish Widows DC scheme.

A2Dominion Benefit Scheme (Association and Group)

This is a defined benefit scheme and is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A2BS DB section is closed to new entrants. Scheme liabilities have been based on liability information as at 30 September 2021 updated to 31 March 2024 by an independent qualified actuary.

The most recent completed actuarial valuation as at 30 September 2021 showed a deficit of £34.2 million. The Group agreed with the trustee that it will aim to eliminate the deficit over a period of six years and six months from the valuation date by payment of contributions in line with the schedule of contributions. That is, £4.8 million per annum, increasing annually by 2% from 1 April 2024. The Group pays £0.2 million per annum to meet the expenses of running the scheme. The Pension Protection Fund levy, Group Life premiums and any FRS 102 accounting support costs are met separately by the Group.

The projected unit method has been used to calculate the Scheme liabilities at 31 March 2024 by rolling forward the results of the previous accounting disclosures as at 31 March 2023. The projected unit method results have been adjusted according to the FRS 102 financial and demographic assumptions applicable on 31 March 2024. The liability calculations have made allowance for the payment of benefits, actual salary increases and actual inflation over the year for the period to 31 March 2024.

The asset values at 31 March 2024 were provided by the Scheme's administrators. As required under FRS 102 the bid market value of the assets is generally used for the calculations in the disclosures and the market value of investment holdings has been taken as £66.2 million.

Local Government Pension Schemes

The Group participates in two local government pension schemes: Surrey County Council Pension Fund and Oxfordshire County Council Local Government Pension Fund.

Surrey County Council Pension Fund (SCCPF) (Association and Group)

The SCCPF is a multi-employer scheme, administered by Surrey County Council under regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent actuarial valuation for accounting purposes was completed to 31 January 2023 and reflects the point at which the last member left the scheme. The exit from this scheme triggered on 10 June 2023. The cessation valuation as set out below is in an asset position and there is no exit debt due by the Group.

Oxfordshire County Council Local Government Pension Scheme (OCCLGPS) (Group)

The Group also has five employees who participate in OCCLGPS. The scheme is a defined benefit scheme based on final salary. The most recent actuarial valuation for accounting purposes was completed on 31 March 2024. The employer's contributions to the OCCLGPS by the Group for the year ended 31 March 2024 were a contribution rate of 17.2% of pensionable salaries, set until the next funding valuation. Pension benefits depend generally upon age, length of service and salary level. This scheme is closed to new entrants.

28.Pensions (continued)

Reconciliation of present value of plan liabilities	2024 A2BS DB £m	SCCPF £m	OCCLGPS £m	Total £m	2023 A2BS DB £m	SCCPF £m	OCCLGPS £m	Total £m
At the beginning of the year	(83.3)	(7.6)	(10.8)	(101.7)	(123.2)	(9.4)	(14.7)	(147.3)
Current service cost	-	-	(0.1)	(0.1)	-	(0.1)	(0.1)	(0.2)
Contribution by plan participants	-	-	(0.1)	(0.1)	-	-	-	-
Interest cost	(4.0)	0.1	(0.5)	(4.4)	(3.4)	(0.2)	(0.4)	(4.0)
Actuarial gains	0.3	-	0.1	0.4	41.3	1.7	4.0	47.0
Benefits paid	2.7	(0.1)	0.4	3.0	2.0	0.4	0.4	2.8
At the end of the year	**(84.3)**	**(7.6)**	**(11.0)**	**(102.9)**	**(83.3)**	**(7.6)**	**(10.8)**	**(101.7)**

Reconciliation of fair value of plan assets	2024 A2BS DB £m	SCCPF £m	OCCLGPS £m	Total £m	2023 A2BS DB £m	SCCPF £m	OCCLGPS £m	Total £m
At the beginning of the year	66.3	8.0	11.5	85.8	100.8	9.2	12.8	122.8
Interest income on plan assets	3.3	(0.1)	0.5	3.7	2.8	0.2	0.4	3.4
Expenses	(0.2)	-	-	(0.2)	(0.1)	-	-	(0.1)
Experience on plan assets gains/ (losses)	(5.5)	0.1	0.7	(4.7)	(40.1)	(1.2)	(1.4)	(42.7)
Contributions by Group	5.0	-	-	5.0	4.9	0.2	0.1	5.2
Benefits paid	(2.7)	0.1	(0.4)	(3.0)	(2.0)	(0.4)	(0.4)	(2.8)
At the end of the year	**66.2**	**8.1**	**12.3**	**86.6**	**66.3**	**8.0**	**11.5**	**85.8**

28.Pensions (continued)

Net pension scheme liability	2024 A2BS DB £m	2024 SCCPF £m	2024 OCCLGPS £m	2024 Total £m	2023 A2BS DB £m	2023 SCCPF £m	2023 OCCLGPS £m	2023 Total £m
Fair value of plan assets	66.2	8.1	12.3	86.6	66.3	8.0	11.5	85.8
Present value of plan liabilities	(84.3)	(7.6)	(11.0)	(102.9)	(83.3)	(7.6)	(10.8)	(101.7)
	(18.1)	**0.5**	**1.3**	**(16.3)**	**(17.0)**	**0.4**	**0.7**	**(15.9)**
Surplus not recognised	-	(0.5)	(1.3)	(1.8)	-	-	-	-
Net pension scheme liability	**(18.1)**	**-**	**-**	**(18.1)**	**(17.0)**	**0.4**	**0.7**	**(15.9)**

Amounts recognised in income and expenditure	2024 A2BS DB £m	2024 SCCPF £m	2024 OCCLGPS £m	2024 Total £m	2023 A2BS DB £m	2023 SCCPF £m	2023 OCCLGPS £m	2023 Total £m
Included in administrative expenses:								
Current service cost	-	-	(0.1)	(0.1)	-	(0.1)	(0.1)	(0.2)
Expenses	(0.2)	(0.5)	-	(0.7)	(0.1)	-	-	(0.1)
	(0.2)	**(0.5)**	**(0.1)**	**(0.8)**	**(0.1)**	**(0.1)**	**(0.1)**	**(0.3)**
Amounts included in other finance costs	(0.7)	-	-	(0.7)	(0.6)	-	-	(0.6)
Net interest cost	**(0.7)**	**-**	**-**	**(0.7)**	**(0.6)**	**-**	**-**	**(0.6)**

28.Pensions (continued)

Analysis of actuarial gain/(loss) recognised in other comprehensive income	2024 A2BS DB £m	2024 SCCPF £m	2024 OCCLGPS £m	2024 Total £m	2023 A2BS DB £m	2023 SCCPF £m	2023 OCCLGPS £m	2023 Total £m
Actual return less interest income included in net interest income	(5.5)	0.1	0.7	(4.7)	(40.1)	(0.7)	(0.8)	(41.6)
Experience gains and losses arising on the scheme liabilities	(1.7)	0.4	(0.4)	(1.7)	(5.4)	(1.0)	(1.4)	(7.8)
Changes in assumptions underlying the present value of the scheme liabilities	2.0	(0.4)	0.5	2.1	46.7	2.2	4.8	53.7
Surplus not recognised	-	-	(1.3)	(1.3)	-	-	-	-
	(5.2)	**0.1**	**(0.5)**	**(5.6)**	**1.2**	**0.5**	**2.6**	**4.3**

Composition of plan assets	2024 A2BS DB £m	2024 SCCPF £m	2024 OCCLGPS £m	2024 Total £m	2023 A2BS DB £m	2023 SCCPF £m	2023 OCCLGPS £m	2023 Total £m
Equities	5.5	5.2	8.3	19.0	0.3	5.2	8.4	13.9
Bonds and gilts	1.0	2.2	2.7	5.9	0.3	2.2	1.8	4.3
Property	2.7	0.6	1.1	4.4	3.2	0.4	1.1	4.7
Cash	4.8	0.1	0.2	5.1	3.3	0.2	0.2	3.7
Liquid alternatives	7.8	-	-	7.8	7.6	-	-	7.6
Private credit	6.1	-	-	6.1	9.6	-	-	9.6
Other [1]	5.9	-	-	5.9	8.0	-	-	8.0
Liability driven investment strategy [2]	32.4	-	-	32.4	34.0	-	-	34.0
Total plan assets	**66.2**	**8.1**	**12.3**	**86.6**	**66.3**	**8.0**	**11.5**	**85.8**

[1] *Other includes the following asset types, infrastructure, alternative growth, private debt and renewables.*

[2] *The underlying assets are gilts (Government Bonds) that are used for interest/inflation rate hedging strategy.*

28.Pensions (continued)

Principal actuarial assumptions used at the balance sheet date

	2024 A2BS DB %	2024 SCCPF %	2024 OCCLGPS %	2023 A2BS DB %	2023 SCCPF %	2023 OCCLGPS %
Discount rate	4.9	4.5	4.8	4.8	4.5	4.8
Future salary increases	2.9	4.1	2.8	2.9	4.0	3.0
Future pension increases	2.9	3.1	2.8	2.9	3.0	3.0
Inflation assumption	2.9	3.1	2.8	2.9	3.0	3.0

Mortality rates	2024 A2BS DB Years	2024 SCCPF Years	2024 OCCLGPS Years	2023 A2BS DB Years	2023 SCCPF Years	2023 OCCLGP Years
For a male aged 65 now	21.5	23.8	22.2	21.7	23.8	22.3
At 65 for a male aged 45 now	22.7	24.0	22.9	23.0	24.0	23.1
For a female aged 65 now	23.9	24.8	24.4	24.1	24.8	24.6
At 65 for a female aged 45 now	25.3	26.6	25.9	25.5	26.6	26.2

29. Deferred tax

Group	2024 £m	2023 £m
Investment property revaluations	(4.5)	(0.2)
Deferred tax (asset)	**(4.5)**	**(0.2)**

The net reversal of deferred tax assets and liabilities expected in 2024 is not possible to estimate. Further reversals or increases in deferred tax balance may arise as a result of revaluations of investment property and financial instruments, recognition of joint controlled entity surpluses and other timing differences between accounting and taxable surpluses. 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.

30. Non-equity share capital

Association	2024 £	2023 £
Shares of £1 each issued and fully paid		
At 1 April	11	8
Issued during the year	-	3
Surrendered during the year	-	-
At 31 March	**11**	**11**

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

31. Contingent liabilities

The Group receives grants from Homes England and from the Greater London Authority, which are used to fund the acquisition and development of housing properties and their components. The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2024, the value of grant amortised in respect of these properties that had not been disposed of was £283.9 million (2023: £268.7 million). As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

The Developer Pledge announced by Government in April 2022, whilst still subject to contract finalisation, intends to protect leaseholders from paying for fire remedial works in medium or high-rise properties and means that it is possible that some or all costs will be incurred by the Group. The Group will attempt to recover the cost from the original contractors where possible and will be seeking financial support from Government.

32. Operating leases

The payments which the Group and Association are committed to make under operating leases are as follows:

	Group		Association	
	2024 £m	2023 £m	2024 £m	2023 £m
Land and buildings				
Within one year	1.7	4.1	-	2.4
Two to five years	2.1	8.6	-	6.2
Over five years	0.3	1.4	-	0.7
	4.1	**14.1**	**-**	**9.3**
Vehicles and other equipment				
Within one year	0.1	0.1	0.1	0.1
	0.1	**0.1**	**0.1**	**0.1**

The Group had lease receivables under non-cancellable operating leases as set out below:

Group	2024 £m	2023 £m
Amounts receivable as lessor		
Not later than one year	25.3	22.1
Later than 1 year and not later than 5 years	30.7	28.3
Later than five years	79.3	78.7
	135.3	**129.1**

Amounts receivable as a lessor relate to tenures at a tenancy level and include only non-cancellable leases and exclude any lease that can be cancelled within a month by either party. Market rent, student accommodation, commercial properties and social units, which are leased to a third party to let, are included.

33. Capital commitments

Group	2024 £m	2023 £m
Capital expenditure		
Expenditure contracted for but not provided in the financial statements	65.3	209.7
Expenditure authorised by the Board, but not contracted	3.7	161.0
Maintenance expenditure contracted and authorised by the Board	50.0	65.1
	119.0	**435.8**

The Group expects to meet the above commitments from the following sources:

- Undrawn loan facilities totalling £351.1 million (2023: £382.5 million).
- Social housing grants and projected proceeds from first tranche sales of shared ownership dwellings and build for sale properties of £217.0 million (2023: £492.0 million).

34. Analysis of net debt

Group	1 April 2023 £m	Cash flow £m	Non-cash changes £m	31 March 2024 £m
Cash at bank and in hand	56.0	(10.5)	-	45.5
Loans due within 1 year	(34.4)	34.4	(38.0)	(38.0)
Loans due after more than 1 year	(1,546.6)	4.6	38.0	(1,504.0)
Derivatives due after more than 1 year	(14.2)	-	5.2	(9.0)
Net Debt	**(1,539.2)**	**28.5**	**5.2**	**(1,505.5)**

35. Related party transactions

The ultimate controlling party of the Group is A2Dominion Housing Group Limited. There is no ultimate controlling party of A2Dominion Housing Group Limited.

A2Dominion Housing Group consists of the companies listed in note 17. The Group also has interests in 10 joint ventures detailed in note 17.

A2Dominion Housing Group Limited provides management and administration services to the companies within the Group. The most significant element of this is staff costs as the subsidiaries within the Group do not have their own employees apart from A2Dominion Homes Limited which has a small number of employees. The management costs are apportioned on a salary and units basis. The Group Board has determined that for the foreseeable future A2Dominion Housing Group Limited will seek to recover its costs for management services and additionally build up its accounting reserves. The amount charged to A2Dominion Homes and A2Dominion South will be set at a level designed to maximise the build-up in reserves in A2Dominion Housing Group Limited, but limited to the extent that the charge must not generate an annual loss nor breach a Board KPI limit in either A2Dominion Homes Limited or A2Dominion South Limited. Pyramid Plus London LLP and Pyramid Plus South LLP are apportioned management and administration services costs based on agreed values representing actual services provided.

35.Related party transactions (continued)

The total management and administration costs apportioned in the year were:

Association	2024 £m	2023 £m
A2Dominion South Limited	45.3	32.3
A2Dominion Homes Limited	42.5	29.6
A2Dominion Housing Options Limited	6.1	5.0
A2Dominion Residential Limited	1.4	1.8
A2Dominion Developments Limited	2.3	4.5
Pyramid Plus London LLP	0.3	0.6
Pyramid Plus South LLP	1.3	0.6
	99.2	**74.4**

At 31 March 2024 A2Dominion Housing Group owed £21.6 million to its subsidiaries (2023: £52.6 million). This was in relation to working capital balances.

The Group owns a 70% share in Pyramid Plus London LLP. The remaining 30% share is owned by Breyer Group PLC. The minority share £0.1 million (2023: £0.2 million) relates to Breyer Group PLC's 30% share of the LLP's loss.

The Group owns a 70% share in Pyramid Plus South LLP. The remaining 30% share is owned by MPS Housing Limited. The minority share of £1.0 million (2023: £0.7 million) relates to MPS Housing Limited's 30% share of the LLP's profit.

35.Related party transactions (continued)

Intra-group transactions between the Group's registered providers and its non-regulated subsidiaries for the year ended 31 March 2024 are summarised as follows:

	Services Provided £m	Qualifying charitable donations £m	Loan interest payable £m	Loan interest receivable £m	Loans – creditors £m	Loans – debtors £m	Other creditors £m	Other debtors £m
A2Dominion Developments limited								
A2Dominion Homes Limited	4.9	-	(0.1)	-	-	-	(86.6)	-
A2Dominion South Limited	5.5	-	(0.1)	-	-	-	(49.7)	-
A2Dominion Housing Group Limited	-	-	-	-	(171.5)	-	-	71.1
A2Dominion Treasury Limited								
A2Dominion Homes Limited	-	-	-	-	-	-	-	-
A2Dominion South Limited	-	-	-	-	-	-	-	-
A2Dominion Housing Group Limited	-	-	-	-	-	-	-	-
A2Dominion Housing Finance Limited								
A2Dominion South Limited	-	-	-	2.5	-	40.1	-	-
A2Dominion Residential Limited								
A2Dominion Homes Limited	-	-	-	-	-	-	(76.9)	2.5
A2Dominion South Limited	-	-	-	-	-	-	-	-
A2Dominion Housing Group Limited	-	-	-	-	(252.9)	-	(0.3)	79.7
Pyramid Plus London LLP								
A2Dominion Housing Group Limited	9.9	-	-	-	-	-	-	0.3
Pyramid Plus South Limited								
A2Dominion Housing Group Limited	33.9	-	-	-	-	-	-	1.4

35.Related party transactions (continued)

A2Dominion Homes Limited lends to A2Dominion Developments Limited at a fixed rate of 6%. The loan is secured with floating charges and is repayable in 2025. As at 31 March 2024, £nil (2023: £nil) was owed to A2Dominion Homes Limited. The interest and similar income payable on this loan during the year was £0.1 million (2023: £6.3 million).

A2Dominion South Limited lends to A2Dominion Developments Limited at a fixed rate of 6%. The loan is secured with floating charges and is repayable in 2025. As at 31 March 2024, £nil (2023: £nil) was owed to A2Dominion South Limited. The interest and similar income payable on this loan during the year was £0.1 million (2023: £6.6 million).

A2Dominion Housing Finance Limited lends to A2Dominion South Limited at SONIA + CAS + 0.5%. The loan is secured by floating charges and is repayable in instalments by 2033. As at 31 March 2024, A2Dominion South Limited had borrowings of £40.1 million (2023: £35.0 million). The interest and similar charges payable on this loan during the year was £2.5 million (2023: £0.9 million).

A2Dominion Housing Group Limited lends to A2Dominion South at fixed and variable rates of interest ranging from 3.51% to 5.97%. The loans are secured by floating charges and are repayable by 2039. As at 31 March 2024, A2Dominion South Limited had borrowings of £158.0 million (2023: £145.5 million), including £22.1 million of PBE Concessionary loans at a fixed rate of 3.80%. The interest and similar charges payable on these loans during the year was £7.5 million (2023: £11.4 million).

A2Dominion Housing Group Limited lends to A2Dominion Housing Options via PBE Concessionary Loans at a fixed rate of 3.80%. The loan is secured by floating charges and is repayable at maturity in 2039. As at 31 March 2024, A2Dominion Housing Options Limited had borrowings of £128.3 million (2023: £111.5 million). The interest and similar charges payable on these loans during the year was £4.8 million (2023: £4.5 million).

A2Dominion Housing Group Limited lends to A2Dominion Residential Limited via PBE Concessionary Loans at a fixed rate of 3.80%. The loan is secured by floating charges and is repayable at maturity in 2039. As at 31 March 2024, A2Dominion Residential Limited had borrowings of £252.6 million (2023: £266.5 million). The interest and similar charges payable on these loans during the year was £9.6 million (2023: £4.8 million).

A2Dominion Housing Group Limited lends to A2Dominion Developments via PBE Concessionary Loans at a fixed rate of 6%. The loan is secured with floating charges and is repayable at maturity in 2039. As at 31 March 2024, A2Dominion Developments Limited had borrowings of £171.4 million (2023: £234.2 million). The interest and similar charges payable on these loans during the year was £11.8 million (2023: £2.4 million).

A2Dominion Housing Group Limited lends to A2Dominion Residential at a fixed rate of 2.67%. The loan is secured with floating charges and is repayable at maturity in 2029. A2Dominion Residential on-lends these funds to fellow group entity Mytchett LLP at a rate of SONIA + CAS + 3%. As at 31 March 2024, A2Dominion Residential Limited had borrowings of £4.3 million (2023: £12.9 million). The interest and similar charges payable on these loans during the year was £0.2 million (2023: £0.5 million).

35.Related party transactions (continued)

Transactions between Group entities and other related parties are summarised as follows:

A2Dominion Developments Limited is a 50% joint venture partner of Green Man Lane LLP. For Phase 3, the LLP is funded by way of a loan facility of £30.0 million signed on 31 August 2018 with A2Dominion Developments Limited and Rydon Construction Limited. At 31 March 2024 the loan was fully repaid.

For Phase 6a, the LLP was funded by way of two loan facilities of £14.0 million in total signed on 19 December 2022 with A2Dominion Developments Limited and Rydon Regeneration Limited. At 31 March 2024 the LLP had utilised £13.5 million (A2Dominion Developments Limited: £10.7 million and Rydon Regeneration Limited: £2.8 million) of these facilities. Interest is charged at 6.16% per annum. Additional member loan facilities of £2.8 million in total were signed on 27 March 2024 with A2Dominion Developments Limited and Rydon (Ealing) Limited, which are non-interest bearing. The capital and interest payments are due to be repaid by 31 August 2024 for the "Senior Loan" and 21 February 2027 for the "Junior Loan".

Green Man Lane LLP and A2Dominion Homes entered into a joint arrangement on 29 August 2018 with Rydon Construction Limited to provide construction services, with the LLP's share of contract being to the value of £20.5 million. During the financial year ending 31 March 2024 the LLP paid Rydon Construction Ltd £0.2 million with a balance of £0.01 million due in the next financial year.

Green Man Lane LLP entered into an agreement on 22 February 2022 with Real LSE Limited to provide construction services for 23 houses for Phase 6a for a contract value of £9.4 million. During the financial year ending 31 March 2024 the LLP paid Real LSE Limited £2.7 million. Real LSE Limited appointed an administrator 7 November 2023.

Green Man Lane LLP leased a ground floor office at Sinclair House London W13 from A2Dominion Homes at a rent of £50,814 per annum. The contract ended on 24 June 2020. At that point the lease was renewed for the further five years at a rent of £54,000 per annum.

A2Dominion Developments Limited is a 50% joint venture partner of West King Street Renewal LLP. The LLP is funded by way of an equity loan facility of £50.0 million with A2Dominion Developments Limited and London Borough of Hammersmith & Fulham on tranche 1 and an interest-bearing loan facility of £20.0 million on tranche 2, interest rate is 6%. As at 31 March 2023, the LLP has utilised £50.0 million (A2Dominion Developments Limited: £25.0 million and London Borough of Hammersmith & Fulham: £25.0 million) of the tranche 1 facility. H & F Housing Developments Limited is funding the design and construction by West King Street Renewal LLP of commercial units on land which has been leased by the London Borough of Hammersmith & Fulham to the LLP. A total of £28.6 million has been recharged as at 31 March 2024.

A2Dominion Developments Limited is a 50% joint venture partner of Crest A2D (Walton Court) LLP. During the year capital contribution of £nil was made (2023: £4.2 million) to Crest A2D (Walton Court) LLP. During the year a capital repayment of £5.7 million (2023: £3.0 million) by Crest A2D (Walton Court) LLP.

A2Dominion Developments Limited is a 50% joint venture partner of Keybridge House 2 LLP. During the year no capital contributions were made (2023: £nil) to Keybridge House 2 LLP. During the year there were no capital repayments (2023: £nil) made by Keybridge House 2 LLP.

A2Dominion Developments Limited is a 50% joint venture partner of Elmsbrook (Crest A2D) LLP. During the year there were no capital contributions (2023: £nil) made to Elmsbrook (Crest A2D) LLP. During the year, capital repayments of £1.1 million (2023: £0.6 million) were made by Elmsbrook (Crest A2D) LLP.

35. Related party transactions (continued)

A2Dominion Developments Limited is a 80% joint venture partner of A2D NK Homes LLP with 50% voting rights. During the year there were no capital repayments (2023: £nil) The LLP transferred £1.4 million of equity to A2D NKH Cranleigh LLP.

A2Dominion Developments Limited is a 50% joint venture partner of A2DD-HP Boston Road LLP. During the year, a capital contribution of £nil (2023: £3.1 million) was made to A2DD-HP Boston Road LLP. During the year, capital repayments of £5.7 million (2023: £3.2 million) were made by of A2DD-HP Boston Road LLP.

A2Dominion Treasury Limited has been provided with a loan facility of £nil (2023: £nil) by A2D Funding PLC. As at 31 March 2023, £nil (2023: £nil) was owed by A2Dominion Treasury Limited. The amount was fully repaid on 18 October 2022.

A2Dominion Treasury Limited has been provided with a loan facility of £nil (2023: £nil) by A2D Funding II PLC. As at 31 March 2023, £nil (2023: £nil) was owed by A2Dominion Treasury Limited with the loan being transferred to A2Dominion Housing Group Limited. As at 31 March 2024, the amount owed to A2D Funding II PLC was £150 million.

A2Dominion Housing Group Limited guarantees the bond issue principal and interest in A2DFunding II PLC.

Pyramid Plus South LLP received services during the year from MPS Housing Limited with a value of £18.4 million (2023: £14.8 million). As at the 31 March 2024 £6.7 million (2023: £2.9 million) was owed by Pyramid Plus South LLP.

Pyramid Plus London LLP received services during the year from Breyer Group PLC with a value of £7.0 million (2023: £12.7 million). As at the 31 March 2024 £0.6 million (2023: £1.5 million) was owed by Pyramid Plus London LLP.

A2Dominion Residential Limited has entered into a funding agreement with A2D NKH (Mytchett) Limited, a wholly owned subsidiary of A2Dominion Homes Limited. As at 31 March 2024, outstanding loan receivable balance from A2D NKH (Mytchett) Limited is £6.5 million (2023: £13.8 million). The interest and similar income receivable on this loan during the year was £1.1 million (2023: £1.0 million).

35.Related party transactions (continued)

Intra-group transactions between the Group's registered providers and its non-regulated subsidiaries for the year ended 31 March 2023 were summarised as follows:

	Services Provided £m	Qualifying charitable donations £m	Loan interest payable £m	Loan interest receivable £m	Loans – creditors £m	Loans - debtors £m	Other creditors £m	Other debtors £m
A2Dominion Developments limited								
A2Dominion Homes Limited	13.7	-	(6.3)	-	-	-	(94.4)	-
A2Dominion South Limited	7.0	-	(6.6)	-	-	-	(56.0)	-
A2Dominion Housing Group Limited	-	-	(2.4)	-	(234.2)	-	-	92.0
A2Dominion Treasury Limited								
A2Dominion Homes Limited	-	-	-	1.2	-	-	-	-
A2Dominion South Limited	-	-	-	1.1	-	-	-	-
A2Dominion Housing Group Limited	-	-	-	-	-	-	(3.5)	-
A2Dominion Housing Finance Limited								
A2Dominion South Limited	-	-	-	0.9	-	35.0	-	-
					-	-	-	
A2Dominion Residential Limited								
A2Dominion Homes Limited	-	5.2	-	-	-	-	(78.0)	-
A2Dominion South Limited	-	-	-	-	-	-	-	0.9
A2Dominion Housing Group Limited	-	-	(4.8)	-	(266.5)	-	-	87.4
Pyramid Plus London LLP								
A2Dominion Housing Group Limited	19.1	-	-	-	-	-	-	1.2
Pyramid Plus South Limited								
A2Dominion Housing Group Limited	22.6	-	-	-	-	-	-	1.3

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A2Dominion Housing Group Ltd (an exempt charity registered under the Co-operative & Community Benefit Societies Act 2014 Sco. No. 28985R, RSH Reg. L4240).

Registered office: 113 Uxbridge Road, Ealing, W5 5TL