ASTER
GROUP

Annual Report

for the year ended **31 March 2024**

ASTER
GROUP

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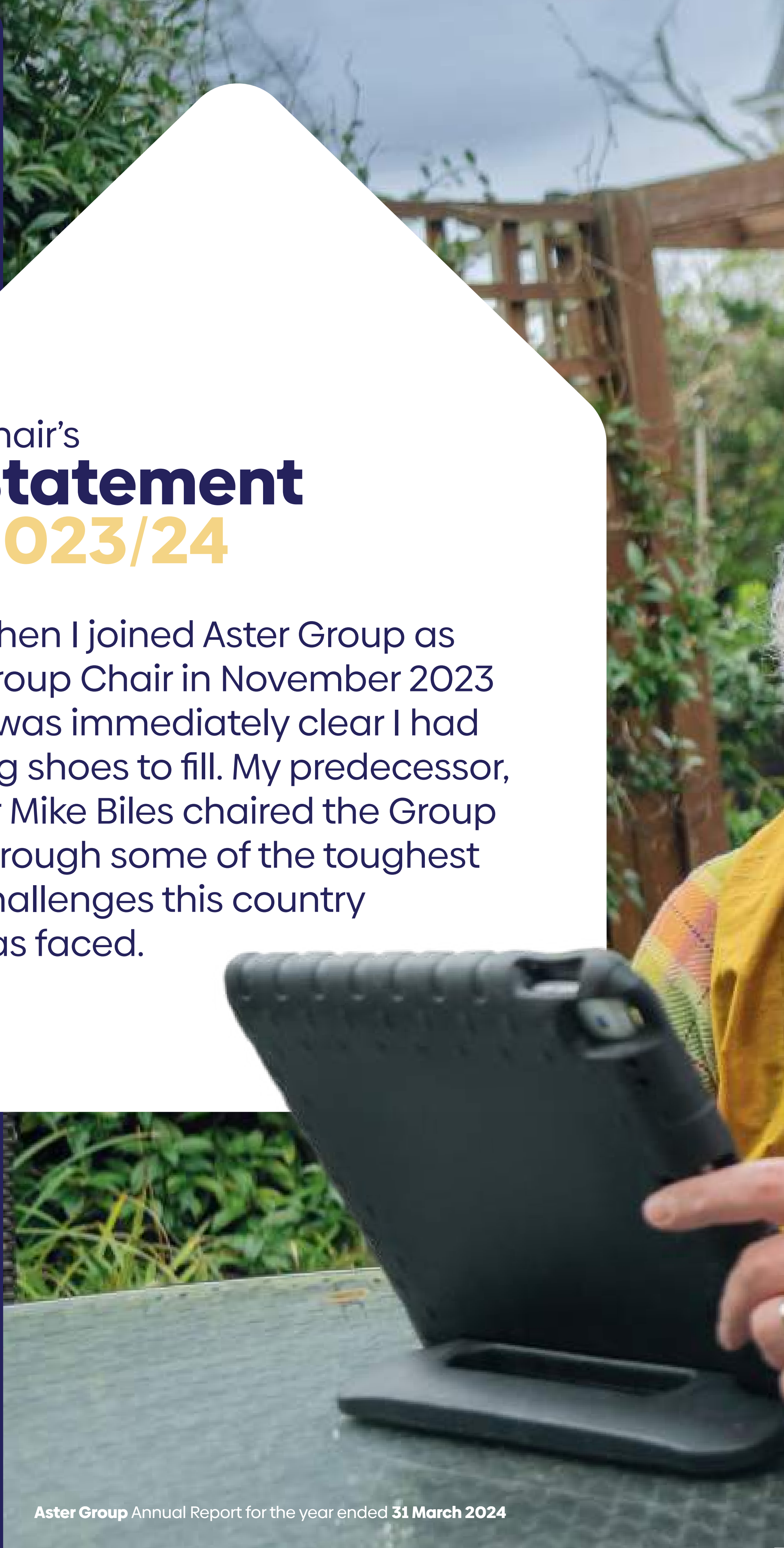
Everyone has a home

ASTER GROUP



Chair's **Statement** 2023/24

When I joined Aster Group as Group Chair in November 2023 it was immediately clear I had big shoes to fill. My predecessor, Dr Mike Biles chaired the Group through some of the toughest challenges this country has faced.

Strategic Report

Strategic Report

Chair's Statement **2023/24**

Stephen Trusler, Group Chair

It's in part due to his great leadership that I take up the reins of a well-managed, financially robust organisation committed to playing its role in building the homes this country needs, providing the best possible services for our customers and a great place to work for our people.

Since I've taken up the role as Group Chair, I've had the opportunity to visit some of our communities and hear first-hand what our customers want from us. One of the things our customers and we all crave is certainty, a scarce commodity in these times when the future remains a challenge to predict. The one thing we can do is be consistent and reliable in our commitment to delivering our customers a good service and providing great places to live. This remains unwavering and one thing our people strive to deliver every day.

The thread that runs through our strategy is the focus on customer and colleague voice. The commitment to listening to and learning from our people in and outside the business is clear but we know there is still more work to be done. While investing in our existing homes, we're balancing a dedicated customer service modernisation programme with delivering much needed new homes across the south of England and London. We're doing all we can to ensure that the people in our communities have somewhere safe and secure to call home.

Financial strength and business health

Despite another challenging year for the Group, we had a turnover of £313.7 million and achieved profit before tax of £41.1 million for the year, with operating profit performing slightly behind budget. Our overall operating margin remains at 23.4% at 31 March 2024, despite a £3 million increase in impairment costs. Adjusting for this, the Group's operating margin increased to 24.4%. We continue to face cost challenges which have been tightly controlled, with savings and efficiencies seen across the business. Even though we saw higher levels of maintenance and repair spend during the winter, our Board also made the conscious decision to increase investment in our stock in the second half of the year because it was the right thing to do.

In June 2023 we also secured our second Sustainability Bond issuance of £250 million. These funds have been allocated over the course of the year to help us drive environmental and social benefits to our portfolio and has unlocked new affordable housing.

I mentioned at the outset that I have come into an extremely well-run business led by Bjorn Howard and the Executive Board. This was validated once again this year as our G1/V1 governance and viability ratings were reaffirmed following an in-depth assessment by the Regulator for Social Housing (RSH) in July 2023. In December 2023, like many others in our sector, Standard and Poors downgraded our credit rating to 'A' (down from 'A+'), with our outlook, which indicates the direction of travel of the rating, moving from 'negative' to 'stable'.

As such, we know we cannot rest on our laurels and we need to be ready to respond to challenges and opportunities with equal determination and agility. Following an independent organisation-wide governance review in 2022, we have started to streamline our structures and processes to ensure the right people are making the right decisions in an efficient and effective way.

I have seen some of the fantastic work that we have delivered with Enham Trust since the merger in October 2022. To date we have invested over £11 million in Enham; so, we are stronger both in our financial strength but also in how we are coming together to create and deliver a vision for Enham's future. Our aim is to nurture a vibrant and sustainable community for all to live, work and enjoy life.

There is indeed a huge opportunity here for us to be part of something unique at Enham, building on the legacy of the village and the great work the teams continue to do to make a lasting difference in the life of its community and beneficiaries. As part of our commitment to supported employment, we have invested in Enham 3PL, a social enterprise that provides third-party logistics services, and employs about 30 people. Enham has also helped us to be re-accredited as Disability Confident Leaders.

Data, technology and transformation

Aster's ability to constantly transform is embedded in the organisation's DNA. Its previous programmes of work to achieve transformation has resulted in an approach which is always looking for ways to use the latest technologies and systems to provide a customer focused service that is fit for purpose today and in the future. Our customer services modernisation programme has continued to improve the way we deliver services. There are a number of ways our customers can get in touch and we will always benefit from and facilitate face-to-face connections with our customers. It is through our interactions with them, that we're able to listen and engage to improve our offer.

This year we've also been focusing on how we manage complaints by improving data and technology platforms that best support our teams. We're using intelligence from these systems overlayed with insight from our tenant satisfaction measures (TSM) surveys to inform how we shape our services into the future based directly on this wealth of customer feedback.

The efforts across the team have been recognised in our overall customer satisfaction levels being maintained at 77% and repairs satisfaction at 81%. To help meet the increasing demand for our services, we launched a more efficient customer services management system in our contact centre in May 2023.

We, along with our peers in the sector are rightly prioritising improving all our homes. During 2023/24 alone, we spent over £106 million on repairs and maintenance to ensure our homes are in a good position for the longer-term.

Strategic Report

Chair's Statement **2023/24**

Data, technology and transformation (continued)

We're using data and technology to inform all our investments so we can guarantee we're targeting the right homes at the right time. This long-term approach to investment means we can make our homes as sustainable and comfortable as possible by embracing technologies that add genuine value for our customers.

The team has launched phase two of the Home Health Check pilot. Informed by the results from our stock condition surveys, this helps us better understand our homes and the technology and materials needed to achieve our targets. It enables customers to access preventative measures and guidance for issues such as condensation and mould and identifies the need for any repairs or additional support.

Building as many homes as we can

As a Group, our corporate strategy and objectives are built around our vision that '**Everyone has a home**.' We know that as a sector, we're part of the solution to solving the acute housing shortage in our country and that's why we're committed to providing as many safe, affordable homes as possible through a mixture of tenures. During 2023/24, we delivered 997 new homes including 922 affordable properties (517 homes for rent and 405 shared ownership), and 75 open market homes through our joint ventures. We have a strong pipeline of schemes and have been successful securing both land and developer-led opportunities, adding to our contracted pipeline of 3,174 homes.

Work continues on our biggest ever land-led site at Bargates, Christchurch which is set to be a vibrant community and we have also begun construction on two new schemes in London – Southall and Silvertown.

We are also a leading housing association partner for community land trusts (CLTs) which are community-led housing projects, shaped by the voices of and delivered for the local people. Our new joint venture with south east developer and builder Thakeham is set to deliver some exciting projects for us including our first all net zero carbon site in Burgess Hill, West Sussex.

A sustainable approach

Our sector operates in a challenging market. In line with the government's climate change targets, we remain absolutely committed to decarbonisation. As part of our ongoing environmental, social and governance (ESG) strategies we continue to benchmark our work against the Sustainability Reporting Standard (SRS) for social housing as well as the United Nation's SDG's. We are on track to meet our goal to ensure all our homes have an energy performance certificate (EPC) rating of C or above by 2030; currently more than 85% of our homes do so. We're committed through our own long-term sustainability roadmap to ensuring the remainder of our homes, where practicable, are this efficient or better and we reach net zero by 2050 – all in line with government targets. We also expect all the new homes we deliver to be EPC and Environmental Impact Rating (EIR) B or above.

We extend our sustainable approach to the contractors and suppliers we work with, so our procurement process attracts and collaborates with high calibre, environmentally friendly partners to benefit our customers.

In April 2023, our bid for £500,000 of Wave 2 of the Social Housing Decarbonisation Fund (SHDF) was successful. We've matched this funding to form a £1.1 million programme and rolled out an innovative technology pilot, in some of our least economical homes to test how these solutions work and the real results in practice. This will help inform where we invest next.

People and Culture

There is one thing that shines through at Aster, and that is the people that work here. I have seen first-hand how committed and compassionate the team are with a genuine care for customers and making sure their voices are listened to. As we work to be the employer of choice in our sector, we know that we need to give our people a strong and holistic 'Aster Offer' which is tailored to our diverse workforce and attracts and retains the best talent.

Aster is somewhere where diversity in all its forms is welcomed and celebrated. Our progress in making sure we're an inclusive employer has been recognised this year through our silver Talent Inclusion and Diversity Evaluation (TIDE) award, from the Employers' Network for Equality and Inclusion (Enei). This was a notable improvement on the bronze award we received in 2022. Our overall score increased to 80% (from 68% in 2022, and 54% in 2021), which means we are operating at Enei's highest level of 'sustain'. We've also signed up to the HouseProud Pledge to demonstrate our commitment to LGBTQ+ resident equality and support.

Our inclusive offer is underpinned by Restorative Practice (RP) Principles of fair process, customer voice, employee voice and accountability. RP has helped us create an environment where everyone can share their voice and has helped to reduce grievances by 60% with customers and colleagues. This year we're pleased to confirm that our Registered Restorative Organisation status from the Restorative Justice Council (RJC) has been renewed.

Since the pandemic and our partnerships with East Boro Housing Trust (EBHT), Central & Cecil Housing Trust (C&C) and more recently Enham Trust, the way we work has really changed. We know this will have had an impact on what it feels like to work at Aster. Culture is something we talk about a lot. It's all about the behaviours and attitudes our people demonstrate every day. We articulate our cultural expectations through 'The Aster Way', which sets our values and behaviours. This applies to everyone, whether they're an Executive Board member or a colleague working on the front line.

As we grow and change, it's important that we reflect on how those expectations match up to everyone's lived experiences day-to-day. Similar to hearing our customers' feedback, I have seen the effort that Aster makes to truly listen to our colleagues. As well as our usual colleague surveys, this year we carried out an in-depth culture audit to help us understand what it truly feels like to be an Aster colleague today, and to help us think about how we can create the best possible environment in which all our people can thrive.

To do this, we spoke to a sample of colleagues from all our regions and business areas, at every level in the business, and from across all the Group's entities, and the insight this has given us has been invaluable.

We've also spent time listening to our colleagues' views on flexible working, and it's clear that for those who are in roles that can work flexibly, this is one of the stand-out elements of our colleague offer. To explore what our colleagues want to see from our flexible workspaces, we've been working with one of our **inc.** entrepreneurs, BiBO, to carry out a visual research project – an inclusive way to hear voices from a diverse workforce.

The findings of this research have reinforced our belief that there's no 'one size fits all' when it comes to flexible working. While other businesses are increasingly mandating set days or even full returns to the office, we remain committed to our flexible approach which offers a choice of flexible workspaces and gives our colleagues the autonomy to find the best ways of working for them, their teams and our customers.

There is a tremendous amount of work going on in the background when it comes to bringing in and retaining talent across the business including at the grass root apprentice level. We've used the apprenticeship levy to upskill our current workforce and support them to gain professional qualifications at all levels of the organisation. We've also started work to prepare in readiness for the Competence and Conduct Standard which will come into place in April 2025 as part of the Social Housing Regulation Act.

The Aster Foundation continues to do great work in our communities by delivering bespoke impact programmes which combat the causes and effects of poverty. The Foundation also attempts to address the root cause of social challenges through an influencing programme and its innovative social incubator, **inc.** During 2023/24 the Aster Foundation positively impacted just under 5,000 people in our communities – a great achievement.

Reflecting on these achievements, despite the challenges we face I am confident that together our teams will continue to innovate, collaborate, and adapt to meet the evolving needs of our communities as captured via our customer voice engagement work, and I look forward to being part of that journey.

Stephen Trusler

Stephen Trusler
Group Chair

13 August 2024

Strategic Report

Our Business Model

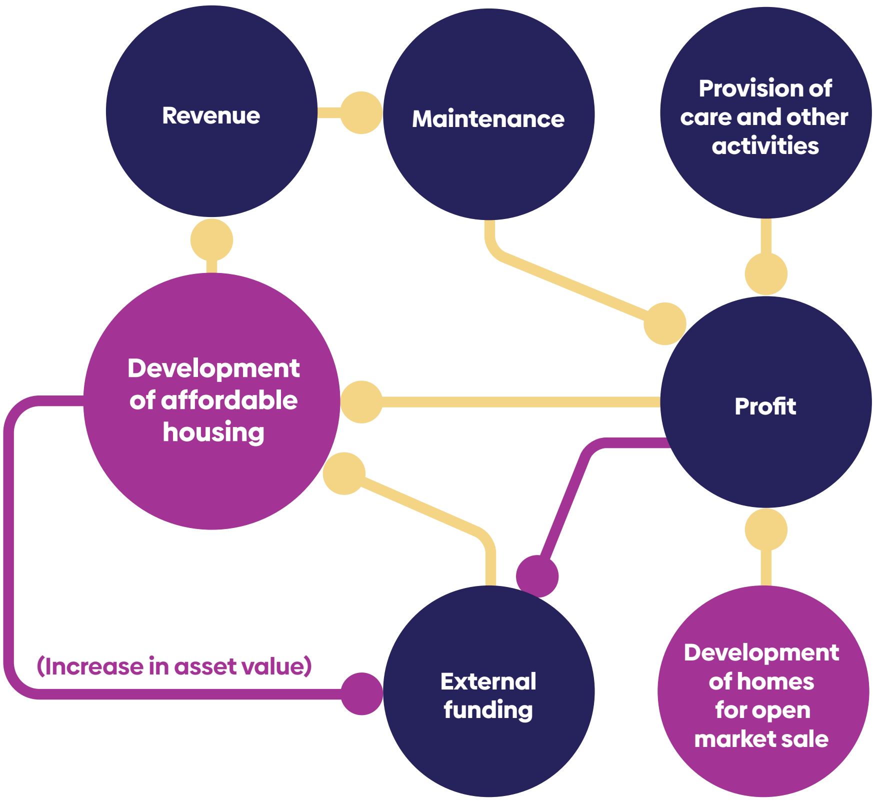
The Group's activities are categorised into five areas:

1. **Provision of housing** through its Registered Providers - Aster Communities, Synergy Housing Limited, Aster 3 Limited, Central & Cecil Housing Trust, East Boro Housing Trust Limited and Enham Trust;
2. **Connected living, care and support services** through Aster Living, Central & Cecil Housing Trust, East Boro Housing Trust and Enham Trust;
3. **Property management and maintenance** through Aster Property Limited;
4. **Development of housing for rent and sale** through Aster Homes Limited, Aster LD Limited, Central & Cecil Construction Services Limited and joint ventures with Vistry Homes Limited (White Rock Land LLP, Boorley Green LLP, Kilnwood Vale LLP and Thakeham Burgess Hill LLP); and
5. **Other customer, charitable and community support services** through Enham Trust and Aster Foundation.

The Group primarily generates revenues from rent and service charges associated with the provision of housing, and from the sale of houses built for shared ownership and open market sale. Profits after financing (servicing of debt) and tax are reinvested and used to build additional homes (usually through supporting additional borrowing capacity).

The Group finances additional development through traditional bank funding, capital markets (bonds and notes), the European Investment Bank (EIB), Affordable Housing Finance (AHF) bond, part of the Affordable Homes Guarantee Programme, and the sector borrowing vehicle MORhomes of which the Group is also a member.

Everyone has a home



Strategic Report

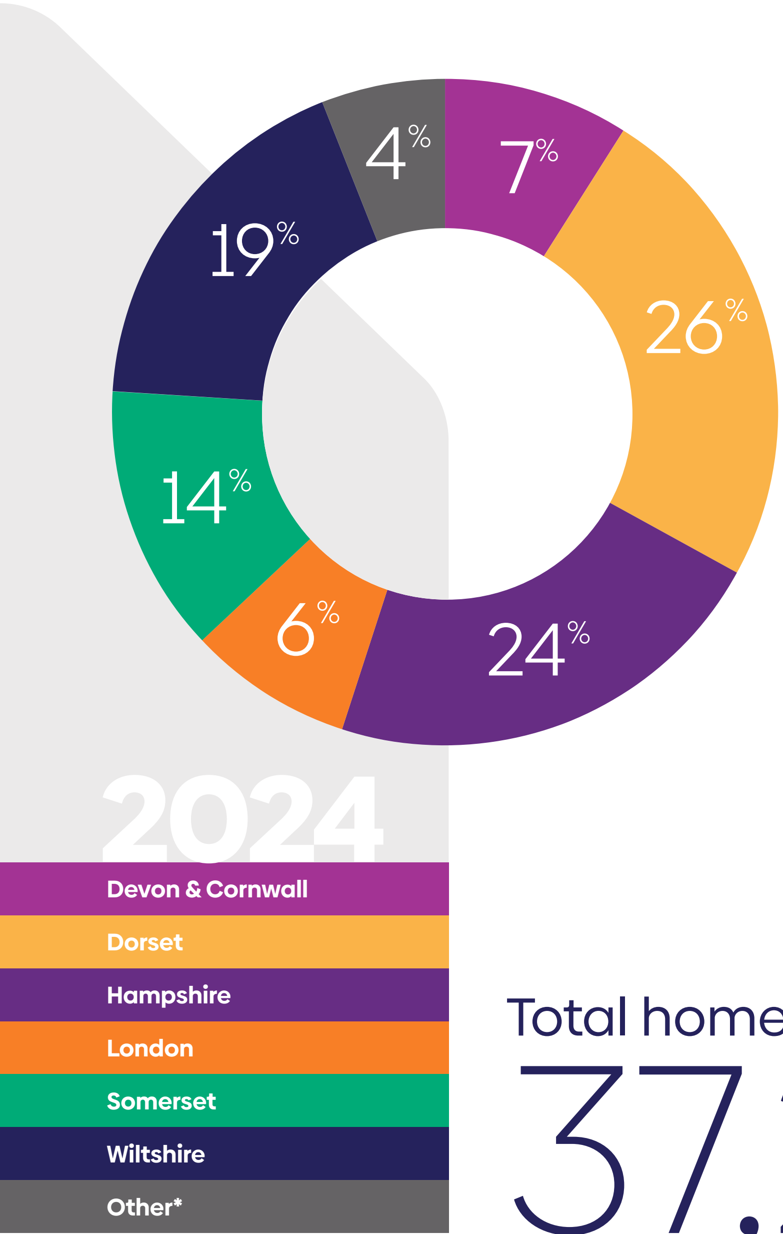
Group Structure

The main activity of each of the entities in the Group is:

Aster Group Limited	Acts as holding company for the Group and provides support services for each of the subsidiaries.
Synergy Housing Limited	Registered Provider, with properties primarily in Dorset, Hampshire and Wiltshire.
Aster Communities	Registered Provider, with properties primarily in Hampshire, Wiltshire, Somerset, Devon and Cornwall.
Aster Living	Provision of Connected Living Services to vulnerable people in specialist housing or their own homes.
Aster 3 Limited	Registered Provider, to provide additional development capacity to the Group.
Central & Cecil Housing Trust	Registered Provider whose principal activities are the provision of housing and residential care in London.
55 London	Provision and management of housing for those over 55's in London.
East Boro Housing Trust Limited	Registered Provider, with properties primarily in Dorset, providing some additional support services.
Enham Trust	Registered Provider with properties in Hampshire and charity whose principal activities are to assist people with disabilities and to promote opportunities by providing access to accommodation, care, employment, training and other services.
The Papworth and Enham Foundation	Charitable entity – joint venture with The Papworth Trust, assisting people with disabilities.
Aster Foundation	Charitable incorporated organisation enabling the better lives of people through their work to combat poverty.
Aster Property Limited	Management and maintenance of housing stock and related areas.
Aster Homes Limited	Development of homes for affordable and market sale and rent.
Aster LD Limited	Development of land led focussed, mixed tenure schemes.
Aster Treasury Plc	Special purpose vehicle for raising bond finance on behalf of other Group entities.
Silbury Housing Holdings Limited and Silbury Housing Limited	Special purpose vehicles for the delivery of homes in Wiltshire as part of a service concession arrangement.
Central & Cecil Construction Services Limited	Provision of property construction services.
Central & Cecil Innovations Limited	Provision of property development services for market sales properties.
Aster Solar Limited	Special purpose vehicle for investment in photovoltaic panels on behalf of other Group entities.
White Rock Land LLP, Boorley Green LLP and Kilnwood Vale LLP	Limited Liability Partnerships jointly owned by Aster Homes Limited and Vistry Homes Limited to develop properties.
Thakeham Burgess Hill LLP	Limited Liability Partnership jointly owned by Aster Homes Limited and Thakeham Homes Limited to develop properties.

Strategic Report

Our Market



Homes owned and managed

We own and manage over 37,000 properties across the south of England and London, with the largest number of homes in Dorset, Hampshire and Wiltshire.

The Group was formed by six large scale voluntary transfers (LSVTs) through the merger of Aster Communities and Synergy Housing Limited and creating a new social housing group in 2013. Since then the Group has grown organically, developing more than 10,000 new homes for its customers, as well as benefitting from the addition of 2,400 homes through the merger of East Boro Housing Trust in 2020, then Central & Cecil Housing Trust (C&C) and Enham Trust in 2022.

The main source of revenue for the Group is through the provision of affordable housing services and from first tranche sales from the Group's shared ownership development. Revenue is further supported by both social and non-social housing support services. The revenue generated by the Group is used to enable better lives, to provide safety and security through a range of housing and services including the provision of safe, well-maintained homes and modern reliable customer services. We reinvest profit to support the development and provision of more homes. All profits generated by the Group are reinvested back into the business with no dividends paid.

* The Group also owns or manages 1,492 properties across Berkshire, Gloucestershire and Oxfordshire.

Total homes owned and managed

37,216

Group revenue split

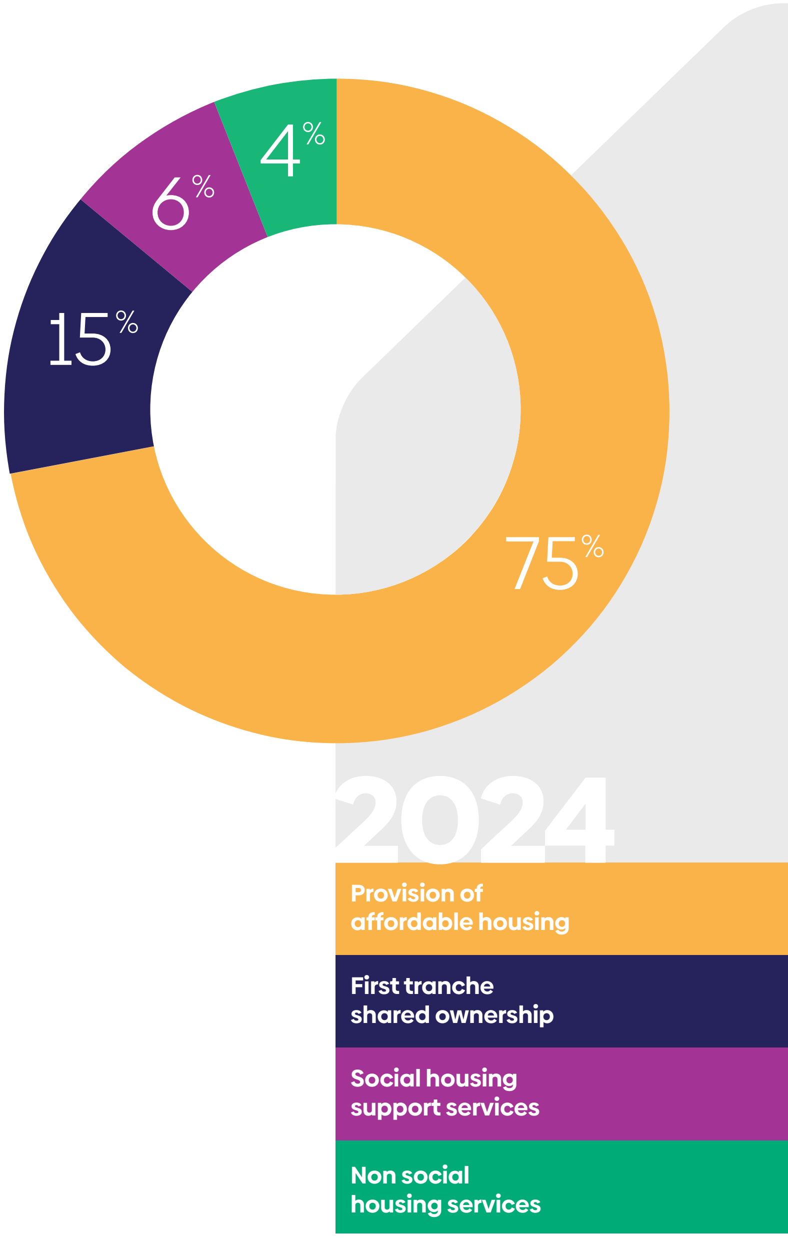
In November 2022, the government announced that increases to social housing rents would be capped at 7% for 2023/24, well below the rate of inflation at that time, but giving social tenants, councils and housing associations security and certainty over rents for that year and, which was reflected in the Group's rental income for the year ended March 2024.

In order to gain greater control over our delivery of housing, the business has increased its land-led programme. We aim to achieve an even balance between the Section 106 (S106) and land-led programmes within the next few years. The business will also continue to seek larger opportunities for development to capture economies of scale and further drive efficiencies and in addition to the profits generated from open market sale activity. Our Strategic Partnership with Homes England further supports our development strategy and affordable homes programme going forward.

Coupled with this, we will continue to look to identify land for new development within our existing stock through a review of under-performing assets, increasing stock density and replacing stock which is no longer fit for purpose for our customers.

The Group continues with the void disposals programme ('VDP'). This is designed to sell under-performing properties on the open market that no longer meet the standard we require. Properties identified for sale are assessed against a number of criteria and where the relevant thresholds are not met they are approved by an independent panel for sale. This year the Group sold 125 VDP properties (2023: 64 properties). Capital generated from these sales funds the Group's ambitious development pipeline to spend over £1.9 billion building 8,500 new homes over seven years. On average for every property sold under the VDP programme the business builds two or more homes.

We continue to benefit from our development of homes for open market sale with profits generated used to help us deliver more affordable homes. Our open market sale programme is primarily delivered through our joint venture partners allowing the Group to take advantage of the expertise that the partners bring as well as sharing the risk and investment.



Total revenue

£314 million

Strategic Report

Our Vision and Strategy

Our corporate strategy is shaped to help us deliver our vision that '**Everyone has a home**'.

What we do enables better lives. We provide safety and security through a range of housing and services. We will continue to grow so we can maximise our impact. Our strengths are our people and our culture.

Our strategy is a shared set of objectives and goals that as a business we'll work together to achieve. Supported by three strategic themes our approach is underpinned by a set of enablers which will deliver our future and focus on transformation, growth and financial strength and sustainability.

What we do enables better lives

Strategic themes

Enablers

Everyone has a home

We provide safety and security through a range of housing and services.

We will continue to grow so we can maximise our impact.

Our strengths are our people and our culture.

- **Empowering** our colleagues, customers and communities to thrive.
- **Building** as many homes as we can, offering a range of housing options.
- **Providing** safe, well maintained homes and modern, reliable customer services.

- **Data technology** and **transformation**
- **Financial strength** and **business health**
- **People** and **Culture**

The Aster Way

Strategic Report

Group Chief Executive Officer's Statement

Bjorn Howard, Group Chief Executive Officer

In my role as Group CEO of Aster, one of my key moments from this past year came during Stephen Trusler's interview for the Chair of Aster Group. Turning to me he said, "If I am successful, part of my job will be to make your working life comfortably uncomfortable."

This promise stayed with me, reminding me that positive challenge, especially in times where it is increasingly hard to predict the future, has been a cornerstone of the strong, resilient and agile business we are today.

I, along with my Executive Board colleagues and our dedicated teams across the business, convey sincere gratitude to Steve's predecessor, Dr Mike Biles, for his challenge, rigour and passion as together we worked towards achieving our vision during his tenure.

Trust was a key marker and a legacy of our time with Mike as our Chair. And at a time when institutional distrust is prevalent, and the standards our customers expect of us are rightly at an all-time high, one of the things the Executive Board and I are committed to do is ensuring we deliver on our promises, putting things right if we make mistakes and having the courage to make tough choices when we need to. Doing these things defines our purpose and earns us the trust of our people, our communities and our customers.

Of course, doing the right thing against the backdrop of an enduring cost of living crisis and its impact on all our lives, continues to test our resilience and resolve. In my role as Group CEO, I set the tone and signal the direction of the business and, importantly, along with our strong leadership team, make sure we bring our people with us, so together we can face the challenges ahead.

This means while changes are being made at pace, we need to make sure our culture supports every single person in our teams to be the best they can be, which is why this year we commissioned a full culture audit so we could really understand what life is like at Aster across our diverse workforce. As a result, we now have a more holistic view of how our cultural intentions are lived and a plan of how we can continue to collaborate with our people to ensure their lived experiences match up to the 'The Aster Way.'

A robust balance sheet has meant that this year we invested £106.2 million in repairs and maintenance, this along with the significant investment we have made in our Customer Services modernisation programme, shapes how we deliver the best possible homes, services and experiences for our customers.

By using modern technologies and data-driven insights to accelerate these improvements, while all the time placing our customers' voices at the heart of our actions, we set ourselves apart from others in the way we work.

Emerging opportunities like Artificial Intelligence are areas we are exploring to ensure we safely harness and maximise the benefits for our new and existing customers within a framework of trust and transparency. But we know we should always get the fundamentals right first.

Despite some residual challenges, including nutrient neutrality along with planning complexities, we delivered more than 1,300 homes in 2022/23 – our largest ever annual total. We've ended 2023/24 on another strong year, delivering close to 1,000 new, warm and safe affordable homes and, in doing so, increasing the life chances of even more families across London and the South of England. We'll also be in a position to invest close to £600 million in new homes by the end of 2026.

To ensure we continue to play our role in building as many new homes as possible to address this country's enduring housing crisis as well as ensuring our existing homes and services are as sustainable as they can be, we know next year will be a challenging one.

We are a long-term business, and our decisions in the short-term need to be made with that in mind. We need to do more with less, maximising efficiencies across the Group and scrutinising every pound we spend, so we can even better align our budgets to deliver our strategic priorities.

I've spoken before about how ours always has, and I hope always will be, an ambitious business, constantly transforming and committed to delivering lasting benefits to our customers, communities and colleagues.

One of the ways we are doing this is at Enham Trust. We merged with Enham at the end of 2022 and, while by bringing together the expertise and resources of the two businesses we have achieved a great deal, there is still much we can do to enable Enham to be a real catalyst for positive change in the many lives it touches every day. There is a real, once in a lifetime opportunity to ensure Enham transforms into a truly diverse and compelling destination. I feel extremely fortunate to be able to play my role in this work in the years to come.

The Aster Foundation also continues to flourish, this year positively impacting almost 5,000 people in our communities. One of our Aster **inc**.entrepreneur businesses, BiBo worked with our teams to carry out our flexible working research using innovative practices and underpinned by academic principles and rigour, to hear and learn from our people's voices and opinions. This is an emerging area of research and one we are proud to have supported as part of the work and support provided by the Foundation.

As a career housing, care and support professional, I have always tried to keep as close to our customers as possible and was honoured when my Board colleagues appointed me as Member Responsible for Complaints. One of the markers of a great business is the way in which it welcomes, responds to and learns from complaints. When things go wrong, it's important that we are big enough to acknowledge our mistakes, put matters right and apologise. I am determined that we will continue to do so and thereby deliver still better services to our customers.

The highly respected 'Father of Management,' Peter Drucker, once said. "The best way to predict the future is to create it." I believe his philosophy is one way we can address the uncertainties we all face, by embracing change, innovating and finding new ways to solve old problems, and knowing that if all around us do this too, we will see more certain and prosperous times ahead. I know all the hardworking teams across Aster strive to do all these things and more. I trust in them all as we work together to achieve our vision of '**Everyone has a home**.'

Bjorn Howard
Group Chief Executive Officer

13 August 2024

Strategic Report

Our Service Delivery Plans

We own and manage over 37,000 homes for our customers across the south of England and London.

We provide these services through our various Registered Providers; Aster Communities, Synergy Housing Limited, Aster 3 Limited, East Boro Housing Trust Limited, Central & Cecil Housing Trust (C&C) and Enham Trust.

One of our core Strategic Themes in our Corporate Strategy is to provide safe, well-maintained homes and modern reliable customer services. This mantra is also reflected in our revised Strategic Priorities – three of which reflect our continued focus on placing our customers at the heart of what we do and how we do it. These include:

- Customer experience;
- Repairs and maintenance service; and
- Investment in homes.

This allows us to focus on these core areas and adapt to our operating and regulatory environment, which is constantly changing. And last year was no change to us working in an ever-evolving climate.

Our customer services teams are the first point of contact for our customers, so they play a huge role in shaping their experience of Aster. Our teams go the extra mile on a daily basis to provide a high quality, human service; however we know the ever-increasing demand for our services, the complexity of our customers' needs and the scrutiny on our sector has added more pressure on our teams.

While providing much needed new homes across our geography, we're also balancing delivering against our **Customer Services Modernisation Programme** to ensure that the most vulnerable in our communities have somewhere safe and secure to call home and our services we deliver meet their needs. This Programme is focused on:

- improving the consistency and quality of experience for our customers and their homes through improving our relationships and expanding our skills in the customer hub;
- shaping services that work for customers and improving the efficiency, reducing complexity and lowering cost base to help deliver clear impact and change; and
- making sure our teams are equipped with the right skills and tools to deliver our services.

We continue to focus on the things that matter most to our customers. This is reflected in the following three Strategic Priorities focused on our customers. This absolute focus on our customers means we are able to adapt to our operating and regulatory environment, which is constantly changing.

Customer Experience

One key focus is the ultimate experience we provide to and with customers. And as the cost-of-living continues to bite, another valued service is that of our Financial Wellbeing Team. They have been on hand to support customers manage their finances and assisted them to access over £659,000 in benefits and helped over 2,500 customers facing financial challenges.

We have a strong track record in working hard to engage better with our customers and finding ways to mobilise two-way conversations to help co-design our services. This year has been no exception with Customer Voice running throughout our operations. We're constantly finding ways to connect with our customers so we can adapt and improve our services.

This year to help us service our customers' needs, our contact centre launched a more efficient customer services management system in May 2023, helping to meet a 40% increase in demand. This year we've answered 91% of calls into our contact centre, while call wait times have reduced from an average of six minutes to one minute 37 seconds. Last year our Contact Centre handled 189,242 calls, 60,760 emails and 17,257 live chats during the year. The Contact Centre's satisfaction results were very high with advisors scoring 95% for being polite, friendly, helpful and knowledgeable.

Through our Customer Voice work, we know that many are keen to self-serve and engage with us in a digital way – like the experience that they may enjoy for other services. In fact, digital enquiries now make up 43% of total customer contact.

This appetite is reflected in the fact we now have over 23,000 customers signed up to the MyAster portal, which offers easy access and more ways to contact us. Our 'Live chat' service has been a great way for our customers to get in touch directly with our team to log repairs, ask questions, update their tenancy and more. Proving popular we've seen over 17,000 connections on Live Chat made during the year. And it doesn't stop there. We're always finding ways to innovate. We're trialling new technologies to see how we can offer more ways to interact with us virtually to provide an easier and quicker service for our customers.

Another way we connect with our customers is through our involved customer Groups. This includes our Customer and Community Network (CCN), made up of customers, Senior Executive and Non-Executive Directors; and our Customer Overview Group (COG), which reports into the CCN and monitors service delivery, customer satisfaction and policy approvals. Last year we saw a further 99 people sign up to these Groups, bringing us to an impressive total of 1,622 customers now engaged in these conversations. Together they help co-design our services and regularly provide us with feedback and guidance on how we can do things better.

Our Customer Scrutiny Panel (CSP) continued its invaluable work independently reviewing our various service areas. Last year, they scrutinised electrical testing and the service customers receive when we complete an electrical safety check within their home and they felt we delivered the service well and the CSP had no recommendations to improve it. The panel carried out a review of service charge statements following a small amount of customer feedback stating that they were not clear. The CSP felt that Aster had done everything they could to simplify the information. They did offer one recommendation, to include that Aster are legally obliged to send the statements in order to provide that context to customers, which has been agreed.

During the year we also held 72 customer and policy consultations, attracting over 4,400 customer responses. Crucially, this feedback led to us changing, withdrawing or introducing 20 services from developing Resident Engagement Strategies in tall buildings, to customer service policy reviews to neighbourhood consultations around parking or CCTV.

We also conduct our own regular customer satisfaction surveys. Listening to the thoughts, suggestions and opinions from our customers about how we deliver our services are vital and really do make a difference when we consider how we can improve. Last year, across our whole customer base, 84% were satisfied that Aster treats them fairly and with respect, 76% were satisfied that Aster provides a home that is well maintained and 81% were satisfied overall with the quality of the home repairs we completed on their behalf.

But we recognise that we don't always get it right. And that's why we have a number of ways customers can get in touch so we can listen and improve our offer, so they feel empowered to thrive. This year, to further bolster this process and continue to provide a good service in responding to complaints, we've reviewed the way we handle them, strengthened our processes and held 'Learning circles' to see how we can do things better.

During 2023/24, we received 878 formal complaints (2022/23: 770), 1,158 fast-track complaints (2022/23: 912), with 31 being escalated to the Housing Ombudsman (2022/23: 17).

We work closely with the Housing Ombudsman to make sure we're compliant with all complaints standards across the sector. Our complaints service has been designed to make it as easy as possible for our customers to raise an issue if something has gone wrong, so that they can be confident that we'll be accountable, learn from our mistakes and make the necessary improvements.

During 2023/24, there were two cases of severe maladministration relating to one customer published by the Ombudsman during the year. We've responded to this case, worked with the customer and critically learned from the finding.

Strategic Report

Our Service Delivery Plans

Investment in homes

We provide safety and security for our customers through improving our homes, using our up-to-date insights to support them best and ultimately make sure they are efficient and affordable to run. We're using the wealth of information we have about our homes and insights from the Tenant Satisfaction Measures data (TSM) to be able to invest in our homes for the long-term and make sure they're as sustainable as possible. We're embracing technologies that add genuine value for customers and empower them with more self-service choices.

During 2023/24 we spent over £106.2 million on repairs and maintenance to ensure our homes continue to be great places to live.

Looking ahead we have a programme of investment set out over the next 30 years. Over the next five years, we're increasing the amount of major works projects we're going to carry out to homes, blocks and estates to maintain modern, good standards and improve energy efficiency for customers. These plans will allow us to provide all customers with even more transparency about any costs in good time, helping them plan well in advance.

Despite political uncertainty and a shifting in the Government's climate change targets, we remain absolutely committed to decarbonisation. More than 85% of our homes now have an energy performance certificate rating of C or above. This improves energy efficiency meaning it can be less costly for our customers to heat their home. We're on track to have all homes meeting at least EPC C by 2030, and net zero by 2050. We also expect all of the new homes we deliver to be EPC and EIR B or above.

As part of our efforts to address issues of condensation and mould in our homes, this year, we have set up a trial programme of 'home health checks'. These are helping customers access preventative measures, guidance and any repairs to avoid condensation and mould issues. We've also pro-actively followed up with customers who have previously experienced mould and condensation to find out if the issue has returned and we provide guidance as to how to prevent the issues recurring.

Repairs and maintenance service

While our operating market is tough, there is also increased demand and focus on making sure our homes are safe and secure for our customers to enjoy. We know that repairs are the thing that matters most to our customers and drives the most satisfaction. That is why, along with safety in the home, we want to make sure that we get it right first time. This is achieved by making sure we have the right resources at the right time.

We can only achieve this if we provide a flexible, reliable and fit for the future repairs offer. We've been continuing to listen to customer's needs and using data and technology to improve our planning when it comes to maintaining our homes. This means we can make sure we're investing in the right homes at the right time and can more easily spot potential issues for customers, and where possible even prevent them from happening in the first place.

We've seen another year of focus on the standard of social housing homes, and we've been working hard to drive up investment into our existing homes to make sure they are safe and comfortable. Work related to condensation and mould issues have also remained a key priority for us.

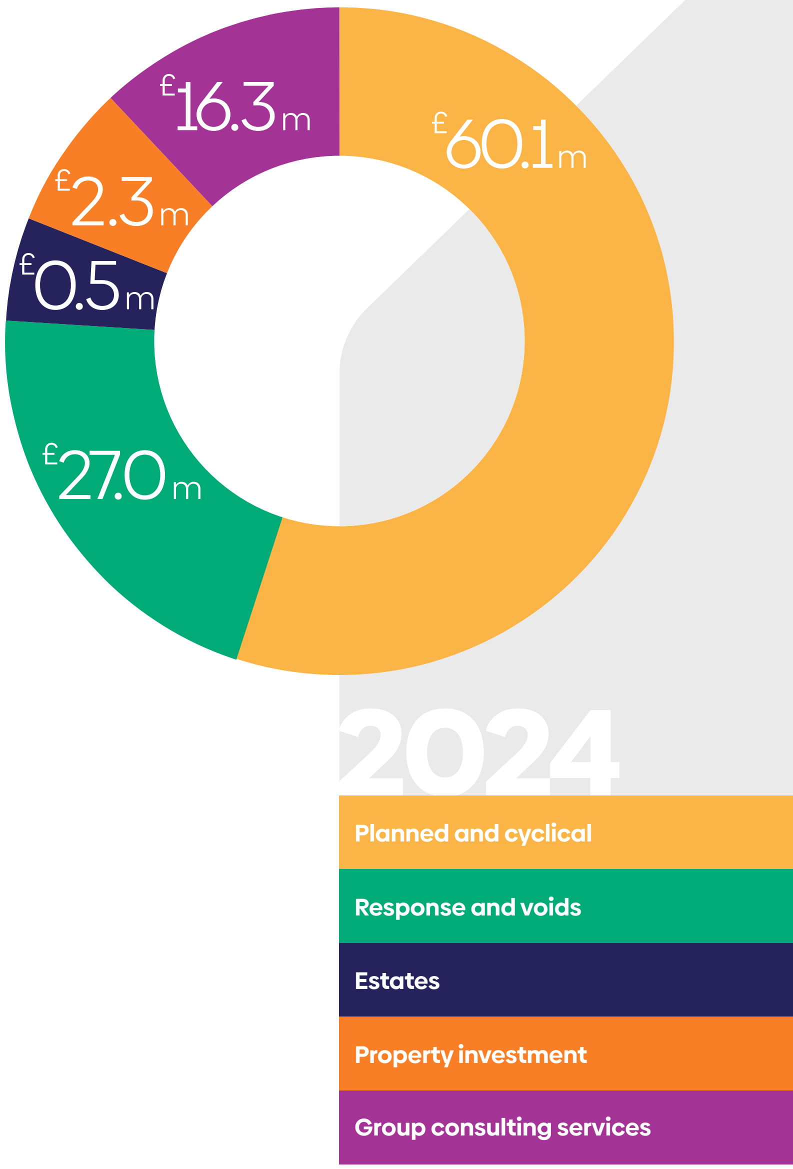
Demand for our routine repairs have remained high this year. Overall, we completed over 132,000 (2022/23: 120,000) repairs. This included 111,134 routine repairs, 84% of which were completed on time.

We know how important our maintenance service is and we're continuing to look at how our highly skilled trades people and supply chain can work with us to deliver a reliable service every day. By focusing on the repairs and maintenance we provide, we will make sure we're giving customers the service they expect and Value for Money.

The safety of our homes remains a key priority. We employ best practice in all areas of building safety, going beyond regulatory compliance requirements, evidenced in the building safety work we do. This year, with the inclusion of homes across C&C, EBHT and Enham, we've integrated our safety, servicing and compliance systems so that all homes benefit from thorough annual assessments. Maintaining high standards for building safety, improving our data and scheduling systems, and carrying out routine safety performance checks, keeps the safety of our homes fully up to date.

Ahead of the April 2024 government cut-off date, we have worked closely on our high-risk building safety case reports, used to apply for certificates for any buildings of at least 18 metres in height. We have four of these buildings, all of which are C&C properties (Ada Court, Grace House, Vivian Court and Jacqueline House). The building safety work process involved engaging with residents living in these buildings to ensure they're fully aware of any fire and structural safety procedures and know what to do and who to contact if something were to go wrong. Further to their feedback, we created specific web pages and a building safety record for each building to give customers clear information about how their home was built, and the systems in place to keep them safe. The building safety information is regularly updated and we're looking to roll out information for customers in more of our multi-occupancy properties.

We've continued to achieve a high level of performance on our Gas Servicing Compliance (99.8%), Electrical Testing Compliance (99%), and Fire Risk Assessments (100%).



Total investment

£106.2 million

Strategic Report

Our Service Delivery Plans

Some other stats a glance:

Neighbourhoods:

- Conducted 9,259 (2022/23: 10,000) neighbourhood inspections;
- Supported 373 (2022/23: 337) families move into a home that was more suitable for them through the mutual exchange process; and
- Helped keep our communities safe by managing 769 cases of anti-social behaviour (ASB), more than 300 cases of domestic abuse (DA) – and through both interventions and strong partnership work, we were able to resolve over 97% of these cases.

Service Charges:

With the continued cost-of-living increase, a small number of customers have experienced financial difficulties when paying their rent and service charges. Where this has happened, we have provided support, with our financial wellbeing team assisting customers to help to put in place manageable solutions and affordable payment plans.

Across the Group, 35,165 customers pay towards services charges including grounds maintenance, communal cleaning, sewerage and building insurance amongst other essential routine works. Our service charge team has combined responsibility for service charges across all entities in our Group.

At the start of the year we budgeted a total service charge spend of £30 million.

We budgeted a spend on some services of the following values:

- Management companies £1.3 million;
- Management fees £2.0 million;
- Grounds maintenance £1.8 million;
- Emergency systems £2.0 million; and
- Utilities £11.2 million.

The actual spend on chargeable services for 2023/24 was £28.0 million. The reduction of £2.0 million was due to £4.2 million lower utility costs than budgeted, however additional costs were incurred due to rising costs of materials and labour and additional services being delivered. These included:

- £569,000 on tree works
- £303,000 on door entry repairs
- £575,000 on sewerage costs
- £324,000 on management company costs
- £118,000 on building insurance.

Lettings:

Our lettings team has continued to work hard this year facilitating over 1,800 moves during the year. We've also shortened the wait time for customers moving into a home by about four days, with 83% of our customers satisfied with their new home.

We continue to work closely with local authorities to provide creative solutions for anyone facing homelessness. We've used some of our homes to provide accessible and adapted temporary accommodation, minimising the need for those affected to live in hotels or B&Bs.

The following table sets out the Group's key performance indicators (KPIs) in relation to the lettings side of our business:

	2023/24 Target	**2023/24 Actual**	2022/23 Actual
% rent loss through vacant properties	0.46%	**0.42%**	0.70%
Average number of days to re-let	21	**25**	27
Current tenant arrears %	3.00%	**2.00%**	1.84%*
Overall satisfaction %	80%	**74%**	74%

* Excludes Enham and C&C data.

The Independent Living services that we provide have helped customers remain independent and improve overall wellbeing. Over 3,500 customers have been supported by our Independent Living team, providing services from low level support as required to 24-hour onsite support in the Group's own schemes.

During the year, we completed refurbishments in ten independent living schemes. This included upgrades to flooring and furniture, brightening environments and making them more spacious and accessible. Working with our customer voice team, 128 customers living in these schemes responded to a survey, resulting in a 98% satisfaction rating.

Aster Solar Limited

Aster Solar Limited's main activity within our Group is to provide green electricity to our customers through the installation of photovoltaic panels on existing properties. We benefit from the resale of unused electricity generated through the government agreed feed-in tariff. The alleviation of fuel poverty amongst the Group's tenants is a key objective for Aster Solar, together with the ability to generate profits that can be reinvested into our charitable activities.

During 2023/24 a pilot project to trial the income levels from the Smart Export Guarantee payment mechanism by installing solar panels on nine domestic properties continued to be evaluated. The pilot project also saw the installation of a larger communal PV system, on an extra care scheme in Dorset. This was designed to test the income that can be generated while helping reduce communal electricity bills. Work on evaluating the smart export regime will conclude during 2024 and if the results are encouraging further investment in more solar PV systems will be considered for the next financial year (2024/25).

Generating more zero-carbon electricity directly contributes to helping tackle the growing global climate crisis and opportunities are being considered to install additional solar systems to help reduce carbon emissions, instances of fuel poverty and improve the environmental sustainability performance of homes owned by Aster Communities and Synergy Housing Limited. Any potential business opportunities will be presented to the Aster Solar Limited Board for consideration.

Aster Treasury Plc

Aster Treasury Plc's principal activity is to raise external debt to finance the growth and development activities of our Group and our subsidiaries. During the year, the company paid interest on its current bond debt and received interest on its on-lending to Group companies.

In June 2023, Aster Treasury Plc issued £250 million of Medium Term Notes and created a further £100 million to be sold at a later date.

Strategic Report

> "A promise to delivering 'new homes' is one of our five strategic priorities."

Strategic Report

Development

A promise to delivering 'new homes' is one of our five strategic priorities. This shows how committed we are to continuing to play our part in tackling the housing shortage, by delivering a wide range of housing options and creating choice in the market. Our vision that everyone should have a home is stronger than ever.

This year, we delivered 997 new homes of which 517 were for affordable rent, 405 for shared ownership and 75 were sold on the open market.

A challenging economic landscape, convoluted planning process and the challenges related to nutrient neutrality remain ongoing issues for the sector. We've been working closely with our partners to manage this risk and build in sufficient headroom to oversee anticipated delays.

In July 2024, we were 14th in Inside Housing's 'Top 50 Biggest Builders' Survey. With our commitment to investing in our homes and a focus on delivering quality over quantity, this position came as no surprise. There have been many challenges and some of our developer partners have struggled in the economic downturn, which has impacted the speed of delivery. However, around 3,000 people are now enjoying living in our new homes, providing them with security and comfort.

At our biggest land led site Bargates in Christchurch, we're pleased to have completed demolishing the existing buildings, including the former police station, magistrates court and pub. We've also prepared the other surrounding land which will be included in the redevelopment project. We're now gearing up for the next phase of works and looking forward to seeing the site – which includes some much-needed new affordable homes that the area desperately requires – come to life.

Our work with Community Land Trusts (CLTs) continues to go from strength to strength. Our pipeline has been building and we have secured several new schemes, a number of which we will start on site in the next 12 months. These schemes in Devon and Gloucestershire will deliver 157 homes, taking our total number of CLT homes delivered to over 300.

Looking ahead, the Group plans to invest £1.9 billion to achieve our long-term target to add 8,500 homes over the next seven years. This will include social and affordable rent, shared ownership and private sale properties delivered through joint venture (JV) partnerships. The profits generated from the JVs are reinvested into the business to support further delivery of affordable homes.

Our original three JV companies (White Rock Land LLP, Boorley Green LLP and Kilnwood Vale LLP) comprised five parcels of land. Three sites reached completion this year and the remaining two sites will complete by March 2025.

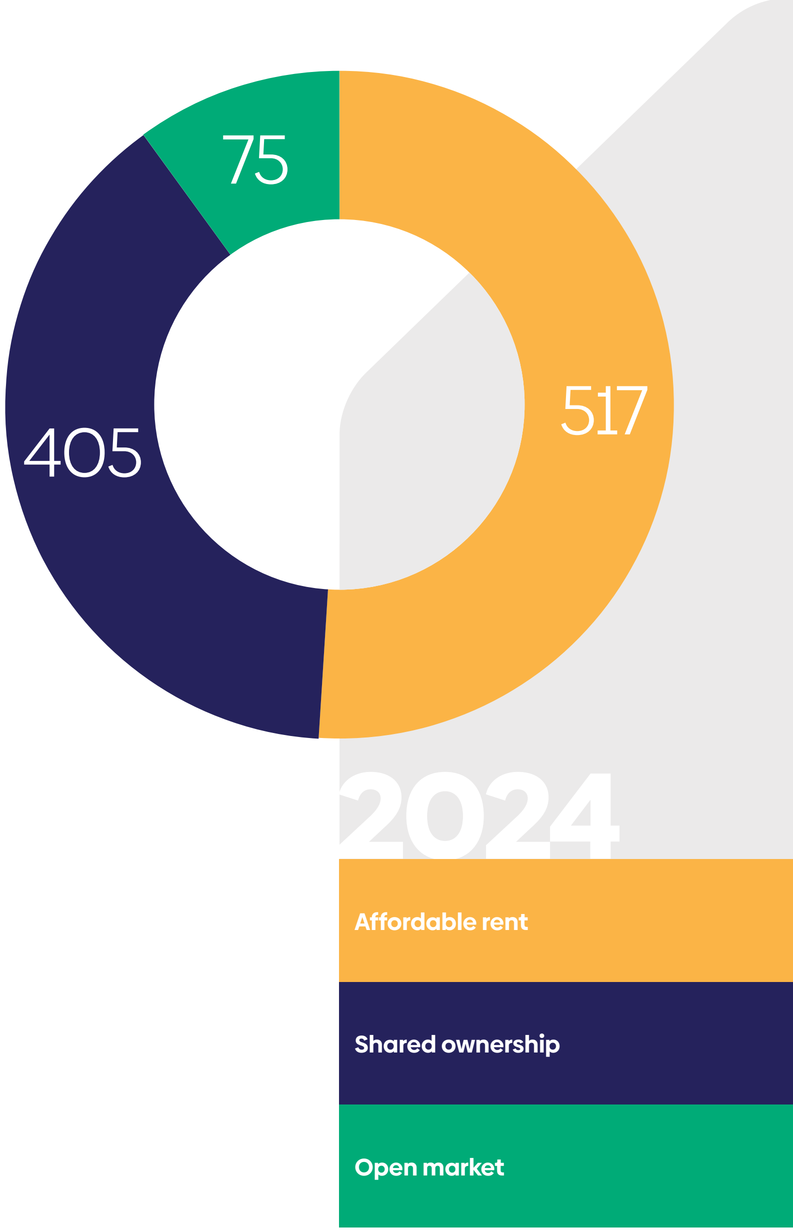
We remain committed to delivering open market sale homes through a JV approach. In 2023, we entered a new £58 million partnership with Thakeham, a leading developer within one of our new growth areas of West Sussex. Burgess Hill LLP will deliver all 120 homes to net zero carbon standards. The sustainability-focused development is expected to be the largest of its kind in Mid Sussex. The JV with Thakeham also forms part of a pilot to understand the performance and benefits of net carbon standards to both the business and to our customers.

Sales of shared ownership homes has remained strong this year generating an income of £48 million for the Group. There was also one open market sale for Central & Cecil Housing Trust (C&C) at the Ridgmount apartments in Wimbledon, London, generating £0.6 million.

Our Strategic Partnership (SP) with Homes England continues to underpin our development strategy with most of our land led schemes now being delivered as 100% affordable housing. Now in our third year of the SP programme we have a strong pipeline of schemes that will start on site by March 2026.

Our strategy of building new homes in London that complement C&C's existing presence in the capital is progressing well. We've entered into three contracts to deliver 155 affordable homes across East, South and West London. These brownfield regeneration projects are due to be ready from 2025 onwards and we're actively looking at other new opportunities across the capital with our local authority and housebuilder partners.

Following Enham Trust joining the Group in 2022, with regard to further Development opportunities in Hampshire, we've started to look at a longer-term vision for Enham Alamein. It brings an exciting opportunity to work alongside stakeholders to secure its future as an inspiring and inclusive village where everyone in the community can live, work, and enjoy life.



Total new homes delivered

997

Strategic Report

People and Culture

Employee experience

Alongside the importance we place on listening to our customers, we're committed to listening to our colleagues to help shape and develop our employee offer. Since the pandemic and our recent partnerships with EBHT, Central & Cecil Housing Trust (C&C) and Enham Trust, we know the way we work has really changed. We've spent the past year investing a lot of time in understanding how our diverse workforce is feeling about all aspects of life at Aster, to help shape our offer going forward.

As well as our monthly pulse surveys, last summer we carried out a detailed culture audit to get under the skin of what it feels like to be an Aster colleague today. We were keen to understand whether The Aster Way – our values and behaviours framework – felt like a reality for our colleagues day to day. To do this, we worked with a specialist organisational behaviour consultant. Together we carried out a series of 1:1s and group interviews, talking to our colleagues across the business to gather insight. As a result, we found they overwhelmingly identified with our purpose and value the offer we provide as an employer, while opportunities to improve connectivity, collaboration and communications across the business were highlighted.

We've also been working with one of our Aster Foundation **inc.** entrepreneurs, Bibo, to carry out an in-depth piece of visual research into how our desk-based colleagues are finding hybrid working. A sample of colleagues from across the business were invited to take part in the project, which included submitting photographs and participating in workshops hosted by Harriet Shortt, Associate Professor of Organisation Studies at Bristol Business School. We'll be using the outcomes of this research to help us continue to get the most out of our flexible working approach.

In June 2023 we brought all our leaders together for our first large scale in-person event since the pandemic. We spent time sharing our strategy and our approach to setting clear expectations for our people, as well as ways to develop, reward and recognise them.

Restorative Practice continues to act as a foundation of The Aster Way. Focusing on building and developing relationships, Restorative Practice plays a big part in creating a culture where behaviours are aligned to core values using restorative principles. We've continued to offer Restorative Practice learning to colleagues, along with facilitating restorative learning spaces for teams to come together and agree solutions to challenges.

Our award-winning health and wellbeing approach has continued to support the needs of the business by enabling colleagues to stay well for work. We do this by providing access to information and support to prevent illness and absence, and to help reduce the length of illness periods when they do occur.

We offer a coaching style of support and advice for leaders to encourage the use of wellness initiatives. This means they can confidently and pro-actively manage sickness absence in their teams. Our leaders can signpost to support through different ways including access to virtual GPs, and physios via our private healthcare provider. Colleagues can also access cashback for a range of treatments.

We have 154 trained Mental Health Champions and our mental health platform, Plumm Health, has remained popular for our colleagues and includes family access for up to three family members aged over 18 years.

Our award-winning menopause support has continued, with menopause awareness training provided as part of new colleague induction and leader awareness training available on demand. Providing advice and support extends beyond our colleagues to family members, as we recognise the impact symptoms can have at work and at home, and we provide one to one advice and support on request.

We've continued to recognise those colleagues who have gone above and beyond and who bring The Aster Way to life. The annual 'The Aster Way Awards' saw 740 nominations submitted to recognise our diverse workforce, and each month our colleagues use Perkbox (our employee perks and recognition platform) to recognise their peers.

Leadership and learning

This year we have refreshed our colleague and leader learning offer, to include a greater focus on coaching and mentoring. Alongside this, we have offered a range of resources to support colleagues with everything from organisational changes to communicating effectively.

We have continued to evolve our Leadership Development Framework, which includes four pathways to cover each stage of our colleagues' leadership journeys. These are Aspiring Leaders, Leader Welcome, Building Leader Performance and our Senior Leadership Development Offer. New sessions have been designed to support these pathways, along with 360 feedback sessions and personality profiling via DISC workshops to ensure we build strong, cohesive teams.

Inclusive Leadership continues to be a focus, and we have launched a refreshed Neurodiversity eLearning for our all our leaders, alongside an unconscious bias session designed for all colleagues.

We continue to support high performing teams by offering bespoke interactive sessions enabling them to work better together, setting goals and objectives and developing new ways of working.

In recognition of the specialist needs of our Care colleagues, we are in the process of creating a bespoke learning offer for Care Leaders, which will focus on building leadership capability in a similar way to our group-wide Aspiring Leaders programme.

This year we have refreshed our approach to welcoming new starters to the business, with the aim of making sure our induction and on-boarding experience is as smooth and as positive as possible. We have introduced a new 'Aster Welcome Day', where new starters have the chance to find out more about Aster, meet members of the Executive Board and start building a network across the business.

Our apprenticeship programme continues to grow, with new qualifications now available for colleagues to access.

In response to the 2023 Social Housing White Paper, which requires relevant Housing colleagues to hold housing qualifications, we are using the Apprenticeship Levy to fund CIH housing qualifications.

Diversity and Inclusion (D&I)

We're committed to creating an inclusive environment for our people.

Our progress has been recognised this year through our silver Talent Inclusion and Diversity Evaluation (TIDE) award, awarded by the Employers' Network for Equality and Inclusion (Enei). This was a notable improvement on the bronze award we received in 2022. We have continued to work with Enei to measure our D&I approach and outcomes and are delighted that this year our overall score increased to 80% (from 68% in 2022, and 54% in 2021), which means we are operating at Enei's highest level of 'sustain'.

We were also recognised as a finalist in the 'Equality, Diversity and Inclusion' category of the prestigious Personnel Today awards in November. To make sure we continue to embed our approach to D&I, we launched our D&I strategic plan in September.

Our D&I learning and awareness offer has continued to develop. This includes our popular 'Active Inclusion' session which covers unconscious bias, micro-behaviours, and inclusive language, as well as the addition of a bespoke Disability Awareness session and e-learning.

We have also developed several podcasts with colleagues sharing their lived experiences, such as members of our LGBTQ+ network during February's LGBT History month, and a colleague from our EnAble network during Autism Awareness Week. We are proud to have a colleague-led ADHD coaching programme in place to provide colleagues supportive strategies in line with the ADHD Works' methodology.

Our Inclusion Steering Group has continued to act as a critical friend, supporting us to further embed inclusion across our business and services. This has included reviewing Equality Impact Assessments, such as for our refreshed Welcome Day approach for new starters, as well as helping to shape our Gender Pay Gap action plan along with our Gender network.

These networks are helping guide us to close the gender pay across our Group, which for 2023 was 15.2%. This reflects the complex makeup of our teams which now extends to the provision of care roles, often currently filled by female colleagues. We believe that a person's ability to do their job is what is important, not their gender, age, sexuality or any other personal factor so we'll be doing what we can to improve our position in years to come.

Our colleague networks have been providing safe spaces for colleagues to come together to share experiences while also helping us celebrate key events and help shape key guidance for colleagues and leaders. In June, our Carers network compiled a catalogue of signposting and support for colleagues with caring responsibilities. Our Race and Heritage network hosted a dish-tasting pop-up to celebrate October's Black History Month and our LGBTQ+ network were key in the decision-making process for Aster signing-up to the HouseProud pledge.

We continued to promote the importance of inclusivity by participating in our fourth annual National Inclusion Week, and this year, among various initiatives and sessions, we also launched our first Inclusion Survey to hear first-hand from colleagues about their experiences. We were delighted with the results, and the actions from this have been embedded within our Culture Audit action plan.

The Aster Offer is underpinned by a commitment to create the best possible conditions for our people to come to work each day and feel able to do the best job they can. We're continuing to strengthen and evolve The Aster Offer so it is flexible and inclusive and supports our ambitions of improving and modernising our customer services too.

Strategic Report

Environmental and Social

Energy efficiency in action

With over 37,000 properties across the south of England and London, we know we have a part to play in helping the UK meet its climate change targets. Despite the complexities of future political uncertainty and a shifting in the Government's climate change targets, we remain absolutely committed to decarbonisation.

We know there are a raft of ways we can achieve this with energy performance of our homes being one key metric to address. We're leading the way in our sector in this space, with 85.1% of our homes being rated EPC C or above. But there's lots more we're doing to benchmark our progress and take vital steps forward.

During 2023/24 we:

- Continued to evolve our flexible working offer for our people and ensured our office space is used efficiently to meet the changing needs of the business while minimising energy consumption and carbon emissions. Last year we reduced our office floorspace by 29.0% (2,200 m2), and energy consumption at our offices and yards was 39.4% lower than it was pre-pandemic (2019/20)*;
- Through our planned maintenance programmes, have improved the loft insulation in 273 individual homes plus two blocks, added cavity wall insulation to 120 individual homes plus 11 blocks, upgraded the windows in 566 homes and the communal areas of one block, and upgraded the heating in 1,497 homes;
- Progressed the development of our plans to ensure our customers' homes are a minimum of Energy Performance Certificate (EPC) C by 2030 and achieve net zero by 2050 and our successful Social Housing Decarbonisation Fund Wave 2 project has exceeded delivery targets this year, enabling us to add more homes to the project and secure additional funding for their delivery.

  Using the insight gained from our intensive survey of our homes, we have modelled measure-level options for achieving EPC C and net zero, which has been used to inform our financial plans;
- Trained the remainder of our asset surveyors to be PAS 2035 retrofit assessors, which is the British Standard for retrofitting dwellings.
- Trialled a range of energy efficiency technologies in pilot properties to give a better understanding of the options available to us for improving those homes which are least cost-effective to heat. In the first pilot property, NextGen infrared heating was combined with solar PV panels, battery storage and a Mixergy hot water tank. In the second, a Comfortframe heated panel was installed, along with internal wall insulation and an air source heat pump.

  These pilots are being evaluated based on the lived experience felt by the customers - which to date has been very positive. We're also evaluating the statistical outcomes of the pilots and during 2023/24;
- Upgraded the communal heating plant at our housing schemes, replacing low efficiency boilers (efficiency between 69.0% and 75.0%) with high-efficiency models (efficiency 96.0% or greater);
- Took delivery of 18 new mild-hybrid vans to join our fleet to replace inefficient older vehicles and continued our programme of driver training and the use of telematics to track driver behaviour.

  Last year we used 5.9% less fuel to run our fleet compared to pre-pandemic (2019/20)*, and the associated greenhouse gas emissions decreased by 8.2% over the same period;
- Signed contracts for renewable electricity supplies to our larger-consuming sites across the Group** (that is, those with half-hourly meters); and
- Achieved an EPC rating of B or higher for 99.7% of the new homes we built, with the remainder achieving EPC C. All of our new homes achieved an Environmental Impact Rating (EIR) of B or better.

* Excludes EBHT, C&C and Enham Trust, as these entities were not part of the Aster Group during the baseline year.

** Excluding Enham Trust sites.

Environmental and Social

Streamlined Energy and Carbon Reporting (SECR) for period **1 April 2023** to **31 March 2024**

		2023/24	2022/23	2021/22	2020/21	2019/20
Energy consumption:						
1	Mains gas (MWh)	**28,570**	27,031	17,138	14,714	14,896
2	Transport fuel – company fleet (MWh)	**7,093**	6,775	6,702	6,053	7,327
3	Transport fuel – business travel in employee-owned vehicles (MWh)	**2,094**	1,579	1,096	604	2,859
4	Fuel used in plant and equipment (MWh)	**577**	570	877	714	927
5	Purchased electricity (MWh)	**8,857**	8,875	7,472	6,841	7,648
6	Electricity provided by landlord at corporate sites (MWh)	**392**	371	352	332	Included in **item 5**
7	Energy consumed by staff working from home (MWh)	**2,800**	3,343	3,125	3,208	Not reported
8	**Total energy consumption (items 1-7) (MWh)**	**50,383**	48,544	36,762	32,466	33,657
Greenhouse gas emissions - mandatory (SECR) reporting:						
9	Combustion of gas (Scope 1) (tCO_2e)	**5,143**	4,866	3,139	2,705	2,739
10	Combustion of fuel for transport (Scope 1 – company fleet) (tCO_2e)	**1,693**	1,635	1,587	1,457	1,793
11	Combustion of fuel for transport (Scope 3 – business travel in employee-owned vehicles) (tCO_2e)	**511**	391	270	150	686
12	Purchased electricity (Scope 2, location-based) (tCO_2e)	**1,834**	1,716	1,586	1,595	1,955
13	**Total gross emissions for which SECR reporting required (items 9-12) (tCO_2e)**	**9,181**	8,607	6,582	5,907	7,173
Intensity ratio – mandatory (SECR) reporting:						
14	**Total gross emissions per property managed (tCO_2e / property)**	**0.259**	0.255	0.209	0.210	0.265
Methodology:						
15	**Greenhouse Gas Reporting Protocol – Corporate Standard**					
Other emissions - non-mandatory reporting:						
16	Emissions from fuel used in plant and equipment (Scope 1) (tCO_2e)	**148**	156	173	140	159
17	Emissions from electricity (Scope 3, location-based) (tCO_2e)	**81**	72	75	78	Included in **item 12**
18	Emissions from electricity (Scope 2, market-based) (tCO_2e)	**1,215**	1,118	414	77	25
19	Emissions from electricity consumed in transmission and distribution (Scope 3) (tCO_2e)	**166**	164	147	144	166
20	Emissions from staff home working (Scope 3) (tCO_2e)	**502**	623	580	603	Not reported
21	Emissions from business travel - train travel and hotel stays (Scope 3) (tCO_2e)	**5**	5	Not reported	Not reported	Not reported
22	Fugitive emissions	**5**	38	Not reported	Not reported	Not reported
Total gross emissions – SECR-mandatory plus non-mandatory reporting:						
23	Total of scopes **1**, **2** and **3** emissions (location-based electricity) (tCO_2e) (sum of items **13**, **16**, **17**, **19**, **20**, **21** and **22**)	**10,089**	9,664	7,557	6,872	7,498
24	Total of scopes **1**, **2** and **3** emissions (market-based electricity) (tCO_2e) (sum of items **9**, **10**, **11**, **16**, **18**, **19**, **20**, **21** and **22**)	**9,389**	8,995	6,310	5,276	5,568
Intensity ratios – SECR-mandatory plus non-mandatory reporting:						
25	Total gross emissions (item **23**) per property owned and managed (location-based electricity) (tCO_2e / property)	**0.284**	0.287	0.240	0.225	0.250
26	Total gross emissions (item **24**) per property owned and managed (market-based electricity) (tCO_2e / property)	**0.265**	0.267	0.200	0.187	0.206

SECR - Explanatory notes

1. Data for 2019/20 and 2020/21 excludes EBHT, C&C and Enham Trust. Data for 2021/22 excludes C&C and Enham Trust. Data for 2022/23 excludes EBHT and Enham Trust. Includes all entities based on available datasets at the time of reporting;
2. Mains electricity and gas consumption data derive from invoices and have been provided by energy brokers engaged by the Group;
3. Fleet fuel consumption has been derived from fuel card data;
4. The energy consumption associated with business travel in employee-owned vehicles is not directly measured and has therefore been estimated from the mileage driven, which is captured by the company's expense handling software;
5. The consumption of fuel used in plant and equipment has been obtained from a combination of fuel card data (for petrol and diesel purchased from garage forecourts) and purchase invoices (other fuels);
6. The energy consumed by staff working from home has been calculated using the methodology set out in the EcoAct Homeworking Emissions Whitepaper 2020;
7. Emissions have been calculated using the 2023 UK Government Greenhouse Gas Conversion Factors for Company Reporting;
8. The intensity ratios for 2019/20 and 2020/21 in this report are different to the figures presented in the 2019/20 and 2020/21 SECR reports. This is because the number of properties owned and managed was under-reported previously; and
9. Where there is a small discrepancy between the totals shown and the sum of the constituent parts, this is the result of the rounding of figures.

Looking ahead we're going to be:

- Through our planned maintenance programmes, upgrading the loft insulation in almost 400 individual homes plus 15 blocks, re-insulating the cavity walls in 73 individual homes and 7 blocks, replacing the windows in 468 homes, and carrying out heating upgrades to 1,791 homes;
- Continuing to rationalise our office space to drive further efficiencies, in line with our flexible working offer. During 2024/25 we plan to reduce office space by at least an additional 975 m2 (13.0%);
- Launching a new salary sacrifice car scheme, which will allow employees to lease an electric or hybrid vehicle at a reduced cost;
- Carrying out energy efficiency upgrades to 95 properties funded through Social Housing Decarbonisation Fund (SHDF) Wave 2, bringing the total to 130 homes;
- Seeking further retrofit funding opportunities – including Social Housing Decarbonisation Fund (SHDF) Wave 3 - to enable us to accelerate our progress towards all properties achieving a minimum EPC rating of 'C' by 2030;
- Explore new technologies that complement our current innovations including the solutions deployed in our NextGen and Comfortframe retrofit pilot projects to help us improve the energy efficiency of our homes, drive down costs for customers and move us closer to achieving our net zero carbon goals; and
- Continue the implementation of our new five-year fleet strategy, which includes the phased introduction of lower- or zero-emissions vehicles to replace existing vehicles. During the current year at least twenty new mild-hybrid vehicles will be added to the fleet and a trial will be carried out of five fully electric vehicles.

Strategic Report

Maximising our

Social Purpose through our Brands

This year we've remained relentless in our mission to make as much positive impact in our communities as possible.

This is achieved in a number of ways across the Group including through our day-to-day services, our charitable entities – the Aster Foundation and Enham Trust – and through our brands. It's important to us to measure the benefits we're bringing to our communities so we can strive for continual improvement.

ASTER
FOUNDATION

The Aster Foundation

Mission:
To enable the better lives of 1,000,000 people by 2030 through combatting the causes and effects of poverty.

We work with people in three ways:

- Through initiatives in the community which focus on the three biggest causes and effects of poverty: lack of mental wellness and social connections, unemployment, and financial exclusion;
- The social incubator, **inc.** works with those who want to tackle the root cause of poverty in creative, proactive and innovative ways; and
- Social research gives a voice to those experiencing poverty - so the Foundation knows what to do, where and how to do it.

Our 4 big facts:

1. 4,921 people
were positively impacted by **Aster Foundation** programmes (over **16,391** people since 2021)

2. 2,223 people
were positively impacted by our mental health and social connectivity work, including:
- Training, coaching and one-to-one support;
- Developing mental health champions; and
- Improving beneficiaries outside spaces and initiatives to improve wellbeing.

3. 2,457 people
supported to be more financially included, including:
- Referrals and support through our financial wellbeing team;
- Energy voucher scheme; and
- Hardship fund.

4. 241 people
supported to move into meaningful employment, including:
- One-to-one support through our Into Work Officer;
- Careers through our **inc.** our social businesses; and
- Our Digital College.

Strategic Report

Maximising our

Social Purpose through our Brands

Enham Trust

Since Enham Trust joined us in October 2022, we've successfully integrated its central services, and housing and maintenance services into our Group. This means that Enham has access to a much wider set of skills and resources and can fully benefit from being part of a much larger business.

During the year, Enham reached over 6,900 individuals, through services which promote equality, dignity and choice, and supporting disabled people to live, work and enjoy life as independently as possible.

Working with our colleagues in Enham, and through engaging local communities and stakeholders, we've undertaken a significant amount of work to review the services on offer and importantly, future-proof the Trust. To date, we've invested over £11 million in Enham. This means we're stronger both in terms of our financial strength and in how we are coming together to create and deliver a vision for Enham's future.

Over the coming year Enham will focus on revisiting its vision, responsibilities, and service delivery models to make sure disabled people are at the heart of everything the Trust does. We'll be channelling resources on services and initiatives that meet Enham's ever-evolving needs. Alongside this, we'll be developing a vision for Enham Alamein that is inspiring and inclusive to ensure the village is a place where everyone in the community can live, work, and enjoy life.

Strategic Report

Maximising our

Social Purpose through our Brands

East Boro Housing Trust (EBHT)

East Boro Housing Trust Limited (EBHT) has been a member of the Group since 2020. During the year, as with the wider Group, customers are at the heart of the business at EBHT. This was reflected in the 80% overall customer satisfaction score, which demonstrates the exceptional service delivered by the team. EBHT delivered 24 new homes, surpassing its target of 22 new properties. EBHT has plans to continue delivering more new homes, including the development of the first ever Community Land Trust on the Isle of Portland.

Throughout the year the number of homes EBHT manages has increased to 536. Currently, 499 homes are rented, 23 are leasehold and 14 are shared ownership. Only 1.33% of customers are in arrears, against a target of 3%.

During 2023/24 over 41,500 hours of support and care were provided to adults with a learning disability and/or mental health support need by the EBHT Weymouth Supported Living Team. Additionally, Sheltered Housing Officers completed over 25,000 visits/welfare checks to sheltered housing customers in their own homes throughout Dorset.

The Weymouth Community Hub at the Waverley has been equally busy with over 1,130 people attending group art sessions held during the year. The Café and Community Shop run by the local charity "The Nest" has also continued to provide affordable food to thousands of people in the local Weymouth Community.

During the year, 4 formal complaints were received. All were resolved in line with the complaints policy, with 2 resolved at stage one and the remaining 2 resolved at stage 2 in the process.

Strategic Report

Maximising our

Social Purpose through our Brands

C&C LONDON HOMES SINCE 1926

Central & Cecil Housing Trust (C&C)

Grace House, our flagship redevelopment scheme in St John's Wood, London, has attracted a great deal of attention this year. The 170-apartment scheme, which opened in 2022 and includes 17 homes for market rent for people aged 55 and over, has attracted several high-profile visits including representatives from the Department for Levelling Up, Housing and Communities (DLUHC) and the Greater London Authority (GLA).

Grace House has also been recognised in a number of sector awards, winning Best Supported Housing Development – Urban in the Inside Housing Development Awards, and it was also 'highly commended' in the Housebuilder Awards for Best Retirement Scheme category.

We completed 111 new home lettings - 99 of which were for sheltered customers. Satisfaction among our sheltered housing customers, which makes up the majority of our customer base, stood at 81%.

We've made a concerted effort this year to reduce the time between someone moving out from one of our homes and a new customer moving in. Our average re-let time now stands at 52 days, down from 92 days the previous year. This achievement has been made following the introduction of a new voids, allocations and lettings process, leading to improved communication and compliance with processes resulting in significantly improved turnaround times.

Through our support fund helping those in financial hardship, we have assisted 28 customers with awards totalling £10,000 in 2023/24. We also supported 77 customers through our financial wellbeing service, which uncovered over £14,000 of unclaimed financial support which has been backdated and now paid to them.

Across our care homes our teams have continued to work incredibly hard to provide very high standards to care for our customers, keeping them safe and comfortable while providing good services and activities to encourage them to stay active. We've also sensitively supported with personalised care plans and end-of-life care as needed.

It's been very encouraging to consistently receive 98% customer satisfaction score month on month from our residents. And we're also delighted that our care services achieved a 9.4/10 rating based on direct feedback and positive comments from family, friends and loved ones on the Care Home UK website.

Additionally, all four of our care homes have maintained 'Good' status following inspections by the Care Quality Commission (CQC), with Homemead being the last to be inspected in April 2023. Cecil Court continues to be rated 'Outstanding' for leadership.

We averaged 94% occupancy across the year against a high target of 95%. While this was lower than the previous year (96.5%) we performed well above the sector average of 88%.

Strategic Report

Financial Review

Statement of Comprehensive Income

The Group had a strong year achieving turnover of £313.7 million and a profit before tax of £41.1 million (2023: £55.3 million). The main movements are set out below:

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Turnover					
Social housing	**253**	226	189	176	163
First tranche shared ownership	**48**	60	45	42	47
Non-social housing	**13**	15	7	7	5
	314	301	241	225	215
Operating costs					
Social housing	**(211)**	(191)	(147)	(129)	(122)
First tranche shared ownership	**(40)**	(51)	(39)	(37)	(39)
Non-social housing	**(12)**	(13)	(2)	(3)	(2)
	(263)	(255)	(188)	(169)	(163)
Profit on asset sales	**25**	20	23	18	20
	76	66	76	74	72
Other (loss) / profit, including joint ventures	**(3)**	15	123	-	15
Operating profit	**73**	81	199	74	87
Interest and similar income and charges	**(32)**	(26)	(28)	(28)	(27)
Profit on ordinary activities before taxation	**41**	55	171	46	60

Social housing rents were increased with the Group applying an increase of 7% and through the addition of new properties developed by the Group for both affordable and shared ownership rent.

Social housing costs have increased by £19.1 million, driven largely by an increase in investment in the Group's existing housing stock with a net increase of £8.7 million on major improvements, repairs and maintenance costs incurred in the year. Social housing lettings costs also include additional spend of £1.3 million on services, a £4.2 million increase in management costs and administrative expenses combined with increased depreciation costs of £3.3 million which includes an additional £1.1 million accelerated depreciation charges from the major works and replacements taking place within the Group. Care and transition services costs have increased by £3.4 million reflecting the additional stabilisation investment in Enham Trust.

First tranche sales achieved 387 shared ownership sales (2022: 422) delivering £48.0 million of sales in the year. The average sales price for a 40% first tranche share reduced by £6,000 as did the percentage of first tranche share sold which reduced by 4% on the previous year's level to 41%, however the margin on first tranche sales remained strong at 16.1%.

The Group continued to rationalise its stock, disposing of void units, inefficient parcels of unused land and other cost intensive stock that fail to meet the Group's asset grading tests. Overall, across all the Group's streams of asset sales, which includes the void disposal programme, stock options appraisal units, the land enhancement programmes, staircasing sales, right to buy and right to acquire, total proceeds of £39.0 million was raised (2023: £38.8 million). These proceeds will be directly reinvested back into the provision of new more energy efficient affordable homes than the ones sold. The overall profit on asset sales increased by £4.3 million to £24.6 million reflecting an increase in the number of units sold, with 125 void disposal units sold this year (2023: 64 units).

Other loss in the year includes £1.1 million loss in joint ventures and £3.1 million of impairment costs on housing assets under construction.

Operating profit was £73.7 million (£77.0 million before impairment) and the Group achieved an operating margin of 23.4% (24.4% before impairment) compared to 22.2% last year primarily a result of the increase in social housing lettings margin of 1.0%, reflecting the focus on driving efficiencies through the Group.

Net finance expense was £32.2 million (2023: £26.4 million) and includes interest payable of £43.5 million, an increase on last year following the Group's successful £250 million bond issue in June 2023, and interest receivable of £10.6 million.

Cash inflows and outflows

The detailed cash flow for the Group is set out on page **113** In summary the main cash flows for the Group were:

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Net cash generated from operations	**176**	167	175	145	129
Less net interest paid	**(45)**	(38)	(36)	(36)	(34)
	131	129	139	109	95
Investment in new properties	**(267)**	(264)	(208)	(156)	(197)
Social housing grant received	**31**	24	12	5	13
Proceeds from sale of other assets	**7**	-	-	-	3
Purchase of other fixed assets	**(8)**	(7)	(4)	(2)	(5)
	(106)	(118)	(61)	(44)	(91)
Drawdown of borrowings	**252**	148	40	325	153
Repayment of borrowings from / (to) joint ventures	**(8)**	12	13	8	(3)
Repayment of borrowings	**(146)**	(45)	(103)	(230)	(43)
Increase / (Decrease) in cash holdings	**(8)**	(3)	(111)	59	16

The Group held £86.5 million (2023: £94.3 million) of cash and cash equivalents at year end and had £1,331 million (2023: £1,227 million) of bank loans and bond debt.

Net cash flows from operating activities increased by £8.6 million on the prior year driven by increased revenues within the lettings side of the business which are partially offset by increases in social housing lettings operating expenditure. The Group's operating cash flow ratio is 107% with increases in social housing grant repayable within one year of £26.5 million and development build costs of £12.7 million offset by the increase in net cash flows from operating activities.

Cash invested in new properties and components was £266.8 million, an increase of £2.7 million on 2023, with the Group delivering 997 new homes in the year. Included in this figure is the Group's major repairs and maintenance spend of £32.8 million (2023: £20.5 million).

Sales proceeds from other assets includes £6.7 million from the disposal of the Waterloo Road and Sarsen Court office premises.

The Group issued £250 million of bond debt under its Euro Medium Term Note (EMTN) Programme coupled with utilisation of committed facilities and cash to finance the Group.

The repayments of borrowings include £146.2 million payment of cash into the Group's revolving credit facilities, which can be drawn down again at a later date, scheduled capital repayments in Aster Communities and Synergy Housing Limited as some of the Group's facilities mature and scheduled capital repayments made by Silbury Housing Holdings Limited.

Strategic Report

Financial Review

Statement of Financial Position

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Fixed assets					
Property, plant and equipment	**2,418**	2,256	2,089	1,843	1,757
Investment properties	**28**	28	19	18	17
	2,446	2,284	2,108	1,861	1,774
Non-current assets					
Debtors: amounts falling due after more than one year	**65**	53	59	68	89
Current assets					
Inventory	**35**	18	8	3	3
Debtors: amounts falling due within one year	**53**	58	44	37	27
Shared ownership properties held for resale	**61**	53	50	35	37
Cash and cash equivalents	**86**	94	96	207	148
	235	223	198	282	215
Creditors: amounts falling due within one year	**(165)**	(128)	(146)	(130)	(81)
Net current assets	**70**	95	52	152	134
Creditors: amounts falling due after more than one year	**(1,369)**	(1,259)	(1,113)	(1,152)	(1,114)
Pension liability	**(11)**	(10)	(17)	(41)	(32)
Other provisions	**(3)**	(4)	(3)	-	(1)
Net assets	**1,198**	1,159	1,086	888	850

The movements in the Statement of Financial Position are explained below:

1 **Property, plant and equipment -**
Predominantly the Group's social and affordable rented housing properties and components, with the increase driven by properties developed in the year of £184.2 million and net component replacements of £30.2 million, offset by depreciation of £34.1 million and disposals of £11.0 million;

2 **Debtors -**
This primarily includes the Loans to joint ventures, the Finance debtor and prepayments and accruals. Loans to joint ventures increased by £9.9 million with the investment in the new Thakeham Burgess Hill LLP scheme in the year, and are partially offset by reductions in prepayments and accrued income of £4.6 million;

3 **Inventory -**
Increases in inventory of £16.2 million relate to properties in the course of construction at the Bargates, Christchurch Station Road, Stalbridge development schemes;

4 **Shared ownership properties held for resale -**
This includes the first tranche element of the Group's shared ownership properties completed or under construction, but not yet sold. The increase relates to a greater number of shared ownership units under construction compared to last year (£8.8 million) coupled with a slight decrease in unsold completed units (£0.2 million);

5 **Cash -**
Decreased by £7.9 million due to a reduction in net cash generated from operations combined with an increase in investment in new properties offset by net new borrowings (see cash flow on page **113**);

6 **Creditors: amounts falling due within one year -**
This primarily includes accruals and deferred income, trade creditors, rent paid in advance, service charge over-recovery and the element of loans repayable within one year. The increase is due to an additional £26.5 million in social housing grant and an increase of £12.7 million in other creditors primarily driven by increases in development accruals. Loans repayable within one year has reduced by £2.9 million;

7 **Net current assets -**
the Group has positive net current assets with a ratio of current assets to current liabilities of 143% (2023: 174%);

8 **Creditors: amounts falling due after more than one year -**
This includes the Group's long-term debt. The net increase of £110.0 million is primarily due to additional borrowing from the Group's bond issue and draw-down of other facilities of £252.0 million offset by repayments of £146.2 million (see cash flow above), as well as £3.2 million of social housing grant receipts; and

9 **Pension liability -**
This includes the pension deficits from the Group's membership in the four local government pension schemes and the Social Housing Pension Scheme (SHPS).

Strategic Report

Value for Money Statement

Our operating environment remains a highly challenging one, as the effects of multiple economic shocks continue to impact our long-term financial planning. With the wars in Ukraine and Gaza ongoing, and the UK economy having fallen into recession at the end of 2023, economic uncertainty will likely persist throughout the year ahead. Meanwhile, some of the specific challenges our sector faces are set to continue, not least the need to invest more in our existing homes to improve quality and comfort, deliver new homes to help meet ever-increasing housing need and make further advances in decarbonisation.

The need to deliver Value for Money in all that we do has never been greater. The 2023/24 rent cap, imposed as a direct response to spiralling inflation and an acute cost of living crisis, removed approximately £500 million of income from our long-term financial plan, over and above the £670 million eradicated by four consecutive years of rent reduction that ended in 2019/20). Similar to the wider sector, the rent cap, coupled with the increased need to invest in our existing homes, has led to a deterioration in our financial strength and reduced headroom against our key financial covenants.

It is imperative that we seek ways to drive increased Value for Money as we continue to prioritise quality, safety and delivering good customer service. We believe Value for Money is about delivering social, financial, and environmental value across everything we do, underpinned by being effective in how we plan, manage and operate our business. The coming financial year will see us continue to take positive action to increase our effectiveness.

Corporate Strategy

Value for Money forms a central part of our business and organisational culture. We believe our Corporate Strategy reflects this and continues to be fit for purpose. We have continued to refine the long-term Strategic Priorities that will guide delivery of our strategy over the coming years, ensuring that we prioritise those activities that deliver against a central principle of our strategy: to provide safety and security through a range of housing and services. With our resources more stretched than ever, Value for Money considerations are baked into each priority – not just in terms of delivering our services more efficiently, but also delivering better outcomes for our customers and communities.

Through our treasury and business planning processes we understand our future funding requirements, ensuring funding can be effectively put in place to allow us to deliver our Corporate Strategy and Strategic Priorities. The Group looks to make best use of its capacity – analysing risks through scenario testing – by maximising borrowing and effectively utilising security whilst also maintaining credit strength. Achieving Value for Money is embedded in our capital and treasury structure, augmented by appropriate funding structures such as the Group's bond, to achieve interest cost savings which are re-invested in maintenance and new developments.

Progress against our Strategic Priorities will be monitored through a rolling programme of deep dive reports, with at least one being brought into each meeting of the Overlap Boards. Meanwhile, our Corporate Performance Framework will continue to provide a complementary view of the business's financial health and performance against our health and safety obligations, legal, contractual and regulatory requirements. This is also where we monitor the delivery of our efficiency targets, property investment, and the Regulator's Value for Money metrics. We will continue to benchmark our performance against a limited number of peer organisations that, collectively, we believe provide us with the most suitable barometer against which to assess and challenge how we are doing.

In the year ahead, we will continue to deliver a significant change programme that will drive increased Value for Money across all areas of our business. In addition to enabling the delivery of our Strategic Priorities and underpinning our customer service modernisation, this programme will include the roll out of Dynamics in HR, Finance and Payroll – enabling increased automation and unlocking long-term savings in the provision of our central services. We're also building new data and technology strategies, following detailed reviews of our existing landscape, which will be vital in transforming how we deliver our services in the future.

Procurement

Maintaining the financial health of our business requires colleagues being able to make sound, commercially driven decisions: procuring the right things, at the right time, in the right way. Following the externally led review of our procurement services we are creating new policies and procedures that will further embed procurement principles and practices into our culture and ways of working.

By evolving our procurement governance and controls, we aim to empower our colleagues while also positioning procurement activities to maximise opportunities and value for money for both the business and our customers. Value for Money (VFM) is not just about cost savings at the expense of the quality of the goods, services, and works that we procure. It is about gaining the best possible offering to optimise the use of our resources and our assets – driving both efficiencies and the best possible outcomes. These principles are embedded into our procurement policy and procedures, ensuring VFM is considered and gained at all stages of the procurement process.

We've also extended our sustainable approach to the contractors and suppliers we work with, so our procurement process attracts and collaborates with high calibre, environmentally friendly partners to benefit our customers.

With the Procurement Act 2023 coming into force in 2024, we are working on improving our systems and ways of reporting our procurement activity. Through this work there will also be increased opportunities to monitor and report on our procurement activities, increasing transparency and opportunities for scrutiny. In turn, it will enable better-informed decisions to be made, increasing VFM.

The Procurement Team is also working with other senior leaders across the business to develop a well-rounded and standardised approach to VFM, ensuring this is embedded in Group-wide practices and culture with demonstrable outcomes we can measure and report upon.

Governance

Our G1 rating (reaffirmed following our In-Depth Assessment in July 2023) indicates that our governance processes are sound and we are getting Value for Money from the investment we make in our governance, risk and assurance frameworks. Our internal governance framework provides assurance through various mechanisms:

- Our Value for Money measures and targets are monitored and scrutinised by our Operational Scrutiny and Assurance Panel (OSAP), and are also presented regularly to the Aster Group Overlap Boards;
- OSAP also monitors and tracks projects and initiatives which deliver savings, efficiency improvements and additional benefits;
- Our Group Investment and Assets Panel (GIAP) considers Value for Money in all decisions relating to our strategic asset, investment and development programmes. We recognise the challenging economic environment, and ensure that contractor performance and viability are key considerations in that decision making; and
- We track our social value through the work of the Aster Foundation, and through our wider activity across Aster Group, including through OSAP.

During 2022/23 we conducted an organisation wide governance review to ensure our structures and processes remain appropriate for our enlarged Group. The review concluded that strong governance arrangements are in place, working effectively, and demonstrating a strong focus on social value and customer focus. Areas for further refinement included balancing good governance with agility and pace and ensuring continued connectivity between all elements of the governance structure. Throughout 2023/24 we have begun to implement the outcomes from this review in a phased and considered programme, with changes to our internal panel and committee structure, more detail of which can be found on page **67**. We will continue to refine our approach to hearing and listening to our customer voice. We will also conclude our review of our corporate structure to ensure it remains fit for the future and offers the right balance between flexibility and Value for Money.

Stock Investment and Strategic Asset Management

The data collected during our intensive stock condition survey is being deployed to deliver improved Value for Money across a range of activities. The data has updated our Group living business plan encompassing our short, medium and long-term investment approaches. This is enabling us to develop strategic procurement opportunities with a high level of investment confidence for presentation to the contracting marketplace, with the view to securing the best balance between quality and cost.

Our new data is being used with the aim of aligning scheduled component replacement works together to achieve best value. Being informed by expected lifecycle and actual condition assessments together, this is further being aligned with upgrade work to decarbonise customers' homes and achieve a minimum of EPC C Standard by 2030 (further details can be found in our latest ESG statement).

The findings of the stock condition survey have also been used to inform our new draft Asset Management Strategy (AMS). The new AMS includes a programme of incentivised disposal of homes that are the least well performing for our customers and will require disproportionate investment. This approach, founded on the principle of providing attractive offers of alternative accommodation that customers will want to take up, will help ensure investment is being deployed where this delivers best value in terms of the quality of home and cost.

A breakdown of how we deliver Value for Money across our core services is to be presented on pages **50** to **57**.

Strategic Report

Value for Money Statement

Customer Services

We care for our customers and pride ourselves on offering a flexible, dedicated, skilled service which is centred around our customers and their evolving, varied and sometimes complex needs. Our customers sit at the heart of our operations and decision-making. This is reflected in the fact that three of our new Strategic Priorities are focused on Customer Services:

- **Customer Experience:**
  This is all about us finding ways to improve how we do things so that our customers have a good, proactive and seamless service, with a strong personalised focus. We're achieving this by providing consistent and flexible self-service options. This is supported by a Customer Hub which is equipped with the right technology, data and intelligence, and means we can tailor our services where needed;
- **Repairs and Maintenance:**
  We want to make sure our homes are fit for purpose. We want our customers to be able to rely on us to maintain their homes to a good standard and respond to their needs quickly. Further to our full stock condition survey that was completed in 2023, we're constantly evaluating our homes so we can maintain them efficiently and prioritise repairs effectively to minimise disruption for our customers. This means we can support on tackling issues in the home that truly matter to our customers; and
- **Investment in our homes:**
  We invest in our homes for the long-term, making them as sustainable as possible. We're embracing technologies that add genuine value for customers and empower them with more self-service choices. This investment is also about us providing safety and security for our customers. By using our up-to-date insights, we can support them as best we can and ultimately make sure they are efficient and affordable to run.

We will deliver these Strategic Priorities through our Customer Services Modernisation Programme. We've been working hard to show positive change through this programme which is all about us striking the right balance between investment and value for money for our customers; which includes continually challenging ourselves on how effective and efficient our processes are, with a view to both improving our colleagues" experience and the services we provide.

The health and safety of our customers is paramount and we won't compromise on this. We are investing in our homes and services, enabling customers to sustain their tenancies and to live independently for longer – providing security for our customers and our business.

We will continue to strive to maximise our income and generate efficiencies through our digital evolution programme and better understanding of our customers' needs – ensuring services are tailored and cost effective.

There are a number of measures that help us to assess VFM within Customer Services. They are as follows:

Value for Money performance at **2023/24** year end	**2023/24**
% current rent arrears	**2.00%**
% former arrears	**1.10%**
All voids turnaround times (days)	**25**
% void loss	**0.69%**
% satisfaction with repairs service	**81.3%**
% Ratio of responsive repairs to planned maintenance spend	**31%/69%**

Asset Management

In support of our Strategic Priorities, and while developing our new Asset Management Strategy (AMS) (2024-27), we have continued to ensure we maximise our returns on investment and make best use of our assets - including the acquisition and disposal of assets that secure strategic, social or economic value.

Through our voids disposal programme (VDP), land enhancement programme (LEP) and stock options appraisal programmes (SOAP), we secured cashable and non-cashable savings of £600k from work we will no longer have to carry out in the short term as a result of disposals.

We will always ensure that local needs are considered and balanced with the opportunities for reinvestment in existing homes and neighbourhoods.

Value for Money performance at **2023/24** year end	**2023/24 £ m**
VDP - net capital receipts	**23.7**
SOAP - net capital receipts	**6.2**
LEP - net capital receipts	**0.9**

Development

Our New Homes Strategic Priority focuses on investing to deliver high quality new homes that are safe, accessible and efficient to run, across a range of different housing tenures, and geographies. Our Development programme is targeted at making the biggest difference to the housing shortage, by building as many homes as we can. This doesn't mean sacrificing on quality or the scale of our investment.

Our strategy is focussed on delivering our own programme of land led sites through partnerships, with control and quality remaining our overall focus. This programme is managed through dedicated technical teams who are involved in every step of the process, delivering homes that balance value and quality from inception to handover. All development contracts are required to meet several criteria and subject to a rigorous approval process – ensuring we balance investment, our strategic objectives and income generation to provide value for money for our customers, communities and the business.

Our partnerships with community land trusts (CLTs) require higher investment. This has been a conscious decision to support our strategy to build sustainable communities by creating a supply of affordable homes to meet local need across the whole of our geography.

Our Joint Ventures (JV) with Vistry, one of our housebuilding partners, have reached maturity with completion due early 2025, with significant value drawn from our partner's commercial expertise. The partnership continues to drive best value whilst balancing risk in the delivery of our larger mixed tenure developments. This year we entered into a new JV with a medium sized local housebuilder to deliver 120 net zero carbon homes within one of our new growth areas. Our ambition is to maximise on learnings and capture best practise to deliver more net carbon zero homes going forward.

Value for Money performance at **2023/24** year end	2023/24
Number of affordable homes built (excluding JVs)	**922**
Number of open market sales homes built	**75**
% customers satisfied with the quality of their new-build home	**89.7%**
% of homes built to EPC B or above	**99.7%**

Aster Foundation

Value for Money is not just about pounds and pence. The Aster Foundation supports Aster's vision of '**Everyone has a home'** by creating impact programmes which enable people to sustain those homes when life challenges get in the way; whilst also addressing the root of the challenges through the Foundation's social incubator, **inc.**

Value for Money performance at **2023/24** year end	2023/24
People were positively impacted by Aster Foundation programmes (over 16,391 people since 2021)	**4,921**
People supported to be more financially included	**2,457**
People have been supported with their mental wellness or social connectivity	**2,223**
People supported to move into meaningful employment	**241**

Enham Trust

During its first full year within the Group, Enham Trust remained committed to achieving best Value for Money, while continuing to prioritise quality, safety, and good customer service.

In Enham we deliver services that promote equality, dignity, and choice, supporting disabled people to live, work and enjoy life as independently as possible. Becoming part of Aster Group has enabled Enham to improve its effectiveness; for example, through economies of scale and access to a much wider range of expert colleagues.

The services we deliver through Enham achieve social impact through the effect that we have on the lives of the people and communities that we support, and social value through giving back to the community as part of our work.

Value for Money performance at **2023/24** year end

	2023/24
Number of individuals supported to access the 'Choices Programme' offering a wide range of activities and sports helping to improve physical and mental wellbeing	**69**
Number of hours live broadcast by disabled people for Radio Enham, the radio station helping individuals develop confidence and skills	**1,750**
Number of hours of sports and physical activities including Archery, keep-fit, dance fit, Boccia, boxing and yoga supporting disabled people to improve their physical and mental wellbeing	**520**
Number of hours of supported employment opportunities taken up in our social enterprise enabling disabled people to secure and retain paid employment	**34,625**
Number of individuals accessing Direct Payment Support Services increasing choice and control with their care and support needs	**6,481**
Engaged Corporate supporters: Number of volunteer hours (hours of time valued at nearly £33,000 supporting us to achieve outcomes across our service delivery and local community and offering us the opportunity to raise awareness of disability)	**2,153**

Value for Money Metrics

2023/24 Value for Money performance

The Group's performance in 2023/24 provides strong evidence of the commitment set out in the approach to VFM.

Performance against the Value for Money key metrics

Set out below is the Group's sector scorecard comparison showing the median and upper quartile positions as well as the Group's target for 2025.

Key to performance

- Performance is in the Upper Quartile
- Performance is Median
- Performance is in the Lower Quartile

Reinvestment

Aster's Performance 2024	Aster's Performance 2023	Aster's Performance 2022	Scorecard 2023 Median	Scorecard 2023 Upper Quartile Threshold	Target 2025
11.2%	11.5%	10.1%	6.7%	9.4%	Upper Quartile

Reflects the investment in social housing properties (existing stock and new supply) as a percentage of the total value of social housing properties held (Aster measure the total value of social housing properties at deemed cost).

New supply delivered - social housing

Aster's Performance 2024	Aster's Performance 2023	Aster's Performance 2022	Scorecard 2023 Median	Scorecard 2023 Upper Quartile Threshold	Target 2025
2.5%	3.3%	2.2%	1.3%	2.2%	Upper Quartile

Sets out the number of new social housing units, excluding those homes delivered through the Group's joint ventures, that have been acquired or developed as a proportion of total social housing units owned at the period end.

New supply delivered - non social housing

Aster's Performance 2024	Aster's Performance 2023	Aster's Performance 2022	Scorecard 2023 Median	Scorecard 2023 Upper Quartile Threshold	Target 2025
35.5%	38.3%	54.5%	-	-	-

Sets out the number of new non social housing units, including those homes delivered through the Group's joint ventures, that have been acquired or developed as a proportion of total non social housing units owned at the period end.

New supply delivered - combined

Aster's Performance 2024	Aster's Performance 2023	Aster's Performance 2022	Scorecard 2023 Median	Scorecard 2023 Upper Quartile Threshold	Target 2025
2.7%	3.6%	2.7%	-	-	-

Sets out the total number of new housing units, including those homes delivered through the Group's joint ventures, that have been acquired or developed as a proportion of total housing units owned at the period end.

2023/24 Performance (continued)

Gearing

Aster's Performance			Scorecard 2023		Target 2025
2024	2023	2022	Median	Upper Quartile Threshold	
52.2%	51.0%	50.0%	45.0%	54.0%	**Upper Quartile**

Calculated as net debt (loans less cash) as a proportion of social housing assets. Shows how much of the social housing assets are made up of debt, and the degree of dependence on debt finance. It also sets out the potential capacity for further borrowing which can be used to fund the future development of new housing.

EBITDA MRI ① interest cover

Aster's Performance			Scorecard 2023		Target 2025
2024	2023	2022	Median	Upper Quartile Threshold	
125.9%	164.7%	182.5%	128.8%	169.0%	**Median Quartile**

Seeks to measure the level of surplus generated compared to interest payable. It is a key indicator for liquidity and investment capacity.

Headline social housing cost per unit (CPU)

Aster's Performance			Scorecard 2023		Target 2025
2024	2023	2022	Median	Upper Quartile Threshold	
£5,461	£4,836	£3,857	£4,586	£5,847	**Median Quartile**

Assesses the headline social housing cost per unit as defined by the Regulator. Costs include management costs, service charges, maintenance, major repairs, other social housing costs and other operating costs on housing lettings, but excludes depreciation.

Operating margin - overall

Aster's Performance 2024	Aster's Performance 2023	Aster's Performance 2022	Scorecard 2023 Median	Scorecard 2023 Upper Quartile Threshold	Target 2025
15.5%	15.4%	21.8%	18.2%	23.0%	**Median Quartile**

Demonstrates the profitability of operating assets before exceptional expenses. Defined as operating profit, excluding surplus on sale of property, plant and equipment, as a percentage of total turnover.

Operating margin - social housing only

Aster's Performance 2024	Aster's Performance 2023	Aster's Performance 2022	Scorecard 2023 Median	Scorecard 2023 Upper Quartile Threshold	Target 2025
21.4%	20.4%	25.6%	19.8%	25.5%	**Median Quartile**

Demonstrates the profitability of social housing operating assets before exceptional expenses. Defined as operating profit derived from social housing activities, excluding surplus on sale of property, plant and equipment, as a percentage of social housing turnover.

Return on capital employed (ROCE)

Aster's Performance 2024	Aster's Performance 2023	Aster's Performance 2022	Scorecard 2023 Median	Scorecard 2023 Upper Quartile Threshold	Target 2025
2.8%	2.8%	3.5%	2.8%	3.6%	**Median Quartile**

Compares the operating profit [2] to total assets less current liabilities.

1. EBITDA MRI is Earning before interest, tax, depreciation, amortisation, excluding profit on disposal of property, plant and equipment, but including the cost of capitalised major repairs (major repairs included). Interest includes the group's interest payable plus interest capitalised during the year but excluding interest on the net pension liability.
2. Operating profit includes the Group's operating profit inclusive of profit from disposal of property, plant and equipment, and the share of profit in joint ventures.

Value for Money Metrics

2023/24 Performance (continued)

The Group is committed to being a leader in the sector for both reinvestment and new supply delivered. This is a priority of the Group as we look to achieve our vision that every one has a home. The business model is worked hard to develop as many new homes as possible within the Group's financial capacity and in 2024 we built 997 homes (of which 922 were affordable), closing the year with 36,936 homes owned (36,359 of which were affordable).

The reinvestment metric is measured as a proportion of the value of the Group's properties. Although we delivered fewer completed homes compared to the prior year, we have spent £233.1 million on development and we're investing £32.8 million in capital work on existing stock, an increase £10.6 million on the prior year.

Both of these Group metrics measuring in the upper quartile of the sector is testament to our belief that the greatest role to play in tackling the housing crisis is "building as many homes as we can" and is a key strategic theme for the Group.

Our ambition is also highlighted by the level of gearing which has increased by 1.2% on the prior year. This underlines the strength of the Group's balance sheet and provides capacity for the Group to borrow further to support its development program. The increase in the Group's gearing ratio reflects the increase in net debt of £111.3 million to £1,244.3 million offset by the growth in the Group's housing properties of £162.3 million.

Although EBITDA MRI interest cover has reduced to 125.9%, it remains in a strong position, the Group choosing to continue with its development program despite the imposed rent cap, well documented inflationary pressures and the wider economic environment. The fall in the metric, which is consistent with a reduction across the sector, is a result of a fall in EBITDA MRI of £0.6 million compared with net interest costs which have increased in a greater proportion (£11.9 million) on the previous year and dilute the Group's interest cover metric.

The social housing cost per unit has increased by £625 since the prior year due to increases in capitalised major repairs of £317, routine and planned maintenance and major repairs of £190 combined with increases in service charge costs of £16 and management costs of £81. Our approach to VFM is not to necessarily be the cheapest, but to still offer excellent value, and to provide customers with good, safe homes and with good, reliable services.

Operating margins, although a good measure of overall profitability, should be viewed in the context of the diversity of activities in the sector. Although Aster's overall operating margin continues to perform below the sector median, it has remained consistent with 2022/23 and includes a £3.1 million one off impairment to housing assets under construction.

The social housing operating margins have increased on the prior year and are performing slightly higher than the sector median. The increase in social housing lettings costs of £17.4 million (including increases in major improvements, repairs and maintenance, services, management costs and depreciation) are offset by increased rental and service charge income of £24.7 million.

Whilst overall return on capital employed (ROCE) gives an indication of how well our Group's assets make a financial return, our asset management plans focus on improving how the asset base can perform better as well as improving our homes. ROCE has remained consistent with the prior year at 2.8% with the Group's asset base increasing by £148.6 million combined with increases in the operating surplus before asset sales of £2.1 million, asset sales of £4.3 million, offset by a £1.1 million share of joint venture losses.

Risk Management and Principal Risks

Risk and uncertainty

Managing risks in an uncertain, complex and ever-evolving operating environment

Risk management

Recognising and responding to obstacles even before they arise and appropriately managing identified threats and potential opportunities enables the Group to successfully navigate through all situations, deliver operating performance and protect long-term success.

Together with the Board defining the Group's Strategic Priorities in the short and medium term, during 2023/24 a full review of the risk register was undertaken from operational through to strategic.

In the past year, there has been significant activity to integrate the operational services of entities that have joined the Group in recent years. Proactive management of risk has been a focus, ensuring customers enjoy a positive overall experience and intended benefits and efficiencies are realised.

Our approach

Risk management is recognised as an integral part of good management practice. From the Board to our customer facing teams, it is integrated into strategic and service planning processes and into corporate performance and oversight.

The Aster Group Ltd Board, supported by its Committees and the Executive Board is accountable for ensuring threats and opportunities are managed appropriately. The members of the Executive Board, supported by the Senior Leadership Team, are responsible for effective risk management collectively, and within their areas of accountability.

Emerging uncertainties

Multiple changes in the operating environment, fiscal volatility and ensuring building and fire safety arrangements meet new regulatory requirements, in addition to a new consumer regulation framework, combine to present significant challenge for all Registered Providers. Looking ahead is a fundamental element of the Group's approach to risk management and the Board ensure a balance between receiving assurance over the management of current risk with looking to the risk horizon.

The Group maintains an operating environment and horizon risk map and uses this to consider emerging uncertainties that may impact in the longer term when making strategic and business planning decisions.

Risk appetite

The Group's strategic risk appetite statements convey the type of risk that the Group is willing to take in pursuit of its aims and objectives. They also set out the risks that should not be taken in any circumstance.

Risk appetite definitions

1. **Hungary**
   Eager to be innovative and choose options offering higher potential reward despite greater inherent risk;
2. **Open**
   Willing to consider all potential objective delivery options and choose those that provide an acceptable level of reward for the risk taken;
3. **Cautious**
   Preference for safe objective delivery options that are inherently low risk that can be well managed.
4. **Minimalist**
   Preference for very safe objective delivery options that are inherently very low risk; and
5. **Averse**
   Avoidance of risk and uncertainty.

This approach recognises that known and understood risk can and should be taken to achieve the Group's objectives, if it is within its risk appetite, actively managed and balances risk against likely reward. While the Board accepts operational risk is inevitable and that perfect risk avoidance is neither possible nor necessarily desirable, risks related to safety, financial viability, statutory or regulatory compliance must be actively managed and mitigated.

Measures of business health and operational delivery are reported against a set of risk- based tolerance thresholds, with the tolerance for under performance informed by the Group's risk appetite and driven by the potential consequences of not achieving targets set. The risk appetite for any risk that could have a material negative impact on customers, employees or the financial plan is averse, translating to limited tolerance for any deviation from target performance.

The Board reviewed risk appetite for the start of the 2024/25 financial year, making a number of adjustments in recognition of the current operating environment.

Risk assurance

An established assurance model forms part of the Group's sound system of internal control and is a core element of the Group risk framework.

Management **Reporting**

Operational management is responsible for designing, executing and maintaining effective risk management plans and control processes.

They identify, assess and mitigate risks, including through the development and implementation of policies and procedures and ensure that activities are consistent with Group objectives and risk appetite.

Operational managers oversee the execution of these management plans and are responsible for corrective actions to address potential process and control deficiencies.

Corporate **Oversight**

Specialist teams deliver oversight and scrutiny activities for the Group, obtaining and providing assurance over the wider sources of performance information and management reporting.

Independent **Assurance**

This includes the Group's internal audit function but also external sources such as accreditations, regulatory gradings and external audit.

An internal audit programme is purposely designed to provide a wholly independent and objective opinion on the framework of governance, risk management and control throughout the organisation.

Strategic Report

Risk Management and Principal Risks

Principal risks

During 2023/24, the Board regularly reviewed the threats which it believes could adversely impact on the achievement of objectives or impact on the delivery of good services to customers. The Board also focused on the uncertainties which could present opportunity to further deliver the Group's vision and purpose. The following list provides an overview of the principal risks to the Group at the end March 2024. The list is not exhaustive or set out in order of priority.

Customer satisfaction and wider perception

Our service delivery doesn't meet customers' needs and expectations or significant events erode stakeholder trust.

Our response

Through defined strategic priorities, work continues to challenge and improve our repairs service, invest in our customer's homes and focus on our customer contact experience offering a consistent and modern omni-channel approach, known collectively as our Modernisation Programme.

We are a member of the Institute of Customer Service and conduct customer and colleague surveys. This benchmarking information works alongside wider insight from Tenant Satisfaction Measures, operational performance data and transactional satisfaction data to inform priority setting within the programme. We also listen to customer voice through consultation forums and involved customer groups, with the overall aim of focusing our programme on changes that will improve customer satisfaction, reduce complaints and ensure the quality of our homes.

To respond to the sector trend of an increase in complaints and findings of service failure, we have undertaken a number of internal activities such as deep dives, case reviews and an internal audit with resulting outcomes including the implementation of a new case management technology solution. Learning Circles have been introduced to learn from complaints in a highly restorative way.

Delivery of new homes

External factors restrict the ability to deliver the planned developer led or land led new build programmes.

Our response

We take a proactive approach to building and maintaining stakeholder relations including developers and local authorities.

The Group Investment and Asset Panel (GIAP) monitor delivery and forward forecast of new homes.

This panel oversight is complemented by a range of management controls, such as development review meetings, tracking of KPIs and Operational Performance Indicators (OPIs) and programme forecasting and monitoring.

The Living Business Plan reflects changes in the forward programme and forecasted handovers.

Our land-led development programme is delivered under a mini-framework agreement which was re-tendered in 2023, increasing the number of contractors. To manage counter-party risk, all build contracts are financially scrutinised and financial checks undertaken with additional securities implemented proportionate to the risk of the contract.

Investment in homes and sustainability

Investing in homes to meet current and future decent home and building fabric requirements, carbon reduction milestones and Net Zero by 2050.

Our response

A key part of our assurance about the condition of customers' homes is provided by our stock condition survey data. The substantive phase of the intensive survey was completed early in 2023.

This new stock data has been used to update the living business plan, reflecting an increased programme of investment works for the coming five years alongside disposal of homes that perform least well for customers and will cost more to improve.

The programming of works includes allowing for the alignment of different workstreams into linked delivery phases where enhanced values for money and minimised customer disruption can be achieved by doing so.

We have used our new data to develop an outline home decarbonisation roadmap, setting out our plans to deliver a minimum of EPC C by 2030 and our stage decision making for net zero carbon.

Property market

The property market experiences a slowdown and/or a reduction in property values.

Our response

The Marketing and Sales intelligence reporting submitted to GIAP quarterly, whilst retrospective, offers assurance on the market environment and acts as an early warning indicator of changing risk profile.

Sales and market performance trends are monitored at GIAP and by the development leadership team monthly which includes analysis on the percentage of sales unsold, average first tranche percentage shares, off plan sales rates, unsold stock and market valuation trends.

We conduct regular stress testing on a wide range of scenarios including a property market downturn. In addition, a property market downturn is modelled at the same time as other significant factors like high borrowing costs.

Financial performance and resilience

Below acceptable operating and profit margins and /or challenges accessing viable funding and re-financing options.

Our response

Budgets are rigorously set and re-forecast through the year, flowing into a Living Business Plan.

Through KPIs and Operational Performance Indicators, performance is reviewed against budget and against key metrics and golden rules set out in the Group's Treasury Management policy.

Stress testing through multi-variant scenarios cover a range of different potential economic scenarios to ensure the Group can mitigate against potential economic risks. Also, other relevant scenarios are tested as and when appropriate.

We operate a mixed funding strategy and as a result this minimises exposure to a single source of funding.

Principal risks (continued)

Regulatory standing

Our governance, service delivery or an incident, result in a decline in our relationship and reputation with a regulator.

Our response

While the priority focus is on prevention of any incident that may result in non-compliance with any regulatory regime, we recognise the value in maintaining transparent and effective relationships with key regulators.

Oversight comes from a comprehensive compliance framework that encompasses all legal and regulatory responsibilities. We regularly review services and internal controls against regulatory standards, recognising the breakdown in trust that could occur as a result of a failure and are committed to providing good quality and compliant services.

Strong governance and robust probity arrangements minimise the potential for a corporate crisis event.

Health and Safety

A health and safety issue leads to serious injury or ill health.

Our response

The Group's Health and Safety Policy, arrangements and management system set the framework for a consistent safety first culture.

Property safety activity is controlled by a set of system driven programmes. Cyclical inspection and servicing, and remedial works arising from those programmes are similarly captured and fulfilment monitored via KPIs and OPIs, reported monthly.

The measures have a defined tolerance reflective of the critical nature and potential consequences.

Technology and Change Management

Our technology infrastructure is unable to support our current or future needs, and/or our change activity and investment is unsustainable, uncoordinated or misdirected.

Our response

Change programmes are aligned to the identified strategic priorities, key enabling activity or to regulatory driven change. This ensures collective focus on and investment in, the activity most critical to the delivery our strategic aims and core services.

Delivery of the change programme is monitored by the Operational Scrutiny and Assurance Panel, supported by focused groups overseeing integration or specific linked projects.

Infrastructure integration is well advanced ensuring colleagues are working within secure environments on the same systems. A new Technology Plan from 2024/25 will ensure continued evolution of our technology infrastructure.

People and Culture

Investing in homes to meet current and future decent home and building fabric requirements, carbon reduction milestones and Net Zero by 2050.

Our response

A recently launched Workforce Planning approach will provide richer insight and support activities to ensure we are developing the skills required by us as a business both in the short and longer term.

We use our apprentice programme and access to the Apprenticeship Levy to enable colleagues to develop new skills and have access to professional qualifications. This enables us to provide opportunity for development and to grow our own talent through upskilling and reskilling and to retain top talent and colleagues with potential.

We use insights to ensure motivators are understood across the workforce and are re-focusing the colleague offer on areas known to have the biggest positive impact on engagement across the Group.

Data security, quality and integrity

A lack of quality data or a breakdown in data integrity control frameworks, or an IT security breach causing data loss and/or system compromise/failure.

Our response

As part of a system modernisation and integration project, data cleansing has been completed on a number of key data sets. From 2024/25, a new Data Plan and data quality framework will assign clear roles and responsibilities, supporting how we govern data across the Group in the future.

During 2023 we achieved Cyber Essentials accreditation and continued work to further strengthen a security rating that already benchmarks higher than our peers.

There is proactive security monitoring, with disaster recovery and cyber response plans tested regularly.

ASTER GROUP

Corporate Governance Report
Introduction

This section of the annual report describes the Group's Corporate Governance structures, our processes and how they have been applied throughout the year.

Corporate Governance Report

Introduction

The Board of Aster Group Limited (Group Board or Board) is responsible for ensuring the sound running of the Group.

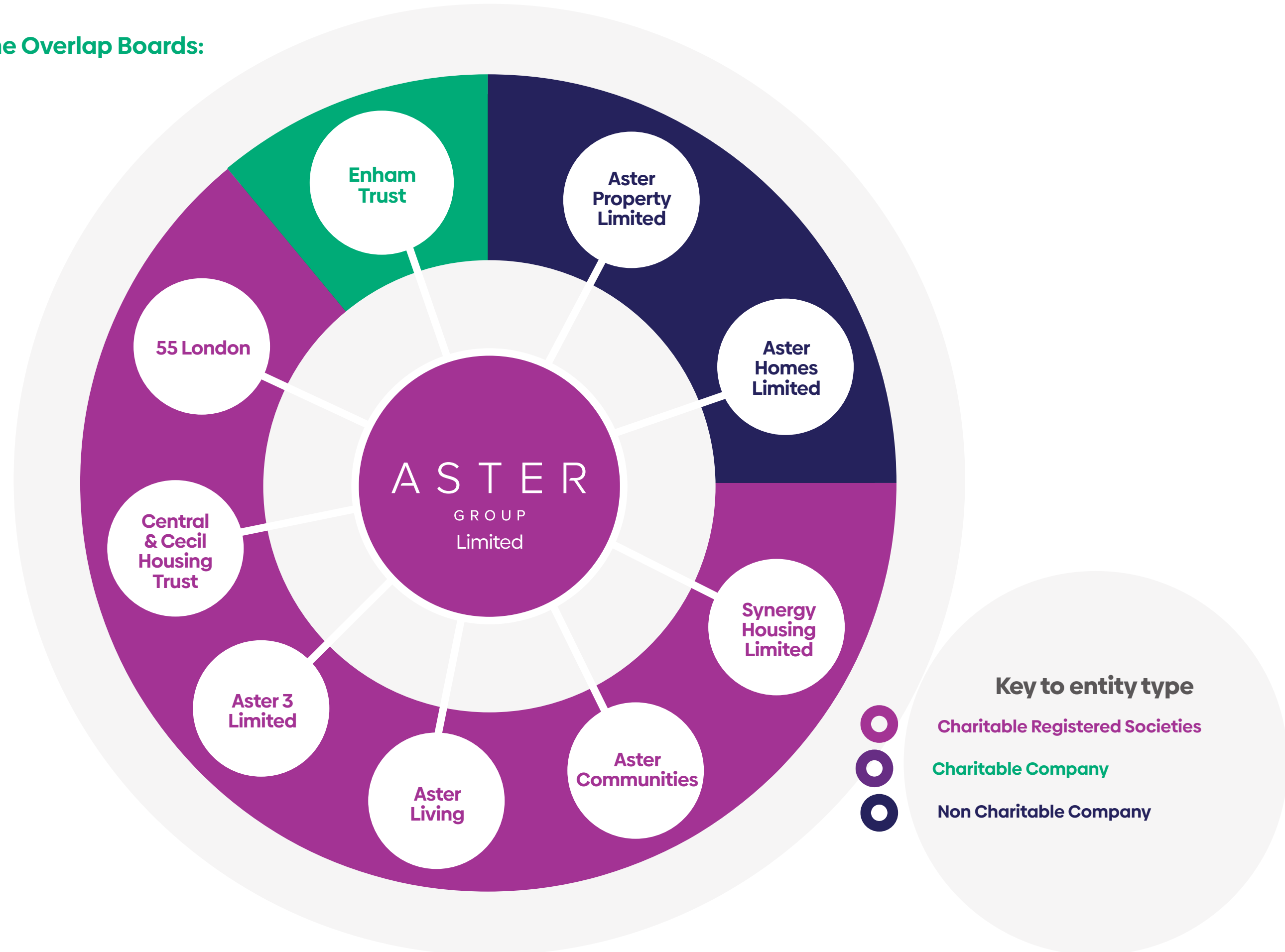
To achieve this and the aims of our corporate strategy the Board must be supported by appropriate and well managed governance processes.

The Group continues to comply with the Regulator of Social Housing's (RSH) Governance and Viability Standard in full and has achieved the highest rating of G1 / V1 rating which was reaffirmed by the RSH in July 2023.

Corporate structure

The Group operates with an "Overlap Boards" structure to ensure that the Group Board has full visibility of all subsidiary activities.

The Overlap Boards:



This overlap structure enables Board members of our registered societies, Trustees and Directors of our companies to fulfil their duties to act in the best interest of the individual entities. The Group's other operating subsidiaries have their own Boards appointed in accordance with the Group's scheme of delegation. This approach ensures full visibility and accountability throughout the Group.

The full Group structure is shown page **12**.

Corporate Governance
Structure

The Group's governance structure until January 2024 comprised:

Aster Group Limited Board	Responsible for the overall direction of the Group, formulating strategies and plans and monitoring the work of the committees.
Subsidiary Boards	Contribute to the overall direction and strategy and formulate the approach and plans for the subsidiaries in line with the overall Group.
Customer and Community Network	Oversees service delivery to all of the Group's customers and the work it does in communities. Its focus is the Group's social purpose and social impact while being mindful of the economic and regulatory environment that the Group operates in.
Aster 55 Committee	Leads the development of a strategic plan, offer and delivery model for the provision of over 55s services across the Group.
Group Remuneration and Nominations Committee	Considers matters relating to the recruitment and development of Board Members, Independent Members and Executive Directors. This includes remuneration policy and frameworks, remuneration implementation, nominations to Boards and committees and Board effectiveness assessments. It also oversees reward for the Group's colleagues.
Group Audit Committee	Oversees the appointment of internal and external auditors and the scope of their work. It also reports on the operation of the internal control arrangements and scrutinises the statutory accounts.
Group Treasury Committee	Oversees the Group's treasury management activities and makes recommendations to the Boards on those activities.
Group Risk and Compliance Committee	Oversees the management of risk including the development of an effective risk management framework and oversees compliance with statutory regulatory requirements.
Executive Board	Responsible for implementing the Group's strategy, ensuring that financial and other resources are in place to deliver the Group strategy.

Key activities and changes

In line with the UK Corporate Code, Aster completed a triennial external review of our internal governance with Deloitte during the previous year. Aster has taken this opportunity to have a thorough review of its governance arrangements and following this has decided to make changes to the current panel and committee structure. The Board has carefully reviewed the proposals and from January 2024 the following committee and panel structure is in place to provide assurance and guidance.

Group Remuneration and Nominations Committee	Considers matters relating to the recruitment and development of Board Members, Independent Members and Executive Directors. This includes remuneration policy and frameworks, remuneration implementation, nominations to Boards and committees and Board effectiveness assessments. It also oversees reward for the Group's colleagues.
Group Risk and Assurance Committee	Group Risk and Assurance Committee provides oversight of the organisations systems for financial reporting, risk management and internal controls. They work closely with auditors to ensure the integrity of financial statements, and oversee the systems in place to identify and monitor the risks that could prevent Aster Group from achieving its strategic objectives.
Group Treasury and Finance Committee	The Group Treasury and Finance Committee oversees the effectiveness of the Group's treasury and financial management.

Corporate Governance Report

Corporate Governance

Compliance Code

What is the UK Corporate Governance Code?

The Group's governance framework has been structured based on the principles of the UK Corporate Governance Code 2018 ("the Code"). The Code sets out the standards of good practice and the principles that the Board of Directors should apply in order to promote the purpose, values, and future success of the Group.

Main principles of the Code

The Code itself is a guide to key components of effective Board practice. It is based on the underlying principles of all good governance: accountability, transparency, probity and a focus on the sustainable success of an entity over the longer term.

The Code in the Annual Report

For further information about Aster's alignment with the core principles of the UK Code;

1. **Board Leadership and Company Purpose**
   Our Vision and Strategy — See page **16**
2. **Division of Responsibilities**
   Statement of Director's Responsibilities — See page **99**
3. **Composition, Succession and**
   Evaluation Board of Directors — See page **90**
4. **Audit, Risk and Internal Control**
   Risk Management — See pages **58** to **63**
5. **Remuneration**
   Directors Remuneration Report — See pages **98** to **99**

Aster's approach to governance

Aster is committed to ensuring that the business is well-run and true to its social purpose and the vision and values which drive its success. Governance is key to ensuring that Aster can achieve its mission whilst ensuring that it delivers a safe, sustainable, cost effective and legally compliant service.

Compliance with the Code

The UK Code works on a comply or explain basis. Except as referred to below, the Group has complied with all relevant principles of the Code throughout the year. The Group Board sets the standard of governance across the Group and ensures compliance with the Code.

- (9.4) A Chief Executive should not become Chair of the same company. If, exceptionally, this is proposed by the Board, major shareholders should be consulted ahead of appointment;

  The majority of Boards across the Aster Group have a Non-Executive Chair. The Group Chief Executive is also the Chair of two operational subsidiaries Central & Cecil Innovations Limited and Central & Cecil Construction Services Limited. These appointments were agreed in consultation with the Group Chair of the Group Board, being the parent and the main shareholder, who considered this to be appropriate due to the operational nature of these special purpose entities;

- (11.1) At least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent;

  In the case of the special purpose subsidiaries listed below it was felt appropriate to have the following appointments:

  - Both Silbury Housing Limited and Silbury Housing Holdings Limited have only one Independent Non-Executive Director on each of their Boards;
  - Five operational subsidiaries have all Executive Boards:
    - Aster LD Limited, Aster Solar Limited, Aster Treasury Plc, Central & Cecil Innovations Limited, and Central & Cecil Construction Services Limited;

- (18.1) All Directors should be subject to annual re-election;

  Aster's Non-Executive Board members are appointed for a maximum of three years at a time. The Chair of the Overlap Boards is appointed on an annual basis. Chairs of operational subsidiaries are Executives and are reviewed from time to time. The Group Board is confident that the evaluation of the individual Directors sitting on these specialist Boards, through routine monitoring of performance by the Overlap Boards, Executive Board and operational panels, ensures they are fit for purpose; and

- (21) There should be a formal and rigorous annual evaluation of the performance of the Board, its Committees, the Chair and individual Directors;

  The Group Remuneration and Nominations Committee (GRNC) is committed to annual evaluation of the Boards and Committees. The scale of the business and meeting calendars mean that the evaluation cycle can sometimes extend beyond the Provision's recommended 12-month period. However, Aster ensures this extension does not run past 18 months. The GRNC is confident that this approach is sufficiently robust and appropriate for the Aster structure.

Compliance snapshot

Of the 41 Provisions set out by the Code, the table below highlights those which were not applicable to Aster as an organisation, along with the Provisions for which their approach has been explained (further information to the above).

1	Board Leadership and Company Purpose	1	2	3	4	5	6	7	8		
2	Division of Responsibilities	9	10	11	12	13	14	15	16		
3	Composition, Succession and Evaluation	17	18	19	20	21	22	23			
4	Audit, Risk and Internal Control	24	25	26	27	28	29	30	31		
5	Remuneration	32	33	34	35	36	37	38	39	40	41

Complied | Explained | Not applicable

Corporate Governance Report

Corporate Governance

Role and Responsibilities

The role of the Board – What do we expect of our Board?

The Board's role is to provide leadership to the Group and direction for management. It is collectively responsible for the long-term success of the Group and for ensuring the Group is appropriately managed and operates responsibly as it pursues its objectives.

The Board assesses the performance of the Group by reviewing management, operational performance, and financial performance of the Group as a whole.

Director expectations

The Directors have various individual legal obligations under the Companies Act 2006, Charities Acts (as applicable), the Co-Operative and Community Benefit Societies Act 2014 (as applicable), the entity constitution and the UK Corporate Governance Code 2018.

Along with this they also have collective responsibilities as a Board.

What is the Board responsible for?

The Board is responsible for ensuring that the necessary resources are provided for Aster to meet its objectives. In particular, the Board is responsible for setting strategy, determining risk appetite, ensuring good governance, effective decision making, promoting good behaviour and succession planning. The Board ensures the Executive delivers the strategy and that the Board receives appropriate assurance that the Executive is managing risk and compliance.

Board meetings

The Board meets regularly throughout the year to effectively discharge its duties. During the year it has met nine times and there is frequent contact between meetings.

The Board has urgency procedures to ensure that it can respond to unforeseen circumstances in between scheduled meetings, although forward planning ensures these arrangements are rarely used.

Further information on pages **78** to **79**.

Operation of the Board – What does the Board do?

To ensure that the Board fulfils its terms of reference it has a planned programme of agenda items. This agenda plan guarantees that key topics and subjects are discussed and allows Board members sufficient time for debate and challenge, particularly on areas such as strategy and risk.

At Board meetings the Board receives and considers papers and presentations from management and subject matter experts on relevant topics. All reports to the Board consider the various risks, strategic impact, financial impact, along with the customer and community impact introduced by proposals within the papers.

Effective scrutiny and decision making are supported by ensuring that the Board is provided with high quality, accurate, clear and timely information including input from additional experts and independent advisers where necessary. The Board seeks to work in the best interests of the Group and its stakeholders. As part of the Board evaluation process, the approach to Board reporting is regularly reviewed.

Who is on our Overlap Boards?

See page **66**

- **Mike Biles**
  Chair (until 2 November 2023)
- **Stephen Trusler**
  Chair (from 3 November 2023)
- **Clive Barnett**
- **Chris Benn**
- **Mehul Desai**
  (from 1 October 2023)
- **Bjorn Howard**
- **Andrew Kluth**
  (until 30 September 2023)
- **Mike McCullen**
- **Tracey Peters**
- **Caroline Wehrle**
- **Claire Whitaker CBE**
- **Amanda Williams**

Who is on our Executive Board?

See page **67**

- **Bjorn Howard**
  Chair
- **Chris Benn**
- **Rachel Credidio**
- **Dawn Fowler-Stevens**
- **Emma O'Shea**
- **Amanda Williams**

The division of responsibilities between the Group Chair and the Group Chief Executive Officer

Aster keeps a clear division of responsibilities between the running of the Board and the Executive responsibility for the running of the business. No single individual has unfettered powers of decision. This ensures a balance of power and oversight, whilst maintaining accountability.

The Group Chair's and Group Chief Executive's roles are separate and the division of responsibilities between these roles is clearly established in their individual role profiles. A periodic review of standing orders and financial regulations by the governance team, the Board and the Group Audit Committee during the year confirmed the division of responsibilities as fit for purpose.

The role of the Group Chair

In November 2023 the Group appointed Stephen Trusler as its new Non-Executive Chair, replacing Mike Biles who stood down at the end of his term after four years as Group Chair and nine years as a Non-Executive. Stephen brings with him over 40 years' experience of working with a number of large organisations in the housing sector at an Executive and Non-Executive level. As a long-standing ambassador for the housing sector, Stephen has also been a participant in industry think tanks and appeared regularly at key conferences. Stephen, who took over as Chair on 3 November, has previously been one of Aster's Non-Executive members, and formerly chaired its Remunerations and Nominations Committee.

Stephen Trusler chairs the Board and is an Independent Non-Executive Director. He is responsible for ensuring an effective Board and effective contributions from individual Directors, particularly Non-Executive Directors, based on a culture of mutual respect, openness, debate, and constructive challenge. To achieve this, he seeks to facilitate and encourage open communication and constructive working relations between the Executive and Non-Executive Directors. He also seeks to ensure that the Executive Directors are responsive to constructive challenge on their proposals by the Non-Executive Directors.

As Group Chair, Stephen sets the Board's agenda and ensures that there is adequate time to discuss all agenda items. The Board maintains a rolling 12-month agenda plan designed to ensure that it has the right amount of time throughout the year to discuss all necessary matters. In particular, the Board has sought to ensure there is sufficient time to discuss strategy so that the Non-Executive Directors have a good opportunity to challenge and help develop strategy proposals. In addition, the Group Chair monitors, with assistance from the Company Secretary, the information distributed to the Board to ensure it is of high quality, accurate, clear, and timely.

The role of the Group Chief Executive Officer

The Group Chief Executive Officer, Bjorn Howard, has day to day management responsibility for running the Group's operations, for applying Group policies and for implementing the Group's strategy and policies as agreed by the Board. He has broad authority from the Board to run the Group and is accountable for, and reports to the Board on, how it is performing. Bjorn also has a key role in the process for the setting and review of Group strategy. More broadly, he promotes the Group's culture and standards throughout Aster, including those on governance, risk and compliance.

The role of the Company Secretary

David Betteridge has been the Company Secretary to the Board and its Committees since February 2018. David reports to the Group Chair on Board governance matters and, together with the Group Chair, David keeps the efficacy of the Group's and the Board's governance processes under review and considers improvements. David is also responsible to the Board for compliance with Board procedures.

David is responsible, through the Group Chair, for advising and keeping the Board up to date on all legislative, regulatory and governance matters and developments. David's responsibilities include ensuring good information flows between the Board and its Committees and between Senior Management and Non-Executive Directors. He also facilitates induction and assists with professional development as required. The Company Secretary's advice, services and support are available to each Director, Independent Committee Member and Co-optee.

Corporate Governance Report

Corporate Governance

Role and Responsibilities

The role of the Non-Executive Directors

The role of the Non-Executive Directors is to scrutinise management's performance in meeting agreed strategic goals and objectives, and to monitor how that performance is reported. They must also be satisfied with the integrity of the Group's financial information along with the robustness and defensibility of financial and non-financial controls and risk management systems.

As members of the Board, the Non-Executive Directors have a key role in constructively challenging in all areas. This is vital to the independence and objectivity of the Board's deliberations and decision making and is particularly important in helping develop proposals on strategy. The Non-Executive Directors met three times during the year without Executives present.

The Group Chief Executive Officer and the other Executive Directors welcome, and are responsive to, constructive challenge by the Non-Executive Directors on their proposals. The Non-Executive Directors' role is then to support the decisions that have been taken and to support the Executive team in their delivery. Non-Executive Directors also play an important part in supporting the Group Chair and the Executive Directors in embracing and representing the Group's culture, values, and standards within the Board and throughout Aster.

The Non-Executive Directors are responsible for determining appropriate levels of remuneration for the Executive Directors and have a prime role in appointing and where necessary removing Executive Board Directors, and in succession planning.

The role of the Senior Independent Director

Tracey Peters has been the Senior Independent Director since 1 October 2019.

As Senior Independent Director, Tracey's role is to provide a sounding board for the Group Chair; to act, when necessary, as a focal point and intermediary for the concerns of the other Non-Executive Directors and to ensure that any key issues that are not being addressed by the Group Chair or the Executive Management are taken up. Tracey has a regular dialogue with the Group Chair regarding current issues. While no significant issues have arisen in the year, should any such issues arise which threaten the stability of Aster or its Board, it is recognised that the Senior Independent Director may be required to work with the Group Chair or others or to intervene to resolve them.

The Senior Independent Director is available to shareholders should they have concerns which have not been resolved from contact through the normal channels of Group Chair, Group Chief Executive Officer, or other Executive Directors or if the normal channels may be inappropriate. The Senior Independent Director is responsible for leading the annual appraisal of the Group Chair's performance. The Senior Independent Director plays an important role by ensuring there is an orderly process for succession to the chairship of the Group as demonstrated in the past year with the succession from Mike Biles to Stephen Trusler.

The role of the Executive Board Directors

The Executive Board Directors have specific responsibilities relating to the specific areas of the business that they oversee. Along with managing their departments their duties extend beyond their own areas of operation to include the whole of the Group's operations and activities.

The role of Independent Committee Members

Independent Committee Members are members of the committees but are not full Non-Executive Directors.

Their role is also to scrutinise management's performance in meeting the agreed goals and objectives, and to monitor how that performance is reported. As committee members, they are independent from the Group and are able to constructively challenge key areas of the organisation including policy, strategic goals and financial management.

This is vital to the independence and objectivity of each committee in decision making and is particularly important in providing independent assurance to the entity Boards on the activities of the Group.

Board Committees

The Board ensures that it's Committees are provided with sufficient resources to undertake their duties, including access to the services of the Company Secretary as required. Each Committee has the authority to seek any information that it requires from any officer or employee of the Group. Each Committee is also authorised by the Board to take independent advice (including legal or other professional advice) at the Group's expense, as it considers necessary. Specific independent consultancy is available to the Group Remuneration and Nominations Committee and the Group Treasury Committee as detailed below.

From January 2024 a new committee structure has been in place, which is set out on page **67**.

The Board Committees' terms of reference

Each Board Committee has written terms of reference which are available on the Aster website. These are used to set out the purpose, scope, and authority of the Committee. These terms have been approved by the Board and are reviewed periodically to ensure that they comply with the latest legal and regulatory requirements and reflect developments in best practice. The Committees formally report to the Board on their proceedings after each meeting and generally on all matters and activities for which they are responsible via Committee minutes.

Board Committee Membership

Each Independent Non-Executive Director becomes a member of at least one Board Committee in the first year after joining the Board. When deciding the chairship and membership of Board Committees, the Board takes into account the value of ensuring that Committee Membership is refreshed and seeks to ensure that undue reliance is not placed on particular individuals. The Board appoint to Committees based on previous experience, industry knowledge and time commitments to ensure the most appropriate people are on the Committees.

Role and Responsibilities

Group Treasury and Finance Committee

The Committee provides strong technical and strategic scrutiny of the Group's treasury functions. It ensures affordable capital is available to support the ambitious development programme while also ensuring the Group operates within the financial covenants agreed with lenders.

The Committee regularly reviews the treasury risks included on the Group's strategic risk map. The Committee has appointed Chatham Financial as its advisors.

The Group Treasury Committee met four times during the year. As well as receiving regular and comprehensive key performance reports, including covenant compliance, and scrutinising risks associated with treasury management during the year, the Group Treasury Committee:

- Regularly monitored the availability of future funds to maintain the development programme in an economic and timely manner;
- Took assurance on the treasury risk and compliance dashboard;
- Approved the annual treasury plan and measured progress against it;
- Scrutinised and recommended the next issue of the Medium Terms Notes programme.
- Regularly reviewed the availability of security to support financing;
- Extended the credit facilities for both Aster Communities and Synergy Housing Limited
- Scrutinised and recommend the Group management accounts;
- Scrutinised and recommended the Trading Statement; and
- Input into budget and financial plan setting.

Who is on our Group Treasury and Finance Committee?

- **Andrew Kluth**
  Chair, (Non-Executive Director)
  (until 30 September 2023)
- **Clive Barnett**
  Chair, (from 1 October 2023)
  (Non-Executive Director)
- **Richard Teather**
  (Independent Committee Member)
  (from 1 October 2023)
- **Mat Cooling**
  (Independent Committee Member)
- **David Doyle**
  (Independent Committee Member)
- **Caroline Wehrle**
  (Non-Executive Director)

Group Remuneration and Nominations Committee (GRNC)

The Committee's role and work on remuneration is set out in the Remuneration Report and details of its work in relation to appointments is set out above within the review of compliance with the UK Corporate Governance Code 2018 (the UK Code).

The current Chair has the skills and experience to chair GRNC and meets the UK Code requirements.

The Committee has appointed Altair as its advisors.

The Committee met five times during the year.

The work of the Committee is set out in the Remuneration Report.

Who is on our Group Remuneration and Nominations Committee?

- **Mike McCullen**
  Chair, (Non-Executive Director)
- **Mike Biles**
  (Group Chair)
  (until 2 November 2023)
- **David Doyle**
  (Independent Committee Member)
- **Tracey Peters**
  (Senior Independent Director)
- **Stephen Trusler**
  (Group Chair)
  (from 3 November 2023)

Group Risk and Assurance Committee

The Group Audit Committee and the Group Risk & Compliance Committees have now become the Group Risk & Assurance Committee, from January 2024.

The Committee met twice during the year and considered the following matters:

- The Social Housing (Regulation Act) Regulatory and Legal Compliance;
- Updates on the Speak Up and Fraud registers, and a Fraud Risk Assessment;
- Reviewed the Gifts, Hospitality and Anti-Bribery Policy;
- Approved the external audit plan;
- Received assurance on internal audit reports; and
- Reviewed the annual insurance report.

Who is on our Group Risk and Assurance Committee?

- **Caroline Wehrle**
  Chair, (Non-Executive Director)
- **Clive Barnett**
  (Non-Executive Director)
- **Mat Cooling**
  (Independent Committee Member)
- **Cathy Day**
  (Independent Committee Member)
- **David Finch**
  (Independent Committee Member)
- **Mike McCullen**
  (Non-Executive Director)
- **Gary McRae**
  (Co-optee)
- **Claire Whitaker CBE**
  (Non-Executive Director)

Corporate Governance

Role and Responsibilities

Group Audit Committee

Before January 2024 the Group Audit Committee (GAC) oversaw the Group's financial reporting, audit, control processes and recommends the annual accounts to entity Boards.

The Committee met four times during the year including and, in addition to recommending the approval of the statutory accounts and reports thereon and trading updates, considered the following matters:

- Approved and monitored the internal audit plan;
- Monitored the completion of management actions from internal audits;
- Monitored the effectiveness of the Assets and Liabilities Framework;
- Reviewed the Group's standing orders and financial regulations;
- Received regular updates on the Speak Up and Fraud registers;
- Received reports on numerous audit areas;
- Received assurance from the annual review of the Delegation Matrix; and
- Received internal audit reports on a range of areas.

Who was on our Group Audit Committee?

- **Clive Barnett**
  Chair, (Non-Executive Director)
- **Mat Cooling**
  (Independent Committee Member)
- **David Finch**
  (Independent Committee Member)
- **Claire Whitaker CBE**
  (Non-Executive Director)

All Members of the Committee have a high level of financial literacy and have extensive Committee and Board experience.

Purpose

The Committee met at least four times each year. Its terms of reference set out that its purpose is to ensure that the Group has an effective system of internal controls, appropriate internal and external audit management, and to provide assurance to the Group Board.

Main responsibilities

The Committee has delegated authority to exercise the powers of the Group Board and subsidiary Boards in relation to the following matters:

- External audit:
  - Recommend the financial statements to the Boards;
  - Recommend to the Group Board the appointment (or removal) of the external auditors and to agree their terms of engagement, agree the external audit programme, consider all external audit reports including management letters, letters of representation and auditors' independence; and
  - Oversee policies on the engagement of the external auditors to supply non-audit services, taking account of relevant ethical guidance.
- Internal controls:
  - Review the Group's internal financial controls and risk management system; and
  - Receive reports of fraud and whistleblowing, reviewing the control framework to ensure controls are appropriate.
- Internal audit:
- Monitor and review the effectiveness of the Group's internal audit function and structure, including utilisation and cost of external resourcing;
- Approve the internal audit programme and scope of activities; and
- Consider and make recommendations to the appropriate Boards and Committees from internal audit findings.
- Other:
  - Gain assurance on the robustness and accuracy of the assets and liabilities register; and
  - Review and approve internal policies and registers as set out in the Committee's terms of reference.

Group Risk and Compliance Committee

The Group Risk and Compliance Committee helped to ensure that Aster has an effective framework and process to identify, assess and manage risk and compliance across its business.

Before January 2024 the Committee met three times during the year. As well as receiving regular reports to assist its supervision of risk and compliance across Aster, the Committee also:

- Received assurance of risk management throughout the Group,
- Received assurance from the compliance risk management report
- Received standard compliance management and compliance framework reports: and
- Carried out a number of deep dives into risk management across the business.

Who was on our Group Risk and Compliance Committee?

- **Caroline Wehrle**
  Chair, (Non-Executive Director)
- **Mike Biles**
  (Group Chairman)
  (until 2 November 2023)
- **Cathy Day**
  (Independent Committee Member)
- **David Finch**
  (Independent Committee Member)
- **Mike McCullen**
  (Non-Executive Director)
- **Gary McRae**
  (Co-optee)

Aster 55 Committee

The Aster 55 Committee leads the development of a strategic plan, offer and delivery model for the provision of over 55s services across the Group. The Committee met three times during the year.

The Committee received updates from across the business including customer led panels and the Overlap Boards.

Who is on our Aster 55 Committee?

- **Peter Walters**
  Chair, (Independent Member)
- **Chris Bain**
  (Independent Committee Member)
  (until 30 April 2023)
- **Julia Ashley**
  (Executive)
  (until 30 September 2023)
- **Bjorn Howard**
  (Executive Director)
- **Paul Shipley**
  (Independent Committee Member)
- **Richard Teather**
  (Independent Committee Member)

Customer and Community Network

The Customer and Community Network oversees service delivery to all of Aster's customers and the work it does for its communities. The network met four times during the year and, as well as receiving regular customer related performance and compliance management reports, also:

- Received regular updates from and fed back to the Overlap Boards, the Executive Board, and the Customer Experience Panel;
- Received assurance on the current compliance;
- Received updates on customer complaints and compliments including an annual report;
- Monitored improvements of customer service programmes; and
- Received regular reports from both the Customer Overview Group and the Customer Scrutiny Panel.

Who is on our Customer and Community Network (CCN)?

- **Claire Whitaker CBE**
  Chair, (Non-Executive Director)
- **Amanda Brown**
  (Co-optee)
- **Rosalind Burford**
  (Independent Committee Member)
- **Jean Dalziel**
  (Executive)
- **Denise Harper**
  (Independent Committee Member)
- **Bjorn Howard**
  (Executive Director)
- **Phil Insuli**
  (Independent Committee Member)
- **Andrew Loudon**
  (Independent Committee Member)
- **Judith Pamely**
  (Co-optee)
- **Angela Powney**
  (Co-optee)
- **Emma O'Shea**
  (Executive)
- **Tracy Aarons**
  (Independent Committee Member)
- **Stephanie Taylor**
  (Independent Committee Member)

Role and Responsibilities

Attendance at Board and Committee meetings

Set out below is the Board and Committee Members attendance at the Group's meetings. Attendance may be lower than the number of possible meetings due to the Director or Committee Member only holding office for part of the year. Where this is the case the percentage in the table reflects the percentage of possible attendance.

Group Board and Committees	Overlap Boards*	Aster Communities	Group Executive Board	Customer and Community Network	Group Audit Committee (1)	Group Risk and Compliance Committee (2)	Group Remuneration and Nominations Committee	Group Treasury Committee (3)	Aster 55 Committee	Aster Foundation	East Boro Housing Trust Board	Silbury Housing Holdings Limited	Aster LD Limited	Aster Solar Limited	Group Risk and Assurance Committee (4)	Group Treasury and Finance Committee (5)	Aster Treasury Plc.
No. of meetings:	**9**	**4**	**12**	**4**	**4**	**3**	**5**	**3**	**4**	**3**	**7**	**4**	**6**	**3**	**2**	**1**	**1**
Clive Barnett (6)	**9** (100%)	**4** (100%)			**4** (100%)			**3** (100%)		**3** (100%)					**2** (100%)	**1** (100%)	
Chris Benn	**9** (100%)	**4** (100%)	**11** (92%)														**1** (100%)
Mike Biles (7)	**4** (80%)	**2** (100%)				**3** (100%)	**3** (75%)										
Mehul Desai (8)	**4** (100%)	**1** (50%)															
Bjorn Howard	**8** (89%)	**4** (100%)	**12** (100%)	**4** (100%)					**4** (100%)								**1** (100%)
Andrew Kluth (9)	**5** (100%)	**2** (100%)						**2** (100%)									
Mike McCullen	**9** (100%)	**4** (100%)				**2** (67%)	**5** (100%)								**2** (100%)		
Tracey Peters (10)	**9** (100%)	**4** (100%)					**5** (100%)				**5** (71%)						
Stephen Trusler (11)(12)(13)	**4** (100%)	**2** (100%)					**1** (100%)										
Caroline Wehrle (14)	**9** (100%)	**4** (100%)				**3** (100%)		**2** (67%)							**2** (100%)	**0** (0%)	
Claire Whitaker CBE (15)	**8** (89%)	**3** (75%)		**4** (100%)	**3** (75%)										**2** (100%)		
Amanda Williams	**9** (100%)	**4** (100%)	**10** (83%)											**2** (67%)			
Rachel Credidio			**11** (92%)														
Dawn Fowler-Stevens			**11** (92%)											**3** (100%)			
Emma O'Shea			**12** (100%)	**2** (50%)													
Julia Ashley (16)									**1** (50%)								
David Betteridge												**2** (50%)					
Darren Brazil													**5** (83%)				
Jean Dalziel				**4** (100%)								**4** (100%)					
Jane Gallifent													**6** (100%)				
Angela Jamieson													**5** (83%)				
Paul Morgan														**3** (100%)			**1** (100%)
Karl Pott												**4** (100%)					
Gary Prince												**3** (75%)					
Vicki Sanderson														**2** (67%)			
Hannah Watkins													**6** (100%)				
Tracy Aarons				**4** (100%)													
Chris Bain (17)																	
Amanda Brown				**4** (100%)													
Rosalind Burford				**4** (100%)													
Denise Harper				**3** (75%)													
Phil Insuli				**4** (100%)													
Andrew Loudon				**4** (100%)													
Judith Pamely				**4** (100%)													
Angela Powney				**4** (100%)													
Stephanie Taylor				**2** (50%)													
John Brace												**4** (100%)					
Mat Cooling					**4** (100%)			**2** (67%)		**3** (100%)					**2** (100%)	**1** (100%)	
Cathy Day						**2** (67%)									**2** (100%)		
David Doyle							**4** (80%)	**3** (100%)			**5** (71%)					**1** (100%)	
David Finch					**4** (100%)	**3** (100%)									**1** (50%)		
Gary McRae						**2** (67%)									**2** (100%)		
Farhan Shakoor										**3** (100%)							
Paul Shipley									**3** (75%)								
Richard Teather (18)								**1** (100%)	**3** (75%)		**6** (86%)					**1** (100%)	
Peter Walters									**4** (100%)								
Amanda Wiggan										**1** (33%)							
Richard Clewer (19)		**1** (25%)															
Val Bagnall											**4** (57%)						
Malcolm Baker											**6** (86%)						
Gerald Duke											**7** (100%)						
Kate Dukes											**7** (100%)						
Ray Evans											**6** (86%)						
Jacki O'Shea											**5** (71%)						
Kellie Salter (20)																	

***Overlap Boards** (includes Aster Group Limited, Aster Property, Aster Living, Aster Homes, Aster 3 Ltd, Synergy Housing Ltd, Central & Cecil Housing Trust, 55 London), Enham Trust.

Attendance at Board and Committee meeting notes:

1. The final meeting of the Group Audit Committee was in October 2023. Following the Governance Review a new committee, Group Risk & Assurance Committee, was formed by joining Group Audit Committee and Group Risk & Compliance Committee and first met in January 2024.
2. The final meeting of the Group Risk & Compliance Committee was in October 2023. Following the Governance Review a new committee, Group Risk & Assurance Committee, was formed by joining Group Risk & Compliance Committee and Group Audit Committee and first met in January 2024.
3. The final meeting of the Group Treasury Committee was in October 2023. Following the Governance Review a new committee, Group Treasury & Finance Committee, was put in place and first met in February 2024.
4. The Group Risk & Assurance Committee is a new committee which first met in January 2024. The membership is the combined membership of the Group Audit Committee and the Group Risk & Compliance Committee.
5. The Group Treasury & Finance Committee is a new committee which first met in February 2024. It has the same membership as the Group Treasury Committee.
6. **Clive Barnett** was appointed as Chair of the Group Treasury Committee/Group Treasury & Finance Committee from 1 October 2023.
7. **Mike Biles**, Group Chair and member of the Group Risk & Compliance Committee and Group Remuneration & Nominations Committee, retired on 2 November 2023 after being involved with Aster Group since 2014 having reached the end of his term of office.
8. **Mehul Desai** was appointed as a non-executive director of the Overlap Boards from 1 October 2023.
9. **Andrew Kluth**, a non-executive director of the Overlap Boards and Chair of the Group Treasury Committee, retired on 30 September 2023 after being involved with Aster Group since 2014 having reached the end of his term of office.
10. **Tracey Peters** resigned as Chair of the Customer & Community Network on 18 April 2023
11. **Stephen Trusler** was appointed as a co-optee of the Overlap Boards from 1 October 2023.
12. **Stephen Trusler** was appointed as a non-executive director of the Overlap Boards and Group Chair from 3 November 2023.
13. **Stephen Trusler** was appointed as a member of the Group Remuneration & Nominations Committee from 3 November 2023.
14. **Caroline Wehrle** was appointed as Chair of the Group Risk & Assurance Committee from 1 November 2023.
15. **Claire Whitaker CBE** was appointed as Chair of the Customer & Community Network from 18 April 2023.
16. **Julia Ashley** resigned as a member of Aster 55 Committee on 30 September 2023.
17. **Chris Bain**, independent member of the Aster 55 Committee, retired on 30 April 2023 at the expiry of his term of office.
18. **Richard Teather** was appointed as an independent member of the Group Treasury Committee from 1 October 2023.
19. Non-Executive Local Authority Nominee.
20. **Kellie Salter** resigned as a non-executive director of East Boro Housing Trust Limited due to work commitments on 31 May 2023.

Corporate Governance Report

"There is one thing that shines through at Aster, and that is the people that work here."

Corporate Governance Report

Corporate Governance
Role and Responsibilities

Involving Others

Dialogue with Shareholders

Aster Communities, Synergy Housing Limited, Central & Cecil Housing Trust and East Boro Housing Trust Limited have community Shareholders over and above Non-Executive Director Shareholders. The Shareholders of other Group entities are our Non-Executive Directors or Group entities.

Their Boards welcome the opportunity to openly engage with Shareholders as they recognise the importance of a continuing effective dialogue and take responsibility for ensuring that such dialogue takes place. Quarterly shareholder briefings are held to communicate key news updates.

In preparation for the Annual General Meetings of the entities named above Shareholders were advised that there would be time for their questions and were encouraged to engage wherever appropriate.

Workforce engagement - Our people

The Board champions "The Aster Way", a cultural programme that is a shared understanding of the way colleagues work – creating a fair and inclusive culture throughout the Group. It is a set of straightforward principles that underpin everything the Group does, every day, from how the Board leads and the business learns, to how colleagues collaborate, communicate, and innovate to enable us to achieve our vision - that **Everyone has a home**.

Colleagues are supported by the Aster Offer, mental health support, and the adoption of restorative practice throughout the organisation.

The Aster Way ensures we continue dialogue through our diverse suite of employee voice channels.

The Group Risk and Assurance Committee supervises the Group "Speak Up" policy and receives updates on the outcome of any investigations prompted by the use of the procedure. Investigations are independently supervised by the Company Secretary or the Director of Audit as appropriate.

Customers and Governance

Customers play a strong role in what we do. They help to shape the services we provide, inform where improvements can be made and feedback to make sure they are at the heart of all decision making. We have a range of formal customer groups, including the Customer and Community Network, the Customer Overview Group, the Customer Scrutiny Panel and the Designated Complaints' Panel.

The Customer Overview Group provides an overview of customer priorities and involvement options to support the delivery of the Corporate Strategy, while being mindful of the economic, political and regulatory environment in which Aster operates. It focuses on operational performance, customer-facing policy and the customer experience making referrals to the Customer Scrutiny Panel on potential scrutiny projects where appropriate. It works collaboratively with the Customer and Community Network, Executive Board and entity Boards to ensure priorities are clearly communicated. Membership is open to all customers receiving services across the Group.

Board Effectiveness

Board evaluation

In 2022 Deloitte LLP, a leading consultancy, undertook a Board evaluation which was fed back to Group Board in February 2023. The review included:

- a desktop review of governance arrangements;
- observation of Board and Committee meetings;
- a Board effectiveness survey;
- interviews with the Board, Independent Members and Senior colleagues; and
- focus groups with residents and colleagues.

Deloitte's report concluded that the Overlap Boards "displayed many attributes of an effective Board with strong focus on social value and customer experience" and demonstrated good practice. It was observed that current governance arrangements were well known and understood across the Group and that the breadth of skills and experience within the Overlap Boards complemented the skills of the Executive. The report recommended an update of the committee structure, strengthening some assurance flows, further enhancing oversight of performance, and balancing good governance, agility and pace.

At its February 2023 meeting, the Board accepted the broad findings of Deloitte's report and instructed the Company secretary to devise a detailed action plan to implement its findings for further approval and monitoring by the Board.

Throughout 2023/24 the outcomes of the review have been implemented in a planned approach addressing the following key areas:

- Committee and panel structures and effectiveness;
- A review of our group corporate structure;
- Enhancements to our approach to hearing our customer voice; and
- Enhancing our corporate planning and performance reporting approach.

The Board's intention remains to undertake an externally facilitated evaluation process at least every three years and that in the intervening years the review will be led by the Group Chair, Senior Independent Director and the Company Secretary.

The composition of the Board

The composition and size of the Board and its Committees are reviewed regularly by the Group Remuneration and Nominations Committee (GRNC) to ensure they have the appropriate balance of skills, experience, independence, and knowledge of the Group to enable them to discharge their respective duties and responsibilities effectively.

Appointment to the Board and its Committees

The Board, through the GRNC, follows a formal, rigorous, and transparent procedure to select and appoint new Board Directors. The processes are similar for the appointment of both Executive and Non-Executive Directors. The Committee leads the process and makes recommendations to the Board. In considering Board composition, the Committee assesses the range and balance of skills, experience, knowledge, and independence on the Board against the evolving objectives of the Group, identifies any gaps or issues and considers any need to refresh the Board. If, after this evaluation, the Committee feels that it is necessary to appoint a new Director, it then prepares a description of the role and of the capabilities required for the appointment and sets objective selection criteria accordingly. The benefits of diversity on the Board are carefully considered.

The Committee considers any proposed recruitment in the context of the Group's strategic priorities, plans and objectives, as well as the prevailing business environment. It also takes into account succession plans in place and this is discussed further under 'Succession Planning' below. It seeks prospective Non-Executive Directors who can make positive contributions to the Board and its Committees and who have the capability to challenge on strategic and other matters.

The Group's business is diverse in scope and carries strategic, commercial, and financial risks. Accordingly, attention is paid to the composition and balance of the Board to ensure that it has wide experience of the industry and regulatory environment in which the Group operates, and appropriate financial, operational and risk management skills. In each Board appointment, whether Executive or Non-Executive, objectivity and integrity, as well as skills, experience, ability, and diversity, assist the Board in its key functions and are prerequisites for appointment. This also applies to Senior Management appointments below Board level.

The Group considers that the Board's collective experiences equip it to direct the Group's strategy and meet its business needs as they evolve over time. The succession plan ensures the Board remains mindful that an appropriate balance must be maintained between Directors who can bring a new perspective and those who provide continuity.

Directors' conflicts of interest

The Companies Act 2006 (the Act) provides that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Group's interest. The Board has established procedures for the disclosure by Directors of any such conflicts and for the consideration and authorisation of these conflicts by the Board.

Whenever a Director takes on additional external responsibilities, the Board considers any potential conflicts that may arise and whether the Director continues to have enough time to fulfil their role as a Director. In accordance with the Act, the Board continues to monitor and review potential conflicts of interest on a regular basis and during the year confirmed its code of conduct policy as fit for purpose.

Board induction and training

Training begins following appointment, with an individual induction programme tailored to meet the needs of each new Director. Independent Committee Members appointed to the Committees receive the same induction. Following induction, check in sessions with the Company Secretary are arranged after they have completed 50 and 100 days in the role.

This induction programme aims to introduce new Directors and Independent Committee Members to the Group's business, its operations, and its governance arrangements. These individual induction requirements are monitored by the Group Chair, supported by the Company Secretary, to ensure that new and recently appointed Directors and Independent Committee Members gain sufficient knowledge about the Group to enable them to contribute to the Board's and Committee's' deliberations as swiftly as possible.

During the year the Company Secretary commenced a full review of the induction programme.

Ongoing training

Ongoing training is essential for all our Directors and Independent Committee Members. Throughout the year this is supported by;

- A development plan, approved by the Group Remuneration and Nominations Committee;
- Training sessions based on strategic requirements and issues identified during evaluation processes;
- Attendance at conferences and ad hoc courses;
- Opportunities to work with managers internally; and
- Deep-dive reviews of business activity to enhance knowledge of operational areas.

Corporate Governance Report

Corporate Governance

Role and Responsibilities

Board Effectiveness (continued)

Information and support

Ensuring that the Board receives the right information in the right form and at the right time enables the Board to effectively discharge its duties.

The Group Chair, through the Company Secretary and with the support of the Executive Directors and Management, ensures that information is of high quality in terms of its accuracy, clarity, appropriateness, comprehensiveness and currency. If deemed necessary to discharge their responsibilities as Directors, Board and Committee Members can seek clarification, both internally and externally with independent professional advice at the Group's expense.

Diversity

The Board considers that the background and experience brought to the Board by each individual best secures and demonstrates its diversity. The Board is well-placed by the mixture of skills, experience, and knowledge of its Directors to act in the best interests of the Group.

The Group Remuneration and Nominations Committee (GRNC) is responsible for the appointments and the Group does not apply fixed quotas to recruitment recommendations. The GRNC considers candidates based on their capability and capacity to commit the necessary time to the role. The aim is the appointment of the most suitably qualified candidate to complement and balance the skills, knowledge, and experience of the Board, seeking to appoint those who will be best able to help lead the Group in its long-term strategy. Every effort is made to ensure recruitment methods attract applications from all members of the community.

During the year recruitment took place to appoint two new Board members, including a new Group Chair. The recruitment process included unconscious bias training for the selection panel, and the Housing Diversity Network acting as a critical advisor to the panel reviewing recruitment material, interview approach and questions.

Since 2022, Aster has partnered with the Housing Diversity Network to sponsor two colleagues through a two-year Board Diversity Programme. The programme commenced in January 2023 and aims to raise the profile of the power of diverse thinking and increase the diversity of leaders across the housing sector.

Succession planning

The Board recognises that effective succession planning is not only a fundamental component of Board effectiveness but is also integral to the delivery of Aster's strategic plans. It is essential in ensuring a continuous level of quality in management, in promoting diversity and in avoiding instability by helping to mitigate the risks which may be associated with any unforeseen events, such as the departure of a key individual.

The Board has endorsed a succession policy and the GRNC routinely reviews the plan for the Overlap Boards and the committees to facilitate future recruitment in a timely manner. The Committee works to ensure a continuous flow of talent is available through developing existing Directors and Independent Members alongside identifying suitable external candidates to ensure new talent and ideas, and the ongoing maintenance of skills.

Time commitment of the Group Chairman and the Non-Executive Directors

The Board recognises that it is vital that all Directors should be able to dedicate enough time to Aster Group to effectively discharge their responsibilities. The time commitment required by Aster is considered by the Board and by individual Directors on appointment.

The agreement for services for the appointment of the Group Chair and of each Non-Executive Director sets out that they undertake that they will have sufficient time to meet what is expected of them for the proper performance of their duties and acknowledge that there may, on occasion, be a need to devote additional time. The other significant commitments of the Group Chair and of each Non-Executive Director are disclosed to the Board before appointment, with an indication of the time involved.

Corporate Governance Report

Corporate Governance Annual Statement

Annual statement on internal control assurance for the year-ending **31 March 2024**

Introduction

The Aster Group Limited Board has overall responsibility for establishing and maintaining a system of internal control appropriate to the various business environments in which it operates and for reviewing the effectiveness of those arrangements. This system of internal control is in accordance with the UK Corporate Governance Code and is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group Risk and Assurance Committee* provides oversight on behalf of the Board regarding the system of internal control and regularly reviews its effectiveness. The Board, through the Committee, has been satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year 2023/24, and that those systems were aligned to an ongoing process for the management of the significant risks facing the Group.

Operational Management

During 2023/24, the Executive Board was supported by divisional leadership teams and cross Group panels, providing detailed scrutiny on behalf of, and assurance to, the Executive Board.

Internal Audit

The Group's internal audit function is led by the Director of Audit. There is also an outsource arrangement with appropriately experienced and skilled internal audit providers to provide support where there is an identified resource need or a requirement for specialist input.

The Group maintains a long-range rolling programme for internal audit, with a short-term internal audit plan approved and monitored by the Group Risk and Assurance Committee at each meeting. The programme and scheduling of each audit is risk-based and is informed by the strategic plan, risk register, compliance framework and management requests.

Regulator of Social Housing - Regulatory Standards

As a Registered Provider, the Group monitors its ongoing compliance with the Regulator of Social Housing's Consumer and Economic Standards for Social Housing in England.

Each regulatory standard is held centrally in the Group's compliance register, detailing both the required outcomes and specific expectations of each standard and how the business achieves those expectations through its processes, arrangements, service standards and controls. The records detail evidenced assurance that these arrangements are effective in achieving compliance with the standards and consistently delivering the right outcomes for customers.

The Board is assured that the Group is compliant with these Standards, including the Governance and Financial Viability Standard and its supporting Code of Practice.

Legal and Regulatory Compliance

The Group is committed to meeting the legal and regulatory obligations connected with its activities and has implemented policies and procedures to comply with applicable laws and regulation. The Group recognises this approach to business management is critical to its charitable purpose and to ensuring the continued trust of its stakeholders.

Legislation and regulation are analysed in detailed assessments within the Compliance Register which:

- includes how a law or regulation affects the Group, the controls in place to ensure compliance, prevent non-compliance and mechanisms to monitor performance of the control environment, and the evidenced assurance that these remain effective;
- directs focus on the highest compliance risks and critical processes;
- provides exception reporting to the Group Risk and Assurance Committee; and
- provide a continuous process of compliance assurance to the entity boards, Group Risk and Assurance Committee and Executive Board.

Assurance

The Group utilises the 'three lines of defence' approach to assurance: day-to-day, assurance is gained at the operational and management level; second line assurance is gained from subject matter experts embedded within the organisation and within specialist teams where appropriate; and, on occasion, independent assurance is gained through internal or external audits, accreditation or regulatory review. Independent assurance is also the Group's fourth cornerstone in its approach to strong governance and assurance.

Assurance across these three lines is regularly evidenced in relation to all identified risks and primary compliance obligations.

The Group's internal auditors have submitted their annual report that includes reference to the standard of control that has been achieved throughout the year and generally shows a strong compliance with controls. The standards of control have been reported to the Group Risk and Assurance Committee in regular internal audit reports.

In addition to controls detailed elsewhere in this statement, key elements of the system of risk management and internal control arrangements during the period 2023/24 included:

- clearly defined responsibilities for the identification, assessment, and response to significant risks;
- regular reporting of risk information to governing bodies, in addition to being part of any decision to be made;
- robust business planning processes with detailed budgets and a living business plan;
- a detailed approach to treasury management, including monitoring of loan covenants, scrutinised by the Group Treasury and Finance Committee;
- delegations of authority for all financial transactions and segregation of duties where appropriate and cost-effective;
- internal business and financial monitoring reports and performance indicators reported monthly against risk-based tolerances;
- implementation of policies and procedures for key business activities, approved by the appropriate panel, committee or board;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- clearly delegated responsibilities and authorities for provision of and receiving of assurance information;
- an annual review of compliance with the UK Corporate Governance Code;
- formal governing body evaluation and appraisal procedures;
- clearly defined responsibility and accountability for areas of legal and regulatory compliance;
- regular updates on key legislation or regulatory change to senior managers; and
- independent third-party reviews.

Fraud and dishonest behaviours

The Group values its reputation and is committed to maintaining high standards of probity and integrity in all its business activities, including a commitment to reducing the risk of dishonest behaviour within the business to an absolute minimum and keeping it at that level, to ensure that its resources are used to deliver its vital services to its customers.

The Group has an honesty policy, which covers fraud, theft and bribery and also provides a framework for responding to suspicions of dishonest behaviour, which includes tenancy fraud. The Group's probity guidance and board code of conduct make it clear that it has zero tolerance of any form of bribery.

In addition, the Group has a speak up policy that encourages employees and others to express any serious concerns regarding suspected misconduct or malpractice within the business or by third parties with which it works. The Group has designated anti-money laundering roles, an anti-money laundering policy and has ensured relevant colleagues have received specific training to enable them to recognise suspicious transactions and report according to the Group's processes.

The Group Risk and Assurance Committee* receives regular updates in relation to fraud or attempted fraud and any speak up reports received.

* Changes to the Group's governance structure were made from January 2024, with the Group Audit Committee being replaced with the Group Risk and Assurance Committee.

Conclusion

I, Bjorn Howard, Group CEO of the Aster Group, am satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year 2023/24, and that those systems were aligned to an ongoing process for the management of the significant risks facing the Group.

Corporate Governance Report

Viability Statement

Viability Statement

In accordance with principle C and provision one of the 2018 Corporate Governance Code, the Directors have assessed the viability of the Group and have selected a period of seven years for the assessment. The Group has a property development programme that runs for a rolling seven-year period. This programme forms the basis of the Group's financial plan that covers the seven-year period and is then extrapolated over a further 23 years, resulting in a 30-year plan. For these reasons the Group uses a seven-year strategic planning cycle and the Directors have determined that seven years is also an appropriate period over which to provide its viability statement.

The financial plan considers the Group's future financial stability, property development and investment strategies and the viability of future expense reduction programmes by measuring the operating margin, exposure to the property market, asset cover, interest cover and net worth ratios over the seven-year period.

The interest cover and net worth ratios are the prominent covenants the Group has in its bank loan agreements. These ratios, coupled with the Group's other financial plan tolerances, are used as the basis for a full suite of multi-variate stress testing over the life of the plan on several realistic, market relevant scenarios.

The stress testing considers the principal risks assessed to have the greatest impact. The Group's focus for stress testing in its 2024 financial plan is on the continued risks and disruption as a result of the wider macro-economic environment and cost of living crisis, particularly around the collection of rent, higher borrowing costs, delays and increases to major repair and maintenance spend, significant delays from, and reduction in, property related sales; monitored in parallel with risks associated with exposure to the property market and the impact of further changes to the rent regime.

These scenarios are designed to stress and, in some cases, breach the Group's covenants. The Group applies mitigating items from its established mitigations toolbox to recover these scenarios back to a compliant level. These mitigations include reducing investment in the development programme, issuing emergency liquidity and a number of expenditure freezes.

Based on the results of this analysis, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next seven years.

Corporate Governance Report

Board of Directors

Members of the Board:

The Directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise indicated, are set out below.

Non-Executive Directors:

Mike Biles	Chair - resigned 2 November 2023
Stephen Trusler	Chair - appointed 3 November 2023
Clive Barnett	
Mehul Desai	Appointed 1 October 2023
Andrew Kluth	Resigned 30 September 2023
Mike McCullen	
Tracey Peters	Senior Independent Director
Caroline Wehrle	
Claire Whitaker CBE	

Executive Directors:

Bjorn Howard	Group Chief Executive Officer
Chris Benn	Chief Financial Officer
Amanda Williams	Chief Investment Officer

Executive Board:

Bjorn Howard	Group Chief Executive Officer
Chris Benn	Chief Financial Officer
Rachel Credidio	Chief Innovation Officer and Enham Lead
Dawn Fowler-Stevens	Chief Strategy Officer
Emma O'Shea	Chief Operating and Technology Officer
Amanda Williams	Chief Investment Officer

Company Secretary:

- **David Betteridge**

Stephen Trusler
Group Chair

Committee Membership:

- Group Remuneration and Nominations Committee

Stephen, who brings over 40 years of experience in housing, development and regeneration, is a leading figure in UK housing and construction sector, having held senior positions at Lovell, Alfred McAlpine, Wates and Laing O'Rourke, where he was Residential Sector Leader. He is currently Senior Director at planning and development consultancy Turley.

Stephen has over 13 years' experience as a Non-Executive Director, including roles with Sage Housing and the Chartered Institute of Housing. He is currently a Non-Executive Director at Cavanna Group, the South West's largest independent housebuilder.

A long-standing ambassador for the housing sector, Stephen has regularly participated in industry think tanks and conferences. He is a fellow of the Royal Institute of Chartered Surveyors and a chartered member of the Chartered Institute of Housing.

Stephen, was appointed as Chair in November 2023, having previously served on the Group's Board between 2014 and 2019, during which time he chaired its Remunerations and Nominations Committee.

Tracey Peters
Non-Executive Director and Senior Independent Director

Committee Membership:

- Group Remuneration and Nominations Committee

Tracey is an accomplished Human Resources professional. She has worked as an Executive Board Director and has experience in many industry sectors including retail, manufacturing and electronic banking. She also has twenty years of Non-Executive Director experience with organisations such as housing associations, foundation trust hospitals, and a variety of charitable arts and sports organisations.

Tracey has an MSC in Organisational Design and Development and is an Accredited Member of the BACP. She runs a consulting practice specialising in organisational and personal development for senior executives, specifically supporting new CEOs and Chairs to manage their businesses through significant periods of change.

Tracey also works as a counsellor with looked after children and teenagers in care homes and supported living environments.

Tracey is a member of the Board of East Boro Housing Trust Limited.

Corporate Governance Report

Board of Directors

Clive Barnett
Non-Executive Director

Committee Membership:

- Chair Group Treasury and Finance Committee
- Group Risk and Assurance Committee

Clive retired from RBS/NatWest in 2016 having been head of the bank's housing finance team for many years. He worked within the social housing finance market for over 20 years and was recognised as a leading figure in that sector. Clive represented RBS within Government circles, including HCA, DGLG and CML Housing Committee.

In 2022 Clive was appointed as a trustee to the Aster Foundation charity.

In addition to his role with Aster, Clive also holds other non-executive positions and was also a consultant director with one of the sector's leading treasury advisers for a short while.

Mehul Desai
Non-Executive Director

Mehul specialises in driving transformations by leveraging digitisation and optimising operating models to enable improved customer experience while achieving sustainable cost savings. His career began as a management consultant, advising financial services executives, followed by his current role as Chief of Staff to the UK COO at HSBC UK.

During his ten-year tenure at HSBC, Mehul has assumed various roles, notably leading the transformation of HSBC US retail and wealth banking, resulting in digitising customer journeys and automating back office processes whilst also delivering over $100m in cost savings. In his current position, Mehul acts as a strategic advisor to the UK COO where he is accountable for delivering on priorities such as developing and implementing the firm's technology strategy, improving operational resilience, prioritising investment areas, and engaging the Board on key technology and operational areas.

Mehul holds a bachelor's degree from the State University of New York at Albany and a master's degree in business administration from the University of Cambridge. He resides in London with his wife and young son.

Mike McCullen

Non-Executive Director

Committee Membership:

- Group Risk and Assurance Committee
- Chair Group Remuneration and Nominations Committee

Mike is an accomplished CEO, Chairman and technology entrepreneur with over 30-years' leadership experience in private, public and venture backed businesses specialising in technology for the built environment.

Mike was a co-founder and Managing Director of one of the UK's most successful project management software business for the construction industry, which he grew and led to exit in 2006. He is a former Group Board Director of an AIM listed technology business and was CEO of its international construction software and services business for over eight years and he was EVP of the UK's biggest independent construction software business for over two years.

He has extensive overseas experience having led construction technology businesses in Sweden and Germany and established international distribution in Australia, Europe and the USA. He has completed a number of international acquisitions.

Mike started his own consultancy practice in 2015 working as an independent director and consultant advising businesses and private equity firms on investment in technology.

He holds a Computer Science degree (Manchester) and an MBA (Warwick).

Caroline Wehrle

Non-Executive Director

Committee Membership:

- Chair Group Risk and Assurance Committee
- Group Treasury and Finance Committee

Caroline has spent more than 20 years working in the fields of risk management, audit, internal controls, compliance and ethics, finance and pensions.

Caroline started her career in the engineering sector providing quantitative risk management services to public and private sector clients in the UK and in Asia, largely in the rail industry. After completing an MBA, Caroline moved into the consumer products sector, undertaking a variety of international audit, finance and risk management roles, culminating in leading an integrated global risk management, internal control and compliance and ethics function in a FTSE 100 business. Caroline is passionate about doing business the right way.

Caroline has a BA Hons degree in Risk Management from Glasgow Caledonian University, and an MBA from Bayes Business School.

As well as Caroline's role with Aster, she is a Non-Executive Director of NHS Property Services Ltd and an independent member of the Audit and Risk Committee at the Wellcome Trust, a global charitable foundation focused on health research.

Corporate Governance Report

Board of Directors

Claire Whitaker CBE
Non-Executive Director

Committee Membership:

- Group Risk and Assurance Committee
- Chair of the Customer and Community Network

Claire is CEO of Southampton's Culture Trust, having led Southampton's shortlisted bid to be UK City of Culture 2025. Her role, which spans culture, events and destination, involves working with Southampton's communities, cultural organisations, businesses, and academic partners locally and in the wider region. Previously, Claire was an Owner/Director of live music producers, Serious, which was known for its high-quality work and engagement with a diverse range of artists and communities across the UK and internationally. Claire is also an advisor on Equality, Diversity and Inclusion, working with organisations across a range of sectors.

Claire has over 25 years of experience in executive and non-executive positions, including being a Trustee of the Paul Hamlyn Foundation, a member of the Cultural Recovery Board, an Ambassador for the Mayor of London's Cultural Leadership Board and a member of the Arts and Creative Industries Advisory Group for the British Council. Prior to Serious, Claire was a Director of Africa95, a cross art form celebration of the arts of Africa which took place across the UK and the African continent and which named President Nelson Mandela, President Leopoldo Senghor and Her Majesty the Queen as its patrons. After the first democratic elections in South Africa, Claire worked closely with the ANC on the country's cultural strategy and helped establish Business Arts South Africa which had then Deputy President, Thabo Mbeki, as its inaugural Chair.

Claire's expertise ranges from the creation and delivery of ambitious arts events and programmes, advising companies and organisations on equality, diversity and inclusion and the development of strategic partnerships with a broad range of stakeholders. She is actively involved in policy development across culture, civil society and placemaking.

Bjorn Howard
Group Chief Executive Officer,
Executive Director

Committee Membership:

- Customer and Community Network
- Aster 55 Committee

Bjorn became Aster's Group CEO in 2009 having previously been the Chief Executive of a smaller housing association. Since then, Aster's housing business has doubled to over 37,000 homes and has expanded its geographical footprint across southern England and London.

Bjorn has worked in the independent housing, care and support sectors for more than 30 years and has extensive board-level experience in both executive and non-executive roles. He has served as a Non-Executive Director for an NHS Trust, educational organisations, regeneration boards and as a government appointee to a housing association.

Bjorn holds a master's degree in management and is a fellow of the Chartered Institute of Housing and Chartered Management Institute. He is also a member of the Institute of Directors.

Chris Benn
Chief Financial Officer,
Executive Director

Amanda Williams
Chief Investment Officer,
Executive Director

Chris joined Aster in 2014, bringing with him extensive experience from the commercial sector.

Before Aster, Chris held senior finance positions at Euromoney Institutional Investor PLC and Regus PLC. At Euromoney he ensured the finance team were able to support the five-fold profit increase of the Group from both organic growth, and through acquisitions, including the acquisition of a fellow FTSE-250 listed Group. At Regus Chris was involved in the IPO and floatation of Regus' shares on both the FTSE and NASDAQ indices.

Chris qualified as a chartered accountant at Coopers & Lybrand (now PwC) in 1994.

Amanda has 35 years' experience in development, marketing and asset management for registered social landlords, joining Aster Group in 2012. She was previously Director of Business Development at Synergy, prior to the merger with Aster and drove the strategic direction of the association's new-build development activity, including becoming an independent preferred investment partner.

Before Aster, Amanda was Head of Development for Sanctuary Housing Group for London and the South East, and an Associate Director of Adams Integra, a consultancy specialising in housing development and planning. She was also Director of Development services for Apex Housing (now A2Dominion) for nine years where she was responsible for growing a mixed development programme from scratch to over 1,000 units per year.

Corporate Governance Report

Directors' Remuneration Report

Group Remuneration and Nominations Committee

The Group Remuneration and Nominations Committee (GRNC) has been chaired by Mike McCullen (Non-Executive) since 5 November 2019. Mike has the skills and experience to chair the GRNC and meets the UK Corporate Governance Code 2018 (the UK Code) requirements.

The Committee comprises:

- **Mike McCullen**
  Chair, (Non-Executive Director)
- **Mike Biles**
  (Non-Executive Director)
  (until 2 November 2023)
- **David Doyle**
  (Independent Committee Member)
- **Tracey Peters**
  (Senior Independent Director)
- **Stephen Trusler**
  (Group Chair)
  (from 3 November 2023)

The Committee met five times during the year.

Committee's role and responsibilities

The Committee's responsibilities include:

- Receiving assurance as to the effectiveness of the chosen Codes of Governance;
- Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of Boards and making recommendations to the Group Board with regard to any proposed changes;
- Nominating, for the approval of the Board, appropriate individuals to fill Board vacancies as and when they arise having considered candidates with relevant experience from a wide range of backgrounds;
- Succession planning, taking into account the challenges and opportunities facing the company and the background, skills and expertise that will be required on the Boards in the future and reviewing annually management succession planning processes in relation to the company's Senior Executives;
- Determining and recommending to the Group Board the framework and policy for the remuneration of the Group Chair, Non-Executive Directors and Independent Committee Members; and
- Determining and recommending to the Group Board the framework and policy for the remuneration of the Group Chief Executive and the Executive Directors.

Key activities

The Committee continuously monitors its succession plan and during the year supported the Group Board with a number of appointments and changes to Committee membership. All appointments resulted from either planned vacancies, due to Board and Committee Members reaching the end of their maximum term, or existing vacancies in the Committee structure.

In addition to monitoring marketplace trends and succession planning, the GRNC also considered the following matters:

- Recommending the Directors' Remuneration Report for the annual report;
- Working on the modernisation of Board and Committee member evaluations and appraisals
- Approved the engagement of the Housing Diversity Network as diversity advisors for recruitment to the Board;
- Approving payment criteria and payments under the Project Reward Policy;
- Receiving assurance from the Governance Review progress update incorporating evaluation against the chosen Codes of Governance;
- Recommending the appointment of the new Group Chair, Stephen Trusler; and
- Recommending the appointment of a new Non-Executive Director, Mehul Desai.

Advisors to the Committee

Altair acted as Independent Advisors to the Committee throughout the year. The Committee is satisfied that the advice it receives on Executive and Non-Executive Directors' remuneration is independent and objective.

Directors' emoluments - Group

Directors (key management personnel) are defined as the members of the Group Board including the Group Chief Executive Officer, Executive Directors, Independent Committee Members and Non-Executive Directors of the Group's subsidiary companies.

The highest paid director was Bjorn Howard, Group Chief Executive Officer. The Group Chief Executive Officer received cash in lieu of pension payment of £23,989 (2023: £23,989). The Group does not make any further contribution to an individual pension arrangement for the Group Chief Executive Officer.

Emoluments (excluding pension contributions) payable to the highest paid Director	2024 £	2023 £
Bjorn Howard	**295,021**	302,722

The total emoluments of the Directors of Aster Group comprise:

	2024			
	Salaries £	**Benefits £**	**Pension £**	**Total £**
Bjorn Howard, Group Chief Executive Officer	**272,994**	**22,027**	**23,989**	**319,010**
Other Executive Directors	**904,242**	**117,229**	**83,576**	**1,105,047**
Non-Executive Directors and Independent Committee Members	**320,973**	**-**	**-**	**320,973**
Total Executive and Non-Executive Directors	**1,498,209**	**139,256**	**107,565**	**1,745,030**

	2023			
	Salaries £	Benefits £	Pension £	Total £
Bjorn Howard, Group Chief Executive Officer	272,994	29,728	23,989	326,711
Other Executive Directors	902,673	252,431	83,428	1,238,532
Non-Executive Directors and Independent Committee Members	270,153	-	-	270,153
Total Executive and Non-Executive Directors	1,445,820	282,159	107,417	1,835,396

The Remuneration Report was approved by the Board of Directors on and signed on its behalf by:

Mike McCullen
Chair, Group Remuneration and Nominations Committee

13 August 2024

Corporate Governance Report

Report of the Board

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

The Board's report comprises page **98**. Some of the matters required by legislation have been included in the Strategic Report (pages **4** to **63**) as the Board considers them to be of strategic importance.

In particular these are:

- future business developments;
- principal risks; and
- corporate and social responsibility (including diversity).

Principal activities

The Aster Group's principal activities are to provide affordable homes and associated services through its registered providers and other member companies. It also provides care and support services to the elderly and vulnerable, maintains its properties and develops new homes for rent and sale.

Group results for the year

The Group's consolidated profit for the year was £40.9 million (2023: £54.5 million). Profit before tax was £41.1 million (2023: £55.3 million).

The Board

The Members of the Board are listed in the Board of Directors details on page **90** of this report.

Capital structure

The Group contains entities in different forms (Charitable Community Benefit Societies with charitable rules, companies limited by shares and a public limited company). The Group finances its operations by a combination of government grants, loans from commercial banks, publicly listed bond finance and retained surpluses.

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefits of its Directors and Officers (which extend to the performance of any duties as a Director or Officer of an associated company or subsidiary). The provisions have been in place throughout the year and remain in force at the date of this report.

Going concern

The Group's business activities, together with factors likely to affect its future development and position, are set out in the Strategic Report of the Board on pages **4** to **63**. A member of the Group is party to deeds of contribution with its partner company in joint ventures. These deeds cover the jointly controlled entities' obligations in connection with their development sites.

The Group has long-term debt facilities in place which provide adequate resources to finance committed reinvestment and development programmes and generate operational cash flows sufficient to finance the Group's day-to-day operations. The Group also has a long-term business plan which shows that it is able to service its debt facilities whilst continuing to comply with lenders' covenants.

On this basis, the Board have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future as outlined in the viability statement on page **89**. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Disclosure of information to the auditor

So far as the Board is aware, there is no relevant information of which the Group's auditor are unaware. The Board has taken all reasonable steps that ought to have been taken to make itself aware of any relevant audit information, and to establish that the association's auditor are aware of that information.

By order of the Board

D Betteridge

David Betteridge
Company Secretary

13 August 2024

Statement of
Directors' Responsibilities

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

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

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

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

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

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and make sure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. It also has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group including the association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

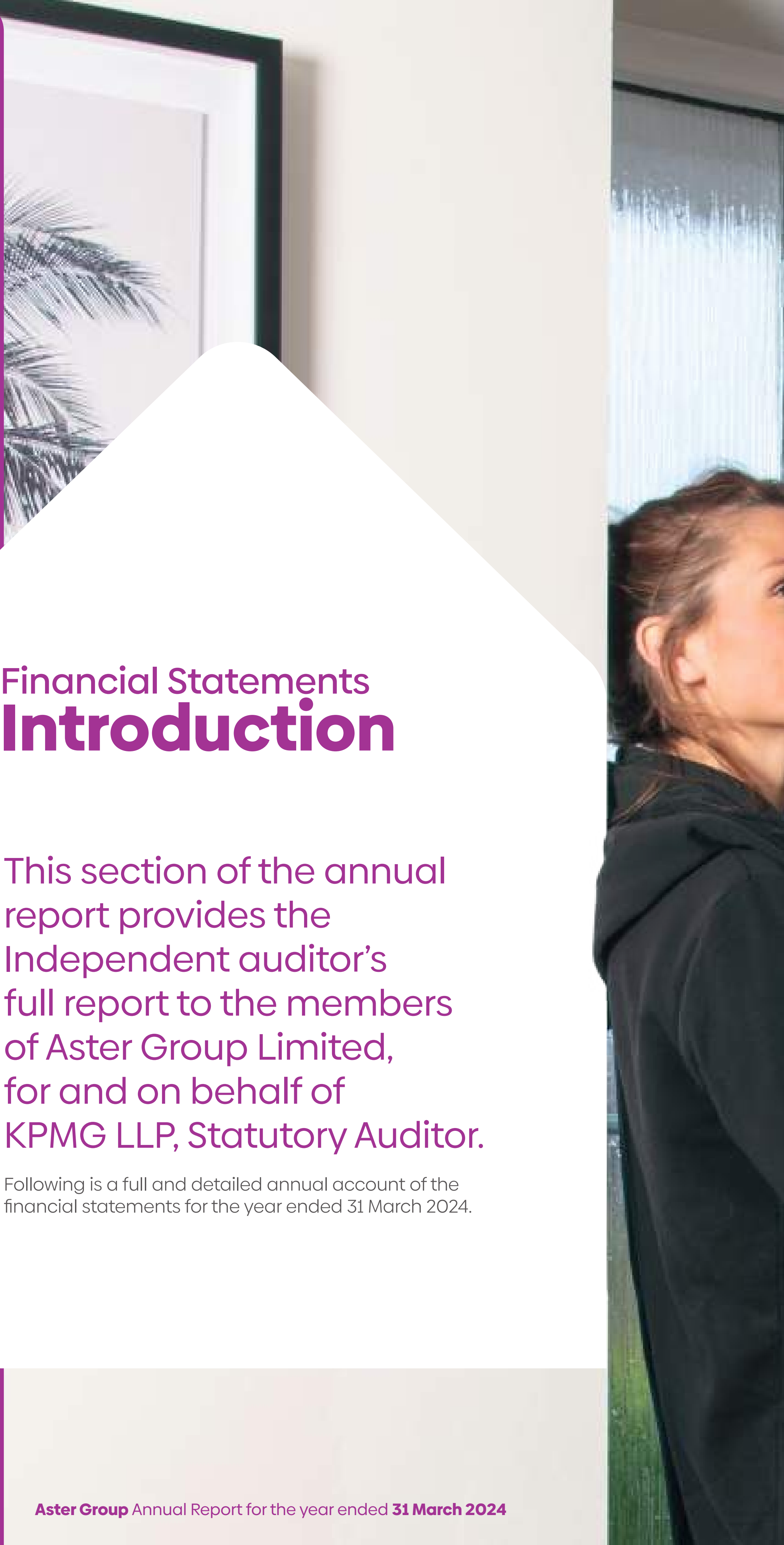
- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Bjorn Howard
Group Chief Executive Officer

13 August 2024



ASTER GROUP

Financial Statements
Introduction

This section of the annual report provides the Independent auditor's full report to the members of Aster Group Limited, for and on behalf of KPMG LLP, Statutory Auditor.

Following is a full and detailed annual account of the financial statements for the year ended 31 March 2024.

Financial Statements

Independent auditor's report

to the members of Aster Group Limited

1. Our opinion is unmodified

We have audited the financial statements of Aster Group Limited ("the Association") for the year ended 31st March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, Consolidated Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the related notes to the Consolidated Financial Statements and the Association's Statement of Comprehensive Income, Association's Statement of Financial Position, and the related notes to the Association's Financial Statements, including the accounting policies in note 4 to the Consolidated Statements.

In our opinion:

— the financial statements give a true and fair view of the state of the Group's and of the parent Association's affairs as at 31 March 2024 and of the Group's profit for the year then ended;

— the Group financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;

— the parent association financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland

— the financial statements have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022; and

— The financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: group financial statements as a whole		£7.9m (2023:£7.45m) 2.5% (2023: 2.5%) of Revenue
Coverage		83% (2023:92%) of gross revenue
Key audit matters		**vs 2023**
Recurring risks	Recoverability of stock and work in progress	◄►
	Valuation of post retirement benefit obligations	◄►
	Aster Group Limited (entity only) - Completeness and Accuracy of Expenses Incurred	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Stock and work in progress (£61.3m; 2023: £52.7m) *Refer to page 117 (accounting policy) and page 152 (financial disclosures).*	**Recoverability of stock and work in progress** An inappropriate amount is estimated for the net realisable value (NRV) of stock and work in progress, or an incorrect amount is recorded for the lower of cost and NRV. Property held in stock and current assets work in progress comprises properties which are speculatively developed for shared ownership or outright sale. FRS102 requires these properties to be recognised at the lower of cost or net realisable value. In order to assess the net realisable value of property held in stock and work in progress, site appraisals are prepared which include forecast revenue and costs and provide an indication of the recoverability of property held in stock and work in progress. Site appraisals include a number of judgements that could have a significant effect on the net realisable value of the property. Additionally, due to the current market scenario we will review the ageing of the completed properties held as stock and therefore assess the requirement of an impairment assessment for the year end. The risk will be dependent upon the size and nature of the stock held on the balance sheet at the year end. We may therefore, revise our assessment of this risk ahead of the final audit, and we will report back to this committee accordingly on any changes to the risk procedures performed.	Our procedures included: — **Review of controls:** Understood the processes the Group has in place to assess recoverability of stock and work in progress. We reviewed this process and identified and tested the design and implementation of controls in place for assessing recoverability of stock and work in progress; — **Post year end sales:** Verified if completed stock had been sold following the year end date and whether the sales are profitable; — **Review stock reservations**: Verified if reservations had been made for the stock during or after the financial year; — **Review forecasts:** Obtained management's forecast revenue and costs and challenged the judgements made as part of the forecasts. This included the rationale for forecasted sales prices, comparison to equivalent unit sales and consideration of sales conditions within the geographical area. — **Sensitivity analysis:** Performed sensitivity analysis over the forecasted costs and the impact on the recoverability of the site to price increases from the original forecast.

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2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Valuation of post retirement benefit obligation **SHPS Pension Liability:** (£3.5m; 2023: £3.4m) *Refer to page 123 (accounting policy) and page 163 (financial disclosures).*	An inappropriate amount is estimated and recorded for the defined benefit obligation. The group participates in four Local Government Pension schemes: Dorset County Council, Hampshire County Council, Somerset County Council and Wiltshire County Council. Additionally, the group participates in Social Housing Pension Scheme (SHPS). The valuation of post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to scheme liabilities, inflation rates, and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the entity's pension liability could have a significant effect on the financial position of the group. The effect of these matters is that, as a part of our risk assessment, we determined that post retirement benefit obligation has a high degree of estimation uncertainty. The financial statements (note 32) disclose the assumptions used by the group in completing the year end valuation of the pension deficit and the year on year movements. We have identified the risk in relation to the following pension scheme memberships: Aster Living's participations in SHPS.	Our procedures included: — **Evaluation of scheme actuaries:** We have evaluated the competency and objectivity of scheme actuaries; — **Use of Pension specialists:** We have engaged KPMG actuarial specialists to assist with challenging the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data; — **Review of accounting treatment:** We have reviewed the accounting treatment and entries applied by the Group are in line with FRS102 and the SORP; — **Review of disclosures**: We reviewed the adequacy of the Group's disclosures in respect of the sensitivity of the deficit to the key assumptions.
Aster Group Limited – Completeness and accuracy of expenses incurred (£38.6m; 2023: £32.2m) *Refer to page 186 (financial disclosures).*	**Provision of support services** Aster Group Limited is the holding company for the group and provides central support services to each of its subsidiary entities. The entity incurs external expenditure and recharges these, as budgeted to other group companies. This results in the majority of the balance sheet items being driven by amounts owing to/due from group companies and the income statement is driven by costs incurred on behalf of the group and related income. Expenditure contains the only external transactions going through the group company and therefore is the area we focus our audit testing.	Our procedures included: — **Review of costs incurred:** We have reviewed the nature of expenditure and sample tested to third party evidence to support significant year on year movements; — **Assessment of classification:** We have assessed the classification of expenditure and ensured that the expenses are classified in correct financial statement captions through consideration of consistency between years. — **Review of cut-off:** We have assessed the cut off of expenditure through a search for unrecorded liabilities and testing transactions around the year end.

3. Our application of materiality and an overview of the scope of our audit

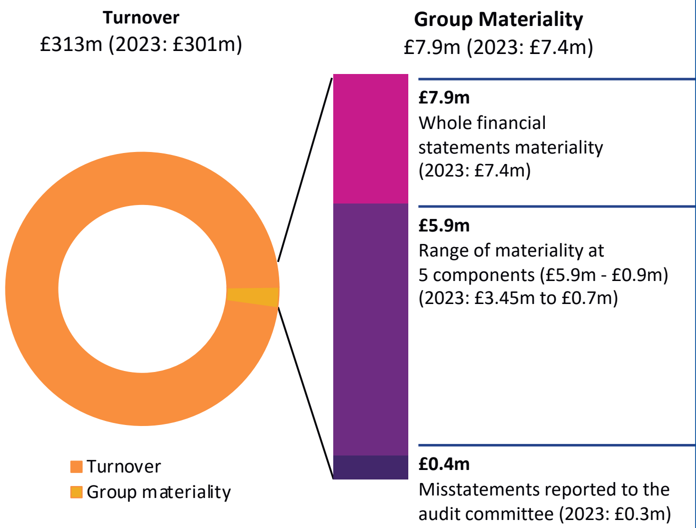
Materiality for the group financial statements as a whole was set at £7.9m, determined with reference to a benchmark of revenue, of which it represents 2.5% (2023: 2.5%).

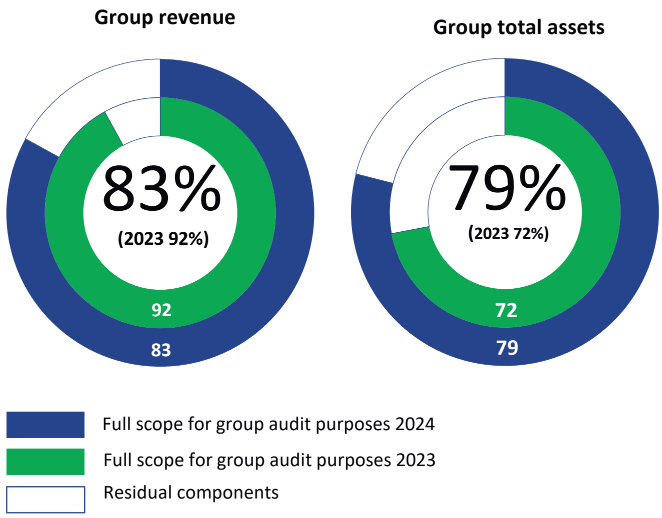
Materiality for the parent association financial statements as a whole was set at £1.2m (2023: £0.9m), determined with reference to a benchmark of total expenditure, of which it represents 3.0% (2023: 3.0%).

We agreed to report to the Group Risk & Assurance Committee any corrected or uncorrected identified misstatements exceeding £0.4m (2023: £0.3m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 20 (2023:22) reporting components, we subjected 5 (2023: 5) to full scope audits for group purposes and nil (2023: nil) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes but did present specific individual risks that needed to be addressed. The components within the scope of our work accounted for the percentages illustrated opposite.

The remaining 17% of total group revenue, and 21% of total group assets is represented by 18 reporting components, none of which individually represented more than 17% of total group revenue, group profit before tax or total group assets. For these residual components, we performed an analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.





4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or the Group or to cease their operations, and as they have concluded that the Association's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Association will continue in operation.

In our evaluation of the Board's conclusions, we considered the inherent risks to the association's business model and analysed how those risks might affect the financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for the going concern period.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the directors' statement in Note 4 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Association's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the association will continue in operation.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

— we have not identified material misstatements in the strategic report and the directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

Disclosures of emerging and principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

— the directors' confirmation within the viability statement (page 89) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;

— the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and

— the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Association's longer-term viability.

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Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

— the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;

— the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and

— the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the group audit committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud , including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board/ audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition due to limited scope for manual intervention and the homogenous nature of the majority of the revenue streams. In addition property sales are recognised on receipt of a legal completion statement and cash and therefore the opportunity to manipulate revenue from sales is remote.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Group wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual combinations of journal postings to revenue, unusual combinations of journal postings to cash and borrowings, expenses and post close journals.
- Assessing whether the judgements made in the accounting estimates are indicative of potential bias including assessing the assumptions used in pension valuations and the value of properties developed for sale held in current assets.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit .

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative and community benefit society legislation), pensions legislation, specific disclosures required by housing legislation, and requirements imposed by the Regulator for Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on the amounts or disclosures in the financial statements.

KPMG

Financial Statements

Independent Auditor's Report to the members of

Aster Group Limited

KPMG

6. Fraud and breaches of laws and regulations – ability to detect (cont.)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Cooperative and Community Benefit Society Act 2014, we are required to report to you if, in our opinion:

— adequate accounting records have not been kept by the Group and Parent Association, or returns adequate for our audit have not been received from branches not visited by us; or

— the Group and Parent Association financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 99, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the Parent Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Harry Mears
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Gateway House
Tollgate
Eastleigh
SO53 3TG

2 September 2024

Financial Statements

Consolidated Statement of Comprehensive Income

for the year ended **31 March 2024**

	Note	**2024 £000**	2023 £000
Turnover	6a	**313,733**	301,199
Operating expenditure before impairment	6a	**(217,606)**	(196,850)
Cost of sales	6a	**(40,868)**	(54,373)
Administrative expenses	6a	**(3,498)**	(3,360)
Profit on disposal of housing property, plant and equipment	7	**24,610**	20,303
Increase in fair value of investment properties	6a	**598**	159
Operating profit before impairment		**76,969**	67,078
Impairment of shared ownership properties held for sale	26	**(177)**	(135)
Impairment of housing assets under construction	17	**(3,111)**	-
Impairment of intangible assets	16	**-**	(134)
Impairment of other fixed assets	18	**-**	(22)
		(3,288)	(291)
Operating profit	8	**73,681**	66,787
Donations received	9	**198**	386
Profit on disposal of other property, plant, equipment and intangible assets	11	**542**	6
Loss on disposal of investment properties	12	**(10)**	-
Share of (loss) / profit in joint ventures	42	**(1,102)**	1,776
Gain on acquisition	43	**6**	12,769
Profit before interest and taxation		**73,315**	81,724
Interest receivable and similar income	13	**10,637**	5,863
Interest payable and similar charges	13	**(43,527)**	(31,962)
Interest on net pension liability	13	**642**	(316)
Net finance expense		**(32,248)**	(26,415)
Profit before taxation		**41,067**	55,309
Tax charge on profit	15	**(170)**	(774)
Profit for the year		**40,897**	54,535
Other comprehensive (expense) / income			
Actuarial (losses) / gains in respect of pension schemes	33	**(3,140)**	4,760
Movement in deferred taxation	15	**175**	(244)
Effective cash flow hedge fair value gain	14	**814**	13,064
Other comprehensive (expense) / income for the year		**(2,151)**	17,580
Total comprehensive income for the year		**38,746**	72,115

The accompanying notes form part of these financial statements.

Consolidated Statement of

Financial Position

as at **31 March 2024**

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	16	**5,309**	3,536
Property, plant and equipment (social housing)	17	**2,383,436**	2,221,140
Property, plant and equipment (other assets)	18	**24,116**	24,964
Investment properties	19	**28,286**	27,855
HomeBuy loans receivable	20	**3,218**	3,350
Investments in joint ventures	21	**1,619**	2,943
Other investments	22	**233**	230
		2,446,217	2,284,018
Non-current assets			
Debtors: amounts falling due after more than one year	23	**64,723**	52,613
Current assets			
Inventories	24	**34,226**	18,055
Debtors: amounts falling due within one year	25	**52,626**	58,338
Shared ownership properties held for sale	26	**61,329**	52,679
Cash and cash equivalents	27	**86,452**	94,309
		234,633	223,381
Creditors: amounts falling due within one year	28	**(164,752)**	(127,836)
Net current assets		**69,881**	95,545
Total assets less current liabilities		**2,580,821**	2,432,176
Non-current liabilities			
Creditors: amounts falling due after more than one year	29	**(1,369,476)**	(1,259,458)
Pension liability - Local Government Pension Schemes	33	**(364)**	(694)
Pension liability - Social Housing Pension Scheme	33	**(10,168)**	(9,229)
Other provisions	34	**(3,133)**	(3,861)
Net assets		**1,197,680**	1,158,934
Capital and reserves			
Called up share capital	35	**-**	-
Profit and loss reserve		**812,245**	769,134
Revaluation reserve	36	**378,277**	383,467
Restricted reserve	36	**1,721**	1,710
Cash flow hedge reserve	36	**4,975**	4,161
Merger reserve	36	**462**	462
Total capital and reserves		**1,197,680**	1,158,934

The accompanying notes form part of these financial statements.

The financial statements on pages **110** to **185** were approved and authorised for issue by the Board on **13 August 2024** and were signed on its behalf by:

Stephen Trusler

Stephen Trusler
Group Chair

Bjorn Howard
Group Chief Executive Officer

David Betteridge
Company Secretary

Financial Statements

Consolidated Statement of

Changes in Reserves

for the year ended **31 March 2024**

	2024					
	Profit and loss reserve £000	**Revaluation reserve £000**	**Restricted reserve £000**	**Cash flow hedge reserve £000**	**Merger reserve £000**	**Total reserves £000**
Balance at 1 April 2023	**769,134**	**383,467**	**1,710**	**4,161**	**462**	**1,158,934**
Profit for the year	**40,897**	**-**	**-**	**-**	**-**	**40,897**
Other comprehensive expense for the year	**(2,965)**	**-**	**-**	**814**	**-**	**(2,151)**
Transfer from revaluation reserve to profit and loss reserve	**5,190**	**(5,190)**	**-**	**-**	**-**	**-**
Transfer from profit and loss reserve to restricted reserves	**(11)**	**-**	**11**	**-**	**-**	**-**
Balance at 31 March 2024	**812,245**	**378,277**	**1,721**	**4,975**	**462**	**1,197,680**

	2023					
	Profit and loss reserve £000	Revaluation reserve £000	Restricted reserve £000	Cash flow hedge reserve £000	Merger reserve £000	Total reserves £000
Balance at 1 April 2022	705,304	388,511	1,445	(8,903)	462	1,086,819
Profit for the year	54,535	-	-	-	-	54,535
Other comprehensive expense for the year	4,516	-	-	13,064	-	17,580
Transfer from revaluation reserve to profit and loss reserve	4,779	(4,779)	-	-	-	-
Transfer from profit and loss reserve to restricted reserves	-	(265)	265	-	-	-
Balance at 31 March 2023	769,134	383,467	1,710	4,161	462	1,158,934

The accompanying notes form part of these financial statements.

Consolidated Statement of
Cash Flows

for the year ended **31 March 2024**

	Note	**2024 £000**	2023 £000
Net cash generated from operating activities	1	**175,601**	167,286
Cash flow from investing activities			
Acquisition and construction of social housing properties		**(217,721)**	(198,853)
Acquisition and construction of shared ownership first tranche properties for sale - capital cost		**(49,130)**	(57,382)
Acquisition and construction of investment properties		**(13)**	(7,958)
Purchase of intangible assets		**(1,567)**	(1,596)
Purchase of other assets		**(6,058)**	(5,027)
Proceeds from sale of other assets		**6,743**	28
Proceeds from the sale of investment properties		**170**	-
Loan (drawdown to) / repayment from joint ventures		**(8,455)**	7,045
Dividend from joint ventures		**222**	4,600
Grants received		**31,240**	24,381
Interest received		**6,377**	2,045
Cash flow used in investing activities		**(238,192)**	(232,717)
Cash flow from financing activities			
Interest paid		**(51,368)**	(39,671)
Drawdown of new and existing loans		**252,000**	147,647
Repayment of borrowings		**(146,198)**	(44,560)
Cash flow generated from financing activities		**54,434**	63,416
Net decrease in cash and cash equivalents		**(7,857)**	(2,015)
Cash and cash equivalents at beginning of the year		**94,309**	96,324
Cash and cash equivalents at end of the year		**86,452**	94,309

The accompanying notes form part of these financial statements.

1 Cash flow from operating activities

	2024 £000	2023 £000
Profit for the year	**40,897**	54,535
Adjustments for non-cash items		
Amortisation of intangible assets	**478**	454
Depreciation of property, plant and equipment	**37,758**	34,678
Impairment of property, plant and equipment	**3,288**	291
Investment property fair value adjustments	**(598)**	(159)
Accelerated depreciation of components	**2,772**	1,073
Increase in inventories	**(16,348)**	(10,338)
Gain on acquisition	**-**	(12,547)
Decrease / (increase) in debtors	**6,919**	(11,669)
Increase in creditors	**15,276**	16,391
(Decrease) / increase in provisions	**(728)**	263
Movement in shared ownership properties held for sale less capital cost	**40,480**	54,301
Pension cost less contributions payable	**(1,894)**	(4,129)
Carrying amount of housing property	**14,353**	18,505
Carrying amount of property, plant and equipment	**6,187**	22
Carrying amount of intangible assets	**14**	-
	107,957	87,136
Adjustments for investing or financing activities		
Proceeds from the sale of other property, plant and equipment	**(6,743)**	(28)
Proceeds from the sale of investment properties	**(170)**	-
Government grants recycled / (utilised) in the year	**86**	(1,420)
Interest payable	**42,886**	32,278
Interest receivable	**(9,012)**	(5,292)
Effective interest adjustment	**-**	77
	27,047	25,615
Net cash generated from operating activities	**175,901**	167,286

2 Legal status

Aster Group is registered under the Co-operative and Community Benefit Society Act 2014, and is registered with the Regulator of Social Housing (RSH) as a Registered Provider as defined by the Housing Act 2004.

3 Basis of preparation

The financial statements of the Group have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers, and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The association is classified as a Public Benefit Entity under FRS 102.

The financial statements are presented in Sterling (£).

Application of accounting policies

The Group's accounting policies have been applied consistently throughout the year.

Group consolidation

The Group is required to prepare consolidated financial statements under the Co-operative and Community Benefit Societies Act 2014 incorporating the financial statements of the association and its subsidiaries. Intra-group transactions have been eliminated on consolidation.

Basis of consolidation

Subsidiaries

Subsidiaries that are not the ultimate parent do not produce consolidated financial statements under the exemption included in section 9.3 of FRS 102.

Joint ventures

Joint ventures are contractual arrangements between two or more parties which enter into an activity that they jointly control. The Group has two types of joint venture.

i. **Jointly controlled entities –** these are separate organisations in which each party has an interest. In the Group's consolidated financial statements they are accounted for using the equity method. In the association's financial statements the investment in the joint venture is recognised at cost.

ii. **Jointly controlled operations –** each party uses their own resources rather than establishing a separate organisation. The jointly controlled operation agreement lays out how revenues from the activity are shared. For these operations the Group recognises:

   - The assets it controls and the liabilities it incurs; and
   - The expenses it incurs and its share of the income from the operation.

Associates

An entity is treated as an associated undertaking where the Group has significant influence, but it is neither a subsidiary nor interest in a joint venture. Significant influence is the power to participate in financial and operating decisions of the associate but not to control them.

In the Group financial statements, associates are accounted for using the equity method. 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 associate.

Business combinations that are in substance a gift

Enham Trust joined the group on 1 October 2022.

The Group concluded that the requirements of FRS 102 Section 34 Public Benefit Entity Combinations were relevant to this judgement and that the Group and Enham Trust all have a primary objective to provide services to the general public and community for social benefit.

The Group considered that the combinations were in substance a gift and nil consideration was made or is due as a result of Enham Trust joining the Group. As such the net assets have been recognised at fair value as a gain in the Consolidated Statement of Comprehensive Income. Intra-group transactions have been eliminated on consolidation.

4 Summary of significant accounting policies

Going concern

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Board has prepared cash flow forecasts covering a period of 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the Group and Association will have sufficient funds to meet their liabilities as they fall due for that period. In addition, the Board prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in March 2024 by the Board.

As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Group and Association budgets for 2024/25 and the Group's medium-term financial position as detailed in the cash flow forecasts and 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the going concern period. In reaching this conclusion, the Board has considered the following factors:

- The property market - budget and business plan scenarios have taken account of delays in handovers, lower numbers of property sales, reductions in sales values and potential conversion of market sale to social homes;
- Maintenance costs - budget and business plan scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised loan facilities across the Group of £341 million, noting the Group also has the ability to issue its £190 million of retained bonds, which gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period; and
- The Group's ability to withstand other adverse scenarios such as higher interest rates and increases in the number of void properties.

The Board believes the Group and Association have sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover represents:

Rental, service charge income and garage lettings - recognised from the point at which the properties under development reach practical completion or otherwise become available for letting.

Service charge income - an amalgamation of the budgeted charge for the year and the under or over recovery from the pre-previous year.

Revenue fees and grants from local authorities and the RSH - recognised over the period the related costs are incurred.

Asset related fees and grants from local authorities and the RSH - recognised over the life of the related asset. For grants relating to completed properties the grant is amortised through turnover over the effective useful life of the property's structure.

Income from first tranche sales of New Build HomeBuy and housing properties developed for sale - recognised at the legal completion of the sale.

Connected living revenue – relates to providing personal monitoring systems to vulnerable customers. The charges are raised and recognised weekly from the installation of the equipment for as long as the customer requires it.

Finance debtor revenue - relates to the income received in relation to the Group's Service Concession Arrangement. It is made up of a monthly charge for each property with a certificate of availability and an annual dwelling charge payable by the grantor of the arrangement (Wiltshire County Council). Revenue is recognised from the date each property is certificated as available.

Green electricity - amounts received or receivable from the feed in tariff receivable for green electricity produced by the photovoltaic panels the Group owns. Turnover is recognised as the energy is produced. Additional kilowatts of energy generated are sold to the National Grid.

Other income, such as domiciliary care, home improvements, design and build fees and sewerage services - recognised when the performance of a service is completed, or when the requirements of an agreement with a third-party or other Group subsidiary are met.

Operating Profit

The Group has chosen to show operating profit on the face of the Consolidated Statement of Comprehensive Income. This figure represents income, less the costs and expenses incurred to generate it, from the Group's principal activities that are not investing or financing activities.

Property managed by agents

The Group has a small number of properties that it owns but are managed by agents on its behalf. Where the Group carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Consolidated Statement of Comprehensive Income for the year. Where the agency carries the financial risk, the profit or loss for the year includes only that income and expenditure which relates solely to the Group.

Value added tax (VAT)

The Group is registered for VAT and, while turnover is stated excluding VAT, a large portion of its income, including its rents, is exempt for VAT purposes. The majority of its expenditure is subject to VAT which cannot be reclaimed and therefore expenditure is shown inclusive of irrecoverable VAT. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Right to buy

The gain or loss on disposal of housing properties under the right to buy arrangement is calculated as being the difference between the proceeds of sale of a property and the carrying value of that property. The gain or loss on disposal is recognised in the Consolidated Statement of Comprehensive Income for the year at the date of transfer after adjusting for any local authority claw back agreement in operation. The relevant local authority claw back is recognised as a liability until it is repaid to the authority.

Right to acquire

The gain or loss on the disposal of housing properties under the right to acquire arrangement is calculated as being the difference between the proceeds of sale of a property and the carrying value of that property. Any gain or loss on disposal is recognised in the Consolidated Statement of Comprehensive Income for the year at the date of transfer.

New Build HomeBuy (Shared ownership)

The cost of developing New Build HomeBuy properties is split between current assets for that part of the property which is expected to be sold by way of a first tranche sale and property, plant and equipment for the remaining part of the property which is expected to be retained.

First tranche sales on New Build HomeBuy properties are recognised in turnover, with an appropriate proportion of development build costs being expensed through cost of sales.

Subsequent tranches sold (staircasing) are reflected in the Consolidated Statement of Comprehensive Income on sale of property, plant and equipment. Such staircasing sales may result in social housing grant being deferred or abated until it can be recycled or repaid. Cost includes the acquisition of land and buildings, the cost of developing properties, plus expenditure incurred in respect of improvements.

Taxation

The Group consists of some subsidiaries which have adopted charitable rules and benefit from various exemptions from taxation afforded by tax legislation and are therefore not liable to corporation tax on income or gains falling within those exemptions. The Group also has some subsidiaries which are subject to taxation. These taxable subsidiaries are able to gift aid some or all of their taxable profits to their parent entity and in doing so reduce or eliminate their tax liability.

Investments

The Group holds investments in companies outside the Group. These are recognised at cost less impairment.

Intangible assets and amortisation - computer software

Intangible assets are identifiable non-monetary assets without physical substance such as computer software. Intangible assets are stated at cost less accumulated amortisation. Cost includes the original purchase price of the asset and any directly attributable costs of preparing the asset for its intended use. Amortisation is charged on a straight line basis over the expected remaining useful economic life (UEL) of the assets as follows:

Asset	UEL (years)
Computer software	3
Main computer systems software	10

4 **Summary of significant accounting policies** (continued)

Social housing properties and depreciation

Properties rented for social benefit are classified as property, plant and equipment and referred to as social housing. These properties are rented at below market rate to people put forward by the relevant local authorities from their housing lists. Social housing properties under construction are stated at cost and are not depreciated. These are reclassified as social housing properties on practical completion of construction with cost apportioned by key components.

Freehold land is not depreciated. Freehold properties are depreciated by component on a straight line basis over the estimated useful economic lives of the component categories.

Social housing properties are split between the structure and those major components which require periodic replacement. Capitalised major components are depreciated over the following UEL:

Component	UEL (years)
Structure (see opposite)	30 - 100
Roof	45 - 60
Heating Distribution Systems	15 - 30
Boiler	10 - 15
Bathroom	25 - 30
Windows / Doors	30 - 35
Kitchen	20
Electrical wiring	20 - 30

Impairment reviews are carried out at each reporting date. If impairment is present the asset's carrying value is reduced to its depreciated replacement cost, as outlined in the impairment policy, unless it is being demolished or remodelled when the carrying value is reduced to that of the remaining components.

Social housing properties held on long leases are depreciated in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

New Build HomeBuy properties are split proportionately between property, plant and equipment and current assets based on the proportion of the share of equity sold in the first tranche. The element of a property anticipated to be sold as a first tranche sale is recognised as a current asset, whereas the element relating to second and subsequent tranche sales is treated as property, plant and equipment. If the profit on sale of the first tranche is expected to exceed the total overall profit on sale of all tranches of that property the proportionate value of the first tranche current asset is increased to limit the profit earned to the overall profit.

Depreciation on freehold properties and long leasehold social housing properties is provided to write off the cost less the estimated residual value of social housing properties by equal instalments over their remaining estimated UEL. Any additions and improvements are depreciated over the remaining life of the premises. The UEL used are:

Structure	UEL (years)
Pre-fabricated reinforced concrete construction (PRC)	30
Bedsits	30
All other	100

The Aster Group elected to take the transitional exemption laid out in paragraph 35.10(d) of FRS 102 and use the 31 March 2014 valuation as the deemed cost of social housing properties at that date. All social housing properties completed after that date are recognised at cost.

Donated land and social housing properties

Land donated by local authorities and others is added to the cost of the development scheme at the market value of the land at the time of the donation. If the land is donated by a local authority the market value is recognised as a government grant and accounted for using the accruals method. If the land is donated by a non-government party the market value is recognised as turnover in the Consolidated Statement of Comprehensive Income for the year.

Where social housing properties are donated by one Group member to another, the transfer is made at the properties net book value with the resulting expense or income being recognised as a donation.

Property, plant and equipment and depreciation, non-social housing

Property, plant and equipment, is stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Subsequent expenditure is capitalised where it increases the value of the asset or extends its life. Completed social housing properties are covered by a separate policy. Depreciation is charged on a straight line basis over the expected remaining UEL of the assets as follows:

Asset	UEL (years)
Freehold offices	50
Photovoltaic panels	25
Motor vehicles	4 - 5
Office, estate equipment and furniture	3 - 25

Freehold premises (non-social housing properties) depreciation is provided to write off the cost less estimated residual value over the UEL of the property. Any additions and improvements are depreciated over the remaining life of the premises.

Assets under construction are stated at cost (as defined above). They are presented separately in the note to the financial statements and not depreciated until they are completed and brought into use. The UEL of all property, plant and equipment is reviewed annually.

Capitalisation of internal staff costs

a) **Housing development schemes**

Internal staff costs that are directly related to the development of housing assets are capitalised to the schemes under construction where the outcome of the scheme is certain. Where the outcome of the scheme is uncertain or aborted, the direct development administration costs are charged to the Consolidated Statement of Comprehensive Income for the year.

b) **Development of internally created assets**

Internal staffing costs relating to internally created other tangible or intangible assets are capitalised to the extent that they are additional costs incurred due to the development of the asset.

An internally generated intangible asset is only recognised if all the following conditions are met:

- The asset created can be identified (such as software or a website);
- It is expected that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are recognised at cost and amortised on a straight-line basis over the useful lives from the date the asset becomes usable.

Interest receivable and payable

Interest is recognised on an accruals basis, using the effective interest rate method recognised in the Consolidated Statement of Comprehensive Income over the life of the financial instrument.

Capitalisation of interest costs

Interest costs relating to the construction and acquisition of housing assets are charged to the cost of the development scheme, over the period of its development. The amount capitalised represents either:

- Interest costs incurred specifically for financing the development programme after the deduction of social housing grant in advance; or
- Interest costs of the Group as a whole after the deduction of interest on social housing grant in advance to the extent that they are funding the development programme.

Other interest costs are recognised in the Consolidated Statement of Comprehensive Income for the period to which they relate.

4 **Summary of significant accounting policies** (continued)

Leased assets

Where assets are financed by leasing agreements that transfers substantially all the risks and rewards of ownership, they are treated as if they had been purchased outright. The amount capitalised is the lower of the present value of the minimum lease payments payable during the lease term or the fair value of the leased asset. The corresponding leasing commitments are shown as the present value of the obligations to the lessor. Lease payments are treated as consisting of a finance charge and a reduction in the liability. The finance charge is charged to the Consolidated Statement of Comprehensive Income for the period using the effective interest method.

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income for the period on a straight line basis over the period of the lease.

Investment properties

Investment properties are properties held for capital appreciation, rented at a market rate where there are no restrictions on who can be a tenant, or both.

Investment properties are re-valued each year to their fair or market value. Any changes in value are recognised in the Consolidated Statement of Comprehensive Income in the year they occur.

HomeBuy scheme

The Group operates the HomeBuy Scheme lending up to 25% of the cost of a property purchase to tenants who wish to own their own home. This loan is secured on the title of the property. On subsequent sale of the property by the purchaser the Group receives a proportion of the sale proceeds equal to the original percentage lent.

The loans are financed by Social Housing Grant (SHG) from the Regulator for Social Housing (RSH). On subsequent sale by the purchaser, the SHG is recycled and the Group keeps any profit. In the event of a loss, the SHG is written off and expensed through operating expenditure.

The loan to the purchaser is treated as a fixed asset investment made by the association and the grant from the RSH is recognised separately as a loan to the association. The investment is carried on the Consolidated Statement of Financial Position at transaction cost and monitored for signs of impairment.

Inventories

a) **General inventories**
Inventories are valued at the lower of cost and net realisable value, after making allowances for any obsolete and / or slow moving items. Net realisable value is the price which inventories can be sold for in the normal course of business after allowing for the costs of realisation. Inventories are valued using a first-in-first-out methodology.

b) **Properties developed for market sale**
Properties that have been developed for market sale are recognised at cost less cost to sell. Cost comprises materials, direct labour, direct development overheads and attributable interest. Sales proceeds are included in turnover.

c) **Work in process**
Speculative housing land, stock plots and work in progress, is recognised at the lower of cost and net realisable value (selling price less cost to sell). Cost comprises materials, direct labour, direct development overheads and attributable interest.

Impairment

a) **Inventories**
At the end of each reporting period inventories are reviewed for impairment. If any inventory is found to be impaired the carrying value is reduced to the selling price less costs to complete and sell.

b) **Other tangible and intangible assets**
Other tangible and intangible assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, the affected assets are written down to the recoverable amount. Any such write down is charged to the Consolidated Statement of Comprehensive Income for the year.

c) **Social housing**
Social housing properties are subject to impairment trigger reviews on completion and then annually thereafter. If there is a trigger and evidence of impairment is found the carrying value of the property is compared to its depreciated replacement cost. This represents the amount it would cost the Group to replace the property. For properties built or acquired prior to 1 April 2014 this replacement cost is depreciated from 1 April 2014. For properties built or acquired after 1 April 2014 depreciation starts from the build or acquisition date. If the property's carrying value is higher than its depreciated replacement cost the carrying value must be reduced to the depreciated replacement cost, the write down is charged to the Consolidated Statement of Comprehensive Income for the year.

In the portfolio there are some pre-fabricated reinforced concrete construction properties and bedsits. Where an impairment review indicates that their useful economic life is likely to be less than the standard policy they have been re-lifed to ten years.

d) **Unsold first tranche current assets**

On practical completion HomeBuy property assets are spilt between current assets for the unsold first tranche portion and property, plant and equipment for the rental portion.

First tranche current assets are reviewed for impairment if there are indications that the market value of the property has dropped below that included in the investment appraisal. If any current assets are found to be impaired the carrying value is reduced to the selling price less costs to complete and sell.

The rental portion is treated as social housing for impairment purposes.

e) **Open market properties held for sale**

Open market properties held for sale are classified as current assets and are reviewed for impairment if there are indications that the market value of the property has dropped below its carrying value. If any current assets are found to be impaired the carrying value is reduced to the selling price less costs to complete and sell.

Accrued income

When, as a result of performing a service or otherwise meeting the requirements of an agreement with a third-party, income falls due but has not been invoiced in the period, an accrual is made for this income.

Deferred income

Where payment has been received for goods or services not yet delivered, the amount is initially recorded as a liability in the Consolidated Statement of Financial Position and recognised as turnover once the delivery has been made.

Service Concession Arrangements

The Group has a Service Concession Arrangement, previously known as a Private Finance Initiative scheme, with Wiltshire Council which was entered into before 1 April 2014. The Group is taking advantage of the transitional arrangement outlined in section 35.10 (I) of FRS 102 and will continue accounting for the scheme using the accounting policies in place prior to that date.

Costs incurred on the Service Concession Arrangement in respect of development, design, construction and finance costs during the period prior to availability of the social housing properties are accumulated within stocks as amounts recoverable on long term contracts.

Once completed housing units are made available for occupation, the accumulated amounts recoverable on long term contracts are transferred to finance debtors receivable and recovered over the contract period on an annuity basis.

Service charge sinking funds

The Group owns a number of schemes which require it to manage sinking funds in order to maintain the upkeep of the properties. These funds are held separately by the Group, and may only be used for the benefit of the relevant schemes. These funds are held in creditors on the Consolidated Statement of Financial Position.

Financial instruments

Section 11 Basic Financial Instruments of FRS 102 permits an accounting policy choice for financial instruments. The Group has chosen to adopt sections 11 and 12 of FRS 102 as permitted by this section.

a) **Rent arrears and other debts**

Rent arrears, other amounts due from tenants and other miscellaneous debts are recognised and carried at original amount of the charge, less provision for impairment. A provision is made and charged to the Consolidated Statement of Comprehensive Income for the year when there is objective evidence that the Group will not be able to collect all amounts due in accordance to the original terms.

Any tenants or miscellaneous debtors who have a payment arrangement to pay their debts over a period of longer than the normal terms of business are treated as having a financing transaction. These transactions are recognised at their present value rather than transaction value. The discount rate used for the present value calculation is based upon an estimate of the rate the debtor could obtain in their own right.

b) **Cash and cash equivalents**

Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of twelve months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

c) **Derivatives**

Derivative financial assets and liabilities are recognised at fair value. They represent some of the financial instruments that have been designated as hedging instruments. Hedging is further explained below in the financial instruments derivative note.

d) **Financial liabilities**

i) Bonds, medium term notes and commercial paper are classified as other financial liabilities under section 11 of FRS 102 and held at amortised cost using the effective interest rate method to allocate costs of issue (including the discount or premium on issue).

4 **Summary of significant accounting policies** (continued)

Financial instruments (continued)

d) **Financial liabilities** (continued)

ii) Accrued interest payable on the debt is also classified as other financial liabilities and held at amortised cost.

e) **Offsetting financial instruments**
Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

f) **Trade creditors**
Trade creditors are not interest-bearing and are stated at their transaction value.

g) **Trade debtors**
Trade debtors are recognised at amortised cost.

h) **Committed borrowings and bank overdrafts**
Interest-bearing loans and overdrafts are recorded at the amounts received, net of direct issue costs, using the effective interest method. Direct issue costs are amortised over the period of the loans and overdrafts to which they relate. Finance charges, including premiums payable on settlement or redemption, are charged to the profit or loss for the period as incurred using the effective interest rate method and are added to the carrying value of the borrowings or overdraft to the extent they are not settled in the period in which they arise.

When a loan facility agreement is entered into, any associated costs are capitalised, discounted at the prevailing market rate of interest amortised over the life of the related loans.

i) **Derivative financial instruments**
Various derivative financial instruments are used to manage exposure to interest rate risks, including interest rate swaps and options or a combination of these. All derivative instruments are recorded in the Consolidated Statement of Financial Position at fair value. The recognition of gains or losses on derivative instruments depends on whether or not the instrument is designated as a hedging instrument. Derivatives are designated as either:

I) A standalone derivative recognised at fair value through the Consolidated Statement of Comprehensive Income; or

II) A cash flow hedging instrument.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the derivative matures in more than twelve months, and as a current asset or liability when the derivative matures in less than twelve months.

j) **Cash flow hedges**
The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income within the Consolidated Statement of Comprehensive Income and subsequently in the cash flow hedge reserve. The ineffective portion of such gains and losses is recognised in the Consolidated Statement of Comprehensive Income for the period immediately.

Amounts accumulated in the cash flow hedge reserve are reclassified to the Consolidated Statement of Comprehensive Income in the periods when the hedged item is recognised in the Consolidated Statement of Comprehensive Income.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow reserve at that time is recognised in the Consolidated Statement of Comprehensive Income for the period.

k) **Interest rate exposure**
Interest rate swaps are used to manage the Group's exposure to fluctuations in interest rates on its floating rate borrowings. The maturity profile of these swaps is matched with the underlying debt. Hedging policy is to leave no more than 50% of borrowings on a floating rate. The expected future debt profile is based on estimates of the timings and size of future housing developments' funding demands offset by an estimate of cash generated by operating activities.

l) **Convertible financial instruments**
Convertible financial instruments can be converted into third-party equity under certain circumstances. They do not meet the criteria for basic financial instruments under section 11 of FRS 102 and are recognised at their fair value, which is measured at the end of each reporting year with any changes being recognised in profit or loss.

Social housing and other grants

Social housing grant (SHG) is receivable from the Regulator for Social Housing (RSH). It is accounted for under section 24 of FRS 102 'Government Grants' using the accrual model. Once properties have been completed the grant is classified as a long-term creditor and amortised to the Consolidated Statement of Comprehensive Income for the year over the life of the properties' structure. Where grants are paid in advance, they are included in creditors until performance is completed.

If a property which received a grant is subsequently sold, or another relevant event takes place the SHG appears as a creditor due in less than one year. It can be recycled for use in a project approved by the RSH or repaid to the RSH if it is not used within the agreed time-scale.

Prior to transition to FRS 102 the Group held its social housing properties at valuation. On transition this became the deemed cost. All SHG received prior to transition on 1 April 2014 was transferred to the profit and loss reserve. It is recycled from this reserve if a relevant event occurs.

Government grants received after 1 April 2014 are recognised in income over periods in which the related costs are recognised for which the grant is intended to compensate, over the useful economic life of the property's structure.

Other government grants received are also accounted for under section 24 of FRS 102 using the accrual model.

When part of the government grant is deferred, it is recognised as deferred income within creditors and allocated between due within one year and due after more than one year as appropriate.

Pension costs

The cost of providing retirement pensions and related benefits is accounted for in accordance with Section 28 of FRS 102 'Employee Benefits'.

The Group participates in ten pension schemes. There are four Local Government Pension Schemes (LGPS) which are the Dorset County Council Pension Fund, the Hampshire County Council Pension Scheme, the Somerset County Council Pension Scheme and the Wiltshire Council Pension Scheme. There are three separate schemes with the Social Housing Pension Scheme (SHPS). The accounting treatment for each scheme is described below.

The LGPSs are accounted for as defined benefit schemes. The assets for these schemes are held separately from those of the Group in independently administered funds. Pension scheme assets are measured in accordance with the FRS 102 fair value hierarchy. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability.

The increase in the present value of the liabilities of the Group's defined benefit pension schemes expected to arise from employee service in the year is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in operating expenditure. Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the Consolidated Statement of Financial Position net of the related deferred tax. Actuarial gains and losses which arise from the difference between actual and expected performance of the scheme are recognised in Other Comprehensive Income.

All LGPS schemes are closed to new starters.

The SHPS defined benefit scheme based on final salary and the CARE 1/60th scheme closed on 31 March 2020 and members were automatically transferred to the SHPS defined benefit CARE 120th scheme. Employees could opt to be transferred to the SHPS defined contribution scheme. The SHPS defined benefit CARE 120th scheme was closed to new applicants on 30 June 2019 with the exception of employees transferring from the defined benefit schemes. Employees have a choice of joining the SHPS defined contribution (stakeholder) scheme.

Defined contribution scheme costs are charged to the Consolidated Statement of Comprehensive Income as they fall due.

4 **Summary of significant accounting policies** (continued)

Pension costs (continued)

Prior to 1 April 2018 SHPS were unable to provide sufficient information for the defined benefits schemes to calculate the Group's share of assets and liabilities and the scheme was accounted for as a defined contribution scheme. The SHPS scheme was in deficit and the Group had agreed to participate in a deficit funding arrangement which was recognised as a liability. The amount recognised was the present value of the contribution payable under the deficit funding arrangement.

From 1 April 2018 SHPS has been able to provide sufficient information to calculate the Group's share of the scheme's assets and liabilities. The scheme is now accounted for as a defined benefit scheme as described for the LGPSs above.

The SHPS defined benefit final salary scheme and SHPS defined benefit CARE 1/60th scheme was closed on 31 March 2020. Members were automatically transferred to the SHPS defined benefit CARE 120th scheme but could opt to be transferred to the SHPS defined contribution scheme.

The SHPS defined benefit CARE 120th scheme were closed to new starters from June 2019.

From 1 April 2022, employees can opt to join the Aegon defined contribution pension scheme.

Employees joining Flourish Homes (now part of Aster Communities) between September 2003 and September 2010 were only offered entrance to a defined contribution ('stakeholder') scheme with Friends Provident. The Friends Provident scheme closed on 31 March 2020 and members were transferred to the SHPS defined contribution scheme. Between October 2010 and June 2019 new employees were offered entrance to the SHPS defined benefits career average scheme or the SHPS defined contribution scheme. Since July 2019 new employees have been offered entrance to the SHPS defined contribution scheme. Payments for both schemes are charged as an expense as they fall due.

East Boro Housing Trust Limited operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the association in an independently administered fund. The pension charge represents contributions payable by the Group to the fund.

Central & Cecil Housing Trust Limited operate a defined benefit pension scheme which is closed to new members. The pension scheme liability shown in the financial statements relates to the association's own defined benefit scheme. The difference between the fair value of the assets held in the association's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the association's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the association is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Central & Cecil Housing Trust Limited also operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the association in an independently administered fund. The pension charge represents contributions payable by the Group to the fund.

Enham Trust operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the association in an independently administered fund. The pension charge represents contributions payable by the Group to the fund.

Provisions

a) **General provisions**
A provision is recognised in the Consolidated Statement of Financial Position where the Group has an obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. The amount of provision is re-assessed each year in the light of estimated future income and costs as appropriate.

Deferred taxation

Deferred taxation is provided in accordance with Section 29 of FRS 102 'Income Tax'. It is recognised in respect of all timing differences at the reporting date where transactions or events have occurred at that date that will result in either an obligation to pay more tax in the future or a right to pay less tax in the future.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

Revaluation reserve

Prior to transition to FRS 102, on 1 April 2014, the Group's social housing properties were revalued each year. The revaluation reserve represents the increases in value of properties held at this date. On transition to FRS 102 the Group moved to recognising its social housing at deemed cost and no longer recorded increases in social housing property valuation.

Restricted reserve

Reserves which arise from the sale of some properties where the transfer agreement with the local council requires the association to retain a portion of the sale proceeds are restricted. The reserve can only be used to fund investment in properties in the Mendip and Purbeck areas, in agreement with Mendip District Council and Purbeck District Council.

The restricted reserve within East Boro Housing Trust Limited represents the cash received as part of transfer of assets and operations from Soroptimist (Poole) Housing Association in 2018 and King Alfred Housing Association Limited in 2019. In accordance with the agreement made, this is restricted to being utilised on, or for the benefit of, the respective properties and their residents.

Merger reserve

On 10 March 2020 the assets and operations of the The Cyril Wood Memorial Trust Limited were transferred to East Boro Housing Trust Limited for proceeds of nil value. The transaction has been treated as a Group reconstruction in accordance with FRS 102 and the Housing SORP the assets acquired have been recognised at their net book value.

5 Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates, which are shown below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Group's accounting policies

Fair value

The Directors have made the following judgements regarding fair value:

- If land is donated at below market cost it is recognised at its fair value. The Directors judge this to be its market value at the time of the donation;
- Investment properties are recognised each year at their fair value. The Directors judge this to be their market value at the end of the reporting period; and
- Convertible financial instruments are recognised at their fair value. The Directors judge this to be the face value of the third-party equity they could be converted into at the end of the reporting period.

Derivative financial instruments are used to manage interest rate risk. These financial instruments are recognised each year at their fair or mark to market (MTM) value. This is determined by measuring the future discounted cash flows generated by the financial instrument against the implied interest yield curve at that point in time for the same nominal amount. The difference between these two figures is the financial instrument's fair or mark to market value. The Directors judge this to be an appropriate method of determining their fair value.

Cash generating units

When reviewing social housing properties for impairment the Directors are required to consider the level of cash generating unit. For impairment purposes, the Directors consider that each individual property constitutes a cash generating unit as it generates cash flows that are largely independent of the cash flows generated by other assets.

Impairment triggers for housing properties

On completion each development scheme is reviewed for impairment triggers using the Group's property impairment flow chart. If it is judged that there is evidence that the scheme has activated one of the triggers in the flow chart an impairment review is undertaken. Where impairment is found the carrying value of the properties in the scheme is reduced to their depreciated replacement cost. This process is also applied to completed properties annually.

Useful lives of social housing property assets

Social housing property assets are split into their component parts, with each component being depreciated over a separate estimated useful economic life. The annual depreciation charge for social housing property assets in total is sensitive to changes in these estimated useful economic lives. See note 4 for the useful economic lives for each class of component.

Multi-employer defined benefit pension plan

The Group participates in a multi-employer defined benefit pension plans based on a career average of earnings, both provided by the Social Housing Pension Scheme and four local government pension schemes based on final salary earnings.

The cost of defined benefit pension schemes and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Assumptions used are informed by actuarial advice and through the use of pension advisors.

Local government pension scheme

There are uncertainties how the Court of Appeal judgement on the McCloud & Sargeant case, which relates to age discrimination within the Judicial & Fire Pension schemes, may affect LGPS members' past or future benefits. Remedial regulations are expected in 2024 and uncertainty over the benefit changes proposed for the LGPS will remain until these have been finalised.

The Directors have considered the potential impact of the McCloud case on the Group and associations defined benefit liability as at 31 March 2024. With the exception of the past service cost included in the year to 31 March 2020, no additional liability has been recognised given the profile of the scheme members and assuming a very cautious outcome on the LGPS scheme liability the Directors are satisfied that when fully accounted in the financial statements the impact will not be material to the Group or association financial statements as at 31 March 2024.

Social Housing Pension Scheme

We have been notified by the Trustee of the scheme that is has performed a review of changes made to the scheme's benefits over the years and the result is that there is uncertainty surrounding some of those changes. The Trustee has been advised to seek clarification from the court on these items. The process is ongoing and the matter is unlikely to be resolved before the end of 2024. It is recognised that this could potentially impact the value of the scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Rebalancing surpluses from HomeBuy first tranche sales

Where social housing development schemes consist of social rental and shared ownership properties, the cost of development is split between the individual properties by property classification. As these costs cannot be accurately assigned to individual properties management assumes that they are evenly spread by floor area.

The shared ownership property costs are then further split between the percentage of the property to remain as property, plant and equipment and the current asset based on the percentage to be sold as the first tranche sale.

The exception to this treatment is where the overall surplus on first tranche shared ownership sales on mixed tenure developments is restricted to the net present value of future cash flows on shared ownership properties.

Financial Statements

> "The need to deliver Value for Money in all that we do has never been greater."

6 Turnover, operating expenditure and profit

6a Turnover, operating expenditure and profit

	Note	2024 Turnover £000	2024 Operating expenditure / cost of sales £000	2024 Operating profit / (loss) £000
Income and expenditure from lettings				
Housing accommodation before impairment	6b	235,586	(185,097)	50,489
Other income and expenditure Social Housing				
Care and transition services		13,148	(13,698)	(550)
Housing services provided to third parties		306	(1)	305
Independent living		1,413	(1,290)	123
Properties managed by agents		1,621	(1,170)	451
Community involvement		14	(1,687)	(1,673)
Connected living		906	(1,003)	(97)
Development costs not capitalised		-	(2,608)	(2,608)
Other		67	-	67
		17,475	(21,457)	(3,982)
Non-social housing				
Garage lettings		3,990	(1,778)	2,212
Sewerage services		553	(812)	(259)
Market rented property rental		1,081	(756)	325
Other		6,266	(7,706)	(1,440)
		11,890	(11,052)	838
Total income and expenditure		264,951	(217,606)	47,345
Other income and cost of sales Social Housing				
First tranche shared ownership		48,048	(40,294)	7,754
Non Social Housing				
Open market property sales		734	(574)	160
Total other income and cost of sales		48,782	(40,868)	7,914
Total		313,733	(258,474)	55,259
Administrative expenses				(3,498)
Profit on sale of housing property, plant and equipment	7	38,963	(14,353)	24,610
Increase in fair value of investment properties	19			598
Operating profit before impairment				76,669
Impairment of shared ownership properties held for sale				(177)
Impairment of housing assets under construction				(3,111)
Operating profit				73,681

	Note	2023 Turnover £000	2023 Operating expenditure / cost of sales £000	2023 Operating profit / (loss) £000
Income and expenditure from lettings				
Housing accommodation before impairment	6b	210,762	(167,733)	43,029
Other income and expenditure Social Housing				
Care and transition services		9,553	(10,304)	(751)
Housing services provided to third parties		284	(2)	282
Independent living		2,386	(2,872)	(486)
Properties managed by agents		1,515	(1,513)	2
Community involvement		16	(1,581)	(1,565)
Connected living		1,016	(1,021)	(5)
Development costs not capitalised		-	(2,859)	(2,859)
Other		77	-	77
		14,847	(20,152)	(5,305)
Non-social housing				
Garage lettings		3,619	(2,070)	1,549
Sewerage services		162	(334)	(172)
Market rented property rental		981	(423)	558
Other		6,181	(6,138)	43
Coronavirus Job Retention Scheme grant		7	-	7
		10,950	(8,965)	1,985
Total income and expenditure		236,559	(196,850)	39,709
Other income and cost of sales Social Housing				
First tranche shared ownership		60,447	(50,698)	9,749
Non Social Housing				
Open market property sales		4,193	(3,675)	518
Total other income and cost of sales		64,640	(54,373)	10,267
Total		301,199	(251,223)	49,976
Administrative expenses				(3,360)
Profit on sale of housing property, plant and equipment	7	38,808	(18,505)	20,303
Increase in fair value of investment properties	19			159
Operating profit before impairment				67,078
Impairment of shared ownership properties held for sale				(135)
Impairment of intangible assets				(134)
Impairment of other fixed assets				(22)
Operating profit				66,787

6 **Turnover, operating expenditure and profit** (continued)

6b **Income and expenditure from lettings**

	2024				
	General needs housing £000	Supported housing £000	Shared ownership £000	Other £000	Total £000
Income					
Rents	159,869	28,905	16,813	2,504	208,091
Service charges	8,539	12,951	430	3,286	25,206
Amortisation of government grants	420	389	89	-	898
Other revenue grants	968	309	112	2	1,391
Total net rents from lettings	169,796	42,554	17,444	5,792	235,586
Expenditure					
Management	(37,157)	(10,345)	(1,947)	(192)	(49,641)
Services	(9,012)	(12,765)	(4,695)	(249)	(26,721)
Routine maintenance	(27,739)	(6,609)	(111)	(183)	(34,642)
Planned maintenance	(12,303)	(2,080)	(6)	(11)	(14,400)
Major improvements and repairs	(16,606)	(5,818)	(12)	(29)	(22,465)
Bad debts	(764)	4	(21)	(6)	(787)
Depreciation of housing properties	(26,448)	(5,255)	(2,564)	(19)	(34,286)
Loss on component disposals	(1,562)	(592)	(1)	-	(2,155)
Operating costs on lettings	(131,591)	(43,460)	(9,357)	(689)	(185,097)
Operating profit on lettings activities	38,205	(906)	8,087	5,103	50,489
Rental income is stated net of void losses as set out below:					
Void losses	1,183	1,435	111	46	2,775

	2023				
	General needs housing £000	Supported housing £000	Shared ownership £000	Other £000	Total £000
Income					
Rents	144,747	25,868	13,962	2,533	187,110
Service charges	7,298	11,270	490	2,458	21,516
Amortisation of government grants	366	573	76	-	1,015
Other revenue grants	745	355	31	(10)	1,121
Total net rents from lettings	153,156	38,066	14,559	4,981	210,762
Expenditure					
Management	(34,159)	(9,810)	(1,436)	(77)	(45,482)
Services	(8,464)	(13,107)	(3,636)	(248)	(25,455)
Routine maintenance	(20,982)	(5,509)	(94)	(114)	(26,699)
Planned maintenance	(11,400)	(1,326)	-	(2)	(12,728)
Major improvements and repairs	(18,480)	(4,893)	-	(52)	(23,425)
Bad debts	(709)	(138)	-	(3)	(850)
Depreciation of housing properties	(24,596)	(5,214)	(2,200)	(11)	(32,021)
Loss on component disposals	(850)	(223)	-	-	(1,073)
Operating costs on lettings	(119,640)	(40,220)	(7,366)	(507)	(167,733)
Operating profit on lettings activities	33,516	(2,154)	7,193	4,474	43,029
Rental income is stated net of void losses as set out below:					
Void losses	1,006	669	1,269	66	3,010

Financial Statements

Notes to the

Consolidated Financial Statements

6 **Turnover, operating expenditure and profit** (continued)

6c **Segmental analysis**

The Group has determined the Executive Board to be the chief operating decision maker. The Executive Board reports to the Overlap Board and has operational responsibility for all aspects of the Group's business. It has the power to make operational decisions and allocate resources. The Executive Board have determined that the Group's operating segments are represented by the Group's individual subsidiaries. The tables below are a summary of the management information received by the Executive Board for decision making purposes. Segments are reported on by expenditure and income. Segmental assets and liabilities have not been disclosed because they are not regularly provided to the Executive Board for decision making.

Turnover

	2024						
	Net rental income £000	Independent and connected living, support and care contracts £000	Repairs and maintenance income £000	Design and build and management services fees £000	First tranche and open market property sales £000	Other £000	Total £000
Aster Communities	133,901	-	-	4,454	26,375	65	164,795
Synergy Housing Ltd	71,077	-	-	2,446	13,431	93	87,047
Aster 3 Ltd	8,666	-	-	120	6,828	-	15,614
Aster Living	-	2,263	-	-	-	-	2,263
Aster Property Ltd	-	-	125,020	-	-	-	125,020
Aster Homes Ltd	-	-	-	145,032	8,916	-	153,948
Aster LD Ltd	-	-	-	833	-	-	833
Aster Group Ltd	-	-	-	30,157	-	-	30,157
Aster Treasury Plc	-	-	-	-	-	-	-
Silbury Housing and Holdings Ltd	-	-	-	-	-	2,151	2,151
Aster Solar Ltd	-	-	-	-	-	347	347
Aster Foundation	-	-	-	-	-	9	9
East Boro Housing Trust Ltd	4,004	920	-	-	1,414	7	6,345
Central & Cecil Housing Trust	17,315	9,186	-	3,053	-	-	29,554
Central & Cecil Innovations Ltd	-	-	-	-	734	42	776
Central & Cecil Construction Services Ltd	-	-	-	87	-	-	87
55 London	1,504	-	-	-	-	-	1,504
Enham Trust	1,683	3,098	-	-	-	3,748	8,529
Eliminations	(2,564)	-	(125,020)	(177,913)	(8,916)	(833)	(315,246)
	235,586	15,467	-	8,269	48,782	5,629	313,733

Profit / (loss)

	2024							
	Turnover £000	Cost of sales £000	Operating expenditure £000	Fair value adjustments £000	Disposal of housing properties £000	Depreciation £000	Impairment £000	Operating profit / (loss) £000
Aster Communities	164,795	(23,426)	(84,015)	25	18,027	(20,910)	(3,114)	51,382
Synergy Housing Ltd	87,047	(11,077)	(40,763)	336	5,496	(10,671)	-	30,368
Aster 3 Ltd	15,614	(6,078)	(3,565)	-	372	(1,507)	-	4,836
Aster Living	2,263	-	(2,221)	-	-	(16)	-	26
Aster Property Ltd	125,020	-	(123,802)	-	-	(896)	-	322
Aster Homes Ltd	153,948	(142,508)	(8,244)	-	-	-	-	3,196
Aster LD Ltd	833	(833)	(5)	-	-	-	-	(5)
Aster Group Ltd	30,157	-	(37,729)	-	-	(899)	-	(8,471)
Aster Treasury Plc	-	-	-	-	-	-	-	-
Silbury Housing and Holdings Ltd	2,151	-	(1,284)	-	-	-	-	867
Aster Solar Ltd	347	-	(96)	-	-	(139)	-	112
Aster Foundation	9	-	(1,166)	-	-	-	-	(1,157)
East Boro Housing Trust Ltd	6,345	(1,286)	(3,876)	-	-	(586)	-	597
Central & Cecil Housing Trust	29,554	-	(23,899)	237	1,262	(4,550)	-	2,604
Central & Cecil Innovations Ltd	776	(574)	(300)	-	-	-	126	28
Central & Cecil Construction Services Ltd	87	(86)	(15)	-	-	-	-	(14)
55 London	1,504	-	(1,422)	-	-	-	-	82
Enham Trust	8,529	-	(12,852)	-	-	(745)	-	(5,068)
Eliminations	(315,246)	145,000	164,978	-	(547)	91	(300)	(6,024)
	313,733	(40,868)	(180,276)	598	24,610	(40,828)	(3,288)	73,681

Net interest	(32,248)
Donations received	198
Profit on disposal of other property, plant and equipment and intangible assets	542
Loss on disposal of investment properties	(10)
Share of joint venture loss	(1,102)
Gain on acquisition	6
Profit before taxation	**41,067**

6 **Turnover, operating expenditure and profit** (continued)

6c **Segmental analysis** (continued)

Turnover

	2023						
	Net rental income £000	Independent and connected living, support and care contracts £000	Repairs and maintenance income £000	Design and build and management services fees £000	First tranche and open market property sales £000	Other £000	Total £000
Aster Communities	125,458	-	-	874	33,823	77	160,232
Synergy Housing Ltd	65,272	-	-	359	15,079	99	80,809
Aster 3 Ltd	7,054	-	-	-	11,545	-	18,599
Aster Living	-	2,164	-	-	-	-	2,164
Aster Property Ltd	-	-	90,399	-	-	-	90,399
Aster Homes Ltd	-	-	-	124,117	1,642	-	125,759
Aster LD Ltd	-	-	-	-	-	-	-
Aster Group Ltd	-	-	-	31,439	-	2,001	33,440
Aster Treasury Plc	-	-	-	-	-	-	-
Silbury Housing and Holdings Ltd	-	-	-	-	-	1,903	1,903
Aster Solar Ltd	-	-	-	-	-	335	335
Aster Foundation	-	-	-	-	-	16	16
East Boro Housing Trust Ltd	3,602	1,177	-	-	-	64	4,843
Central & Cecil Housing Trust	14,466	8,263	-	7,900	4,193	1,472	36,294
Enham Trust	846	1,351	-	-	-	1,779	3,976
Eliminations	(2,008)	-	(90,399)	(161,890)	(1,642)	(1,631)	(257,570)
	214,690	12,955	-	2,799	64,640	6,115	301,199

Profit / (loss)

	2023							
	Turnover £000	Cost of sales £000	Operating expenditure £000	Fair value adjustments £000	Disposal of housing properties £000	Depreciation £000	Impairment £000	Operating profit / (loss) £000
Aster Communities	160,232	(29,548)	(78,008)	126	13,647	(19,157)	(204)	47,088
Synergy Housing Ltd	80,809	(12,910)	(40,272)	715	6,577	(9,921)	-	24,998
Aster 3 Ltd	18,599	(9,882)	(3,386)	-	307	(1,291)	-	4,347
Aster Living	2,164	-	(2,860)	-	-	(17)	-	(713)
Aster Property Ltd	90,399	-	(91,300)	-	-	(868)	-	(1,769)
Aster Homes Ltd	125,759	(115,673)	(7,583)	-	-	-	-	2,503
Aster LD Ltd	-	-	(3)	-	-	-	-	(3)
Aster Group Ltd	33,440	-	(31,530)	-	-	(710)	-	1,200
Aster Treasury Plc	-	-	-	-	-	-	-	-
Silbury Housing and Holdings Ltd	1,903	-	(1,122)	-	-	-	-	781
Aster Solar Ltd	335	-	(87)	-	-	(135)	-	113
Aster Foundation	16	-	(1,234)	-	-	-	-	(1,218)
East Boro Housing Trust Ltd	4,843	-	(3,922)	-	-	(583)	-	338
Central & Cecil Housing Trust	36,294	(3,675)	(31,314)	(732)	-	(3,343)	69	(2,701)
Enham Trust	3,976	-	(6,714)	50	-	(294)	-	(2,982)
Eliminations	(257,570)	117,315	135,330	-	(228)	114	(156)	(5,195)
	301,199	(54,373)	(164,005)	159	20,303	(36,205)	(291)	66,787
Net interest								(26,415)
Donations received								386
Profit on disposal of other property, plant and equipment and intangible assets								6
Share of joint venture profit								1,776
Gain on acquisition								12,769
Profit before taxation								55,309

7 Profit / (loss) on disposal of housing property, plant and equipment

	2024			2023		
	Proceeds £000	Cost of sales £000	Profit / (loss) £000	Proceeds £000	Cost of sales £000	Profit / (loss) £000
Right to buy	**413**	**(535)**	**(122)**	2,310	(2,345)	(35)
Right to acquire	**337**	**(94)**	**243**	2,047	(439)	1,608
Shared ownership staircasing	**6,675**	**(3,515)**	**3,160**	15,462	(9,172)	6,290
Void property disposals	**29,508**	**(9,574)**	**19,934**	18,740	(6,321)	12,419
Others	**2,030**	**(635)**	**1,395**	249	(228)	21
	38,963	**(14,353)**	**24,610**	38,808	(18,505)	20,303

Local authority clawback payments, legal and other related costs are included in cost of disposal.

8 Operating profit

	2024 £000	2023 £000
Operating profit is stated after charging:		
Auditors' remuneration		
In their capacity as auditors:		
Financial statements audit	**625**	558
In respect of other services:		
Other non-adult services	**6**	6
Depreciation:		
Property, plant and equipment - (social housing)	**34,078**	32,021
Loss on component disposal	**2,592**	1,073
Property, plant and equipment - (other assets)	**3,680**	2,657
Amortisation of intangible assets	**478**	454
Impairment:		
Shared ownership properties held for sale - charge / (net reversal)	**177**	135
Housing assets under construction	**3,111**	-
Intangible assets	**-**	134
Other fixed assets	**-**	22
Profit on shared ownership properties, first tranche	**7,754**	9,749
Operating lease payments:		
Land and buildings	**84**	102
Office premises	**376**	382
Office equipment	**201**	98

9 Charitable donations received

	2024 £000	2023 £000
Aster Foundation	**35**	43
Enham Trust	**163**	343
	198	386

10 Employee information

	2024 No.	2023 No.
The average number of persons employed during the year (full time equivalents 'FTE') based on 37 hours per week	**1,724**	1,693

FTE by salary bands:
Salary includes salary, car allowance, any acting up allowances, bonuses and pension contributions made by the Group.

	2024 No.	2023 No.
£59,999 or less	**1,545**	1,529
£60,000 to £69,999	**64**	53
£70,000 to £79,999	**39**	42
£80,000 to £89,999	**29**	20
£90,000 to £99,999	**7**	7
£100,000 to £109,999	**7**	13
£110,000 to £119,999	**11**	11
£120,000 to £129,999	**6**	4
£130,000 to £139,999	**2**	-
£140,000 to £149,999	**2**	2
£150,000 to £159,999	**3**	2
£160,000 to £169,999	**1**	4
£170,000 to £179,999	**1**	-
£190,000 to £199,999	**3**	-
£210,000 to £219,999	**1**	1
£230,000 to £239,999	**1**	-
£240,000 to £249,999	**-**	1
£250,000 to £259,999	**-**	2
£260,000 to £269,999	**1**	1
£310,000 to £319,999	**1**	-
£320,000 to £329,999	**-**	1
	1,724	1,693

None of the above employees received any enhanced pension payments during the year (2023: nil).

Staff costs:

	2024 £000	2023 £000
Wages and salaries	**68,452**	64,682
Social security costs	**6,786**	6,662
Other pension costs	**5,709**	4,905
	80,947	76,249

Details of the highest paid Director are included in the Directors' Remuneration Report.

11 **Profit / (loss) on disposal of other property, plant and equipment and intangible assets**

	2024			2023		
	Proceeds £000	Cost of disposal £000	Profit / (loss) £000	Proceeds £000	Cost of disposal £000	Profit / (loss) £000
Motor vehicles	20	-	20	22	(13)	9
Computer equipment	5	(30)	(25)	-	-	-
Computer software	-	(14)	(14)	-	-	-
Solar panels	3	(3)	-	6	(6)	-
Office equipment	-	(482)	(482)	-	(3)	(3)
Office premises	6,715	(5,672)	1,043	-	-	-
Total	6,743	(6,201)	542	28	(22)	6

12 Loss on disposal of investment properties

	2024			2023		
	Proceeds £000	Cost of sales £000	Loss £000	Proceeds £000	Cost of sales £000	Profit / (loss) £000
Investment properties	**170**	**(180)**	**(10)**	-	-	-
	170	**(180)**	**(10)**	-	-	-

13 Finance income and expense

	Note	2024 £000	2023 £000
Interest receivable and similar income			
Interest on short term deposits		**6,376**	2,045
Finance debtor interest receivable		**2,060**	2,172
Other interest receivable		**2,065**	1,454
Ineffective interest		**-**	77
Total interest income on financial assets not measured at fair value through profit or loss		**10,501**	5,748
Unwinding of trade debtor discounting		**136**	115
		10,637	5,863
Interest payable and similar charges			
Guaranteed fixed rate secured bonds		**(30,844)**	(19,535)
Fixed rate loans		**(11,110)**	(11,611)
Floating rated loans		**(10,267)**	(6,996)
Interest rate swaps		**1,758**	(634)
Less interest capitalised		**8,718**	8,378
		(41,745)	(30,398)
Recycled capital grant fund interest		**(303)**	(228)
Clawback fund interest		**-**	(11)
Amortisation of arrangement fees		**(297)**	(286)
Administration charge		**(906)**	(895)
Ineffective interest		**(30)**	-
Amortisation of issue costs		**(268)**	(179)
Total interest payable on financial liabilities not measured at fair value through profit or loss		**(43,549)**	(31,997)
Trade debtor discounting		**22**	35
		(43,527)	(31,962)
Interest on net pension liability			
Local government pension schemes	33	**979**	(124)
SHPS pension schemes	33	**(382)**	(222)
CCHT pension schemes	33	**45**	30
		642	(316)
Net finance expense		**(32,248)**	(26,415)

14 Gains on financial instruments measured at fair value through other comprehensive income

	2024	
	Gains £000	**Losses £000**
Financial liabilities measured at fair value	**814**	**-**
	814	**-**

	2023	
	Gains £000	Losses £000
Financial liabilities measured at fair value	13,064	-
	13,064	-

15 Tax on profit on ordinary activities

(a) Tax expense included in profit or loss

	2024 £000	2023 £000
The tax (credit) / charge on the profit on ordinary activities was as follows:		
Current tax		
UK corporation tax expense	**-**	-
Under provision in prior year	**-**	-
Total current tax	**-**	-
Deferred tax		
Origination and reversal of timing differences	**679**	609
Adjustment for prior year	**(62)**	(27)
Changes in tax rate or laws	**(447)**	192
Total deferred tax	**170**	774
Tax on profit on ordinary activities	**170**	774

(b) Tax credit included in other comprehensive income / (expense)

	2024 £000	2023 £000
Deferred tax		
Origination and reversal of timing differences	**-**	186
Changes in tax rate or laws	**-**	58
Deferred tax current year credit	**(175)**	-
	(175)	244

The tax assessed for the year differs from the standard rate of corporation tax in the UK as explained below.

(c) Factors affecting tax charge for the year

	2024 £000	2023 £000
Profit on ordinary activities before taxation	**41,067**	55,309
Profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 25% (2023: 19%)	**10,267**	10,509
Effects of:		
Gain on acquisition	**-**	(2,426)
Profit from charitable activities	**(74,746)**	(70,548)
Expenses not deductible	**65,345**	63,431
Effects of tax rate changes	**-**	192
Non-taxable income	**(380)**	(337)
Losses	**3**	(19)
Adjustments for prior year	**(62)**	(27)
	170	775

(d) Deferred tax

	2024 £000	2023 £000
Asset at start of year	**(1,145)**	(2,327)
Adjustment for prior year	**(62)**	(27)
Deferred tax credit to income statement for the year	**679**	801
Deferred tax (credit) / charge in other comprehensive income for the year	**(175)**	244
Other	**(164)**	164
Asset at end of year	**(867)**	(1,145)

(e) Tax rate changes

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 March has been calculated based on the rate of 25% (2023: 19%) substantively enacted at the balance sheet date.

16 Intangible assets

	Assets under construction £000	Computer software £000	Total £000
Cost			
At 1 April 2023	**3,309**	**8,981**	**12,290**
Additions	**1,100**	**467**	**1,567**
Completions	**(2,302)**	**2,302**	**-**
Reclassification of existing asset	**(134)**	**1,248**	**1,114**
Disposals	**-**	**(292)**	**(292)**
At 31 March 2024	**1,973**	**12,706**	**14,679**
Accumulated amortisation			
At 1 April 2023	**134**	**8,620**	**8,754**
Charge for year	**-**	**478**	**478**
Reclassification of existing asset	**(134)**	**550**	**416**
Disposals	**-**	**(278)**	**(278)**
At 31 March 2024	**-**	**9,370**	**9,370**
Net book value as at 31 March 2024	**1,973**	**3,336**	**5,309**
Net book value as at 31 March 2023	3,175	361	3,536

17 Property, plant and equipment (social housing)

On transition to FRS 102 Aster Group has elected to take the transitional exemption laid out in paragraph 35.10(d) of FRS 102 and is using the 31 March 2014 valuation as the deemed cost of social housing properties held at that date. All social housing properties completed or acquired after that date are recognised at cost.

	Housing properties under construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Cost					
At 1 April 2023	**97,352**	**1,925,722**	**60,999**	**357,408**	**2,441,481**
Additions	**113,996**	**521**	**69,729**	**-**	**184,246**
Components	**-**	**32,774**	**-**	**-**	**32,774**
Disposal of components	**-**	**(8,020)**	**-**	**-**	**(8,020)**
Completions	**(75,433)**	**75,433**	**(56,098)**	**56,098**	**-**
Reclassification of existing asset	**-**	**(13,634)**	**-**	**-**	**(13,634)**
Impairment	**(3,111)**	**-**	**-**	**-**	**(3,111)**
Disposals	**-**	**(9,310)**	**-**	**(3,729)**	**(13,039)**
At 31 March 2024	**132,804**	**2,003,486**	**74,630**	**409,777**	**2,620,697**
Accumulated depreciation					
At 1 April 2023	**-**	**210,742**	**-**	**9,599**	**220,341**
Charge for year	**-**	**31,401**	**-**	**2,677**	**34,078**
Disposal of components	**-**	**(5,428)**	**-**	**-**	**(5,428)**
Reclassification of existing asset	**-**	**(9,642)**	**-**	**-**	**(9,642)**
Disposals	**-**	**(1,914)**	**-**	**(174)**	**(2,088)**
At 31 March 2024	**-**	**225,159**	**-**	**12,102**	**237,261**
Net book value at 31 March 2024	**132,804**	**1,778,327**	**74,630**	**397,675**	**2,383,436**
Net book value at 31 March 2023	97,352	1,714,980	60,999	347,809	2,221,140

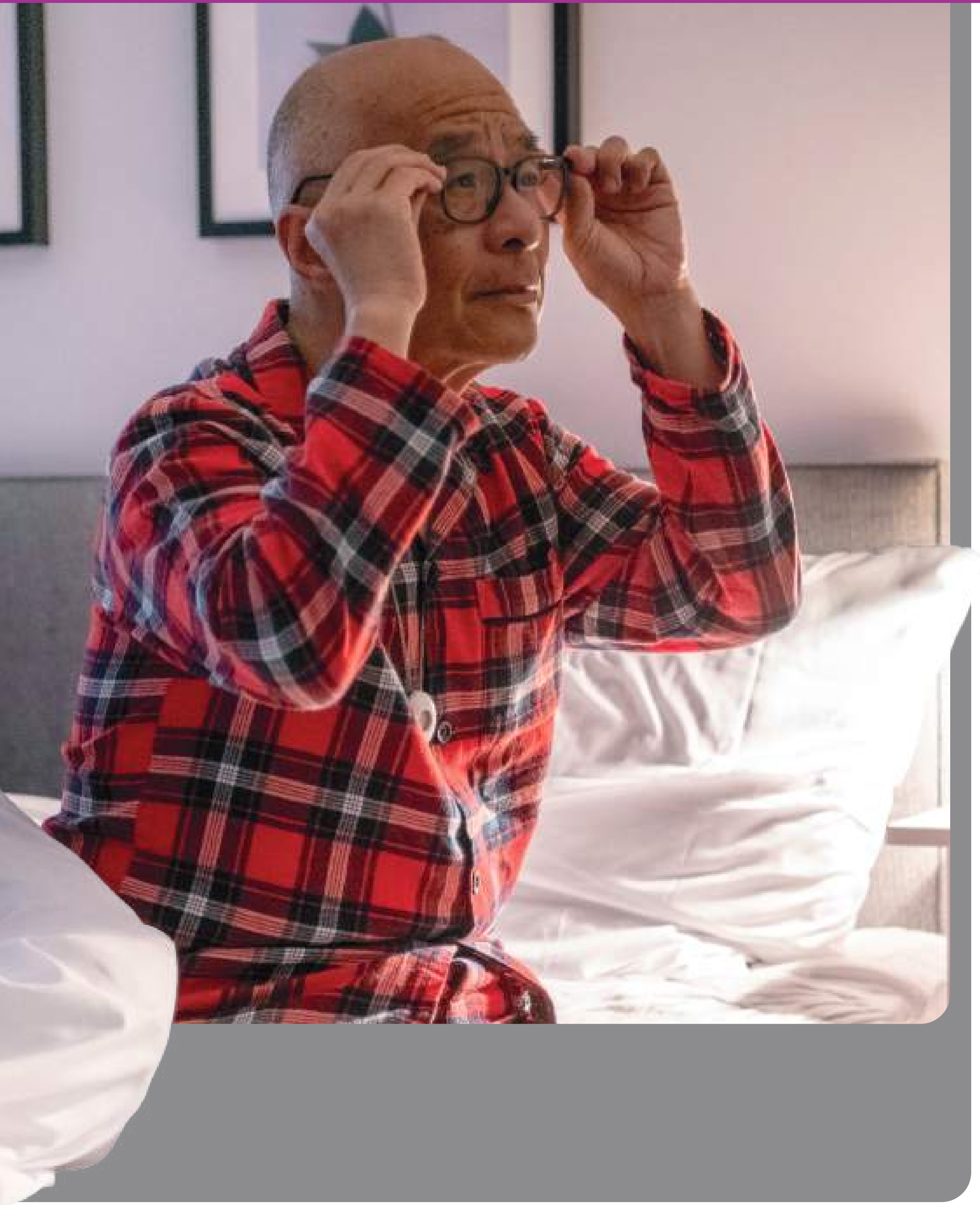
The cost of completed properties during the year includes £8.7 million (2023: £8.4 million) of capitalised borrowing costs at an average cost of borrowing of 3.0% (2023: 2.5%).

Net book value of property, plant and equipment - social housing by tenure

	2024 £000	2023 £000
Freehold	**2,371,589**	2,208,219
Short leasehold	**467**	7,553
Long leasehold	**11,380**	5,368
Net book value	**2,383,436**	2,221,140

Financial Statements

Notes to the
Consolidated Financial Statements



17 **Property, plant and equipment (social housing)** (continued)

Current value of completed social housing properties

The below valuation was carried out by Jones Lang LaSalle Limited Chartered Surveyors on 31 March 2024, on the basis of Existing Use Value - Social Housing. The valuations were carried out in accordance with RICS Appraisal and Valuation Manual effective from 1 January 1996 (as amended).

	Housing properties under construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Existing Use Valuation - Social Housing					
Valuation at 31 March 2024	**-**	**2,727,740**	**-**	**421,230**	**3,148,970**
Valuation at 31 March 2023	-	2,411,620	-	361,160	2,772,780

18 **Property, plant and equipment (other assets)**

	Office premises £000	Leasehold office improvements £000	Motor vehicles £000	Office and estate equipment £000	Computer equipment £000	Total £000
Cost						
At 1 April 2023	**16,222**	**908**	**9,198**	**25,696**	**7,736**	**59,760**
Additions	**473**	**170**	**1,311**	**3,601**	**516**	**6,071**
Reclassification of existing asset	**(614)**	**-**	**19**	**908**	**1,026**	**1,339**
Disposals	**(9,406)**	**-**	**(191)**	**(827)**	**(100)**	**(10,524)**
At 31 March 2024	**6,675**	**1,078**	**10,337**	**29,378**	**9,178**	**56,646**
Accumulated depreciation						
At 1 April 2023	**6,457**	**273**	**7,933**	**13,213**	**6,920**	**34,796**
Charge for year	**425**	**21**	**831**	**1,732**	**671**	**3,680**
Reclassification of existing asset	**(890)**	**-**	**18**	**(1,364)**	**627**	**(1,609)**
Disposals	**(3,734)**	**-**	**(191)**	**(342)**	**(70)**	**(4,337)**
At 31 March 2024	**2,258**	**294**	**8,591**	**13,239**	**8,148**	**32,530**
Net book value at 31 March 2024	**4,417**	**784**	**1,746**	**16,139**	**1,030**	**24,116**
Net book value at 31 March 2023	9,765	635	1,265	12,483	816	24,964

19 Investment properties

	Market rented properties £000	Freehold £000	Total investment properties £000
Fair value			
At 1 April 2023	**26,784**	**1,071**	**27,855**
Additions	**13**	**-**	**13**
Disposals	**(180)**	**-**	**(180)**
Fair value adjustment	**598**	**-**	**598**
At 31 March 2024	**27,215**	**1,071**	**28,286**

The above valuation was carried out by Jones Lang LaSalle Limited Chartered Surveyors on the basis of Market Value using the comparison method at 31 March 2024.

Market value is defined by the Royal Institution of Chartered Surveyors (RICS) as 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'. The valuations were carried out in accordance with RICS Appraisal and Valuation Manual effective from 1 January 1996 (as amended).

20 HomeBuy loans receivable

	2024 £000	2023 £000
At 1 April	**3,350**	3,462
Proceeds received from sales	**(199)**	(189)
Profits on redemption of loan	**67**	77
At 31 March	**3,218**	3,350

The Group operates the HomeBuy Scheme lending up to 25% of the cost of a property purchase to tenants who wish to own their own home. This loan is secured on the title of the property. On subsequent sale of the property by the purchaser the Group receives a proportion of the sale proceeds equal to the original percentage lent.

21 Investments in joint ventures

Aster Homes Limited has set up four limited liability partnership jointly controlled entities, White Rock Land LLP, Boorley Green LLP and Kilnwood Vale LLP, with Vistry Homes Limited and Thakeham Burgess Hill LLP with Thakeham Homes Limited to develop and sell properties for social and private housing. For the year to 31 March 2024 White Rock Land LLP made a loss of £381,000 (2023: £1.2 million profit); Boorley Green LLP made a loss of £1.0 million (2023: £58,000 profit), Kilnwood Vale LLP made a profit of £40,000 (2023: £2.3 million) and Thakeham Burgess Hill LLP made a loss of £0.9 million (2023: £nil). White Rock Land LLP made no distribution to shareholders (2023: £4.0 million) and Kilnwood Vale LLP made a distribution to shareholders of £0.4 million (2023: £5.2 million). Boorley Green LLP and Thakeham Burgess Hill LLP made no distribution to shareholders (2023: £nil).

	2024 £000	Group's share (50%) £000	2023 £000	Group's share (50%) £000
Total assets - White Rock Land LLP	**12,822**	**6,411**	21,284	10,642
Total assets - Boorley Green LLP	**26,906**	**13,453**	35,633	17,817
Total assets - Kilnwood Vale LLP	**1,229**	**15**	1,036	518
Total assets - Thakeham Burgess Hill LLP	**20,558**	**10,279**	-	-
Total assets	**61,515**	**30,758**	57,953	28,977
Total liabilities - White Rock Land LLP	**(11,876)**	**(5,938)**	(19,955)	(9,977)
Total liabilities - Boorley Green LLP	**(23,936)**	**(11,968)**	(31,682)	(15,841)
Total liabilities - Kilnwood Vale LLP	**(1,025)**	**(513)**	(432)	(216)
Total liabilities - Thakeham Burgess Hill LLP	**(21,440)**	**(10,720)**	-	-
Total current liabilities	**(58,277)**	**(29,139)**	(52,069)	(26,034)
Net assets	**3,238**	**1,619**	5,884	2,943

22 Other investments

	2024 £000	2023 £000
White Rock Land LLP	**-**	-
Boorley Green LLP	**-**	-
Kilnwood Vale LLP	**-**	-
Thakeham Burgess Hill LLP	**-**	-
Black Rock Corporate Bond Fund - 949 shares	**1**	-
Henderson High Income Trust plc - 766 shares	**1**	-
Standard Chartered PLC - 829 shares	**1**	-
MORhomes PLC	**230**	230
	233	230

Aster Homes Limited holds 1 £1 investment in White Rock Land LLP; 1 £1 investment in Boorley Green LLP and 1 £1 investment in Kilnwood Vale LLP which are jointly controlled with Vistry Homes Limited and a 1 £1 investment in Thakeham Burgess Hill LLP which is jointly controlled with Thakeham Homes Limited. The investments are fully paid.

Aster Group holds 20,000 fully paid 10 pence shares with a premium of 90 pence and 420,000 10 pence shares with a premium of 40 pence in MORhomes PLC, whose primary activity is to act as a borrowing vehicle for the social housing sector.

23 Debtors: amounts falling due after more than one year

	2024 £000	2023 £000
Finance debtor	**32,026**	33,506
Loans to joint ventures	**28,325**	14,660
European Investment Bank and Affordable Housing Finance liquidity reserve funds	**3,062**	3,062
MORhomes facility security	**1,310**	1,310
Deferred funding fees	**-**	75
	64,723	52,613

The European Investment Bank (EIB) loans, require Aster Group to hold an amount of at least twelve months' interest payments in liquidity reserve funds as security against default on interest payments. These funds are controlled by the EIB and the Aster Group can only access the funds when the principal of the loans are repaid.

Under certain circumstances the MORhomes PLC fixed rate unsecured convertible financial instruments ('CoCo Loan Notes') can be converted to equity.

24 Inventories

	2024 £000	2023 £000
Trade consumables	**1,097**	996
Properties in the course of construction	**33,129**	17,059
	34,226	18,055

Trade consumables relate to small items carried on the Group's repair vehicles to be used in minor repairs. Properties in the course of construction is comprised of the initial cost of development schemes.

25 Debtors: amounts falling due within one year

	2024 £000	2023 £000
Trade debtors	**3,741**	1,948
Rent arrears	**14,305**	15,012
Service charge under-recovery	**12,903**	9,275
Less discounting of debts payable over more than 12 months	**(548)**	(708)
Less provision for bad debts - rent arrears and service charges	**(6,666)**	(5,761)
	23,735	19,766
Finance debtor	**2,819**	2,935
Interest rate swap	**5,061**	4,292
Loans to joint ventures	**4,790**	8,568
Other debtors	**604**	2,679
Less provision for bad debts - other debtors	**-**	(14)
Deferred tax	**1,313**	1,346
VAT recoverable	**815**	662
Prepayments and accrued income	**13,489**	18,104
	52,621	58,338

Group deferred tax liabilities have been netted from the Group's deferred tax asset as all deferred tax relates to the same authority.

26 Shared ownership properties held for sale

	Under construction £000	Completed £000	Total £000
1 April 2023	**40,586**	**12,093**	**52,679**
Additions	**49,130**	**-**	**49,130**
Completions	**(40,302)**	**40,302**	**-**
Impairment	**-**	**(177)**	**(177)**
Disposals	**-**	**(40,303)**	**(40,303)**
31 March 2024	**49,414**	**11,915**	**61,329**

27 Cash and cash equivalents

	2024 £000	2023 £000
Short-term deposits	**48,420**	53,972
Cash at bank and in hand	**38,032**	40,337
	86,452	94,309

28 Creditors: amounts falling due within one year

	Note	2024 £000	2023 £000
Trade creditors		**6,463**	5,874
Taxation and social security payable		**2,144**	2,077
Pension contributions		**731**	593
VAT payable		**700**	716
Rent paid in advance		**5,193**	5,996
Service charge over-recovery		**3,248**	2,568
Amounts due under right to buy sharing agreement		**319**	1,620
Capital grant received in advance		**2**	27
Social housing grant	30	**60,662**	34,175
Recycled capital grant fund	31	**2,067**	2,274
Other creditors		**18,809**	6,136
Accruals and deferred income		**49,130**	47,579
Loan repayable (within 1 year)		**15,284**	18,201
		164,752	127,836

29 Creditors: amounts falling due after more than one year

	Note	2024 £000	2023 £000
Loans repayable			
In less than five years		**93,514**	106,859
In five years or more		**1,202,656**	1,075,987
Less unamortised issue fees		**(5,585)**	(4,436)
Less unamortised discount issue fees		**(2,488)**	(2,567)
Less deferred arrangement fees		**(3,285)**	(1,024)
Plus unamortised premium on issue		**30,641**	34,261
		1,315,453	1,209,080
Social housing grant	30	**47,334**	44,163
Recycled capital grant fund	31	**3,139**	2,543
HomeBuy grants		**3,218**	3,350
Other grants		**332**	318
Other creditors		**-**	4
		1,369,476	1,259,458

Interest is payable on housing loans at varying commercial rates. Loans are secured by fixed charges on individual properties. Interest rates ranged from 1.5% to 6.4% (2023: 1.5% to 6.3%) for fixed / hedged loans and between 4.4% and 8.0% (2023: between 0.9% and 4.8%) for variable loans.

At 31 March 2024, the Group had undrawn loan facilities of £255 million (2023: £219 million) to finance future operating cash flows and investments.

30 Social housing grant

	2024 £000	2023 £000
Balance as at 1 April	**78,338**	55,224
Additions	**31,240**	24,381
Disposals	**(577)**	(300)
Amortised within Statement of Comprehensive Income	**(1,005)**	(939)
Withdrawal	**-**	(28)
Balance as at 31 March	**107,996**	78,338
Recognised in:		
Creditors: amounts falling due within one year	**60,662**	34,175
Creditors: amounts falling due after one year	**47,334**	44,163
	107,996	78,338

Social housing grant (SHG) is receivable from the Regulator for Social Housing (RSH). Grant received for properties under construction is classified as a creditor due in less than one year. Once properties have been completed the grant is classified as a long-term creditor and amortised to the profit or loss for the period over the life of the properties' structure.

Cumulative government grants received

	2024 £000	2023 £000
Social housing grant	**394,485**	363,029
HomeBuy grant	**3,218**	3,350
Total government grant received	**397,703**	366,379
Recognised in:		
Profit and loss reserve	**289,707**	288,041
Creditors: amounts falling due within one year	**60,662**	34,175
Creditors: amounts falling due after more than one year	**47,334**	44,163
	397,703	366,379

The total accumulated amount of social housing grant relates to properties owned at the balance sheet date.

31 Recycled capital grant fund

	2024 £000	2023 £000
Balance as at 1 April	**4,817**	4,646
Additions:		
Grants recycled	**3,205**	1,070
Interest	**303**	228
Withdrawals:		
New build	**(3,006)**	(554)
Repaid	**(113)**	(573)
Balance as at 31 March	**5,206**	4,817
Analysis of maturity:		
- in less than one year	**2,067**	2,274
- in one to two years	**1,063**	971
- in more than two years	**2,076**	1,572
	5,206	4,817

The recycled capital grant fund relates to social housing or housing association grant previously received on social housing properties that have been disposed off. The RSH permits grants to be reinvested within a three-year period and requires funds which have not been reinvested within three years to be repaid. A waiver was granted for elapsed balances which are all committed.

32 Financial instruments

32a Financial instruments' descriptions

The Group holds several different types of financial instrument which it uses to fund its activities and manage it's interest rate risk. The characteristics of the main classes of financial instrument held are given below:

Interest rate swaps

An interest rate swap is an agreement between two parties to exchange interest rate types. Floating rate interest is exchanged for fixed rated interest and vice-versa. During the year the Group managed its interest rate risk and reduced interest rate volatility through five interest rate swaps, exchanging floating rated interest for fixed rated interest.

The value of the Group's interest rate swaps is measured at each year end at the instruments fair value using a mark-to-market valuation. Where an instrument has a positive mark-to-market valuation it is treated as an asset and conversely where the mark-to-market value is negative it's treated as a liability. Any changes in the mark-to-market fair value are recognised in profit or loss unless the interest rate swap is designated as a hedging instrument and used in a hedging relationship for hedge accounting. Hedge accounting is outlined below.

At 31 March 2024 the Group held £5.1 million of interest rate swap financial assets (2023: £4.3 million of interest rate swap financial assets).

Euro medium term note programme

The company launched a £1 billion Guaranteed Secured Euro Medium Term Note (EMTN) Programme on 15 January 2021 and issued its first note under that programme on 27 January 2021. £250 million was issued (£50 million retained) with a maturity of 27 January 2036 at a fixed interest rate of 1.405% payable half-yearly in arrears. The notes are listed on the London Stock Exchange.

On 20 June 2023, the company issued £250 million under the Euro Medium Term Note (EMTN) Programme. The debt matures on 20 December 2032. On 20 June 2023, the company created a further £100 million of retained Medium Term Notes.

The notes were issued at par value with no premium or discount. Issue costs were deducted from the amount received. The carrying value of the notes in the Group's financial statements is calculated using the effective interest method. This spreads the issue fees over the life of the notes. The interest charge to profit and loss is the effective interest and not the amount actually paid.

Guaranteed fixed rate secured bonds

The Group has issued £410 million of guaranteed fixed rate secured bonds. They are listed on the London Stock Exchange with a maturity date of 18 December 2043. They are denominated in sterling and the interest or coupon rate is 4.5% payable half-yearly in arrears.

The bonds were issued in eight tranches, seven tranches at a premium and one at a discount so the amount of funds received were not the same as the principal amount. Issue costs were also deducted from the amount received. The carrying value of these bonds in the Group's financial statements is calculated using the effective interest rate method. This spreads the premium or discount and the issue fees over the life of the bond. The interest charge to profit and loss is the effective interest and not the amount actually paid.

Fixed rate loans

These loans are recognised using the effective interest method (which averages the interest rate over the life of the loan) because either the margin added to the base fixed interest rate varies over the life of the loan or the costs of issuing the loan are spread over the life of the loan. As with the Group's notes and bonds, the interest charged to profit or loss is the effective interest and not the amount actually paid. During the year the effective interest charged to profit and loss was £96,000 lower (2023: £726,000 higher) than the actual interest paid.

At the end of the year the Group had drawn £319.2 million (2023: £323.1 million) of fixed rate loans which incurred an effective interest charge during the year of between 1.5% and 6.4% (2023: 1.5% and 6.3%). These loans have a carrying value of £318.5 million (2023: £323.5 million) giving a cumulative effective interest adjustment of £0.1 million (2023: £0.2 million).

Floating rate loans

The interest on these loans varies or floats as Sterling Overnight Interbank Average Rate (SONIA) changes. In addition to SONIA a margin is also charged which makes up the total interest rate. Within the total amount the Group can borrow from its lenders there is a set amount designed as floating loans, once this limit is reached the Group cannot draw down any more floating rate loans. At the end of the year the Group had drawn £179.8 million (2023: £268.5 million) of floating rate loans and was charged an interest rate of between 4.4% and 8.0% (2023: 0.9% and 4.8%).

Finance Debtor

The finance debtor is a floating rate loan which represent a senior debt facility to be used for the construction and management of the social housing under contract with Wiltshire Council. The bank loan is repayable by six-monthly instalments commencing on 30 September 2014, with the outstanding balance being payable in full on 31 March 2033. As at 31 March 2024 the balance on the finance debtor was £37.9 million (2023: £37.9 million).

Convertible financial instruments

Convertible financial instruments can be converted into third-party equity under certain circumstances. These instruments are recognised at the face value of the third-party equity they could be converted into at the end of each reporting year. Any changes in value are taken through profit or loss.

At 31 March 2024 the association held £460,000 (2023: £460,000) of convertible financial instruments with £Nil (2023: £Nil) fair value movement being recognised in profit or loss.

Recycled Capital Grant Fund

The Group receives social housing grant (SHG) from the Regulator for Social Housing (RSH) to build social housing. When the tenant of a New Build HomeBuy property purchases a further tranche of the property, if there are sufficient sales proceeds, the associated grant will be recycled via the recycled capital grant fund. Like the disposal proceeds fund a notional amount of interest is added to the fund each year depending on the value of the fund. The balance in the Group's recycled capital grant fund at the end of the year was £5.2 million (2023: £4.8 million), this includes £303,000 (2023: £228,000) of interest added during the year.

Loan commitments measured at cost less impairment

The Group has various borrowing facilities available to it. The undrawn committed facilities are valued at cost less impairment. The amount of undrawn borrowings at 31 March 2024 was £255 million (2023: £219 million). The cost of the undrawn facility is £698,000 (2023: £962,000).

Hedge accounting

The Group has four interest rate swaps that meet the requirements under FRS 102 section 12: Other financial instruments, for hedge accounting. The Group uses hedge accounting to manage the volatility of the fair value movements of its interest rate swaps. The hedging relationship is between an interest rate swap, the hedging instrument, and a loan, the hedged item. The relationship allows the fair value movements in the hedging instrument that are equal to the fair value movements in the hedged item, the effective part, to be recognised through Other Comprehensive Income in the cash flow hedge reserve rather than profit or loss. The parts of the movement that do not match, the ineffective part, are recognised in profit or loss.

For the year ended 31 March 2024 the Group recognised £814,000 gains (2023: £13.1 million gains) of net effective cash flow hedge movements in Other Comprehensive Income and £30,000 (2023: £77,000 of ineffective cash flow hedge movements in profit or loss.

31b Financial instruments' classifications

Amortised cost

Basic financial instruments such as loans are measured at amortised cost. This is calculated using the effective interest rate method. For floating rate loans and fixed rate loans with no interest rate changes the effective interest will equal the amount of interest paid. For fixed rated loans which have changes in interest rate over the life of the loan the effective interest rate will average the different interest rates over the life of the loan. The effective interest is the amount that is recognised in profit or loss.

Fair value through profit or loss

Complex financial instruments, such as derivatives are recognised at fair value through profit or loss. At the end of each financial year their value is calculated by looking at an active market of similar instruments and establishing what their value would be if they were traded on that market, their fair value. Any changes in the fair value are recognised in the Consolidated Statement of Comprehensive Income.

Equity

Equity is the difference between an entities' total assets and total liabilities. Where an association has joint or a controlling interest in another company its share of the equity in that company is recognised in its financial statements.

Financial Statements

"We believe Value for Money is about delivering social, financial and environmental value across everything we do."

32 **Financial instruments** (continued)

32c **Financial instrument carrying values**

	2024 £000	2023 £000
Financial assets that are debt instruments measured at amortised cost		
Finance debtor	**34,845**	36,441
Loans to limited liability partnership	**33,115**	23,228
Trade and rent debtors	**30,949**	26,235
Liquidity funds	**3,062**	3,062
Other debtors	**604**	2,679
	102,575	91,645
Financial assets that are equity instruments measured at cost less impairment		
Investment in joint venture	**1,619**	2,943
	1,619	2,943
Financial asset measured at fair value through profit or loss		
Derivative financial instruments held to manage interest rates - Interest rate swaps	**5,061**	4,292
	5,061	4,292
Financial liabilities measured at amortised cost		
Guaranteed medium term notes	**(446,895)**	(198,129)
Guaranteed fixed rate secured bonds	**(435,638)**	(436,613)
Fixed rate loans	**(318,497)**	(323,492)
Hedged floating rated loans classified as fixed rated loans	**(81,336)**	(85,170)
Floating rated loans	**(47,909)**	(183,417)
Convertible financial instruments	**(460)**	(460)
Recycled capital grant fund	**(5,206)**	(4,817)
Trade and rent creditors	**(14,904)**	(14,438)
Accruals	**(49,130)**	(47,579)
Other creditors	**(18,809)**	(6,140)
	(1,418,784)	(1,300,255)
Loan commitments measured at cost less impairment		
Undrawn committed borrowings	**255,000**	219,000
Carrying value of undrawn committed borrowings	**-**	-

The above loan commitments are not recognised in the Group's financial statements.

Methods and assumptions used in the assessment of fair values

Fair values are calculated using measurements based on inputs that are observable for the asset or liability either directly or indirectly from market data. The carrying values of interest rate swaps have been calculated using mark to market valuations.

32d Interest rate profile of borrowings

	2024 £000	2023 £000
Group's borrowings comprise:		
Guaranteed fixed rate secured bonds	**410,000**	410,000
Guaranteed medium term notes	**450,000**	200,000
Convertible financial instruments	**460**	460
MORhomes fixed rate loans	**39,450**	39,540
Affordable housing finance fixed rated loans	**150,000**	150,000
Fixed rate loans	**129,152**	133,573
Hedged floating rated loans classified as fixed rated loans	**81,336**	85,170
Floating rate loans	**47,452**	183,417
Recycled capital grant fund	**5,206**	4,817
	1,313,056	1,206,977

The above values are the loan principal repayable not the loan's carrying value. When floating rate loans have been hedged they are classified in the above table as fixed rate.

	2024		2023	
	Weighted average interest rate %	Weighted average for which rate is fixed Years	Weighted average interest rate %	Weighted average for which rate is fixed Years
At 31 March				
Guaranteed fixed rate secured bonds	**4.50**	**19.70**	4.50	20.70
Convertible financial instruments	**3.70**	**13.90**	3.70	14.90
Fixed rated loans	**3.24**	**11.15**	3.34	12.56
Fixed rate secured medium term notes	**3.62**	**10.11**	1.41	12.80

32e Maturity of borrowings

The maturity profile of the principal value of the Group's loans, as shown in note 32d, is:

	2024			2023		
	Repayment			Repayment		
	By instalments £000	Not by instalments £000	Total £000	By instalments £000	Not by instalments £000	Total £000
0 - 1 years	**15,284**	**2,067**	**17,351**	17,910	2,565	20,475
1 - 2 years	**27,466**	**1,063**	**28,529**	21,533	971	22,504
2 - 5 years	**66,048**	**-**	**66,048**	85,326	-	85,326
Over 5 years	**206,493**	**994,635**	**1,201,128**	346,060	732,612	1,078,672
	315,291	**997,765**	**1,313,056**	470,829	736,148	1,206,977

The repayment profile is based on loan documentation and considering the impact of undrawn facilities.

The above borrowings are secured against the Group's social housing properties. The value of the secured properties is £2,129 million (2023: £1,792 million). At 31 March 2024 properties valuing £822 million (2023: £1,127 million) were unsecured and available to be secured.

32 **Financial instruments** (continued)

32f **Hedge accounting**

Hedging instrument	**2024**						
	Principal £000	**Interest rate payable %**	**Maturity**	**Cash flows**	**Fair value £000**	**Credit to OCI £000**	**Charge to profit or loss £000**
Barclays swaps	**31,336**	**3.08**	**2034**	**Monthly**	**1,623**	**(135)**	**-**
Credit Suisse swap	**20,000**	**2.97**	**2031**	**Monthly**	**608**	**42**	**1**
Notting Hill swap	**8,000**	**2.96**	**2038**	**Half yearly**	**813**	**(227)**	**(35)**
Notting Hill swap	**22,000**	**2.85**	**2037**	**Quarterly**	**2,017**	**(494)**	**4**
	81,336				**5,061**	**(814)**	**(30)**

Hedging instrument	2023						
	Principal £000	Interest rate payable %	Maturity	Cash flows	Fair value £000	Credit to OCI £000	Charge to profit or loss £000
Barclays swaps	32,716	3.08	2034	Monthly	1,488	(4,425)	(7)
Credit Suisse swap	22,500	2.97	2031	Monthly	651	(1,970)	1
Notting Hill swap	8,000	2.96	2038	Half yearly	626	(1,762)	(97)
Notting Hill swap	22,000	2.85	2037	Quarterly	1,527	(4,907)	26
	85,216				4,292	(13,064)	(77)

The objective of the hedge is to use an interest rate swap to eliminate the variability of cash flows associated with the interest payments on an associated portion of a floating loan.

The cash flows on both the hedged loans and interest rate swaps relating to Credit Suisse hedging arrangements are paid monthly and affect profit or loss with the same frequency. The cash flows of the loans hedged by the Notting Hill interest rate swaps occur monthly and are recognised in profit or loss with this frequency. The Notting Hill interest swap cash flows occur half yearly and quarterly. They affect profit or loss with this frequency. Interest accruals are used to match the frequencies until the cash flows occur.

33 Pension obligations

Group pension schemes

The cost of providing retirement pensions and related benefits is accounted for in accordance with FRS 102 section 28 – 'Employee Benefits'. The Group participates in eleven pension schemes.

There are seven defined benefit schemes:

- Wiltshire Pension Scheme (closed to new members);
- Hampshire County Council Pension Scheme (closed to new members);
- Somerset County Council Pension Scheme (closed to new members);
- Dorset County Council Pension Scheme (closed to new members);
- SHPS career average of earnings scheme (CARE) (closed to new members);
- CCHT Pension Fund (closed to new members); and
- Enham Trust Growth Plan (closed to new members).

and four defined contribution ('stakeholder') schemes:

- SHPS defined contribution scheme;
- Royal London defined contribution scheme (open to East Boro Housing Trust Limited employees);
- CCHT Pension Fund defined contribution scheme; and
- Aegon defined contribution scheme (from 1 April 2022).

The accounting treatments for each of the schemes are described below.

The pension cost to the Group for the year ended 31 March 2024 was £5.7 million (2023: £4.9 million) in respect of 2,071 (2023: 1,978) employees.

The Group makes scheduled contribution payments throughout the year to reduce the pension liability deficit.

During April 2024 the Group have confirmed to each of the funds their commitment to exit, with no accrual from 1 April 2024. The Funds are therefore in the process of confirming the final cessation payments required, which are expected to be paid during the year to 31 March 2025..

See note 45 Post balance sheet events of the Groups consolidated financial statements for details.

Summary of movements and balances in funding

	Note	2024 Total cost by scheme £000	2024 Total interest on net pension liability by scheme £000	2024 Actuarial gains / (losses) in pension scheme £000	2024 Pension deficit £000
County pension schemes					
Wiltshire	33a	76	(230)	1,207	1,167
Wiltshire asset ceiling	33a	-	-	(1,167)	(1,167)
Hampshire	33a	8	(181)	150	441
Hampshire asset ceiling	33a	-	-	(441)	(441)
Hampshire - unfunded	33a	-	15	(16)	(364)
Somerset	33a	134	(153)	1,536	1,555
Somerset asset ceiling	33a	-	-	(1,555)	(1,555)
Dorset	33a	1,169	(430)	2,782	2,511
Dorset asset ceiling	33a	-	-	(2,511)	(2,511)
SHPS					
Defined benefit scheme	33b	490	382	(3,286)	(10,168)
Defined contribution scheme	33b	2,153	-	-	-
Aegon	33c	1,103	-	-	-
Royal London	33d	14	-	-	-
CCHT					
Defined benefit schemes	33e	206	(45)	3	(158)
Defined benefit scheme asset ceiling	33e	-	-	158	158
Defined contribution scheme	33e	188	-	-	-
Enham					
Defined contribution scheme	33f	168	-	-	-
		5,709	(642)	(3,140)	(10,532)

33 **Pension obligations** (continued)

Summary of movements and balances in funding

	Note	2023 Total cost by scheme £000	Total interest on net pension liability by scheme £000	Actuarial gains / (losses) in pension scheme £000	Pension deficit £000
County pension schemes					
Wiltshire	33a	158	(34)	3,289	1,780
Wiltshire asset ceiling	33a	-	-	(2,114)	(2,114)
Hampshire	33a	20	(10)	2,020	2,012
Hampshire asset ceiling	33a	-	-	(2,012)	(2,012)
Hampshire - unfunded	33a	-	10	50	(360)
Somerset	33a	240	45	5,041	3,191
Somerset asset ceiling	33a	-	-	(3,191)	(3,191)
Dorset	33a	586	113	13,229	9,347
Dorset asset ceiling	33a	-	-	(9,347)	(9,347)
SHPS					
Defined benefit scheme	33b	663	222	(2,551)	(9,229)
Defined contribution scheme	33b	2,117	-	-	-
Aegon	33c	537	-	-	-
Royal London	33d	18	-	-	-
CCHT					
Defined benefit schemes	33e	376	(30)	1,443	1,097
Defined benefit scheme asset ceiling	33e	-	-	(1,097)	(1,097)
Defined contribution scheme	33e	188	-	-	-
Enham					
Growth Plan	33f	2	-	-	-
		4,905	316	4,760	(9,923)

Local government pension scheme

An allowance was made in the financial statements for the year ending 31 March 2020 in relation to the Court of Appeal judgement on the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively.

As at 31 March 2020 the total liabilities included an estimate of the impact resulting in an increase on the defined benefit obligation. It should be noted that the adjustment included is an estimate of the potential impact on the defined benefit obligation based on analysis carried out by the Government Actuary's Department and the liability profile.

There are uncertainties over how this judgement may affect LGPS members' past or future service benefits. Remedial regulations are expected in 2023 and uncertainty over the benefit changes proposed for the LGPS will remain until these have been finalised.

The Directors have considered the potential impact of the McCloud case on the Group and associations defined benefit liability as at 31 March 2024. With the exception of the past service cost included in the year to 31 March 2020, no additional liability has been recognised given the profile of the scheme members and assuming a very cautious outcome on the LGPS scheme liability the Director s are satisfied that when fully accounted in the financial statements the impact will not be material to the Group or association financial statements as at 31 March 2024.

33a Local government pension funds

The Group participates in four funds as an admitted body under the Local Government Superannuation Regulations 1995, funded jointly by employer and employee contributions. The funds are a defined benefit final salary multi-employer scheme, and are contracted out.

As at the balance sheet date active members of the scheme employed by the Group and the annual pensionable payroll in respect of these members was:

	2024		2023	
	Active Members No.	**Annual pensionable payroll £000**	Active Members No.	Annual pensionable payroll £000
Dorset County Council Pension Fund	**22**	**1,006**	33	1,239
Hampshire County Council Pension Fund	**1**	**52**	1	49
Somerset County Council Pension Fund	**12**	**526**	13	517
Wiltshire Pension Fund	**6**	**305**	8	337

The funds are subject to an actuarial valuation of the scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to address the level of future contributions required so that the scheme can meet its pension obligations as they fall due.

Each scheme actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the scheme as at 31 March 2024. The principal assumptions used by the independent qualified actuaries in updating the latest valuation in order to provide the disclosures required by Financial Reporting Standard No. 102 section 28 – Employee Benefits are stated below. The actuary has used the projected unit credit method of valuation.

The last triennial valuation was performed on 31 March 2022 and the results have been incorporated into the financial statements for 2024.

The next triennial valuation is due to be carried out on 31 March 2025 and the results for this will be incorporated into the financial statements for 2026.

The information in the financial statements relating to the valuation of the pensions scheme's assets and liabilities has been prepared by the scheme's actuaries;

Pension Fund:	Actuary:
Dorset County Council Pension Fund	Barnett Waddingham
Hampshire County Council Pension Fund	Hewitt Associates Limited
Somerset County Council Pension Fund	Barnett Waddingham
Wiltshire Pension Fund	Hymans Robertson LLP

Hampshire County Council also provides unfunded pension scheme. This relates to unfunded pension arrangements provided by the Group. These are termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS.

Closure of Local Government Pension Schemes (LGPS)

In April 2024 all four of the Group's Local Government Pension Schemes (LGPS) were closed to future accrual with all affected employees ceasing to be members of those schemes with members being offered a choice of membership in either the Social Housing Pension Scheme or Aegon defined contribution pension schemes.

See note 45 Post balance sheet events of the Groups consolidated financial statements for details.

33 **Pension obligations** (continued)

33a **Local government pension funds** (continued)

	Dorset	Hampshire County Council - Funded	Hampshire County Council - Unfunded	Somerset County Council	Wiltshire
Financial assumptions	31 March 2024				
	%p.a.	%p.a.	%p.a.	%p.a.	%p.a.
Price increases - CPI	n/a	2.8	2.8	n/a	n/a
Pension increases	2.9	2.8	2.8	3.0	2.8
Salary increases	3.9	3.8	n/a	4.0	3.3
Discount rate	4.9	4.8	4.8	4.9	4.8
Mortality	2024				
	Years	Years	Years	Years	Years
Current pensioners					
Females	23.9	24.7	24.7	23.0	24.2
Males	21.8	22.1	22.1	21.1	22.7
Future pensioners					
Females	25.4	25.7	n/a	24.4	26.0
Males	23.1	22.6	n/a	22.4	23.5
Fair value of plan assets	31 March 2024				
	£000	£000	£000	£000	£000
Equities	29,057	10,852	n/a	14,639	15,572
Gilts	-	-	n/a	854	-
Infrastructure	3,442	-	n/a	-	-
Bonds	3,038	5,515	n/a	2,422	8,064
Property	3,640	1,245	n/a	1,433	3,893
Diversified Growth Fund	6,269	-	n/a	-	-
Other	-	-	n/a	-	-
Cash	979	178	n/a	585	277
	46,425	17,790	n/a	19,933	27,806
Asset ceiling adjustment	(11,858)	(4,161)	n/a	(4,746)	(6,282)
	34,567	13,629	n/a	15,187	21,524
Cost recognised as an expense	31 March 2024				
	£000	£000	£000	£000	£000
Current service cost	1,133	8	n/a	124	76
Interest costs	1,634	614	15	716	1,014
Expected return on assets employed	(2,064)	(795)	n/a	(869)	(1,244)
Administration expenses	36	-	n/a	10	-
	739	(173)	15	(19)	(154)
Return on plan assets	4,159	1,485	n/a	2,196	2,226

	Dorset	Hampshire County Council - Funded	Hampshire County Council - Unfunded	Somerset County Council	Wiltshire
Financial assumptions	31 March 2023				
	%p.a.	%p.a.	%p.a.	%p.a.	%p.a.
Price increases - CPI	2.9	2.7	2.7	n/a	3.0
Pension increases	2.9	2.7	2.7	2.9	3.0
Salary increases	3.9	3.7	n/a	3.9	3.5
Discount rate	4.8	4.8	4.8	4.8	4.8
Mortality	2023				
	Years	Years	Years	Years	Years
Current pensioners					
Females	24.2	25.7	25.7	23.2	24.4
Males	22.2	23.3	23.3	21.4	22.8
Future pensioners					
Females	25.6	26.7	n/a	24.7	26.2
Males	23.5	23.8	n/a	22.7	23.6
Fair value of plan assets	31 March 2023				
	£000	£000	£000	£000	£000
Equities	26,785	9,680	n/a	13,796	14,716
Gilts	856	2,780	n/a	623	-
Infrastructure	3,308	-	n/a	-	-
Bonds	2,715	-	n/a	1,789	8,293
Property	3,485	1,140	n/a	1,383	3,478
Diversified Growth Fund	5,744	-	n/a	-	-
Other	-	3,030	n/a	-	-
Cash	782	190	n/a	873	268
	43,675	16,820	n/a	18,464	26,755
Asset ceiling adjustment	(9,347)	(3,720)	n/a	(3,191)	(5,115)
	34,328	13,100	n/a	15,273	21,640
Cost recognised as an expense	31 March 2023				
	£000	£000	£000	£000	£000
Current service cost	555	20	n/a	229	158
Interest costs	1,291	490	10	589	740
Expected return on assets employed	(1,178)	(500)	n/a	(544)	(774)
Administration expenses	31	-	n/a	11	-
	699	10	10	285	124
Return on plan assets	(2,228)	(1,030)	n/a	(2,308)	(1,752)

33 **Pension obligations** (continued)

33a **Local government pension funds** (continued)

Reconciliation of scheme liabilities	Dorset	Hampshire County Council - Funded	Hampshire County Council - Unfunded	Somerset County Council	Wiltshire
	31 March 2024				
	£000	£000	£000	£000	£000
Opening defined benefit obligation	34,328	13,100	360	15,273	21,974
Current service cost	240	8	-	124	76
Past service cost	893	-	-	-	
Interest cost	1,634	614	15	716	1,014
Contributions by members	76	4	-	42	22
Actuarial (gains) / losses	(687)	540	16	(209)	(225)
Estimated benefits paid	(1,909)	(637)	(27)	(759)	(1,326)
Estimated unfunded benefits paid	(8)	-	-	-	(11)
Closing defined benefit obligation	34,567	13,629	364	15,187	21,524

Reconciliation of fair value of employer assets	Dorset	Hampshire County Council - Funded	Hampshire County Council - Unfunded	Somerset County Council	Wiltshire
	31 March 2024				
	£000	£000	£000	£000	£000
Opening fair value of employer assets	34,328	13,100	-	15,273	21,640
Expected return on assets	2,064	795	-	869	1,244
Contributions by members	76	4	-	42	22
Contributions by employers	468	118	27	-	129
Administration expenses	(36)	-	-	(10)	-
Return on assets less interest	2,095	-	-	1,327	-
Unfunded contributions	-	-	-	-	11
Actuarial (gains) / losses	-	690	-	-	982
Benefits paid	(1,917)	(637)	(27)	(759)	(1,326)
Unfunded benefits paid	-	-	-	-	(11)
Closing fair value of employer assets	37,078	14,070	-	16,742	22,691
Asset ceiling adjustment	(2,511)	(441)	-	(1,555)	(1,167)
Closing fair value of scheme assets recognised in financial statements	34,567	13,629	-	15,187	21,524
Net Pension deficit	-	-	(364)	-	-

	Dorset	Hampshire County Council - Funded	Hampshire County Council - Unfunded	Somerset County Council	Wiltshire
Reconciliation of scheme liabilities	31 March 2023				
	£000	£000	£000	£000	£000
Opening defined benefit obligation	50,203	16,750	420	22,941	27,824
Current service cost	555	20	-	229	158
Past service cost	-	-	-	-	-
Interest cost	1,291	490	10	589	740
Contributions by members	88	-	-	35	25
Actuarial (gains) / losses	(16,635)	(3,550)	(50)	(7,893)	(5,815)
Estimated benefits paid	(1,170)	(610)	(20)	(628)	(947)
Estimated unfunded benefits paid	(4)	-	-	-	(11)
Closing defined benefit obligation	34,328	13,100	360	15,273	21,974

Reconciliation of fair value of employer assets	31 March 2023				
	£000	£000	£000	£000	£000
Opening fair value of employer assets	44,700	16,750	-	21,062	25,887
Expected return on assets	1,178	500	-	544	774
Contributions by members	88	-	-	35	25
Contributions by employers	2,320	2	20	314	541
Administration expenses	(31)	-	-	(11)	-
Return on assets less interest	(2,827)	-	-	(766)	-
Unfunded contributions	-	-	-	-	11
Actuarial (gains) / losses	(579)	(1,530)	-	(2,086)	(2,526)
Benefits paid	(1,174)	(610)	(20)	-	(947)
Unfunded benefits paid	-	-	-	(628)	(11)
Closing fair value of employer assets	43,675	15,112	-	18,464	23,754
Asset ceiling adjustment	(9,347)	(2,012)	-	(3,191)	(2,114)
Closing fair value of scheme assets recognised in financial statements	34,328	13,100	-	15,273	21,640
Net Pension deficit	-	-	(360)	-	(334)

33 **Pension obligations** (continued)

33b **The Social Housing Pension Scheme**

The Group participates in the Social Housing Pension Scheme ("the scheme").

SHPS is a multi-employer defined benefit scheme. Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'.

The scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. From April 2007 three defined benefit structures have been available, namely:

- Final salary with a 1/60th accrual rate;
- Final salary with a 1/70th accrual rate; and
- Career average revalued earnings (CARE) with a 1/60th accrual rate.

From April 2010 a further two defined benefit structures have been available, namely:

- Final salary with a 1/80th accrual rate – not available to employees of Aster Group; and
- Career average revalued earnings (CARE) with a 1/80th accrual rate – not available to employees of Aster Group.

A defined contribution benefit structure was made available from 1 October 2010.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can only operate one open defined benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

In February 2014, Aster Group introduced a career average revalued earnings (CARE) with a 1/120th accrual rate which closed to new starters in June 2019.

The SHPS defined benefit final salary scheme and SHPS defined benefit CARE 1/60th scheme were closed on 31 March 2020. Members were automatically transferred to the SHPS defined benefit CARE 120th scheme but could opt to be transferred to the SHPS defined contribution scheme.

In April 2024 the SHPS defined benefit scheme was closed to future accrual with all affected employees ceasing to be members of those schemes with members being offered a choice of membership in either the Social Housing Pension Scheme or Aegon defined contribution pension schemes.

We have been notified by the Trustee of the scheme that it has performed a review of changed made to the scheme's benefits over the years and the result is that there is uncertainty surrounding some of those changes. The Trustee has been advised to seek clarification from the court on these items. The process is ongoing and the matter is unlikely to be resolved before the end of 2024. It is recognised that this could potentially impact the value of the scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

SHPS defined benefit scheme

Aster Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

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

SHPS defined benefit pension plan

In October 2018 the High Court published its judgement on the case of Lloyds Banking Group and the equalisation of Guaranteed Minimum Pensions (GMP). This has consequently been assessed against the Group's defined benefit schemes. The impact of GMP Equalisation in respect of the SHPS Pension Scheme have been recognised in the year. A further High Court ruling in November 2020 has resulted in additional allowance being included in the defined benefit obligation as at 31 March 2023 to account for all members transferred out of the Scheme since 17 May 1990.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Limited against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Group are currently considering the implications of the case for the Social Housing Pension Scheme. In addition, the Group has been informed by the scheme's trustee that this will be affected by questions which are being put to the High Court in the case of Verity Trustees Limited v Wood and others, which will be heard by the High Court in February 2025. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

As at the balance sheet date there were 102 (2023: 114) active members of the scheme employed by Aster Communities, Synergy Housing Limited, Aster Living, Aster Property Limited, Enham Trust and Aster Group Limited (the Group). The annual pensionable payroll in respect of these members was £5.1 million (2023: £5.0 million).

The fund is subject to an actuarial valuation of the scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to address the level of future contributions required so that the scheme can meet its pension obligations as they fall due.

The scheme actuary has prepared an actuarial report that provides an approximate update on the funding position of the scheme as at 31 March 2024. The principal assumptions used by the independent qualified actuaries in updating the latest valuation in order to provide the disclosures required by Financial Reporting Standard No. 102 section 28 – Employee Benefits are stated below. The actuary has used the projected unit credit method of valuation.

The last triennial valuation was performed on 30 September 2020 and the results have been incorporated into the financial statements for 2023.

The next triennial valuation will be carried out on 30 September 2023 and the results for this will be incorporated into the financial statements for 2025.

The information in the financial statement relating to the valuation of the pensions scheme's assets and liabilities has been prepared by the scheme's actuaries, JLT.

The Social Housing Pension Scheme defined contribution scheme

The scheme is administered by the Pensions Trust. It is open to all members of staff and is the pension scheme for auto-enrolment. The company paid contributions between 4% and 10% (2023: 4% and 10%) and employees paid contributions from 3% (2023: from 3%). On retirement, funds or units earned can be converted into a pension with the Trust, or used to secure a pension with another provider. At 31 March 2024 there were 1,316 (2023: 1,261) active members of the scheme.

33 Pension obligations (continued)

33b The Social Housing Pension Scheme (continued)

The Social Housing Pension Scheme defined benefit scheme

Financial assumptions

	31 March 2024 %p.a.	31 March 2023 %p.a.
Price increases - RPI	**3.1**	3.2
Price increases - CPI	**2.8**	2.8
Salary increases	**3.8**	3.8
Discount rate	**4.9**	4.8

Mortality

	2024 Years	2023 Years
Current pensioners		
Females	**23.0**	23.4
Males	**20.5**	21.0
Future pensioners		
Females	**24.4**	24.9
Males	**21.8**	22.2

Fair value of plan assets

	31 March 2024 £000	31 March 2023 £000
Absolute Returns	**1,679**	466
Global Equity	**4,292**	807
Liability Driven Investment	**17,497**	19,903
Property and Infrastructure	**6,348**	8,100
Investments	**1,506**	3,075
Sharing and alterative premia risk	**3,880**	3,262
Emerging market and private debt	**2,247**	2,155
Cash	**848**	311
Other	**4,694**	5,135
	42,991	43,214

Cost recognised as an expense

	31 March 2024 £000	31 March 2023 £000
Current service cost	**418**	604
Interest costs	**382**	222
Administration expenses	**72**	59
	872	885
Return on plan assets	**(2,046)**	(27,081)

Reconciliation of defined benefit obligation

	31 March 2024 £000	31 March 2023 £000
Opening defined benefit obligation	**52,443**	65,162
Enham defined benefit obligation on acquisition	**-**	12,263
Current service cost	**418**	604
Contributions by scheme participants	**6**	3
Expenses	**72**	59
Interest expense	**2,523**	2,153
Actuarial gains	**(901)**	(26,461)
Benefits paid and expenses	**(1,402)**	(1,340)
Closing defined benefit obligation	**53,159**	52,443

Reconciliation of fair value of scheme assets

	31 March 2024 £000	31 March 2023 £000
Opening fair value of scheme assets	**43,214**	58,019
Enham fair value of scheme assets on acquisition	**-**	10,571
Interest income	**2,141**	1,931
Actuarial gains	**(4,187)**	(29,012)
Contributions by the employer	**3,219**	3,042
Contributions by scheme participants	**6**	3
Benefits paid and expenses	**(1,402)**	(1,340)
Closing fair value of scheme assets	**42,991**	43,214
Net pension liability	**10,168**	9,229

33c **Aegon defined contribution scheme**

The scheme is administered by the Aegon UK and is open to all employees of Aster Group Limited. The assets of the scheme are held separately from those of the association in an independently administered fund. The company paid contributions between 4% and 10% (2023: 4% and 10%) and employees paid contributions from 3% (2023: from 3%). At 31 March 2024 there were 167 (2023: 187) active members of the scheme. The pension charge represents contributions payable by the Group to the fund and amounted to £1.1 million (2023: £537,000).

33d **East Boro Housing Trust Limited**

East Boro Housing Trust Limited operate a defined contribution pension scheme. The scheme is administered by Royal London and is open to employees of East Boro Housing Trust Limited. The assets of the scheme are held separately from those of the association in an independently administered fund. The company paid contributions of 3% (2023: 3%) and employees paid contributions of 5% (2023: 5%). At 31 March 2024 there were 24 (2023: 37) active members of the scheme. The pension charge represents contributions payable by the Group to the fund and amounted to £14,000 (2023: £18,000).

33 **Pension obligations** (continued)

33e **Central & Cecil Housing Trust**

Defined contribution scheme

A defined contribution pension scheme is operated by Central & Cecil Housing Trust. The assets of the scheme are held separately from those of the association in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £188,000 (2023 £188,000).

Defined benefit pension scheme

Central & Cecil Housing Trust operates a defined benefit pension scheme ('CCHT Pension Fund'). The CCHT Pension Fund is a registered defined benefit (final salary) scheme. The Fund provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary at retirement or leaving service and their length of service. The Fund closed to new entrants from 31 May 2014. Pension benefits depend upon age, length of service and salary level.

The Fund was established under trust and is governed by the Fund's definitive trust deed and rules dated 30 January 2004.

The scheme funding valuation as at 31 March 2020 revealed a funding surplus of £188,000. In accordance with the Schedule of Contributions dated 29 March 2021 the Association is expected to pay no contributions over future accounting periods. With the effect from 1 September 2020, except to the extent agreed otherwise in writing, the Association is not expected to meet any expense payments in relation to administering the Fund. These will instead be met out of the Fund's surplus assets. Over the period the Fund disinvested the majority of its invested assets and purchased a buy-in insurance policy with Legal and General to meet all future Fund benefit payments.

In late 2021, Central & Cecil Housing Trust pension scheme purchased a buy-in insurance policy for £16.1 million covering all non-insured benefits in the Fund. The £2.8 million cost of this transaction and the on-going running costs of the Scheme were fully funded by assets held by the scheme. The scheme is now in the process of being closed in consultation with the beneficiaries. As at 31 March 2024 the Fund holds the value of that insurance policy and surplus funds held as cash.

The liabilities of the Fund are based on the current value of expected benefit payment cashflows to members approximately over the next 60 years. The average duration of the liabilities is approximately 14 years.

A full actuarial valuation of the Fund was carried out as at 31 March 2020 and has been updated to 31 March 2024 by a qualified independent actuary.

None of the assets of the Fund are invested in the Association's own financial instruments and none of the assets are properties or other assets used by the Association.

The major assumptions used by the actuary were (in nominal terms) as follows:

Financial assumptions

	31 March 2024 %p.a.	31 March 2023 %p.a.
Price increases - RPI	**3.4**	3.5
Price increases - CPI	**2.9**	3.0
Salary increases	**3.4**	3.5
Discount rate	**4.5**	4.4

Mortality

	31 March 2024 Years	31 March 2023 Years
Current pensioners		
Females	**24.0**	23.9
Males	**22.0**	21.9
Future pensioners		
Females	**25.8**	25.7
Males	**24.0**	23.9

Fair value of plan assets

	31 March 2024 £000	31 March 2023 £000
Insured annuities	**8,926**	8,647
Cash and other	**939**	1,097
	9,865	9,744

Cost recognised as an expense

	31 March 2024 £000	31 March 2023 £000
Interest costs	**(45)**	-
Administration expenses	**206**	376
	161	376
Return on plan assets	**603**	(2,607)

Reconciliation of defined benefit obligation

	31 March 2024 £000	31 March 2023 £000
Opening defined benefit obligation	**8,647**	11,698
Interest expense	**374**	276
Actuarial losses / (gains)	**181**	(2,894)
Benefits paid and expenses	**(276)**	(433)
Closing defined benefit obligation	**8,926**	8,647

Reconciliation of fair value of scheme assets

	31 March 2024 £000	31 March 2023 £000
Opening fair value of scheme assets	**8,647**	13,160
Interest income	**419**	306
Actuarial gains	**184**	(2,913)
Scheme administration costs	**(206)**	(376)
Benefits paid and expenses	**(276)**	(433)
Closing fair value of scheme assets	**8,768**	9,744
Asset ceiling adjustment	**158**	(1,097)
Closing fair value of scheme assets recognised in financial statements	**8,926**	8,647
Net Pension deficit	**-**	-

The amounts recognised in profit or loss:

	31 March 2024 £000	31 March 2023 £000
Service cost	**206**	376
	206	376

Net defined benefit liability / (asset) to be shown in OCI:

	31 March 2024 £000	31 March 2023 £000
Return on assets, excluding interest income	**(184)**	2,913
Experience gains and losses arising on the Fund liabilities	**378**	690
Changes in assumptions underlying the present value of the Fund liabilities	**(197)**	(3,584)
Change in the amount of surplus that is not recoverable (excluding interest income)	**(158)**	(365)
	(161)	(346)

33 **Pension obligations** (continued)

33f **Enham Trust**

Defined contribution scheme

A defined contribution pension scheme is operated by Enham Trust. The assets of the scheme are held separately from those of the trust in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £168,000 (2023: £127,000).

Growth plan

Enham Trust participates in the Growth Plan (the Plan), a multi-employer scheme which provides benefits to some 950 non-associated employers. The Plan is a defined benefit scheme in the UK. Whilst Enham Trust still participates in the scheme it has been closed to future accrual.

The Pensions Trust, who administer the Plan have advised Enham Trust that it would not be possible for sufficient information to be provided to Enham Trust to enable it to account for the Scheme as a defined benefit scheme. Therefore, Enham Trust has accounted for the Scheme as a defined contribution scheme.

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

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2020. This valuation showed assets of £800.3 million, liabilities of £831.9 million and a deficit of £31.6 million. To eliminate this shortfall, the Trustee has asked the participating employers to pay additional contributions to the Scheme.

In 2023/24, Enham Trust exited the scheme. The cessation valuation calculations was undertaken by the schemes' actuary and an exit liability payment of £85,000 was due to the local authority and recognised in the financial year ending 31 March 2024.

34 **Other provisions**

	Total £000
At 1 April 2023	**3,861**
Additions	**69**
Released during the year	**(797)**
At 31 March 2024	**3,133**

Other provisions relates to a dilapidation provisions on leased housing stock recognised on the acquisition of Central & Cecil Housing Trust and Enham Housing Trust to the Group.

35 Called up share capital

	2024 £	2023 £
Ordinary shares allotted, issued and fully paid of £1 each		
At 1 April	**7**	7
Issued during the year	**2**	-
Cancelled during the year	**(2)**	-
At 31 March	**7**	7

36 Other reserves

	Revaluation reserve £000	Restricted reserve £000	Cash flow hedge reserve £000	Merger reserve £000	Total £000
At 1 April 2023	**383,467**	**1,710**	**4,161**	**462**	**389,800**
Effective cash flow hedge fair value movements	**-**	**-**	**814**	**-**	**814**
Transfer (to) / from profit and loss reserve	**(5,190)**	**11**	**-**	**-**	**(5,179)**
At 31 March 2024	**378,277**	**1,721**	**4,975**	**462**	**385,435**

Revaluation reserve
Prior to transition to FRS 102, on 1 April 2014, the Group's social housing properties were revalued each year. The revaluation reserve represents the increases in value of properties held at this date. On transition to FRS 102 the Group moved to recognising its social housing at deemed cost and no longer recorded increases in social housing property valuation.

Restricted reserve
The restricted reserve consists of the sales proceeds and clawback of disposal of certain properties and cash received as part of an asset transfer.

The sales proceeds and clawback relates to the disposal of properties where the local council required the Group to retain a portion of the proceeds. The reserve can only be used to fund investments in properties in the Mendip and Purbeck areas, in agreement with the respective District Councils. The cash received was part of transfer of assets and operations from Soroptimist (Poole) Housing Group in 2018 and King Alfred Housing Group Limited in 2019. In accordance with the agreement made, this is restricted to being utilised on, or for the benefit of, the respective properties and their residents.

Cash flow hedge reserve
The cash flow hedge reserve is used to record the effective transactions from the Group's cash flow hedging arrangements.

Merger reserve
On 10 March 2020 the assets and operations of The Cyril Wood Memorial Trust Limited were transferred to East Boro Housing Trust Limited for proceeds of £nil. The transaction has been treated as a Group reconstruction in accordance with FRS 102 and the Housing SORP the assets acquired have been recognised at their net book value in the merger reserve.

37 Capital commitments

	2024 £000	2023 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**626,725**	553,016
Capital expenditure that has been authorised by the Board but has not yet been contracted	**83,837**	139,463
	710,562	692,479

These commitments will be funded through a mixture of cash and committed borrowings. The Group's available committed borrowings are set out in note 32c.

38 Joint venture commitments

	2024 £000	2023 £000
Capital expenditure that has been contracted for within the Group's joint ventures but has not been provided for in the financial statements	**79,543**	68,317

The capital expenditure represents 100% of the joint venture commitments of which 50% is attributable to the Group.

39 Operating leases

The Group has total commitments under non-cancellable operating leases due to expire as follows:

	2024 £000	2023 £000
Land and buildings		
Not later than one year	**84**	89
Later than one but not later than five years	**32**	94
Later than five years	**450**	458
Office premises		
Not later than one year	**274**	333
Later than one but not later than five years	**596**	598
Later than five years	**2,314**	1,809
Office equipment		
Not later than one year	**176**	57
Later than one but not later than five years	**607**	24
Later than five years	**165**	-
	4,698	3,462

40 Homes and bed spaces in management and in development

	2024 No.	2023 No.
Under development at end of year:		
Housing accommodation	**1,730**	1,747
Shared ownership	**1,433**	1,512
Open market sale	**11**	2
	3,174	3,261
Under management at end of year:		
Owned and managed by the Group:		
Housing accommodation		
Social rent	**19,804**	19,774
Affordable rent	**5,193**	4,705
Supported housing		
Social rent	**5,355**	5,340
Affordable rent	**68**	69
Shared ownership	**4,120**	3,775
Care homes	**343**	179
Market rented	**110**	111
Sub-market rented	**101**	112
Leasehold	**1,583**	1,599
Temporary Social Housing	**116**	130
	36,792	35,794
Not owned but managed by the Group:		
Housing accommodation		
Social rent	**238**	236
Supported housing		
Social rent	**-**	19
Shared ownership	**9**	5
Leasehold	**2**	2
Private sector leasing	**2**	2
Temporary Social Housing	**29**	31
	280	295
Owned but managed by others at the end of the year:		
Housing accommodation		
Social rent	**68**	206
Shared ownership	**4**	-
Care homes	**23**	74
Leasehold	**49**	45
	144	325
	37,216	36,414

The above table consists of:

	2024 No.	2023 No.
Homes	**36,850**	36,212
Bed spaces	**366**	202
	37,216	36,414

41 **Contingent liabilities**

Aster Group Limited

East Boro Housing Trust Limited and East Boro Housing Services Limited joined the Group on 31 March 2020. Net assets with a fair value of £14.0 million were received for nil consideration. This value included original government grant funding of £11.1 million which, through fair-value adjustments, was reduced to zero. The disposal of a related housing property has triggered the obligation on the Group to recycle £100,000 grant in accordance with the original grant funding terms and conditions. The remaining grant funding is not included as a liability on the Group's balance sheet.

Central & Cecil Housing Trust Limited joined the Group on 1 January 2022. Net assets with a fair value of £119.4 million were received for nil consideration. This value included original government grant funding of £36.0 million which, through fair-value adjustments, was reduced to zero. The disposal of a related housing property has triggered the obligation on the Group to recycle £557,000 grant in the year in accordance with the original grant funding terms and conditions (2023: £228,000). The remaining grant funding is not included as a liability on the Group's balance sheet.

Enham Trust joined the Group on 1 October 2022. Net assets with a fair value of £12.8 million were received for nil consideration. This value included original government grant funding of £1.1 million which, through fair-value adjustments, was reduced to zero. The grant funding is not included as a liability on the Group's balance sheet.

Aster Communities

Aster Communities has entered into a service concession arrangement contract (previously known as a private finance initiative contract) with Wiltshire Council. The 242 properties covered by the contract are available for occupation and the costs of construction have been transferred to a finance debtor that is recovered over the contract period on an annuity basis.

Wiltshire Council holds an option to purchase the properties at the end of the contract period in 2034 at price equal to the existing use valuation – social housing (EUV-SH) of the properties less 40% of the 'authority residual value overage share' (ARVOS). ARVOS is the difference between the EUV-SH and the terminal debt of £12.9 million, providing EUV-SH is greater than the terminal debt. If EUV-SH is less than the terminal debt there is no ARVOS. If Wiltshire Council does not take up this option Aster Communities can purchase the properties. If this happens Aster Communities will repay the terminal debt balance of £12.9 million. Aster Communities will then pay Wiltshire Council 40% of ARVOS, providing the properties EUV-SH is greater than the terminal debt. As it is unknown whether or not Wiltshire Council will opt to purchase the properties at the end of the contract the Group has not recorded a related liability for this transaction at 31 March 2024 or 31 March 2023.

Synergy Housing Limited

In 2018 Synergy Housing Limited entered into a stock transaction with another social landlord. Housing properties with a fair value of £1.3 million were received in exchange for a cash payment of £1.3 million. This value includes original government grant funding of £431,000 which has an obligation to be recycled in accordance with the original grant funding terms and conditions. The association is responsible for the recycling of the grant in the event of the housing properties being disposed of. The grant funding is not included as a liability on the Group's balance sheet.

42 **Related party transactions**

Aster Group Limited provides management and other services to all Group companies under the terms of documented service level agreements. The Group has taken advantage of the exemption allowed under Section 33 Related Party Disclosures of FRS 102 not to disclose related party transactions with wholly owned subsidiaries within the Group. These have been eliminated on consolidation in the Group's financial statements. Set out below are other transactions that require disclosure under FRS 102:

a) Bjorn Howard, who is an Executive Director of Aster Group Limited and member of the Executive Board, has a related party working within the Group; the party related to Mr Howard is a member of the Executive Board. This related party operates independently from Mr Howard and does not directly report to him. He has no direct influence over the related party's remuneration package, which is in line with other staff in similar positions within the Group. All transactions between the related party and the Group are included within these financial statements.

b) Aster Homes Limited is party to limited liability partnerships, White Rock Land LLP, Boorley Green LLP and Kilnwood Vale LLP, with Vistry Homes Limited and Thakeham Burgess Hill LLP with Thakeham Homes Limited. These LLPs develop and sell properties for social and private housing. Aster Homes Limited entered into the following transactions during the year with the LLP partnerships:

During the year, loans were made to the LLPs to fund each of the developments it was engaged in. The details of the loans at year end are as follows:

Scheme	**2024**		2023			
	Accrued interest receivable £000	**Loan value £000**	Accrued interest receivable £000	Loan value £000	Interest rate %	Latest repayment Date
Tithe Barn Scheme - White Rock LLP	**4,790**	**-**	4,633	3,935	4.0 plus base*	31 December 2024
Boorley Green LLP	**6,430**	**4,695**	5,310	9,350	4.0 plus base*	1 July 2026
Thakeham Burgess Hill LLP (Senior Loan)	**-**	**13,429**	-	-	5.0 plus base*	12 October 2026
Thakeham Burgess Hill LLP (Junior Loan)	**155**	**3,616**	-	-	4.0 plus base*	12 October 2026
	11,375	**21,740**	9,943	13,285		

* base rate was for the year 4.25%-5.25% (2023: 0.75% - 4.25%).

The loans made to White Rock Land LLP, Boorley Green LLP, Kilnwood Vale LLP and Thakeham Burgess Hill LLP are secured against the land and properties being developed.

	2024				
	White Rock Land LLP £000	**Boorley Green LLP £000**	**Kilnwood Vale LLP £000**	**Thakeham Burgess Hill LLP £000**	**Total £000**
Income	**21,342**	**26,382**	**1,483**	**483**	**49,690**
Expenditure	**(21,723)**	**(27,364)**	**(1,443)**	**(1,364)**	**(51,894)**
Profit / (loss)	**(381)**	**(982)**	**40**	**(881)**	**(2,204)**
50% share of profit / (loss)	**(191)**	**(491)**	**20**	**(441)**	**(1,102)**
Loan interest	**157**	**1,120**	**-**	**788**	**2,065**
Loan balance	**4,790**	**11,125**	**-**	**17,200**	**33,115**

	2023			
	White Rock Land LLP £000	Boorley Green LLP £000	Kilnwood Vale LLP £000	Total £000
Income	26,869	22,459	13,920	63,248
Expenditure	(25,709)	(22,401)	(11,586)	(59,696)
Profit / (loss)	1,160	58	2,334	3,552
50% share of profit / (loss)	580	29	1,167	1,776
Loan interest	333	991	44	1,368
Loan balance	8,568	14,660	-	23,228

White Rock Land LLP's, Boorley Green LLP's and Kilnwood Vale LLP's principal place of business is:
11 Tower View, Kings Hill, West Malling, Kent, ME19 4UY

Thakeham Burgess Hill LLP's principal place of business is:
Thakeham House, Summers Place, Billingshurst, West Sussex, RH14 9GN

42 Related party transactions (continued)

The Aster Group has a number of pension schemes for the benefit of its employees and all these schemes and any transactions and outstanding balances are detailed in note 32.

The Aster Group has taken advantage of the exemption allowed under FRS 102 Section 33 'Related Party Disclosures' not to disclose related party transactions with other wholly owned entities within the Group that are eliminated on consolidation.

The Accounting Direction for Private Registered Providers of Social Housing requires disclosure of the material recharges for services between non-regulated and regulated entities during the year and the balance outstanding as at the year end. The recharges for services in the year are:

From non-regulated entity	To regulated entity	Nature of supply	Annual recharges		Balance as at 31 March	
			2024 £000	2023 £000	**2024 £000**	2023 £000
Aster Property Limited	Aster Communities	Property maintenance services	**69,043**	58,447	**8,466**	7,279
Aster Property Limited	Synergy Housing Limited	Property maintenance services	**35,171**	29,038	**3,699**	3,658
Aster Property Limited	Aster 3 Limited	Property maintenance services	**2,533**	2,539	**309**	258
Aster Property Limited	Central & Cecil Housing Trust	Property maintenance services	**17,496**	-	**-**	-
Aster Property Limited	East Boro Housing Trust Limited	Property maintenance services	**357**	303	**41**	25
Aster Property Limited	Enham Trust	Property maintenance services	**2,487**	594	**528**	594
Aster Property Limited	Aster Group Limited	Facility management services	**22**	171	**986**	(3,099)
Aster Homes Limited	Aster Communities	Property development services	**64,179**	71,776	**(106)**	1,414
Aster Homes Limited	Synergy Housing Limited	Property development services	**37,503**	33,932	**578**	811
Aster Homes Limited	Aster 3 Limited	Property development services	**35,163**	21,199	**15**	83
Aster Homes Limited	East Boro Housing Trust Limited	Property development services	**1**	-	**1**	-
Aster Homes Limited	Central & Cecil Housing Trust	Property development services	**9,301**	-	**1,092**	-
Aster Living	Aster Communities	Site management services	**1,083**	920	**3**	50
Aster Living	Synergy Housing Limited	Site management services	**1,031**	917	**77**	80
Silbury Housing Limited	Aster Communities	Site management services	**832**	728	**(28)**	-
Aster Solar Limited	Aster Communities	Supply of photovoltaic panels	**-**	-	**(1)**	-
Central & Cecil Construction Services Limited	Central & Cecil Housing Trust	Property development services	**87**	6,769	**16**	-

From regulated entity	To non-regulated entity	Nature of supply	Annual recharges		Balance as at 31 March	
			2024 £000	2023 £000	**2024 £000**	2023 £000
Aster Group Limited	Aster Property Limited	Management and other services	**3,569**	3,108	**(986)**	3,099
Aster Group Limited	Aster Homes Limited	Management and other services	**9,627**	8,823	**540**	700
Aster Group Limited	Aster LD Limited	Management and other services	**107**	74	**91**	(63)
Aster Group Limited	Aster Living	Management and other services	**188**	680	**14**	15
Aster Group Limited	Silbury Housing Limited	Management and other services	**333**	293	**28**	24
Aster Group Limited	Aster Solar Limited	Management and other services	**11**	12	**1**	1
Central & Cecil Housing Trust	Central & Cecil Innovations Limited	Management and other services	**-**	324	**(16)**	6,335
Central & Cecil Housing Trust	55 London	Management services	**1,353**	1,427	**(119)**	-
Central & Cecil Housing Trust	Central & Cecil Construction Services Limited	Management and other services	**-**	34	**109**	-

Recharges from Aster Property Limited, Aster Homes Limited and Central & Cecil Construction Services Limited are at cost plus a margin. All other recharges are at cost.

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Notes to the Consolidated Financial Statements

43 Acquisition of Enham Trust

Enham Trust, Cedar Services Limited, Enham (Trading) Limited and The Papworth and Enham Foundation joined the Group on 1 October 2022 and was recognised as a non-exchange transaction. The fair values of the assets and liabilities were recognised in the Consolidated Statement of Financial Position and a gain of £12.8 million was recognised in the Consolidated Statement of Comprehensive Income for the year ended 31 March 2023. A £6,000 adjustment has been made in the year to 31 March 2024 to recognise the assets and liabilities of The Papworth and Enham Foundation. Intra-group transactions have been eliminated on consolidation.

44 Key management compensation

	2024 £000	2023 £000
Salaries and short-term benefits	**1,316**	1,458
Non-Executive Directors' fees	**321**	270
Post-employment benefits	**108**	107
	1,745	1,835
Of which:		
Executive Directors - Group Overlap Boards	**815**	836
Non-Executive Directors - Group Overlap Boards	**155**	140
Non-Executive Directors - Subsidiaries, committee members and the Customer and Community Network	**166**	130
Executive Board members	**609**	729
	1,745	1,835

The value of the Executive Directors' and Board's benefits in kind have been included in the salaries and short-term benefits figure.

45 Post balance sheet event

Defined Benefit Pension - closure of Local Government Pension Schemes (LGPS)

On 1 April 2024 all four of the Group's Local Government Pension Schemes (LGPS) were closed to future accrual with all affected employees ceasing to be members of those schemes on that date and offered a choice of membership in either the Social Housing Pension Scheme or Aegon defined contribution pension schemes.

As at 31 March 2024, the valuation of the four LGPSs has been prepared in accordance with Section 28 of FRS 102 'Employee Benefits', the schemes' assets and liabilities measured using the current yield on high quality corporate bonds, the LGPSs with active members and the Group contributing into those schemes up to and including that date.

From 1 April 2024, the point at which colleagues transferred to alternative pension schemes and ceased to be active members of the LGPSs, and in line with the rules of the LGPSs, the Group is required to measure the assets and liabilities of these schemes on a cessation basis.

The cessation valuation calculations for the four LGPSs are being undertaken by the schemes' actuaries and, at the time of signing the financial statements, the following initial cessation valuations have been received:

- Hampshire LGPS: The actuarial valuation results in an excess of assets over liabilities of £3.6 million and a liability of unfunded benefits of £337,000. Under regulation 64(2ZAB), the Administering Authority is required to agree the level of any exit credit due to be paid to the Group and for this scheme has agreed that a net exit credit of £3.3 million is due.

The Group acknowledge that the cessation is expected to result in a settlement loss in the year to 31 March 2025 however the final amount of this will not be known until final cessation payments have been confirmed by the funds. Any exit credits due to the Group or liability payments due to the local authority will be recognised in the financial year ending 31 March 2025. No adjustments in relation to the cessation of these schemes has been recognised in the financial statements to 31 March 2024.

Financial Statements

Association's Statement of
Comprehensive Income

for the year ended **31 March 2024**

	Note	2024 £000	2023 £000
Turnover	5	**30,157**	33,440
Operating expenditure	5	**(38,628)**	(32,240)
Operating (loss) / profit	6	**(8,471)**	1,200
Loss on disposal of other property, plant, equipment and intangible assets	8	**(7)**	-
Charitable donations received	10	**10,000**	10,000
Charitable donations made	11	**(7,311)**	(515)
Gift aid received	12	**3,164**	4,678
(Loss) / profit before interest and taxation		**(2,625)**	15,363
Interest receivable and similar income	13	**17,522**	6,261
Interest payable and similar charges	13	**(14,596)**	(3,688)
Interest on net pension liability	13	**63**	9
Net finance income		**2,989**	2,582
Profit before taxation		**364**	17,945
Tax on profit	14	**-**	-
Profit for the year		**364**	17,945
Other comprehensive expense			
Actuarial losses in respect of pension schemes	24	**(1,207)**	(1,316)
Other comprehensive expense for the year		**(1,207)**	(1,316)
Total comprehensive (expense) / income for the year		**(843)**	16,629

Association's Statement of
Changes in Reserves

	2024 £000	2023 £000
Retained earnings as at 1 April	**99,328**	82,699
Profit for the year	**364**	17,945
Other comprehensive expense	**(1,207)**	(1,316)
Retained earnings as at 31 March	**98,485**	99,328

Association's Statement of

Financial Position

as at **31 March 2024**

	Note	**2024 £000**	2023 £000
Fixed assets			
Intangible assets	15	**4,316**	3,487
Property, plant and equipment	16	**1,373**	1,326
Investments in subsidiaries	17	**29,050**	19,050
Other investments	18	**30**	30
		34,769	23,893
Non-current assets			
Debtors: amounts falling due after more than one year	19	**354,729**	105,095
Current assets			
Debtors: amounts falling due within one year	20	**60,837**	69,267
Cash and cash equivalents	21	**14,040**	12,499
		74,877	81,766
Creditors: amounts falling due within one year	22	**(6,171)**	(5,313)
Net current assets		**68,706**	76,453
Total assets less current liabilities		**458,204**	205,441
Non-current liabilities			
Creditors: amounts falling due after more than one year	23	**(357,024)**	(103,763)
Pension liability	24	**(2,695)**	(2,350)
Net assets		**98,485**	99,328
Capital and reserves			
Called up shared capital	25	**-**	-
Retained earnings		**98,485**	99,328
Total capital and reserves		**98,485**	99,328

The accompanying notes form part of these financial statements.

The financial statements on pages **186** to **207** were approved and authorised for issue by the Board on **13 August 2024** and were signed on its behalf by:

Stephen Trusler

Stephen Trusler
Group Chair

Bjorn Howard
Group Chief Executive Officer

David Betteridge
Company Secretary

Financial Statements

Notes to the

Association's Financial Statements

1 Legal status

Aster Group Limited is registered under the Cooperative and Community Benefit Society Act 2014, and is registered with the Regulator for Social Housing (RSH) as a Registered Provider as defined by the Housing Act 2004.

2 Basis of preparation

The financial statements of the association have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers, and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The association is classified as a Public Benefit Entity under FRS 102.

The financial statements are presented in Sterling (£).

Application of accounting policies

The association's accounting policies have been applied consistently throughout the year.

Going Concern

The Directors, after reviewing the association's budgets for 2024/25 and the Group's medium term financial position as detailed in the 30-year business plan, taking account of severe but plausible downsides including the cost of living crisis, are of the opinion that the association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Presentation

The association has elected not to produce a Statement of Cash Flows, detailed disclosures of financial instruments and disclosure relating to key management compensation within the individual subsidiary financial statements in line with exemptions available within FRS 102 and the Housing SORP 2018.

These disclosures are included in the Group's consolidated financial statements.

3 Summary of significant accounting policies

The Group's accounting policies are detailed in note 4 of the consolidated financial statements. In addition to these policies the association applies the following:

Turnover

Turnover represents:

Intra-group service income - management and other services provided to other Group entities recognised over the period the services are delivered.

Third-party service income - administration fees charged on re-sale or staircasing transactions for shared ownership properties.

Gift aid

Commercial companies can donate any excess profits in the form of gift aid to charitable Group members. These donations can only be made if the commercial company has distributable reserves for the financial year in question. Gift aid is recognised where irreversible shareholders' resolutions have been made and where cash has been paid.

Taxation

The company is liable to taxation on its profit. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Investments

Aster Group Limited holds investments in other Group companies. These are recognised at cost less impairment.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those applied by the Aster Group can be found in the 'Critical accounting judgements and estimation uncertainty' note in the Consolidated Financial Statements. The association has no additional critical accounting judgements and estimation uncertainties.

Financial Statements

Notes to the
Association's Financial Statements

5 Turnover, operating expenditure and (loss) / profit

	2024			2023		
	Turnover £000	Operating expenditure £000	Operating loss £000	Turnover £000	Operating expenditure £000	Operating profit / (loss) £000
Services provided to subsidiaries - registered providers	**17,714**	**(22,690)**	**(4,976)**	19,321	(19,813)	(492)
Services provided to subsidiaries - other	**12,240**	**(15,678)**	**(3,438)**	11,836	(12,138)	(302)
Services provided to third-party organisations	**203**	**(260)**	**(57)**	282	(289)	(7)
Other revenue	**-**	**-**	**-**	2,001	-	2,001
	30,157	**(38,628)**	**(8,471)**	33,440	(32,240)	1,200

6 Operating (loss) / profit

	2024 £000	2023 £000
Operating (loss) / profit is stated after charging:		
Auditor's remuneration		
In their capacity as auditors:		
Financial statements audit	**27**	17
Depreciation:		
Property, plant and equipment	**511**	435
Amortisation of intangible assets	**388**	275
Operating lease payments:		
Office equipment	**50**	45

7 Directors' emoluments

The Directors' Remuneration Report is set out on pages **96** to **97**.

8 Loss on disposal of other property, plant and equipment and intangible assets

	2024			2023		
	Proceeds £000	Cost of disposal £000	Loss £000	Proceeds £000	Cost of disposal £000	Profit £000
Office Equipment	**-**	**(7)**	**(7)**	-	-	-
	-	**(7)**	**(7)**	-	-	-

9 Employee information

	2024 No.	2023 No.
The average number of persons employed during the year (full time equivalents 'FTE') based on 37 hours per week	**349**	312

FTE by salary bands:
Salary includes salary, car allowance, any acting up allowances, bonuses and pension contributions made by the Group.

	2024 No.	2023 No.
£59,999 or less	**260**	226
£60,000 to £69,999	**27**	28
£70,000 to £79,999	**16**	16
£80,000 to £89,999	**15**	11
£90,000 to £99,999	**7**	6
£100,000 to £109,999	**4**	7
£110,000 to £119,999	**8**	6
£120,000 to £129,999	**2**	3
£130,000 to £139,999	**1**	-
£140,000 to £149,999	**1**	1
£150,000 to £159,999	**2**	1
£160,000 to £169,999	**-**	2
£190,000 to £199,999	**3**	-
£210,000 to £219,999	**1**	1
£240,000 to £249,999	**-**	1
£250,000 to £259,999	**-**	1
£260,000 to £269,999	**1**	1
£310,000 to £319,999	**1**	-
£320,000 to £329,999	**-**	1
	349	312

None of the above employees received any enhanced pension payments during the year (2023: nil).

Staff costs:

	2024 £000	2023 £000
Wages and salaries	**17,107**	14,910
Social security costs	**1,792**	1,622
Other pension costs	**1,357**	1,039
	20,256	17,571

Employee information reflects the cost of staff that hold employment contracts with the association. Som e of the above costs are then recharged to other parts of the Group.

10 Charitable donations received

	2024 £000	2023 £000
Aster Communities	**10,000**	10,000

11 Charitable donations made

	2024 £000	2023 £000
Aster Foundation CIO	**561**	515
Enham Trust	**6,750**	-
	7,311	515

12 Gift aid received

	2024 £000	2023 £000
Aster Homes Limited	**3,164**	4,582
Aster Solar Limited	**-**	96
	3,164	4,678

13 Finance income and expense

	Note	2024 £000	2023 £000
Interest receivable and similar income			
Interest on short term deposits		**739**	471
Interest receivable from other Group companies		**16,783**	5,790
		17,522	6,261
Interest payable and similar charges			
Loans with other Group companies		**(14,443)**	(3,327)
Amortised funding fees		**(75)**	(117)
Administration charge		**(78)**	(244)
		(14,596)	(3,688)
Interest on net pension liability			
Local government pension schemes	24	**158**	59
Social housing pension schemes	24	**(95)**	(50)
		63	9
Net finance income		**2,989**	2,582

14 Tax on profit on ordinary activities

(a) Tax expense included in profit or loss

	2024 £000	2023 £000
The tax charge on the profit on ordinary activities was as follows:		
Current tax		
UK corporation tax expense	-	-
Under provision in prior year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustment for prior year	-	-
Changes in tax rate or laws	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

(b) Tax credit included in other comprehensive income

	2024 £000	2023 £000
Deferred tax		
Origination and reversal of timing differences	-	-
Impact of change in tax rate	-	-
	-	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK as explained below.

(c) Factors affecting tax charge / (credit) for the year

	2024 £000	2023 £000
Profit on ordinary activities before taxation	**364**	17,945
Profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 25% (2023: 19%)	**91**	3,410
Effects of:		
Exempt income	**(91)**	(3,410)
	-	-

15 Intangible assets

	Assets under construction £000	Computer software £000	Total £000
Cost			
At 1 April 2023	**3,175**	**3,707**	**6,882**
Additions	**1,100**	**117**	**1,217**
Completions	**(2,302)**	**2,302**	**-**
At 31 March 2024	**1,973**	**6,126**	**8,099**
Accumulated amortisation			
At 1 April 2023	**-**	**3,395**	**3,395**
Charge for year	**-**	**388**	**388**
At 31 March 2024	**-**	**3,783**	**3,783**
Net book value as at 31 March 2024	**1,973**	**2,343**	**4,316**
Net book value as at 31 March 2023	3,175	312	3,487

16 Property, plant and equipment

	Office premises £000	Office and estate equipment and furniture £000	Computer equipment £000	Total £000
Cost				
At 1 April 2023	**246**	**863**	**6,317**	**7,426**
Additions	**136**	**-**	**429**	**565**
Disposals	**-**	**(13)**	**(9)**	**(22)**
At 31 March 2024	**382**	**850**	**6,737**	**7,969**
Accumulated depreciation				
At 1 April 2023	**18**	**579**	**5,503**	**6,100**
Charge for year	**6**	**90**	**415**	**511**
Disposals	**-**	**(6)**	**(9)**	**(15)**
At 31 March 2024	**24**	**663**	**5,909**	**6,596**
Net book value at 31 March 2024	**358**	**187**	**828**	**1,373**
Net book value at 31 March 2023	228	284	814	1,326

17 Investments in subsidiaries

	2024 £000	2023 £000
Aster Treasury Plc - 50,000 £1 shares	**50**	50
Aster Communities - 1 £1 share	**-**	-
Synergy Housing Limited - 1 £1 share	**-**	-
Aster 3 Limited - 1 £1 share	**-**	-
Aster Living - 1 £1 share	**-**	-
Aster Property Limited - 1 £1 share and 2 £1 share each with a £3 million premium, and 1 £1 share with a premium of £10 million	**16,000**	6,000
Aster Homes Limited - 96 £1 shares and 2 £1 share each with a £5 million premium	**10,000**	10,000
Aster Options Plus Limited - 94 £1 shares	**-**	-
Aster LD Limited - 100 £1 shares with a £3 million premium	**3,000**	3,000
East Boro Housing Trust Limited - 1 £1 share	**-**	-
Central & Cecil Housing Trust - 1 £1 share	**-**	-
Enham Trust - 1 £1 share	**-**	-
	29,050	19,050

18 Investments

	2024 £000	2023 £000
MORhomes PLC shares	**30**	30

Aster Group Limited holds 20,000 fully paid 10 pence shares with a premium of 90 pence and 20,000 10 pence shares with a premium of 40 pence in MORhomes PLC, whose primary activity is to act as a borrowing vehicle for the social housing sector.

19 Debtors: amounts falling due after more than one year

	2024 £000	2023 £000
Amounts owing by Group undertakings	**354,729**	105,020
Deferred funding fees	**-**	75
	354,729	105,095

Amounts owed by Group undertakings represent loans that have been made to fellow Group undertakings, which have sufficient net assets and facilities in place to meet their obligations to the company as they fall due, the directors consider the credit risk to be low and no provision is made against amounts due. Amounts owed by Group undertakings are carried at amortised cost. The amounts are non-instalment debts with fixed interest rates at 4.5% (2023: 4.5%) with the exception of amounts owing from Synergy Housing Limited which is fixed at 1% (2023: 4.5%)

Central & Cecil Housing Trust has a loan of £25.3 million (2023: £17.3 million) with floating interest rates at Bank of England Base rate plus a margin of 1.5% (2023: fixed rate plus 1.5%).

20 Debtors: amounts falling due within one year

	2024 £000	2023 £000
Trade debtors	**17**	14
Amounts owed by Group undertakings	**58,928**	67,096
Other debtors	**34**	83
Prepayments and accrued income	**1,858**	2,074
	60,837	69,267

Amounts owing by Group undertakings represent trading balances repayable on demand which are non-interest bearing and loans that have been made to fellow Group undertakings, which are repayable on demand. The fellow Group undertakings have sufficient net assets and facilities in place to meet their obligations to the company as they fall due, the Directors consider the credit risk to be low and no provision is made against amounts due. Amounts owed by Group undertakings are carried at amortised cost.

21 Cash and cash equivalents

	2024 £000	2023 £000
Short-term deposits	**5,000**	12,000
Cash at bank and in hand	**9,040**	499
	14,040	12,499

22 Creditors: amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	**1,059**	558
Taxation and social security payable	**578**	557
Pension contributions	**270**	196
VAT payable	**100**	388
Amounts owed to Group undertakings	**986**	1,248
Other creditors	**11**	126
Accruals and deferred income	**3,167**	2,240
	6,171	5,313

Amounts owed by Group undertakings are trading balances repayable on demand and non-interest bearing.

23 Creditors: amounts falling due after more than one year

	2024 £000	2023 £000
Amounts owed to other Group undertakings	**357,024**	103,763

Amounts owed to other Group undertakings represent loans that have been received from fellow Group undertakings as part of a long-term financing relationship with Aster Treasury Plc. Amounts owed to Group undertakings are carried at amortised cost and secured over specific housing assets of the original borrowers. The amounts are non-instalment debts repayable in December 2043.

24 Pension obligations

Group pension schemes

The cost of providing retirement pensions and related benefits is accounted for in accordance with FRS 102 section 28 – 'Employee Benefits'. The association participates in five pension schemes.

There are three defined benefit schemes:

- Wiltshire Pension Scheme (closed to new members);
- Social Housing Pension Scheme (SHPS) final salary defined benefit scheme (closed 31 March 2020); and
- SHPS career average of earnings scheme (CARE) (closed to new members);

and two defined contribution ('stakeholder') scheme:

- SHPS defined contribution scheme: and
- Aegon defined contribution scheme (from 1 April 2022).

The company makes scheduled contribution payments throughout the year to reduce the company's pension liability deficit.

During April 2024 Aster Group Limited have confirmed to the fund their commitment to exit the LGPS, with no accrual from 1 April 2024. The Funds are therefore in the process of confirming the final cessation payments required, which are expected to be paid during the year to 31 March 2025.

The accounting treatments for each of the schemes are described below.

Summary of movements and balances in funding

		2024			
	Note	**Total cost by scheme £000**	**Total interest on net pension liability by scheme £000**	**Actuarial gains / (losses) in pension scheme £000**	**Pension deficit £000**
County pension schemes					
Wiltshire	24a	**6**	**(158)**	**487**	**681**
Wiltshire - asset ceiling	24a	**-**	**-**	**(681)**	**(681)**
SHPS					
Defined benefit schemes	24b	**146**	**95**	**(1,013)**	**(2,695)**
Defined contribution scheme	24b	**626**	**-**	**-**	**-**
Aegon defined contribution scheme	24c	**579**	**-**	**-**	**-**
		1,357	**(63)**	**(1,207)**	**(2,695)**

		2023			
	Note	Total cost by scheme £000	Total interest on net pension liability by scheme £000	Actuarial gains / (losses) in pension scheme £000	Pension deficit £000
County pension schemes					
Wiltshire	24a	17	(59)	845	1,335
Wiltshire - asset ceiling	24a	-	-	(1,335)	(1,335)
SHPS					
Defined benefit schemes	24b	219	50	(826)	(2,350)
Defined contribution scheme	24b	538	-	-	-
Aegon defined contribution scheme	24c	265	-	-	-
		1,039	(9)	(1,316)	(2,350)

The pension cost to the association for the year ended 31 March 2024 was £1.4 million (2023: £1.0 million) in respect of 410 employees (2023: 399).

24 **Pension obligations** (continued)

Local government pension scheme

An allowance was made in the financial statements for the year ending 31 March 2020 in relation to the Court of Appeal judgement on the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively.

As at 31 March 2020 the total liabilities included an estimate of the impact resulting in an increase on the defined benefit obligation. It should be noted that the adjustment included is an estimate of the potential impact on the defined benefit obligation based on analysis carried out by the Government Actuary's Department and the liability profile.

There are uncertainties how this judgement may affect LGPS members' past or future service benefits. Remedial regulations are expected in 2023 and uncertainty over the benefit changes proposed for the LGPS will remain until these have been finalised.

The Directors have considered the potential impact of the McCloud case on the Group and associations defined benefit liability as at 31 March 2023. With the exception of the past service cost included in the year to 31 March 2020, no additional liability has been recognised given the profile of the scheme members and assuming a very cautious outcome on the LGPS scheme liability the Directors are satisfied that when fully accounted in the financial statements the impact will not be material to the Group or association financial statements as at 31 March 2023.

24a **Local government pension funds**

The association participates in one fund as an admitted body under the Local Government Superannuation Regulations 1995, funded jointly by employer and employee contributions. The funds are a defined benefit final salary multi-employer scheme, and are contracted out.

As at the balance sheet date active members of the scheme employed by Aster Group Limited and the annual pensionable payroll in respect of these members was:

	2024		2023	
	Active Members No.	**Annual pensionable payroll £000**	Active Members No.	Annual pensionable payroll £000
Wiltshire Pension Fund	**0**	**17**	1	40

The funds are subject to an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

Each Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 31 March 2023. The principal assumptions used by the independent qualified actuaries in updating the latest valuation in order to provide the disclosures required by Financial Reporting Standard No. 102 section 28 – Employee Benefits are stated below. The actuary has used the projected unit credit method of valuation.

The last triennial valuation was performed on 31 March 2022 and the results have been incorporated into the financial statements for 2023.

The next triennial valuation is due to be carried out on 31 March 2025 and the results for this will be incorporated into the financial statements for 2026.

The information in the financial statements relating to the valuation of the pensions scheme's assets and liabilities has been prepared by the scheme's actuaries;

Pension Fund:	**Actuary:**
Wiltshire Pension Fund	Hymans Robertson LLP

Closure of Local Government Pension Schemes (LGPS)

In April 2024 the Wiltshire Local Government Pension Schemes (LGPS) was closed to future accrual with all affected employees ceasing to be members of those schemes on that date and offered a choice of membership in either the Social Housing Pension Scheme or Aegon defined contribution pension schemes.

See note 28 Post balance sheet events of the Associations financial statements for details.

Financial assumptions

	Wiltshire 31 March 2024 %p.a.	Wiltshire 31 March 2023 %p.a.
Price increases	**2.8**	3.0
Pension increases	**2.8**	3.0
Salary increases	**3.3**	3.5
Expected return on assets	**4.8**	4.8
Discount rate	**4.8**	4.8

Mortality

	2024 Years	2023 Years
Current pensioners		
Females	**24.2**	24.4
Males	**22.7**	22.8
Future pensioners		
Females	**26.0**	26.2
Males	**23.5**	23.6

Fair value of plan assets

	31 March 2024 £000	31 March 2023 £000
Equities	**6,291**	5,861
Bonds	**3,258**	3,303
Property	**1,573**	1,385
Cash	**112**	107
	11,234	10,656
Less asset ceiling	**(3,974)**	(3,293)
	7,260	7,363

Cost recognised as an expense

	31 March 2024 £000	31 March 2023 £000
Current service cost	**6**	17
Interest costs	**341**	244
Expected return on assets employed	**(499)**	(303)
	(152)	(42)

Return on plan assets	**893**	(676)

24 **Pension obligations** (continued)

24a **Local government pension funds** (continued)

Reconciliation of scheme liabilities

	Wiltshire 31 March 2024 £000	Wiltshire 31 March 2023 £000
Opening defined benefit obligation	**7,363**	9,174
Current service cost	**6**	17
Interest cost	**341**	244
Contributions by members	**1**	3
Actuarial losses / (gains)	**(93)**	(1,824)
Estimated benefits paid	**(358)**	(251)
Closing defined benefit obligation	**7,260**	7,363

Reconciliation of fair value of employer assets

	31 March 2024 £000	31 March 2023 £000
Opening fair value of employer assets	**7,363**	9,174
Expected return on assets	**499**	303
Contributions by members	**1**	3
Contributions by employers	**42**	448
Actuarial gains / (losses)	**394**	(979)
Benefits paid	**(358)**	(251)
	7,941	8,698
Less asset ceiling	**(681)**	(1,335)
Closing fair value of employer assets	**7,260**	7,363
Net Pension deficit	**-**	-

24b The Social Housing Pension Scheme

Aster Group Limited participates in the Social Housing Pension Scheme ('the scheme'). The scheme is funded and is contracted-out of the State Pension scheme.

The scheme is a multi-employer defined benefit scheme. Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'. Full details of the scheme and its operation can be found in note 32 of the Consolidated Financial Statements.

We have been notified by the Trustee of the scheme that is has performed a review of changes made to the scheme's benefits over the years and the result is that there is uncertainty surrounding some of those changes. The Trustee has been advised to seek clarification from the court on these items. The process is ongoing and the matter is unlikely to be resolved before the end of 2024. It is recognised that this could potentially impact the value of the scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

SHPS defined benefit pension plan

In October 2018 the High Court published its judgement on the case of Lloyds Banking Group and the equalisation of Guaranteed Minimum Pensions (GMP). This has consequently been assessed against the Group's defined benefit schemes. The impact of GMP Equalisation in respect of the SHPs Pension Scheme have been recognised in the year. A further High Court ruling in November 2020 has resulted in additional allowance being included in the defined benefit obligation as at 31 March 2021 to account for all members transferred out of the Scheme since 17 May 1990.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Limited against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The association are currently considering the implications of the case for the Social Housing Pension Scheme. In addition, the association has been informed by the scheme's trustee that this will be affected by questions which are being put to the High Court in the case of Verity Trustees Limited v Wood and others, which will be heard by the High Court in February 2025. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

As at the balance sheet date there were 25 (2023: 28) active members of the scheme employed by Aster Group Limited. The annual pensionable payroll in respect of these members was £1.6 million (2023: £1.6 million).

The fund is subject to an actuarial valuation of the scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to address the level of future contributions required so that the scheme can meet its pension obligations as they fall due.

The Scheme Actuary has prepared an actuarial report that provides an approximate update on the funding position of the scheme as at 31 March 2019. The principal assumptions used by the independent qualified actuaries in updating the latest valuation in order to provide the disclosures required by Financial Reporting Standard No. 102 section 28 – Employee Benefits are stated below. The actuary has used the projected unit credit method of valuation.

The last triennial valuation was performed on 30 September 2020 and the results have been incorporated into the financial statements for 2023.

The next triennial valuation will be carried out on 30 September 2023 and the results for this will be incorporated into the financial statements for 2025.

The information in the financial statement relating to the valuation of the pensions scheme's assets and liabilities has been prepared by the scheme's actuaries, JLT.

The Social Housing Pension Scheme defined contribution scheme

The scheme is administered by the Pensions Trust. It is open to all members of staff and is the pension scheme for auto-enrolment. The company paid contributions between 4% and 10% (2023: 4% and 10%) and employees paid contributions from 3% to 7% (2023: from 3% to 7%). On retirement, funds or units earned can be converted into a pension with the Trust, or used to secure a pension with another provider. At 31 March 2024 there were 273 (2023: 267) active members of the scheme.

24 **Pension obligations** (continued)

24b **The Social Housing Pension Scheme** (continued)

The Social Housing Pension Scheme defined benefit scheme

Financial assumptions

	31 March 2024 %p.a.	31 March 2023 %p.a.
Price increases - RPI	**3.1**	3.2
Price increases - CPI	**2.8**	2.8
Salary increases	**3.8**	3.8
Discount rate	**4.9**	4.8

Mortality

	2024 Years	2023 Years
Current pensioners		
Females	**23.0**	23.4
Males	**20.5**	21.0
Future pensioners		
Females	**24.4**	24.9
Males	**21.8**	22.2

Fair value of plan assets

	31 March 2024 £000	31 March 2023 £000
Absolute returns	**442**	123
Global equity	**1,127**	212
Liability driven investment	**4,604**	5,229
Property and infrastructure	**1,670**	2,129
Investments	**396**	808
Sharing and alterative premia risk	**1,021**	857
Emerging market and private debt	**591**	566
Cash	**223**	82
Other	**1,237**	1,351
	11,311	11,357

Cost recognised as an expense

	31 March 2024 £000	31 March 2023 £000
Current service cost	**134**	207
Interest costs	**95**	50
Administration expenses	**12**	12
	241	269

Return on plan assets	**(806)**	(8,044)

Reconciliation of defined benefit obligation

	2024 £000	2023 £000
Opening defined benefit obligation	**13,707**	20,777
Current service cost	**134**	207
Expenses	**12**	12
Interest expense	**663**	576
Actuarial losses / (gains)	**(361)**	(7,744)
Benefits paid and expenses	**(149)**	(121)
Closing defined benefit obligation	**14,006**	13,707

Reconciliation of fair value of scheme assets

	2024 £000	2023 £000
Opening fair value of scheme assets	**11,357**	18,643
Interest income	**568**	526
Actuarial gains	**(1,374)**	(8,570)
Contributions by the employer	**909**	879
Benefits paid and expenses	**(149)**	(121)
Closing fair value of scheme assets	**11,311**	11,357
Net pension liability	**2,695**	2,350

24c Aegon defined contribution scheme

The scheme is administered by the Aegon UK and is open to all employees of Aster Group Limited. The assets of the scheme are held separately from those of the association in an independently administered fund. The company paid contributions between 4% and 10% (2023: 4% and 10%) and employees paid contributions from 3% (2023: from 3%). At 31 March 2024 there were 73 (2023: 66) active members of the scheme. The pension charge represents contributions payable by the Group to the fund and amounted to £579,000 (2023: £265,000).

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Notes to the
Association's Financial Statements

25 Called up share capital

	2024 £	2023 £
Ordinary shares allotted, issued and fully paid of £1 each		
At 1 April	**7**	7
Issued during the year	**2**	-
Cancelled during the year	**(2)**	-
At 31 March	**7**	7

26 Operating leases

The association has total commitments under non-cancellable operating leases due to expire as follows:

	2024 £000	2023 £000
Office equipment		
Not later than one year	**69**	43
Later than one but not later than five years	**121**	24
	190	67

27 Related party transactions

Aster Group Limited provides management and other services to all Group companies under the terms of documented service level agreements. Overheads are apportioned on the basis of the amount of time spent and the affordability to the subsidiary. The amount of turnover relating to registered provider and other subsidiaries is shown in note 5.

Aster Group Limited has taken advantage of the exemption allowed under FRS 102 Section 33 'Related Party Disclosures' not to disclose related party transactions within the Group. This exemption is available providing the transactions are entered into between two or more members of a Group, so long as any subsidiary which is party to the transaction is wholly owned.

28 Post balance sheet event

Defined Benefit Pension - closure of Local Government Pension Schemes (LGPS)

On 1 April 2024 the Wiltshire Local Government Pension Schemes (LGPS) was closed to future accrual with all affected employees ceasing to be members of those schemes on that date and offered a choice of membership in either the Social Housing Pension Scheme or Aegon defined contribution pension schemes.

As at 31 March 2024, the valuation of the Wiltshire LGPS has been prepared in accordance with Section 28 of FRS 102 'Employee Benefits', the schemes' assets and liabilities measured using the current yield on high quality corporate bonds, the LGPSs with active members and Aster Property Limited contributing into those schemes up to and including that date.

During April 2024 the Aster Group Limited have confirmed to the fund their commitment to exit, with no accrual from 1 April 2024. The Funds are therefore in the process of confirming the final cessation payments required, which are expected to be paid during the year to 31 March 2025.

The cessation valuation calculations for the Wiltshire LGPS is being undertaken by the schemes' actuary and, at the time of signing the financial statements, has not been received.

The association acknowledge that the cessation is expected to result in a settlement loss in the year to 31 March 2025 however the final amount of this will not be known until final cessation payments have been confirmed by the funds. Any exit credits due to Aster Group Limited or liability payments due to the local authority will be recognised in the financial year ending 31 March 2025. No adjustments in relation to the cessation of these schemes has been recognised in the financial statements to 31 March 2024.

Financial Statements

Entity Legal Status

29 Status

Aster Group Limited is the ultimate parent and ultimate controlling party within the Aster Group, which comprises:

- **Aster Communities**, a wholly owned subsidiary which is a registered provider and Charitable Community Benefit Society, registered with the Regulator of Social Housing (RSH).
  Co-operative and Community Benefit Societies Act 2014 number 31530R;
- **Aster Living**, a wholly owned subsidiary whose activities include providing care and support services.
  Aster Living is a Charitable Community Benefit Society.
  Charity registration number 29574R;
- **Aster Property Limited**, a wholly owned subsidiary of Aster Group Limited whose activities include property maintenance services to Group members.
  Aster Property Limited is incorporated under the Companies Act 2006.
  Company registration number 4628065;
- **Aster Homes Limited**, a subsidiary of Aster Group Limited which provides property based development services to Group members.
  Aster Homes Limited is incorporated under the Companies Act 2006.
  Company registration number 06424046;
- **Aster LD Limited**, a subsidiary of Aster Group Limited which provides property based development services.
  Aster LD Limited is incorporated under the Companies Act 2006.
  Company registration number 12341593;
- **Synergy Housing Limited**, a wholly owned subsidiary which is a registered provider and Charitable Community Benefit Society, registered with the Regulator of Social Housing (RSH).
  Co-operative and Community Benefit Societies Act 2014 number 31447R;

  Silbury Housing Holdings Limited, which is a wholly owned subsidiary of Aster Communities and has a subsidiary:
  - **Silbury Housing Limited**, which provides a service concession arrangement for Wiltshire Council.

  Both companies are incorporated under the Companies Act 2006.
  Company registration numbers 07273905 and 07276148;
- **Aster Treasury Plc**, a wholly owned subsidiary of Aster Group Limited, providing long term finance under a finance bond to Group members.
  Aster Treasury Plc is incorporated as a public limited company under the Companies Act 2006.
  Company registration number 8749672;
- **Aster Solar Limited**, a subsidiary jointly owned by Aster Communities and Synergy Housing Limited, provides investment in photo voltaic panels on behalf of the Group.
  Aster Solar Limited is incorporated under the Companies Act 2006.
  Company registration number 9476337;
- **Aster 3 Limited**, a wholly owned subsidiary which is a registered provider and Charitable Community Benefit Society, registered with the Regulator of Social Housing (RSH).
  Co-operative and Community Benefit Societies Act 2014 number 7605R;
- **Aster Foundation**, is a charitable incorporated organisation regulated by the Charity Commission, registration number 1198145;
- **East Boro Housing Trust**, a subsidiary of Aster Group Limited is a registered provider and Charitable Community Benefit Society, registered with the Regulator of Social Housing (RSH).
  Co-operative and Community Benefit Societies Act 2014 number 16946R;
- **Central & Cecil Housing Trust**, a subsidiary of Aster Group Limited, is a registered provider and Charitable Community Benefit Society, registered with the Regulator of Social Housing (RSH).
  Co-operative and Community Benefit Societies Act 2014 number 27693R;
  Central & Cecil Housing Trust has three subsidiaries:
  - **Central & Cecil Construction Services Limited** is incorporated under the Companies Act 2006.
    Company registration number 08904580;
  - **Central & Cecil Innovations Limited** is incorporated under the Companies Act 2006.
    Company registration number 08904605; and
  - **55 London** is a Charitable Community Benefit Society.
    Co-operative and Community Benefit Societies Act 2014 number 7884; and
- **Enham Trust**, a subsidiary of Aster Group Limited, is a registered provider and charity, registered with the Regulator of Social Housing (RSH).
  Charity number 211235;
  Enham Trust has one subsidiary:
  The Papworth and Enham Foundation, a charity and private company limited by guarantee.
  Charity number 277670 and Company registration number 00502119.

Aster Group Limited is party to the below jointly controlled entities:

- **White Rock Land LLP**, a 50% owned Limited Liability Partnership between Aster Homes Limited and Vistry Homes Limited, established to develop sites in the South-West of England;
- **Boorley Green LLP**, a 50% owned Limited Liability Partnership between Aster Homes Limited and Vistry Homes Limited, established to develop sites in Hampshire;
- **Kilnwood Vale LLP**, a 50% owned Limited Liability Partnership between Aster Homes Limited and Vistry Homes Limited, established to develop sites in West Sussex; and
- **Thakeham Burgess Hill LLP**, a 50% owned Limited Liability Partnership between Aster Homes Limited and Vistry Homes Limited, established to develop sites in West Sussex.

Printed copies of the financial statements are available from the following address:

The Company Secretary,
Sarsen Court,
Horton Avenue,
Cannings Hill,
Devizes,
Wiltshire,
SN10 2AZ

Sarsen Court is the registered office of all but three of the Group's subsidiaries.

The registered office of
East Boro Housing Trust Limited is:
Faulkner House,
31 West Street,
Wimborne Minster,
Dorset,
BH21 1JS

The registered office of
Central & Cecil Housing Trust is:
Cecil House,
266 Waterloo Road,
London,
SE1 8RQ

The registered office of
Enham Trust is:
Enham Place,
Enham Alamein,
Andover,
Hampshire,
SP11 6JS

Financial Statements

Legal and Administrative Details

Registered office:	Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ
Legal status:	**Aster Group Limited** is incorporated under the Co-operative and Community Benefit Societies Act 2014 number 29573R and is registered with the Regulator of Social Housing (RSH).
Independent Auditor:	**KPMG LLP** Chartered Accountants and Statutory Auditor Gateway House, Tollgate, Chandler's Ford, Eastleigh, SO53 3TG
Principal Banker:	**Barclays Bank Plc** Corporate Banking 3rd Floor, Windsor Court, 1-3 Windsor Place, Cardiff, CF10 3ZL
Principal Solicitor:	**Towers and Hamlins** 3 Bunhill Row, London, EC1Y 8YZ

Funders:

National Westminster Bank Plc
250 Bishopsgate,
London,
EC2M 4AA

Dexia (Public Finance Bank)
Shackleton House,
4 Battle Bridge Road,
London,
SE1 2RB

Affordable Housing Finance Plc
3rd Floor,
17 St. Swithin's Lane,
London,
EC4N 8AL

Lloyds Bank Plc
25 Gresham Street,
London,
EC2V 7HN

Barclays Bank Plc
1 Churchill Place,
Canary Wharf,
London,
E14 5HP

MORhomes PLC
Future Business Centre,
Kings Hedges Rd,
Cambridge,
CB4 2HY

First Abu Dhabi Bank
3rd Floor,
45 Cannon Street,
London,
EC4M 5SB

MUFG Bank, Ltd.
Ropemaker Place,
25 Ropemaker Street,
London,
EC2Y 9AN

Santander UK Plc
2 Triton Square,
Regent's Place,
London,
NW1 3AN

Security Trustee:	**Prudential Trustee Company Limited** Laurence Pountney Hill, London, EC4R 0HH
Valuer:	**Jones Lang LaSalle Limited** 30 Warwick Street, London, W1B 5NH
Financial Adviser:	**Chatham Financial Europe Limited** 12 St. James Square, London, SW1Y 4LB

Financial Statements

Glossary of Terms

Glossary of Terms and Abbreviations

AHF	Affordable Housing Finance
ARVOS	Authority Residual value overage share
ASB	Anti-Social Behaviour
CARE	Career average of earnings
CCHT / C&C	Central & Cecil Housing Trust Limited
CCN	Customer and Community Network
CEO	Chief Executive Officer
CIO	Charitable Incorporated Organisation
CLT	Community Land Trust
CML	Council of Mortgage Lenders
CPI	Consumer Price Index
CPPP	Corporate Performance and People Panel
D&I	Diversity and inclusion
DCLG	Department for Communities and Local Government
DEC	Disasters Emergency Committee
EBHT / EBHS	East Boro Housing Trust Limited / East Boro Housing Services Limited
EBITDA MRI	Earning before interest, tax, depreciation, amortisation (major repairs included)
EIA	Equality Impact Assessment
EIB	European Investment Bank
EMTN	Euro Medium Term Notes
EPC	Energy performance certificates
ESG	Environmental, Social and Governance
EUV-SH	Existing Use Value - Social Housing
FRS	Financial Reporting Standard
FTE	Full-time equivalents
FTSE	Financial Times Stock Exchange
GAC	Group Audit Committee
GHG	Greenhouse gas
GMP	Guaranteed Minimum Pensions
GRCC	Group Risk and Compliance Committee
GRNC	Group Remuneration and Nominations Committee
HCA	Homes and Communities Agency
ISDA	International Swaps and Derivatives Association
KPI	Key Performance Indicators
LEP	Land Enhancement Programme
LGPS	Local Government Pension Scheme
LIBOR	London Inter-Bank Offered Rate
LLP	Limited Liability Partnership
LSVT	Large Scale Voluntary Transfers
NHF	National Housing Federation
PFI	Private Finance Initiative
PLC	Public Limited Company
PPE	Personal protective equipment
PRC	Pre-fabricated reinforced concrete
RICS	Royal Institution of Chartered Surveyors
ROCE	Return on Capital Employed
RP	Registered Provider
RPI	Retail Price Index
RSH	Regulator for Social Housing
S106	Section 106
S&P	Standard and Poor
SECR	Streamlined Energy and Carbon Reporting
SHG	Social Housing Grant
SHPS	Social Housing Pension Scheme
SOAP	Stock Option Appraisal Programme
SONIA	Sterling Over Night Index Average
SORP	Statement of Recommended Practice
UEL	Useful Economic Life
VAT	Value Added Tax
VDP	Voids Disposal Programme
VFM	Value for Money

ASTER
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