



# **NSAH (Alliance Homes) Limited**

## **Group financial statements**

**For the year ended 31 March 2024**

## NSAH (Alliance Homes) Limited

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## NSAH (Alliance Homes) Limited

### Board Members, Strategic Leadership Team, Advisors and Bankers

#### Board members

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|                         |   |                             |
|-------------------------|---|-----------------------------|
| Andrew Willis           | Chair                                     |                             |
| Richard Gaunt           | Chair of Audit and Risk Committee         |                             |
| Carol Rosati OBE        | Senior Independent Director               |                             |
|                         | Chair of the People and Culture Committee |                             |
| Paul Foster             | Chair of the Asset Committee              |                             |
| Louise Swain            | Chief Executive                           |                             |
| Sarah Frost             | Board Member                              |                             |
| Ciaran Cronnelly        | Board Member                              |                             |
| Amanda Hamilton-Stanley | Board Member                              |                             |
| Joy Luxford             | Board Member (Co-optee)                   | - appointed 4 December 2023 |

#### Strategic Leadership Team

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|                         |                                |                           |
|-------------------------|--------------------------------|---------------------------|
| Louise Swain            | Chief Executive                |                           |
| Claudette Marcano       | Chief Finance Officer          | - resigned 18 June 2024   |
| Philippa Armstrong-Owen | Director of Business Services  |                           |
| Elizabeth Griffiths     | Director of Customer Services  | - resigned 1 January 2024 |
| Iain Lock               | Chief Operating Officer        |                           |
| Helen Grantham          | Director of People             |                           |
| Matt Bingham            | Director of Digital and Change |                           |
| Rob Staplin             | Acting Chief Finance Officer   | - appointed 24 June 2024  |

#### Advisors

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|                      |   |
|----------------------|---|
| Principal solicitors | Trowers and Hamlins Solicitors LLP, 3 Bunhill Row, London, EC1Y 8YZ |
| Bankers              | Barclays Bank Plc, 1 Churchill Place, London, E14 5HP               |
| External auditors    | Beever and Struthers, 150 Minories, London, EC3N 1LS                |

## **NSAH (Alliance Homes) Limited**

### **Board Members, Strategic Leadership Team, Advisors and Bankers**

#### **Corporate**

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Registered office 40 Martingale Way, Portishead, BS20 7AW

Website [www.alliancehomes.org.uk](http://www.alliancehomes.org.uk)

#### **Group members**

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NSAH (Alliance Homes) Limited

Alliance Homes Partnerships Limited

Alliance Homes (Ventures) Ltd

Alliance Living Care Ltd (non-trading entity)

Alliance Homes Sales Limited (dormant entity)

Alliance Homes Design and Build Company Limited (dormant entity)

NSAH (Alliance Homes) Limited is a Community Benefit Society incorporated under the Co-operative and Community Benefit Societies Act 2014, registered with the Financial Conduct Authority (FCA) with registration number 29804R. Regulator of Social Housing (RSH) registration number: L4459.

## **NSAH (Alliance Homes) Limited**

### **Strategic Report**

### **For the year ended 31 March 2024**

## **Principal activities**

### **Who we are**

Alliance Homes is a housing association that makes a positive difference to people's lives. Our core business is providing and managing homes. We own and manage over 7,000 homes.

We're helping to tackle the national housing shortage by building at least 2,000 new affordable homes across our operating area over the next 10 years.

There are other activities that add value to what we do, and we place a strong emphasis on partnership working to deliver these services. We work with a range of partners from other housing associations to build homes, to community organisations and our strategic partner North Somerset Council to deliver support services.

We provide repairs for other providers through our Home Repairs Service, which is a partnership with Brighter Places and Bristol Community Land Trust.

We operate primarily in North Somerset but stretch to the surrounding local authority areas of Bristol, South Gloucestershire, Bath and North East Somerset ("BANES") and Sedgemoor.

We are a Community Benefit Society registered with the Financial Conduct Authority as a Registered Provider and are regulated by the Regulator of Social Housing (RSH) in accordance with the Housing and Regeneration Act 2008.

### **Why we exist**

Our purpose is clear. We exist to create great places to live that our customers are proud to call home.

We believe that a secure home is central to the success of people's lives. We offer safe, secure, and affordable homes that our customers can make their own.

But it's not just bricks and mortar. We care about the people who live in our homes, and we provide support services and help our neighbourhoods to thrive.

### **The Group**

The Alliance Homes Group includes the following:

- **NSAH (Alliance Homes) Limited** is the parent company and Registered Social Landlord. It is a Community Benefit Society and owns and manages over 7,000 properties.
- **Alliance Homes Partnerships Limited** provides maintenance and repairs services to the Group and two other local housing associations. It is a company limited by shares and commenced trading in April 2018.
- **Alliance Homes (Ventures) Ltd** generates electricity via photovoltaic panels. It is a company limited by shares.
- **Alliance Living Care Ltd** provided domiciliary care services. The company ceased trading in November 2021.
- **Alliance Homes Sales Limited** is a dormant company that has not yet traded.
- **Alliance Homes Design and Build Company Limited** is a dormant company that has not yet traded.

## **Strategic priorities**

Our Corporate Strategy ("Plan A 2.0") sets out our Focussed Five Strategic Priorities which creates the thread to what we all do every day.

### **1. Delivering a great customer experience**

- Deliver consistency in our services as the bedrock for a great customer experience

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**For the year ended 31 March 2024**

- Proactively develop a customer centric culture
- Use customer segmentation and customer insights to shape our services
- Ensure that our services are designed to deliver first point of resolution and where possible fully self service

#### **2. Building more affordable homes**

- Build the right homes in the right places

#### **3. Being a green an ethical business**

- Invest in a range of initiatives to reduce our environmental impact and carbon footprint.
- Embed green principles and develop ways to evolve our culture of sustainability.

#### **4. Investing in existing homes and neighbourhoods**

- Ensure our assets are viable in the long term by using data and insight to drive investment decisions.
- Provide safe and secure homes by complying with all landlord health and safety requirements.

#### **5. Being a great place to work**

- Improve reward and recognition approach to improve colleague satisfaction and attract talent (aligned to values).
- Improve talent acquisition and candidate experience to attract a more diverse workforce.
- Increase colleague engagement and Trust Index as part of Great Place to Work.
- Develop and retain existing talent to ensure we have the right skills to deliver the plan.

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**For the year ended 31 March 2024**

**Group financial highlights - 3-year summary**

The Group's three-year statement of comprehensive income, statement of financial position and cashflows are summarised below.

|   | <b>2024</b> | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|-------------|
|   | <b>£'m</b>  | <b>£'m</b>  | <b>£'m</b>  |
| <b>Statement of comprehensive income</b>                        |             |             |             |
| Turnover  | 55.1        | 51.8        | 46.3        |
| Operating surplus   | 11.2        | 9.9         | 10.4        |
| Net interest payable  | (4.7)       | (4.2)       | (3.3)       |
| Surplus for the year  | 6.6         | 5.7         | 7.1         |
| <b>Statement of financial position</b>                          |             |             |             |
| Net book value of housing properties                            | 274.1       | 228.9       | 197.2       |
| Total assets less current liabilities                           | 307.9       | 259.3       | 229.3       |
| Loan balances   | 163.5       | 125.0       | 101.0       |
| Reserves  | 119.1       | 112.4       | 97.5        |
| <b>Statement of cash flows</b>                                  |             |             |             |
| Net cash from operating activities                              | 17.5        | 21.0        | 13.6        |
| Construction of new properties and works to existing properties | (59.2)      | (42.1)      | (48.9)      |
| Grants received   | 7.2         | 0.7         | 8.5         |
| Net borrowings  | 38.5        | 24.0        | 11.0        |

The results show an improvement over the previous delivering a surplus for the year of £6.6m (2023: £5.7m). The surplus is stated after a one-off payment of £0.5m to exit our main Local Government Pension Scheme.

The net book value of housing properties and total assets less current liabilities increased significantly as a result of our investment in delivering new homes and improving existing homes. Loan balances have increased to fund the development of new homes.

Cash flows for the year are set out in the cash flow statement on page 37. £59.2m (2023: £42.1) was spent on the construction of new properties and works to existing properties, being funded by increased borrowings, grants, and re-invested cash from operating activities.

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**Capital structure and treasury**

Our capital structure is based on bank borrowings, spread across three main lenders. There are no inter-company loan borrowings. At 31 March 2024, the breakdown of borrowings was:

|                 | Arranged<br>£m | Drawn<br>£m | Undrawn<br>£m |
|-----------------|----------------|-------------|---------------|
| Loan borrowings | 265.0          | 163.5       | 101.5         |

During the year, £38.5m was drawn to fund the development programme, increasing the total amount drawn to £163.5m (2023: £125m).

Further details regarding the bank loans are contained in note 23 of these financial statements.

**Liquidity**

Our Internally set Golden Rules require us to hold a minimum cash balance of £5m and to hold sufficient liquidity to cover the next 18 months of net cash requirements.

**Credit rating**

The credit rating agency Moody's awarded us an A2 credit rating following its annual review of our operating and financial performance.

**Loan covenant compliance**

Loan covenants as determined by our respective lenders are monitored regularly and were met throughout the year and at the year-end for all loan facilities.

**Loan sustainability performance indicators**

One of our lenders, Lloyds Bank, require sustainability performance indicators. These are disclosed in note 12 of these financial statements.



**Value for Money (VfM)**

**Our Approach to Value for Money (“VfM”)**

Ensuring value for money is key to our strategic thinking and corporate strategy (called Plan A 2.0). It underpins our focused five business priorities:



Delivering  
a great  
customer  
experience



Building  
more  
affordable  
homes



Being a  
green and  
ethical  
business



Investing  
in existing  
homes and  
neighbourhoods



Being a  
great place  
to work

We focus on achieving value for money to ensure we are commercially adept and financially resilient. Our 5 overarching VfM principles are embedded in everything we do as we know that value for money creates the potential for generating greater surpluses that directly support reinvestment in our homes and services to customers. Our value for money principles are:



Doing things  
economically



Doing  
things  
right



Maximising  
the return on  
our assets



Getting the best  
from our  
colleagues



Achieving  
the right  
outcomes

Value for money requires balancing cost and quality to drive optimum business and customer service decisions:

- We are a long term, asset driven business, so decisions we make will reflect this. We will ensure that all decisions consider overall cost effectiveness.
- Our service offering will meet legal, contractual, and regulatory requirements, and we will only provide services above this level where they can demonstrably contribute to the achievement of our objectives or if a customer pays for these services.
- Overheads, including business support services, are actively managed and flex in size to reflect the scale, complexity and requirements of our business activities.
- Our colleague offer is competitive, tailored to each sector or employment market. We will use a mixed economy of permanent, fixed term and contracted employees to achieve flexibility, high quality results and maximum business efficiency.



Doing things  
economically



This principle considers effective and efficient ways to provide services and being innovative and using digital technology and research to design better ways to work.

### **Progress in 2023/24**

Over the last 12 months we have used data and insights to drive forward projects that will enable us to provide more efficient services to customers. This is aligned to our Plan A 2.0 objective of providing a great customer experience.

#### *Digital self-service offer*

We know that many of our customers are keen to transact with us using digital platforms and self-service tools that remove some of the “customer effort” often experienced with more traditional contact methods such as telephone and in person dialogue. This is supported by compelling customer segmentation work over the last several years, which has prompted the launch of our CONNECT portal. With a soft launch in March 2024, Connect offers customers the ability to self-serve from a web browser or mobile app, e.g. viewing a rent account, updating personal details and reporting a repair or anti-social behaviour incident.

#### *Repairs partnership*

During Q4 of 2023/24 a strategic decision was taken to exit an established repairs partnership with Brighter Places, a Bristol-based housing association. Underpinning the decision to exit the partnership is the need to drive service improvements to Alliance customers, allowing greater focus and consolidation of operations that will bring lasting efficiency benefits.

#### *Data and insights*

We understand the importance of robust data management and controls and to use that to drive insights that support our corporate ambitions.

We have a well evolved framework for capturing customer insights, that we use proactively to evaluate the customer voice into the organisation to inform decision making, shape services and improve the customer experience. These include HIVE, our online community platform with nearly 700 members, used for the collection of a range of survey, perception and policy review insights.

We also seek feedback from customers using transactional survey methods to understand the experience of being a new customer to Alliance, our repairs service, our community safety services and range of others that provide operational data insights to support the deployment of the right resources to the right services.

### **Plans for 2024/25**

We know that being an insight and data led business will help drive efficiencies and value for money. Our areas of focus for 2024/25 are summarised below.

- Roll-out the connect portal widely to customers to promote digital adoption for those who prefer to transact in a more agile way, anytime.
- Exit the Alliance Homes Partnership repairs partnership to allow us to focus entirely on driving better service outcomes for Alliance customers.

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- Embed dynamic scheduling and automation to provide greater operational efficiencies in our repairs and maintenance service – deploying the right resources to the right job, right first time.
- Utilise technology to support with asset intelligence as well as business processes efficiencies.



Doing things right



This principle ensures that we have clear strategies, policies and processes to deliver the vision of the business with robust quality assurance.

### **Progress in 2023/24**

Throughout the year we continued to evolve our processes and approach to quality improvement – removing complexity in our systems and working practices, removing duplication and building greater resource efficiency.

#### *Repairs service*

Having a clear strategic oversight on our repairs service has dominated operational focus in 2023/24. Recognising the challenges of the operating environment and with some areas of performance being under strain, we have created an operating framework that aims to drive the right behaviours, consistency of delivery and ultimately, value for money gains.

- 1) Keep things simple.
- 2) Be brilliant at the basics.
- 3) Build resilience.

We have improved our sub-contractor management process, which we know is a significant contributor to maintenance costs, ensuring we have appropriate controls and approvals in place.

Towards the end of 2023, we recruited to a new complex works team. This team now lead our approach to damp and mould and other extensive property repairs, such as structural improvements. Having a dedicated team in place ensures there is clarity on service accountabilities.

#### *Procurement*

We drive in value for money through all our purchasing decisions. Our dedicated Procurement team ensure all goods and services purchased comply with relevant legislative obligations, Standing Orders and Financial Regulations, and all relevant corporate sustainability policies. During 2023/24 we procured a range of goods and services, using both cost and quality measures to provide value for money assurance.

Our approach has continued to embed sound purchasing and procurement practices, by reviewing our spend profile, identifying preferred suppliers and putting in place purchasing agreements that demonstrate better value and efficiency. We have also improved processes around the purchase-to-pay service, making system changes to drive efficiency and enhanced our internal controls.

We have robust procurement processes which market test the costs of all our larger contracts, and we comply fully with all procurement legislation. Savings achieved on tenders that have been undertaken for contracts commencing April 2023 to May 2024 are expected to approach £1.3m

### Plans for 2024/25

- Automate processes where possible to avoid human intervention, improving compliance with procedures.
- Enhance quality assurance systems to ensure adherence to policies and procedures.
- Continue to drive commercial value through the repairs service, through procurement and contract management of services and materials supply chain.



Maximising  
the return on  
our assets



This principle sets out the way we will manage our existing assets and how we will create new assets to achieve maximum value from our assets for us and for our customers.

### Progress in 2023/24

During 2023/24 we have been refining our structures to ensure they underpin the delivery of a great asset management services.

#### *Asset investment*

Last year we invested over £9 million in home and neighbourhood improvements. This is an increase from the prior year and demonstrates our focus on improving quality standards and compliance with the Decent Homes – where we ended the year at 99.3% of homes meeting that standard.

We have also continued to direct financial resources in to improve the energy performance of our homes, reducing the number of homes that fail to meet EPC, supported £1.1m of grant funding from the Social Housing Decarbonisation Fund.

We have developed a process to review the investment needs of homes and whether they make healthy contributions to our long-term portfolio, or whether there are future use or disposal opportunities for some homes. As a result, property disposal decisions were taken during 2023/24. These disposals sales completed by 31 March and generated receipts of £776k.

#### *New homes delivery*

We are an ambitious and growing organisation with a clear strategic objective of building more affordable homes to meet the ever-growing housing need in our area of operation. New homes are income producing and contribute to the growth of our business over the 30-year Business Plan period. With competitive funding and annual reviewed investment parameters, we continue to hold a strong financial position with good capacity for new homes development.

We completed 174 new homes in 2023/24, contributing to a total of 586 new affordable homes in the 3-year period from 1 April 2021 to 31 March 2024. This leaves 1,414 development completions to achieve our 2,000 homes target and we have a solid pipeline of opportunities to deliver that requirement across our 5 local authority operating area (North Somerset, South Gloucestershire, Bristol, Bath & North East Somerset and Sedgemoor).

Partnership working to support our development programme continued to work effectively over the last year. For example, we work collaboratively with two other housing organisations to attract Government grant funding to support the development of new affordable homes, from Homes England. Our partners Curo hold the strategic partnership lead and together with Magna, Alliance are

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### Strategic Report

#### For the year ended 31 March 2024

important delivery partners bringing forward land-led opportunities that secure market leading grants rates. Adopting a consortia arrangement drives value for money, particularly from a compliance audit, programme management and relationship management perspective.

#### Shared Ownership Sales

Shared Ownership sales is a growing portfolio. Low-cost home ownership is in high demand across our operating area, where comparatively high house prices mean shared ownership is attractive to a range of buyers. We deliver shared ownership through Section 106 acquisitions or on land-led site, with grant funding.

In 2023/24 we achieved a total of 39 sales, achieving a higher than budgeted margin of 29.9%. We work to maximise our surpluses from Shared Ownership sales by selling the maximum affordable share on each sale, in line with the requirements of the Homes England Capital Funding guide.

#### Plans for 2024/25

- Analyse the whole life cycle costs of assets and any future use considerations.
- Turning empty homes around quicker and implement an MOT inspection approach.
- Roll out the Alliance Home Quality Standard and the culture to support it.
- Strategically evaluate our assets and their performance for problematic archetypes.
- Develop a sustainability strategy for assets and wider business infrastructure.
- Continue to develop new affordable homes, targeting 185 completions.
- Continue to sell Shared Ownership homes, 67 sales at a margin of at least 16%.



Getting the best  
from our  
colleagues



This principle ensures that we invest in our colleagues to create a high-performance culture with opportunities for development and promoting innovation. It addresses how we will support our colleagues to upskill, support and retain them as they deliver high-quality services in an agile way.

#### Progress in 2023/24

We are a people-led business and know that maximising the capacity, talent and potential of our colleagues will unlock greater opportunities to create a great place to work.

#### Great Place to Work (GPTW)

We continued our GPTW journey in 2023/24, as an important and benchmarkable measure of our colleague engagement. Our annual survey took place in Q3 2023, with an 87% response rate.

Achieving 71% average across all survey statements and 73% against the 'great place to work statement' secured certified status for the second year running. Our improvement on the prior year demonstrates our commitment to creating a great culture and ensuring we remain focused on our colleague offer. We recognise the direct correlation between colleague engagement and delivering great services to customers.

#### Performance culture

Learning, insight and feedback from GPTW has provided an opportunity for continuous improvement and putting in place measures that are responsive. As a result, a new performance management framework (ASK) was introduced in Q4 to really drive clarity of purpose, expectations, responsibilities

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and accountabilities. This will support a culture of high performance. This has been well received by both colleagues, removing ambiguity which previously may have existed in some areas.

*Pensions*

Following a Board level decision to exit the Local Government Pension Scheme in 2022/23, the final exit took effect from the 30 June 2023. This has strengthened our long-term financial resilience, reduced risk and the uncertainties of future costs. Additionally, it has enabled a more equal pensions structure for all colleagues creating parity of offer.

All colleagues at Alliance are given the opportunity to join the Aegon workplace pension (with an employer contribution rate double matched up to 10%). They are also offered the opportunity to join a Salary Sacrifice scheme, to save on NI which will be used to help boost their pension contributions and take-home pay.

Alliance also makes a further contribution to pensions by passing 50% of the Employer NI savings back into colleagues' pensions. This can effectively enhance pension contributions at no extra cost to the colleague.

**Plans for 2024/25**

- Implement actions arising from GPTW, aiming for re-certification in 2024/25.
- Review our colleague offer to ensure it can keep pace with market movement.
- Embed the ASK performance framework for all colleagues.
- Review organisation design to ensure the right resource balance to deliver ambitions.



Achieving  
the right  
outcomes



This principle sets out how we will self-assess our business effectiveness and measure how successful we have been in achieving our corporate plan objectives, and what value has been delivered.

**Customer Progress in 2023/24**

As a performance focused, ambitious customer-centric business, ensuring we achieve the outcomes is at the heart of our corporate strategy. Over the last year we have continued to achieve great customer and business results that support value for money.

*Customer outcomes – satisfaction*

The Regulator of Social Housing's Transparency, Influence and Accountability Standard requires us to collect, analyse and publish data known as Tenant Satisfaction Measures (TSMs). The includes information relating to satisfaction as well as a small number of landlord metrics.

In relation to VFM, two metrics are reported: overall satisfaction and the VFM metric. 2024/25 is the first launch year of the TSMs. Going forward, we will be able to provide more nuanced and benchmarked comparisons.

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| KPI / Tenant Satisfaction Measures                                    | Jan 2023 | Jul 2023 | Full Year 2023/24 |
|---|----------|----------|-------------------|
| Overall satisfaction with Alliance Homes (fairly / very satisfied)    | 73%      | 70%      | 68%               |
| The value for money for the rent I pay is good (agree/Strongly agree) | 78%      | 75%      | 73%               |

*Customer outcomes – Income and Customer Support*

We recognise that maximising our income to secure long term financial health, must be balanced against affordability for customers. Alliance already has rent levels below the regional average, despite being located in an area of relatively strong economic performance. Our rents, therefore, are cheaper than many neighbouring housing providers.

To ensure we are able to maintain a healthy business plan that enables us to continue to investment in homes and services in the long term, in April 2024, we raised our rents by 7.70%, in line with the current national rent settlement framework (September CPI + 1%), except for Market Rent and existing shared ownership properties.

We recognise that increasing rents can have a direct, negative impact to some customers who already struggle with financial pressures. In response, we have introduced a Customer Support Package totalling £100k in 2024/25, which allows us to take decisions that improve tenancy sustainment through targeted financial support, in areas outlined below:

| Customer Support Package   |
|--|
| <ul style="list-style-type: none"> <li>• Financial hardship support</li> <li>• Support required to sustain tenancy to meet priority debts, long term debt solutions.</li> <li>• Customers struggling to sustain tenancies due to the increase in rent and increased cost of living.</li> <li>• Provide one off payment of costs or practical items such as energy, white goods, carpet.</li> <li>• To enable customers to access, advise and support for mental health services.</li> <li>• Real time crisis intervention.</li> <li>• Provision of small awards for crisis intervention such as food, energy or travel costs.</li> <li>• Available to any customer engaged with any services offered by Alliance Homes.</li> <li>• Available to customers renting a home from us.</li> </ul> |

Through our financial inclusion work we undertake debt advice and a range of options for customers to deal with debt, benefit applications and appeals and charity applications for new white goods, carpet and water and gas issues. In 2023/24 this led to outcomes for customers to the value of £2,419,837.

Our approach to debt management uses predictive analytics and offers a highly personalised service, which enables us to keep rent arrears below that of the average across the sector.

*Customer outcomes – community services*

We provide a number of added value support services in our communities, aligned to our core purpose. In delivering these, we work in partnership with North Somerset Council through an evolved grant funding relationship. We continue to maximise grant funding where available, both from local

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authorities but also from other local, regional and national organisations, including The National Lottery Community Fund.

Where we consider an activity to be outside of our core social purpose or where there is not strategic alignment, we refer to other partner organisations who may be better placed to provide those services. This enables us to remain commercially focused.

#### **Plans for 2024/25**

- Continue to maximise opportunities for grant funding to support a range of services including our support contract and community investment activities.
- Support customers with debt advice to and protect primary rent debt payments.
- Publish full Tenant Satisfaction Measures to the RSH and track benchmarks, learning and other sector insights to promote continuous improvement in service delivery.

#### **Financial Progress in 2023/24**

##### *Business outcomes – finance and investment*

Ongoing conflicts in various regions, along with economic repercussions from Brexit, will continue to affect food and fuel prices and hinder economic growth, impacting financial performance. However, there were signs of economic improvement late 2022/23.

According to the Bank of England's December 2023 projection, the Bank Rate is expected to remain steady at 5.25% for the foreseeable future. Market forecasts suggest a slight reduction by the year's end, potentially reaching around 4% by 2025. This scenario presents challenges for the sector in meeting the cost requirements for achieving EPC C by 2030, as well as fulfilling existing development and safety initiatives. Consequently, the sector's credit rating is likely to decline further, leading to increased financing costs.

We have a Revolving Credit Facility with Lloyds Bank, of £75m for five years from 2022. This is a Sustainability Linked Loan (SSL) which gives a discount for meeting three ambitious environmental sustainability targets.

We produce an annual ESG Report which follows the framework set out in the Sustainability Reporting Standard for Social Housing, for which we were an early adopter. We recognise that 'green investments' are likely to offer further efficiencies in the coming years and we aim to take advantage of these where possible.

In the first quarter of 2022/23 we signed a loan deal with the banks Macquarie and Industrial Alliance for a loan to Alliance of £100m, which we continue to use to further boost the number of new homes and investment in our communities.



## NSAH (Alliance Homes) Limited

### Strategic Report

For the year ended 31 March 2024

#### Sector VfM metrics

The metrics below shows the Group's performance against a selected peer group and the RSH global accounts performance for 2022/23. The selected peer group includes other relevant housing associations of a similar size and geographic location to NSAH (Alliance Homes) Limited.

| RSH metric                                 | Actual | Peer group | RSH global | Actual        | Target | Target |
|--|--------|------------|------------|---------------|--------|--------|
|  | 2023   | (mean)     | accounts   | 2024          | 2024   | 2025   |
|  | £'000  | 2023       | (median)   | £'000         | £'000  | £'000  |
| Reinvestment                               | 18.1%  | 6.1%       | 6.7%       | <b>21.6%</b>  | 18.1%  | 16.5%  |
| New supply delivered (social housing)      | 3.9%   | 1.5%       | 1.3%       | <b>2.3%</b>   | 2.5%   | 2.4%   |
| New supply delivered (non-social housing)  | 0.0%   | 0.1%       | 0.0%       | <b>0.0%</b>   | 0.0%   | 0.0%   |
| Gearing                                    | 49.4%  | 35.7%      | 45.3%      | <b>55.6%</b>  | 53.1%  | 57.3%  |
| EBITDA MRI interest cover                  | 208.5% | 167.9%     | 128.4%     | <b>144.7%</b> | 135.1% | 139.0% |
| Headline social housing cost per unit      | £4,933 | £4,374     | £4,586     | <b>£5,647</b> | £5,282 | £6,434 |
| Operating margin – social housing lettings | 15.8%  | 13.9%      | 19.8%      | <b>18.1%</b>  | 25.5%  | 17.5%  |
| Operating margin – overall                 | 17.6%  | 14.7%      | 18.2%      | <b>19.0%</b>  | 22.9%  | 21.7%  |
| Return on capital employed                 | 3.9%   | 2.1%       | 2.8%       | <b>3.7%</b>   | 4.4%   | 4.1%   |

#### Reinvestment

The reinvestment metric looks at the investment in properties (existing stock and new supply) as a percentage of the value of total properties held.

Our reinvestment percentage outperforms the target in 2023/24. The capitalised major repairs spend going forward is forecast to increase compared to 2023/24, resulting from the backlog of major repairs works being pushed out to later years.

Although the value of housing assets has not increased as expected due to lower build completions in 2023/24 against target, our performance remains significantly higher than the projected trend of our peer group. The industry continues to experience difficulties in labour and materials supply.

#### New supply delivered (social housing)

The new supply metric sets out the number of new social housing and non-social housing units that have been newly constructed (acquired or developed) in the year as a proportion of total social housing units and non-social housing units owned at period end.

We completed 174 units during the year against a target of 191. Our target for 2024/25 is to complete 185 units. We continue to exceed our peers and the sector reflecting our ambitious development programme.

### ***Gearing***

The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

Gearing exceeded the target in 2023/24. Long-term borrowing has increased since the start of the year in line with forecast while the value of housing assets has not increased as expected due to lower build completions at the end of the year against target. We currently have high headroom levels for gearing. Our gearing is increasing in the coming years, which is in line with our plans to continue our ambitious new homes programme.

However, our gearing results look set to exceed the projected trend of our peer group. Despite this, our results still remain within our funders' covenant of 75%, indicating the capacity within our business plan for future investment.

### ***EBITDA MRI interest cover***

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that is generated compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

Our EBITDA-MRI interest cover is expected to gradually increase in the coming years reflecting loan drawdowns to finance the development programme. Accordingly, interest payable will steadily increase. This metric also includes major works capitalised, that is projected to increase and effectively lowers the interest cover. Gains from the disposal of fixed assets (housing and non-housing) are excluded from the metric.

Our interest cover is lower than the projected trend of our peer group.

### ***Headline social housing cost per unit***

The headline social housing cost per unit metric assesses the headline social housing cost per unit. It is a proxy cash measure of a social housing cost per unit. This means it excludes non-cash items such as depreciation, amortisation and write downs.

Historically, our cost per unit has been higher than that of our peers due to higher spending on repairs and maintenance in comparison. During the year, we also incurred a one-off cost of £500k to exit our main Local Government Pension Scheme.

This trend is set to continue as we push forward with our plans to invest in and improve our existing properties in addition to working through the major repairs backlog. Our capitalised major repairs spend over the coming years contribute towards the increases in our cost per unit.

As the number of units is increasing year-on-year, we expect to incur more costs because there are more units to look after.

However, from 2025/26, we anticipate cost savings from efficiencies. In 2026/27, the extra cost associated with the increase in the number of units is anticipated to outweigh the cost efficiency savings giving an outright increase in total cost.

### ***Operating margins***

The operating margins demonstrate the profitability of operating assets before exceptional expenses are taken into account.

The operating margins are intrinsically linked to the headline cost per unit measure; the more that is spent on services, the less the operating margin is likely to be where cost increases outpace rent increases.

## NSAH (Alliance Homes) Limited

### Strategic Report

For the year ended 31 March 2024

Removing the one-off pension cost of £500k, that is not defined as exceptional under financial reporting standards, from 2023/24 expenditure would result in a social housing lettings margin of 19.3% (actual 18.1%) and an overall margin of 20.0% (actual 19.0%).

A lower margin was anticipated in 2023/24 due to higher than forecast spends in areas including maintenance and non-capital major works, along with delays in units being completed and delivered into management. These factors are slightly offset by improved margins on shared ownership sales during the year and effective management of our staffing budget. Published analysis of registered providers' 2023 audited accounts finds operating margins falling for most housing associations.

In 2024/25, the overall margin is expected to increase due to the growing shared ownership first tranche sales.

#### **Return on capital employed ("ROCE")**

The Return on capital employed compares the operating surplus to total assets less current liabilities to assess the efficient investment of capital resources.

Our ROCE shows that we are making a good return on capital invested in the business. This is higher than our peers, however lower than our weighted average cost of capital, which was 4.12% for the full year 2023/24. We were able to secure funding at beneficial fixed rates prior to the increases we have seen recently within the economic environment.

ROCE is forecast to show a downward trend in the coming years. Our operating surpluses will be impacted by increased interest costs on new borrowings to fund our development programme.

Despite this, our results remain healthy throughout and are bolstered by a strong Statement of Financial Position which includes the significant investments we plan to make in our existing properties.

Our ROCE result has continued to perform well against our benchmarking groups over the last few years and has broadly followed the trend reflected within the sector as a whole, albeit at a slightly faster rate.

#### *Group Surplus*

|                 | Actual | Actual        | Target | Target |
|-----------------|--------|---------------|--------|--------|
|                 | 2023   | 2024          | 2024   | 2025   |
| Internal metric | £'000  | £'000         | £'000  | £'000  |
| Group surplus   | £5,697 | <b>£6,602</b> | £7,576 | £7,962 |

Going forward, our group surplus is projected to increase due to the income generated from new units completed as part of our development programme.

The planned investment in new and existing properties will be funded by new borrowings, hence additional interest costs will be incurred.

#### **Financial Plans for 2024/25**

- Continue to understand our cost base and levers for greater efficiencies, particular around Social Housing Cost Per Unit
- Maximise the potential of financial markets and potential funding mix to optimise our balanced loan portfolio as we plan in 2024/25 for refinancing.
- Conclude negotiations with funders to vary interest cover covenants to create additional business plan capacity / headroom.

**NSAH (Alliance Homes) Limited**

**Strategic Report**

**For the year ended 31 March 2024**

- Review of optimum balance of mixed economy for service delivery, including the insource / outsource opportunities for operational and back-office services.

## **Strategic priority – Delivering a great customer experience**

### **Listening to customers**

Seeking and listening to the views of our customers is key to improving services for them. In 2023/24, the Regulator of Social Housing brought in Tenant Satisfaction Measures (TSMs) and during the year we carried out perception surveys with our customers and reviewed our management information. We're sharing the results of the 22 TSM quality measures with our customers and analysing the details to identify areas for further improvement.

HIVE, our online community platform, provides valuable insight into our customers' opinions. One project that benefited from their feedback was the soft launch of our new customer portal, Connect. Additionally, our HIVE community played a key role in designing the promotional materials for Connect. Their input helped us enhance our collateral and launch strategy with clearer messages, better visuals, and improved accessibility.

In 2023/24 we created the Communities Together Funding Panel to provide customer input on applications for the Alliance Homes Communities Together Grants. Panel members used their knowledge of their local communities to review and decide which of the larger, higher value applications would be presented for a vote by members of HIVE. This helped us to ensure that grants were awarded to those initiatives and groups that would make the biggest impact in our communities.

### **Home repairs service**

It has been a busy 2023/24 with a large number of new jobs as well as outstanding repairs being brought forward from the previous year. During the year we've worked hard to significantly reduce the number of outstanding jobs which were overdue. We've achieved this through improvements in our own team's productivity as well as by engaging third party contractors.

With the increased use of contractors, we wanted to ensure that our customers experienced the same level of service and quality of repair that they get from our own HRS team. To achieve this, we've set the contractors a more challenging set of performance measures and created a system to monitor them closely.

### **Tenancy Services**

With 525 new sign-ups in 2023/24, we've provided homes for more customers than in any previous year. As part of our strategy to manage increased letting volumes, the team focused on working more effectively with Somerset County Council's choice-based lettings scheme and local support agencies.

The team has reviewed and improved the decant process to better support customers who have had to temporarily move out of their homes. We've focused on improving communication and offering better emotional and practical support.

Our joint working with other agencies is something we are very proud of. This year, in partnership with North Somerset Council, we opened our first respite flat for adults with learning difficulties. The flat allows adults with learning difficulties to experience a different way of living, learn new skills and start a journey to more independent living while still having access to 24-hour care.

### **Digital transformation**

The soft launch of our online customer portal, Connect, to 100 HIVE customers was a significant milestone in our progress towards improving customer service with digital tools. HIVE customers told us how much they appreciated being able to log on anytime and raise a repair, check their rent account or carry out one of the many other functions Connect provides. We used the feedback from HIVE to deliver improvements to the portal which is being rolled out to all customers during 2024.

## **NSAH (Alliance Homes) Limited**

### **Strategic Report**

**For the year ended 31 March 2024**

#### **Strategic priority – Building more affordable homes**

Delivering good quality new affordable homes is one of our strategic priorities. We're well on our way to achieving our ambition of building 2,000 new homes by 2033, with 567 homes already completed. Last year alone we delivered 174 new homes, which represents an increase of 15 new homes on the previous year. We prioritised rented tenures in our build programme because we know this has the biggest impact for those in need of housing.

In the last year we expanded the area where we deliver housing with new builds on three large sites in Cheddar, Somerset. Whilst our heartland continues to be North Somerset, this expansion brings our services to a wider range of customers.

In the last year we've continued to grow our pipeline of new homes and secured approvals and contracts for a further 223 new homes to be delivered over the coming years.

#### **Strategic priority – Being a green and ethical business**

##### **Sustainability**

Reducing our environmental impact and providing warmer and more energy efficient homes for our customers is central to our fourth corporate priority. In the last year we have taken steps to improve the energy efficiency of our homes, increasing the number of homes with an EPC rating of C or higher to 85%.

We launched our Warmer, Greener Living project, identifying an additional 135 homes where we will soon install energy efficiency improvements.

Towards the end of the year, we created the roles of Sustainability Manager and Retrofit Project Manager. These two new roles are crucial for our journey towards becoming a more sustainable organisation, as we develop our sustainability strategy and deliver the Warmer, Greener Living retrofit project.

##### **Governance**

Last year, the Regulator of Social Housing once again awarded us G1/V1 status. This is the highest rating for governance and financial viability. We also retained our A2 Moody's credit rating.

#### **Strategic priority – Investing in existing homes and neighbourhoods**

##### **Improving homes**

Last year, we significantly increased our spending on major works for our existing homes to £9.5m. We know that investing in our homes makes them safer, reduces the need for repairs, and can make a real difference to our customers' lives. Next year we plan to extend this further with a budget of £12m.

The impact of this increased investment is also reflected in the rise in the number of homes meeting the Decent Homes Standard, now standing at 99.5%

##### **Community Investments**

Our community hubs and green spaces continue to deliver significant positive impacts in our neighbourhoods. In 2023/24 we expanded our Growing Together project, offering more opportunities for people to connect with nature and build friendships through additional gardening sessions and other community events.

Our Communities Together Grant, which funds local projects and initiatives, saw a substantial increase in the number of applications and we awarded £27,500 in total in 2023/24.

**Strategic priority – Being a great place to work**

In 2022/23 we were officially recognised as one of the UK’s Great Places to Work in the Great Places to Work Trust Index. We’re pleased that, in 2023/24, we’ve improved our score, with even more of our colleagues rating Alliance Homes as a Great Place to Work. This is a direct result of listening to colleagues, taking their feedback on board and delivering targeted initiatives. These initiatives include supporting workplace wellbeing by offering health check-up sessions and creating a dedicated wellbeing room.

In 2023/24 we also introduced our new ASK framework. ASK stands for AGAME, Skills and Knowledge and is a framework that’s designed to support colleagues with their development. The system focuses on setting clear objectives, identifying training needs and giving regular feedback to ensure that colleagues can deliver their best.

**Environmental, social and governance reporting (ESG)**

Annually the Group prepares an ESG report. The latest update for this financial year will be available on our website from October 2024.

**Risk management**

We recognise the importance of effective risk management and make sure we monitor our operating environment continuously as this helps us to proactively identify and address key threats to our strategic objectives.

We have an established and well embedded risk management framework that supports the active management of risk throughout our business; by our operational leads, our Strategic Leadership Team, specialist committees, the Audit and Risk Committee and the Board.

Our Audit and Risk Committee plays a key role in risk management. The Committee monitors and reviews the risk and control framework, including the assessment and management of the risk system, ensuring there is a rigorous process for the identification and evaluation of risks. The Committee gives detailed scrutiny to our key risks on behalf of the Board. This helps the Board in the regular review of the individual and combined material risks faced by the organisation and its plans and strategies to help mitigate and manage them effectively.

Our independent risk advisors carry out an annual review of our risk management methodology and risk registers and help provide assurance over our alignment with best practice and the Sector risk profile.

Our risk scoring is directly determined by our risk appetites. We assess all our risks in terms of their inherent impact and probability, as well as their current state and the target position. In addition to identifying controls for threats to our business, we are aware that risks continuously evolve and change. We ensure that where mitigations can be strengthened, we take action to close the gaps in our risk response.

Amendments to risks, including the identification of new risks are proposed as part of decision making, which are then considered by the Board or Audit and Risk Committee. In addition, reports presented to our Boards and Committees outline the risks involved in the matter under consideration.

The current key risks to the successful achievement of our objectives and their key controls are below.

| Risk         | Uncontrolled, Unbudgeted Spend   |
|--------------|--|
| Key controls | <ul style="list-style-type: none"> <li>• Prudent budgeting</li> <li>• Financial Reporting</li> <li>• Performance reporting</li> <li>Mixed economy</li> </ul> |

## NSAH (Alliance Homes) Limited

### Strategic Report

For the year ended 31 March 2024

| Risk         | Failure of the DLO  |
|--------------|---|
| Key controls | <ul style="list-style-type: none"><li>• Customer Satisfaction monitoring</li><li>• Performance reporting</li><li>• Training</li><li>• Financial reporting</li></ul> |

| Risk | Failure to meet Energy Efficiency Requirements  |
|------|---|
|      | <ul style="list-style-type: none"><li>• Performance monitoring of stock</li><li>• Business Plan Stress Testing</li><li>• Grant Funding secured</li><li>• PV installation</li><li>• Plan A strategy commitment</li></ul> |

| Risk         | Poor Performance of Maintenance Contractor  |
|--------------|---|
| Key controls | <ul style="list-style-type: none"><li>• Customer Satisfaction Monitoring</li><li>• Contractor Management</li><li>• Performance Monitoring</li></ul> |

| Risk         | Damp and Mould in customer Homes  |
|--------------|---|
| Key controls | <ul style="list-style-type: none"><li>• Established Policies and Procedures</li><li>• Performance Monitoring of Stock</li><li>• Customer Satisfaction Monitoring</li><li>• Stock condition survey programme</li></ul> |

| Risk         | Cost of insurable and uninsurable risks   |
|--------------|---|
| Key controls | <ul style="list-style-type: none"><li>• Insurance Advisors</li><li>• Insurance Brokers</li><li>• Policies in place for all portfolios</li><li>• Claims performance monitoring</li></ul> |

| Risk         | Failure to provide a quality accommodation that meets relevant standards  |
|--------------|---|
| Key controls | <ul style="list-style-type: none"><li>• Self Assessment against Standards</li><li>• Established Policies and Procedures</li><li>• Asset Committee</li><li>• Performance Monitoring of Stock</li><li>• Customer Satisfaction Monitoring</li><li>• Stock condition survey programme</li></ul> |



**NSAH (Alliance Homes) Limited**  
**Strategic Report**  
**For the year ended 31 March 2024**

| Risk         | Failure to comply with Fire, Gas, Water, Asbestos, Lifts and Electrical inspection obligations  |
|--------------|---|
| Key controls | <ul style="list-style-type: none"> <li>• Professional registrations for Trades</li> <li>• Joint working with strategic partners eg Avon Fire and Rescue</li> <li>• Self Assessment against Standards</li> <li>• Established Policies and Procedures</li> <li>• Asset Committee</li> <li>• Performance Monitoring</li> </ul> |

| Risk         | Failure to comply with Loan covenants  |
|--------------|--|
| Key controls | <ul style="list-style-type: none"> <li>• External advice taken from treasury advisors on financial planning assumptions</li> <li>• Monthly management accounting</li> <li>• Quarterly forecasts presented to Board</li> <li>• Financial Plan approved by Board</li> <li>• Financial Plan stress tested</li> <li>• Horizon scanning on a quarterly basis</li> </ul> |

**Statement of compliance**

The Board confirms that this strategic report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.



**Andrew Willis**  
**Chair**  
 40 Martingale Way  
 Portishead

## **NSAH (Alliance Homes) Limited**

### **Group Board Report**

#### **For the year ended 31 March 2024**

The Board of NSAH (Alliance Homes) Limited presents its report together with the audited financial statements of the Group for the year ended 31 March 2024.

### **Principal activities, business review, and future developments**

Details of the Group's principal activities, performance and future development are contained within the Strategic Report.

### **Board structure**

The Group is governed by a Board of nine people, made up of seven non-executive Board members, one co-optee and the Chief Executive Officer. The Board members who served during the year and up to the date of signing the financial statements are listed on page 2.

### **Delegation**

The Board is responsible for setting our strategy as well as overseeing performance. Specific responsibilities have been delegated to committees each with their own specific terms of reference. Day-to-day performance is delegated to the Strategic Leadership Team.

The three Committees supporting the Board and its governance are:

#### **Audit and Risk Committee**

Responsible for bringing independent scrutiny and challenge to provide the parent and subsidiary Boards with assurance as it exercises oversight of:

- financial reporting
- external audit
- internal audit
- internal control
- risk and control framework
- customer complaints

The Committee also acts as a direct access point under the Group's whistleblowing policy.

#### **People and Culture Committee**

Responsible for ensuring that appropriate policies and arrangements are in place and keep the effectiveness of those policies and arrangements under review for:

- organisational change and culture
- the development of leaders
- appraisal methods
- pensions
- equality and diversity and inclusion
- significant or material changes to the colleague structure
- remuneration of the Board, Committee members and colleagues
- revisions of standing orders
- board member expenses

#### **Asset Committee**

To bring independent oversight over investment into our existing homes and neighbourhoods and other property assets. Seeking to ensure the delivery of Plan A 2.0 and specifically the objective of "investing in existing homes and neighbourhoods" which effectively underpins a great customer service.

## **NSAH (Alliance Homes) Limited**

### **Group Board Report**

#### **For the year ended 31 March 2024**

### **Board remuneration**

Fees paid to Board members are routinely independently reviewed against market levels having regard to the size, complexity, resources, and benchmarking information on Board member pay in comparable organisations. The level of remuneration is ultimately determined by the Board on recommendation from the People and Culture Committee.

The Board sets the pay and benefits of the Chief Executive Officer and the terms on which the Chief Executive Officer can agree other colleagues' salaries.

The Chief Executive Officer and all members of the Strategic Leadership Team are members of the Association's defined contribution pension scheme and participate on the same terms as all other eligible colleagues.

### **Company membership**

The Alliance Homes Group operates a Company Membership Application Policy that sets out the criteria by which applications for shareholding membership of NSAH (Alliance Homes) Limited are considered.

### **National Housing Federation Code of Governance**

We have adopted the National Housing Federation (NHF) 2020 Code of Governance and we regularly self-assess ourselves against this code and comply in full.

### **Regulation**

The regulator's assessment on compliance with its Governance and Financial Viability Standard is expressed in grades from G1 to G4 for governance and V1 to V4 for viability. For both governance and viability, the first two grades indicate compliance with the standard.

In November 2023, the regulator confirmed NSAH (Alliance Homes) Limited gradings of G1/V1.

### **Employees**

We are very pleased to say that this year we achieved a sufficiently high score against the internationally recognised Great Places to Work Trust Index. This means we're now recognised as one of the UK's Best Workplaces™ (2023), officially ranking in the list of large organisations.

This is a great achievement, and one we're all proud of, especially as it's based on our own team members' views. Our colleagues were surveyed against a set of criteria that Great Places to Work (GPTW) has identified as what makes a great work culture. Their responses were then evaluated to see where we are on each element of the Great Places to Work index.

Great Places to Work also recognised and ranked Alliance as one of the UK's Best Workplaces™ for Wellbeing. Alliance's agile work practices, flexible working and the level of trust between team members as well as between managers and their teams are just some of the reasons why colleagues at Alliance Homes believe it's a great place to work.

### **Statement of the Board's responsibilities in respect of these financial statements**

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association and of the income and expenditure for the period of account.

## **NSAH (Alliance Homes) Limited**

### **Group Board Report**

**For the year ended 31 March 2024**

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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Group and Association and to prevent and detect fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the Group's Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Internal controls assurance**

Systems of internal control are designed to manage, rather than eliminate, the risk of failure to business objectives. Our internal control system is intended to provide reasonable, and not absolute, assurance against material misstatements or loss.

The Board has overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness. They are responsible for a range of issues covering strategic and operational matters with key elements of the control framework including the adoption of the National Housing Federation Code of Governance 2020, which sets out the standards an organisation should achieve if it is to be well governed.

The Board regularly assesses its compliance with the NHF 2020 Code of Governance and can confirm compliance with this. The Board confirms that it has taken all reasonable steps to ensure the organisation adheres to all relevant law and achieves the expectations of the Regulatory Standards issued by the Regulator of Social Housing, including the introduction of remediation plans where improvements can be made.

The arrangements adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- Board members and colleagues follow the Rules of the Association, Standing Orders, Financial Regulations and policies and procedures which cover issues such as delegated authority, procurement, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection;
- Financial reporting procedures including annual budget setting and reporting on a quarterly basis to the Board;
- Long-term strategic financial plans annually created, stress tested and reviewed by the Board. These are revised during the year if necessary;
- An annual independent review of our risk management framework which enables the Board to confirm that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process has been in place throughout the year under review and is up to date as at the date of the annual report;
- External audit arrangements, including presentation of management letters;

## NSAH (Alliance Homes) Limited

### Group Board Report

For the year ended 31 March 2024

- Appointed internal auditors and a strategy and programme of independent internal audits in accordance with recognised professional standards;
- Quarterly review by the Board of key performance indicators to assure progress towards the achievement of objectives;
- Quarterly review by the Audit and Risk Committee of risk throughout the year with consideration of strategic risks also considered by the Board. Remit relevant risk registers are also considered by committees of the Board;
- A fraud policy and associated register are maintained, and fraud controls and awareness form a regular part of the internal audit programme. The fraud register is made available to the Audit and Risk Committee;
- Reports from the Committees are made to each subsequent Board meetings with their minutes also made available;
- All Board members, Committee members and colleagues are covered by Directors and Officers Liability insurance to protect them from claims made against them in their capacity as representatives of the organisation.

The Board has received the annual assurance reports of the Audit and Risk Committee and the Strategic Leadership Team which includes evidence to support the review of the effectiveness of the systems of internal control. This process involves the Heads of Service reviewing and confirming to the Strategic Leadership Team that throughout the year there were adequate systems of internal control in place. The Strategic Leadership Team provides their assurance to the Audit and Risk Committee whose chair provides a report for the Board. This system is supported by evidence to provide the required level of assurance including details of the key policies and internal control systems together with external evidence from internal and external auditors and other key external stakeholders.

The Board has reviewed the Audit and Risk Committee's annual report on the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process. Where issues have been identified, action plans are in place and will be enacted.

The Regulator of Social Housing (RSH) has confirmed Alliance's regulatory gradings via a stability check in the period stating that we are compliant with the Governance and Viability Standard with a Regulatory Judgement of G1/V1.

The Board cannot delegate responsibility for the system of internal control, but it can, and has, delegated to the Audit and Risk Committee responsibility for reviewing the effectiveness of the system of internal control.

### Going concern

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

The Board, after reviewing the long-term financial plans for the Group and Association 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 period of 12 months from the date of approval of the financial statements.

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

The Directors are 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.

**NSAH (Alliance Homes) Limited**  
**Group Board Report**  
**For the year ended 31 March 2024**

**Public Benefit Entity**

As a public benefit entity, NSAH (Alliance Homes) Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

**Annual General Meeting**

The Annual General Meeting will be held on 24 September 2024.

**Disclosure of information to auditors**

At the date of making this report each of the Group's Directors, as set out on page 2, confirm the following:

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

**Auditors**

A resolution to re-appoint Beevers and Struthers will be proposed at the forthcoming Annual General Meeting.

**Approval**

The report of the Board Report was approved by the Board on 21 August 2024 and signed on its behalf by:



**Andrew Willis**  
**Chair**  
40 Martingale Way  
Portishead  
BS20 7AW

## **NSAH (Alliance Homes) Limited**

### **Independent Auditor's report to the members of NSAH (Alliance Homes) Limited**

**For the year ended 31 March 2024**

#### **Opinion**

We have audited the financial statements of NSAH (Alliance Homes) Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, Association Statement of Comprehensive Income, Statement of Financial Position, Consolidated Statement of Changes in Reserves, Association Statement of Changes in Reserves, and Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

#### **Responsibilities of the Board**

As explained more fully in the Statement of Board's Responsibilities set out on pages 26-27, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.



## **NSAH (Alliance Homes) Limited**

### **Independent Auditor's report to the members of NSAH (Alliance Homes) Limited**

#### **For the year ended 31 March 2024**

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

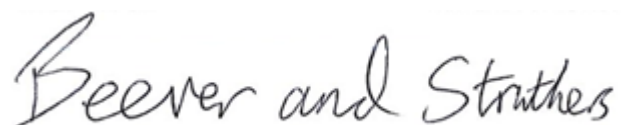
## **NSAH (Alliance Homes) Limited**

### **Independent Auditor's report to the members of NSAH (Alliance Homes) Limited**

**For the year ended 31 March 2024**

#### **Use of our report**

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association 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 for our audit work, for this report, or for the opinions we have formed.



#### **Beever and Struthers Chartered Accountants**

Statutory Auditor

150 Minories

London

EC3N 1LS

Date:

**NSAH (Alliance Homes) Limited**  
**Statement of comprehensive income**  
**For the year ended 31 March 2024**

|   | Note | Group         |               | Association   |               |
|---|------|---------------|---------------|---------------|---------------|
|   |      | 2024<br>£'000 | 2023<br>£'000 | 2024<br>£'000 | 2023<br>£'000 |
| <b>Turnover</b>                                     | 2    | <b>55,088</b> | <b>51,798</b> | <b>51,844</b> | <b>49,281</b> |
| Cost of sales                                       | 2    | (3,103)       | (5,234)       | (3,103)       | (5,234)       |
| Operating expenditure                               | 2    | (41,491)      | (37,432)      | (38,355)      | (34,812)      |
| Gain on disposal of property, plant and equipment   | 5    | 900           | 941           | 900           | 941           |
| Movement in fair value of investment properties     |      | (122)         | (134)         | (122)         | (134)         |
| <b>Operating surplus</b>                            | 6    | <b>11,272</b> | <b>9,939</b>  | <b>11,164</b> | <b>10,042</b> |
| Interest receivable and similar income              | 7    | 747           | 255           | 684           | 268           |
| Interest payable and financing charges              | 7    | (5,417)       | (4,497)       | (5,417)       | (4,497)       |
| <b>Surplus before tax</b>                           |      | <b>6,602</b>  | <b>5,697</b>  | <b>6,431</b>  | <b>5,813</b>  |
| Taxation  | 8    | -             | -             | -             | -             |
| <b>Surplus for the year after tax</b>               |      | <b>6,602</b>  | <b>5,697</b>  | <b>6,431</b>  | <b>5,813</b>  |
| <b>Other comprehensive income</b>                   |      |               |               |               |               |
| Actuarial gain/(loss) in respect of pension schemes | 11   | 21            | 9,517         | 21            | 9,517         |
| Movement in fair value of contract asset            |      | (17)          | (202)         | (17)          | (202)         |
| <b>Total comprehensive income for the year</b>      |      | <b>6,606</b>  | <b>15,012</b> | <b>6,435</b>  | <b>15,128</b> |

The Group and Association's results relate wholly to continuing activities and the notes on pages 38 to 80 form an integral part of these financial statements.

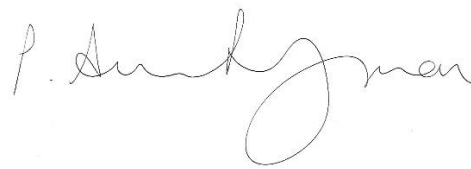
The financial statements on pages 34 to 80 were approved by the Board and authorised for issue on 21 August 2024 and signed on its behalf by:



**Andrew Willis**  
Chair



**Richard Gaunt**  
Board Member



**Philippa Armstrong-Owen**  
Company Secretary

**NSAH (Alliance Homes) Limited**  
**Statement of financial position**  
**As at 31 March 2024**

|   | Note | Group          |                | Association    |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2024<br>£'000  | 2023<br>£'000  | 2024<br>£'000  | 2023<br>£'000  |
| <b>Fixed assets</b>                                     |      |                |                |                |                |
| Tangible fixed assets – housing properties              | 12   | 274,091        | 228,819        | 274,091        | 228,819        |
| Tangible fixed assets – other                           | 13   | 17,433         | 18,211         | 11,056         | 11,449         |
| Investment properties                                   | 14   | 3,750          | 3,872          | 3,750          | 3,872          |
| Fixed asset investments                                 | 15   | -              | -              | 5,070          | 5,070          |
|   |      | <b>295,274</b> | <b>250,902</b> | <b>293,697</b> | <b>249,210</b> |
| <b>Current assets</b>                                   |      |                |                |                |                |
| Stocks and work in progress                             | 16   | 8,647          | 1,787          | 8,573          | 1,715          |
| Debtors   | 17   | 6,311          | 6,968          | 5,040          | 5,589          |
| Cash and cash equivalents                               | 18   | 9,982          | 10,766         | 7,999          | 9,486          |
|   |      | <b>24,940</b>  | <b>19,521</b>  | <b>21,612</b>  | <b>16,790</b>  |
| Creditors: amounts falling due within one year          | 19   | (12,350)       | (11,091)       | (11,172)       | (9,954)        |
| <b>Net current assets</b>                               |      | <b>12,590</b>  | <b>8,430</b>   | <b>10,440</b>  | <b>6,836</b>   |
| <b>Total assets less current liabilities</b>            |      | <b>307,864</b> | <b>259,332</b> | <b>304,407</b> | <b>256,046</b> |
| Creditors: amounts falling due after more than one year | 20   | (188,788)      | (143,313)      | (188,788)      | (143,313)      |
| Pension - defined benefit liability                     | 11   | -              | (3,549)        | -              | (3,549)        |
| <b>Total net assets</b>                                 |      | <b>119,076</b> | <b>112,470</b> | <b>115,619</b> | <b>109,184</b> |
| <b>Reserves</b>   |      |                |                |                |                |
| Income and expenditure reserve                          |      | 119,076        | 112,470        | 115,619        | 109,184        |
| <b>Total reserves</b>                                   |      | <b>119,076</b> | <b>112,470</b> | <b>115,619</b> | <b>109,184</b> |

The notes on pages 38 to 80 form an integral part of these financial statements.

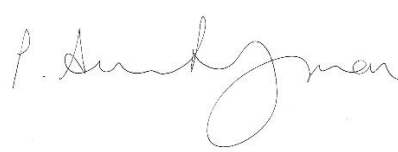
The financial statements on pages 34 to 80 were approved and authorised for issue by the Board on 21 August 2024 and were signed on its behalf by:



**Andrew Willis**  
Chair



**Richard Gaunt**  
Board Member



**Philippa Armstrong-Owen**  
Company Secretary

**NSAH (Alliance Homes) Limited**  
**Statement of changes in reserves**  
For the year ended 31 March 2024

|  | <b>Group</b>                                  | <b>Association</b>                            |
|--|---|---|
|  | <b>Income and<br/>expenditure<br/>reserve</b> | <b>Income and<br/>expenditure<br/>reserve</b> |
|  | <b>£'000</b>                                  | <b>£'000</b>                                  |
| Balance at 1 April 2022                      | 97,458  | 94,056  |
| Surplus for the year                         | 5,697   | 5,813   |
| Actuarial gain in respect of pension schemes | 9,517   | 9,517   |
| Movement in fair value of contract asset     | (202)   | (202)   |
| <b>Balance at 31 March 2023</b>              | <b>112,470</b>                                | <b>109,184</b>                                |
| Surplus for the year                         | 6,602   | 6,431   |
| Actuarial gain in respect of pension schemes | 21  | 21  |
| Movement in fair value of contract asset     | (17)  | (17)  |
| <b>Balance at 31 March 2024</b>              | <b>119,076</b>                                | <b>115,619</b>                                |

The notes on pages 38 to 80 form an integral part of these financial statements.

**NSAH (Alliance Homes) Limited**  
**Consolidated statement of cash flows**  
**For the year ended 31 March 2024**

|   | Note | 2024<br>£'000   | 2023<br>£'000   |
|---|------|-----------------|-----------------|
| <b>Net cash generated from operating activities</b> | 26   | <b>17,463</b>   | <b>21,015</b>   |
| <b>Cash flows from investing activities</b>         |      |                 |                 |
| Purchase of tangible fixed assets                   |      | (59,158)        | (42,098)        |
| Proceeds from the sale of tangible fixed assets     |      | 900             | 941             |
| Grants received                                     |      | 7,180           | 660             |
| Interest received                                   |      | 747             | 255             |
|   |      | <b>(50,331)</b> | <b>(40,242)</b> |
| <b>Cash flows from financing activities</b>         |      |                 |                 |
| Interest and finance costs paid                     |      | (6,120)         | (4,173)         |
| Interest element of finance lease rental payments   |      | (27)            | (48)            |
| New secured loans                                   |      | 59,000          | 37,000          |
| Repayment of borrowings                             |      | (20,500)        | (13,000)        |
| Capital element of finance lease repayments         |      | (258)           | (468)           |
| Loan issue fees                                     |      | (11)            | (402)           |
|   |      | <b>32,084</b>   | <b>18,909</b>   |
| <b>Net change in cash and cash equivalents</b>      |      | <b>(784)</b>    | <b>(318)</b>    |
| Cash and cash equivalents at beginning of year      |      | 10,766          | 11,084          |
| <b>Cash and cash equivalents at the year end</b>    | 18   | <b>9,982</b>    | <b>10,766</b>   |

**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**1. Principal accounting policies**

**Legal status**

NSAH (Alliance Homes) is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Housing Association. The registered office is 40 Martingale Way, Portishead, BS20 7AW.

The Group comprises the following non-dormant entities:

| <b>Name</b>                         | <b>Incorporation</b>                                  | <b>Registered/Non-registered</b> |
|-------------------------------------|---|----------------------------------|
| NSAH (Alliance Homes) Limited       | Co-operative and Community Benefit Societies Act 2014 | Registered                       |
| Alliance Homes (Ventures) Ltd       | Companies Act 2006                                    | Non-registered                   |
| Alliance Homes Partnerships Limited | Companies Act 2006                                    | Non-registered                   |
| Alliance Living Care Ltd            | Companies Act 2006                                    | Non-registered                   |

**Basis of Accounting**

The Group’s financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investment properties, non-basic financial instruments, pension provision, and are presented in sterling £’000 for the year ended 31 March 2024.

The Group’s financial statements have been prepared in compliance with FRS 102. The Group meets the definition of a public benefit entity (PBE).

**Parent company disclosure exemptions**

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

- No cash flow statement has been presented for the Parent Entity,
- Disclosures in respect of the Parent Entity’s financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Entity as their remuneration is included in the totals for the Group as a whole.

**Basis of consolidation**

The consolidated financial statements incorporate the results of NSAH (Alliance Homes) Limited and all of its subsidiary undertakings as at 31 March 2024 using the acquisition method of accounting as required. The results of subsidiary undertakings are included from the date of acquisition, being the date the Group obtains control.

**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**Going concern**

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2024/25 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Significant Judgements:**

- a) **Development expenditure:** The Group capitalises development expenditure in accordance with the accounting policy described on page 44. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
- b) **Categorisation of housing properties:** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented property and student accommodation are investment properties.
- c) **Impairment:** The Group considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Group also considers expected future performance of the asset. See note 12 for more information. Any impairment loss is charged to the Statement of Comprehensive Income.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties.

The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Group is not yet permitted to or significant future investments that will enhance the assets' performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

The Group did not identify any cash generating units for impairment.



**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

- d) **Lease accounting:** Whether the risks and rewards of ownership in relation to individual leases indicate that it should be accounted for as a finance lease or an operating lease. The carrying value of finance leases at 31 March 2024 was £9k.

**Key Sources of Estimation Uncertainty:**

- a) **Tangible fixed assets:** Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying value of tangible fixed assets at 31 March 2024 was £291,524k.
- b) **Revaluation of investment properties:** The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at the reporting period date. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 14. The carrying value of investment properties at 31 March 2024 was £3,750k.
- c) **Pension and other post-employment benefits:** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 11.

**Business combinations**

Acquisitions of other entities in the social housing sector that are in substance a gift to Housing Association Group Limited are treated as non-reciprocal transfers where the substance of the transaction is gifting control of one entity to another. These are also known as non-exchange transfers. In this case the fair value of the gifted assets and liabilities are recognised as a gain or loss in the Statement of Comprehensive Income account in the year of the transaction.

**Turnover and revenue recognition**

Turnover represents rental income receivable, amortised capital grant, revenue grants from Local Authorities and the Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Charges for support services is recognised under the contractual arrangements.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales and are recognised on legal completion.

**Service charges**

## **NSAH (Alliance Homes) Limited**

### **Notes to the financial statements**

#### **For the year ended 31 March 2024**

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

#### **Support services income and costs**

Support services contract income received from Administering Authorities is accounted for as charges for support services income in Turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

#### **Loan interest costs**

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

#### **Loan finance issue costs**

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

#### **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Association's subsidiaries operate and generate taxable income.

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

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

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

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

**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**Value Added Tax**

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**Tangible fixed assets and depreciation**

***Housing properties***

Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., Local Authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. For mixed tenure housing properties, costs are allocated in line with floor area.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

|   | <b>Years</b> |
|---|--------------|
| Structure   | 100          |
| Roofs   | 50           |
| Kitchens  | 20           |
| Bathrooms, wall/loft insulation and energy improvements | 30           |
| Central heating systems                                 | 15           |
| Boilers   | 12           |
| Electrical rewiring                                     | 25           |
| Windows   | 30           |
| Doors   | 25           |

The Group depreciates housing properties held on long term leases 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.

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***Other tangible fixed assets***

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

|   | <b>Years</b>  |
|---|---|
| Freehold land                                   | nil   |
| Freehold offices                                | 25 - 50   |
| Office refurbishment                            | 7   |
| Furniture, fixtures and fittings                | 3   |
| Computers and office equipment                  | 3   |
| Operatives' vans (in line with the lease term)* | 4   |
| Garage doors and roofs                          | 15  |
| Photovoltaic panels                             | 25  |
| Photovoltaic panel convertors                   | 10  |
| Pigeon mesh                                     | over the remaining useful<br>life of the photovoltaic<br>panels |

\*If the term is extended, depreciation is charged in line with the extended term.

**Low-cost home ownership properties**

The costs of low-cost home ownership properties are split between current and tangible fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a tangible fixed asset and subsequent sales treated as sales of fixed assets/property sales in operating profit.

**Capitalisation of development costs**

Development costs which arise directly from the construction or acquisition of a property are capitalised to housing properties in the course of construction. Capital expenditure on schemes which are aborted is charged to the Statement of Comprehensive Income in the year in which it is recognised that the schemes will not be developed to completion.

**Capitalisation of interest and administration costs**

Interest on loans financing development is capitalised up to the month of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

**Leasing and hire purchase**

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

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Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

#### Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income. There are no restrictions on realisation or remittance of income or disposal proceeds.

#### Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

#### Stock and properties held for sale

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

#### Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

#### Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

#### Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

## **NSAH (Alliance Homes) Limited**

### **Notes to the financial statements**

#### **For the year ended 31 March 2024**

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

#### **Recycling of Capital Grant**

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties or fire safety works, where recycled grant is known to be repayable it is shown as a creditor within one year.

#### **Holiday pay accrual**

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

#### **Retirement benefits**

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the group has a participating interest. The pension scheme assets are measured at fair value and liabilities are measured on actuarial basis using the projected unit credit method.

The Group participates in the Local Government Pension Scheme (LGPS) administered by Avon Pension Fund, a multi-employer defined benefit final salary scheme. Alliance Homes exited the scheme post year-end. The amounts charged to operating surplus are the costs arising from the employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to surplus for the year and included within finance costs. Remeasurement of the net assets/defined liability are recognised in other comprehensive income. Defined benefit schemes are funded in separate trustee administered funds.

Upon exiting a LGPS scheme, the final termination payments are set off against the provision against the scheme at the preceding year-end. Where the final termination payments exceed the provision at the preceding year-end, the excess is charged to operating expenditure in the current year.

The Group operates a defined contribution scheme to provide retirement benefits for all employees. Contributions to the scheme are calculated as a percentage of pensionable salary and are charged to operating expenditure in the Statement of Comprehensive Income in the period to which they relate. Monthly contributions from each member are invested in the scheme in accordance with the wishes of each member.

#### **Financial Instruments**

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) or 11.8(bA) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement

**NSAH (Alliance Homes) Limited**  
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constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.
- Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at:
  - Fair value with changes in fair value recognised in the Statement of Comprehensive Income if the shares are publicly traded or their value can otherwise be measured reliably, and
  - At cost less impairment for all other such investments.

*Financial instruments held by the Group are classified as follows:*

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method,

*Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:*

- The best evidence of fair value is a quoted price in an active market.
- When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

## Loans

All loans held by the Group are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

## Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

The following financial instruments are assessed individually for impairment:

- All equity instruments regardless of significance; and
- other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.



**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
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If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

**Contract asset**

The Group recognises a non-basic financial asset in relation to the contract with North Somerset Council, under which the Group is able to recover pension costs incurred within the Alliance Homes – Ebdon Court LGPS Pension Scheme with the Avon Pension Fund.

The contract entitles the Group to receive cash from North Somerset Council if contributions increase over a set amount (17% - 23% cap and collar) or at the expiry of the contract. Management is comfortable that because of the cap and collar arrangement, the value of the contract asset will not be materially different from that of the pension liability.

The contract asset is included in the Statement of Financial Position at fair value, and is revalued at each reporting date. Any movements on the contract asset are recognised in other comprehensive income in the period to which they relate.

**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**2. Particulars of turnover, cost of sales, operating expenditure and operating surplus**

| Group   | Turnover      | Cost of sales  | Operating expenditure | Surplus on disposal | Movement in fair values | Operating surplus |
|---|---------------|----------------|-----------------------|---------------------|-------------------------|-------------------|
|   | 2024          | 2024           | 2024                  | 2024                | 2024                    | 2024              |
|   | £'000         | £'000          | £'000                 | £'000               | £'000                   | £'000             |
| <b>Social housing lettings (note 3)</b>           | <b>42,814</b> | -              | <b>(35,051)</b>       | -                   | -                       | <b>7,763</b>      |
| <b>Other social housing activities</b>            |               |                |                       |                     |                         |                   |
| First tranche low-cost home ownership sales       | 4,405         | (3,103)        | -                     | -                   | -                       | 1,302             |
| Charges for support services                      | 30            | -              | (30)                  | -                   | -                       | -                 |
| Charges for support services – restricted grants  | 1,446         | -              | (1,446)               | -                   | -                       | -                 |
| Community development                             | 206           | -              | (332)                 | -                   | -                       | (126)             |
| Community development – restricted grants         | 128           | -              | (128)                 | -                   | -                       | -                 |
| Development services                              | -             | -              | (545)                 | -                   | -                       | (545)             |
| Management services                               | 73            | -              | (70)                  | -                   | -                       | 3                 |
| Abortive scheme costs                             | -             | -              | (19)                  | -                   | -                       | (19)              |
|   | <b>6,288</b>  | <b>(3,103)</b> | <b>(2,570)</b>        | -                   | -                       | <b>615</b>        |
| <b>Non-social housing activities</b>              |               |                |                       |                     |                         |                   |
| Commercial lettings                               | 811           | -              | (429)                 | -                   | -                       | 382               |
| Electricity generation                            | 2,071         | -              | (870)                 | -                   | -                       | 1,201             |
| Home repairs service                              | 2,265         | -              | (2,148)               | -                   | -                       | 117               |
| Other   | 839           | -              | (423)                 | -                   | -                       | 416               |
| Gain on disposal of property, plant and equipment | -             | -              | -                     | 900                 | -                       | 900               |
| Fair value of investment properties               | -             | -              | -                     | -                   | (122)                   | (122)             |
|   | <b>55,088</b> | <b>(3,103)</b> | <b>(41,491)</b>       | <b>900</b>          | <b>(122)</b>            | <b>11,272</b>     |

Support services restricted grants above relate to the Carer Support Fund and the Supporting People Fund. Expenditure of £314k and £1,152k respectively was incurred during the year. Restricted grants of £nil and £423k respectively were held at the year-end.

Community development restricted grants above relate to the Big Local Trust for the Worle Big Local Plan and a restricted grant of £136k was held at the year-end.

**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

|   | Turnover      | Cost of sales  | Operating expenditure | Surplus on disposal | Movement in fair values | Operating surplus |
|---|---------------|----------------|-----------------------|---------------------|-------------------------|-------------------|
|   | 2023          | 2023           | 2023                  | 2023                | 2023                    | 2023              |
| Group   | £'000         | £'000          | £'000                 | £'000               | £'000                   | £'000             |
| <b>Social housing lettings (note 3)</b>           | <b>37,315</b> | -              | <b>(31,402)</b>       | -                   | -                       | <b>5,913</b>      |
| <b>Other social housing activities</b>            |               |                |                       |                     |                         |                   |
| First tranche low-cost home ownership sales       | 7,090         | (5,234)        | -                     | -                   | -                       | 1,856             |
| Charges for support services                      | 391           | -              | (244)                 | -                   | -                       | 147               |
| Charges for support services – restricted grants  | 1,226         | -              | (1,226)               | -                   | -                       | -                 |
| Community development                             | 102           | -              | (359)                 | -                   | -                       | (257)             |
| Community development – restricted grants         | 133           | -              | (133)                 | -                   | -                       | -                 |
| Development services                              | -             | -              | (507)                 | -                   | -                       | (507)             |
| Management services                               | 67            | -              | (42)                  | -                   | -                       | 25                |
| Abortive scheme costs                             | -             | -              | (27)                  | -                   | -                       | (27)              |
|   | <b>9,009</b>  | <b>(5,234)</b> | <b>(2,538)</b>        | -                   | -                       | <b>1,237</b>      |
| <b>Non-social housing activities</b>              |               |                |                       |                     |                         |                   |
| Commercial lettings                               | 860           | -              | (415)                 | -                   | -                       | 445               |
| Electricity generation                            | 2,229         | -              | (964)                 | -                   | -                       | 1,265             |
| Home repairs service                              | 1,652         | -              | (1,569)               | -                   | -                       | 83                |
| Other   | 733           | -              | (544)                 | -                   | -                       | 189               |
| Gain on disposal of property, plant and equipment | -             | -              | -                     | 941                 | -                       | 941               |
| Fair value of investment properties               | -             | -              | -                     | -                   | (134)                   | (134)             |
|   | <b>51,798</b> | <b>(5,234)</b> | <b>(34,432)</b>       | <b>941</b>          | <b>(134)</b>            | <b>9,939</b>      |

Support services restricted grants above relate to the Carer Support Fund and the Supporting People Fund. Expenditure of £228k and £998k respectively was incurred during the year. Restricted grants of £nil and £998k respectively were held at the year-end.

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Community development restricted grants above relate to the Big Local Trust for the Worle Big Local Plan and a restricted grant of £136k was held at the year-end.

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**Notes to the financial statements**  
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|   | Turnover      | Cost of sales  | Operating expenditure | Surplus on disposal | Movement in fair values | Operating surplus |
|---|---------------|----------------|-----------------------|---------------------|-------------------------|-------------------|
|   | 2024          | 2024           | 2024                  | 2024                | 2024                    | 2024              |
| Association                                       | £'000         | £'000          | £'000                 | £'000               | £'000                   | £'000             |
| <b>Social housing lettings (note 3)</b>           | <b>42,814</b> | -              | <b>(34,934)</b>       | -                   | -                       | <b>7,880</b>      |
| <b>Other social housing activities</b>            |               |                |                       |                     |                         |                   |
| First tranche low-cost home ownership sales       | 4,405         | (3,103)        | -                     | -                   | -                       | 1,302             |
| Charges for support services                      | 30            | -              | (30)                  | -                   | -                       | -                 |
| Charges for support services – restricted grants  | 1,446         | -              | (1,446)               | -                   | -                       | -                 |
| Community development                             | 206           | -              | (332)                 | -                   | -                       | (126)             |
| Community development – restricted grants         | 128           | -              | (128)                 | -                   | -                       | -                 |
| Development services                              | -             | -              | (545)                 | -                   | -                       | (545)             |
| Management services                               | 73            | -              | (70)                  | -                   | -                       | 3                 |
| Abortive scheme costs                             | -             | -              | (19)                  | -                   | -                       | (19)              |
|   | <b>6,288</b>  | <b>(3,103)</b> | <b>(2,570)</b>        | -                   | -                       | <b>615</b>        |
| <b>Non-social housing activities</b>              |               |                |                       |                     |                         |                   |
| Commercial lettings                               | 811           | -              | (429)                 | -                   | -                       | 382               |
| Gift aid  | 1,039         | -              | -                     | -                   | -                       | 1,039             |
| Other   | 892           | -              | (422)                 | -                   | -                       | 470               |
| Gain on disposal of property, plant and equipment | -             | -              | -                     | 900                 | -                       | 900               |
| Fair value of investment properties               | -             | -              | -                     | -                   | (122)                   | (122)             |
|   | <b>51,844</b> | <b>(3,103)</b> | <b>(38,355)</b>       | <b>900</b>          | <b>(122)</b>            | <b>11,164</b>     |

Support services restricted grants above relate to the Carer Support Fund and the Supporting People Fund. Expenditure of £294k and £1,152k respectively was incurred during the year. Restricted grants of £nil and £423k respectively were held at the year-end.

Community development restricted grants above relate to the Big Local Trust for the Worle Big Local Plan and a restricted grant of £136k was held at the year-end.

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**Notes to the financial statements**  
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|   | Turnover      | Cost of sales  | Operating expenditure | Surplus on disposal | Movement in fair values | Operating surplus |
|---|---------------|----------------|-----------------------|---------------------|-------------------------|-------------------|
|   | 2023          | 2023           | 2023                  | 2023                | 2023                    | 2023              |
| Association                                       | £'000         | £'000          | £'000                 | £'000               | £'000                   | £'000             |
| <b>Social housing lettings (note 3)</b>           | <b>37,316</b> | -              | <b>(31,319)</b>       | -                   | -                       | <b>5,997</b>      |
| <b>Other social housing activities</b>            |               |                |                       |                     |                         |                   |
| First tranche low-cost home ownership sales       | 7,090         | (5,234)        | -                     | -                   | -                       | 1,856             |
| Charges for support services                      | 391           | -              | (244)                 | -                   | -                       | 147               |
| Charges for support services – restricted grants  | 1,226         | -              | (1,226)               | -                   | -                       | -                 |
| Community development                             | 336           | -              | (359)                 | -                   | -                       | (23)              |
| Community development – restricted grants         | 133           | -              | (133)                 | -                   | -                       | -                 |
| Development services                              | -             | -              | (507)                 | -                   | -                       | (507)             |
| Management services                               | 67            | -              | (42)                  | -                   | -                       | 25                |
| Abortive scheme costs                             | -             | -              | (27)                  | -                   | -                       | (27)              |
|   | <b>9,243</b>  | <b>(5,234)</b> | <b>(2,538)</b>        | -                   | -                       | <b>1,471</b>      |
| <b>Non-social housing activities</b>              |               |                |                       |                     |                         |                   |
| Commercial lettings                               | 860           | -              | (415)                 | -                   | -                       | 445               |
| Gift aid  | 1,084         | -              | -                     | -                   | -                       | 1,084             |
| Other   | 778           | -              | (540)                 | -                   | -                       | 238               |
| Gain on disposal of property, plant and equipment | -             | -              | -                     | 941                 | -                       | 941               |
| Fair value of investment properties               | -             | -              | -                     | -                   | (134)                   | (134)             |
|   | <b>49,281</b> | <b>(5,234)</b> | <b>(34,812)</b>       | <b>941</b>          | <b>(134)</b>            | <b>10,042</b>     |

Support services restricted grants above relate to the Carer Support Fund and the Supporting People Fund. Expenditure of £228k and £998k respectively was incurred during the year. Restricted grants of £nil and £998k respectively were held at the year-end.

Community development restricted grants above relate to the Big Local Trust for the Worle Big Local Plan and a restricted grant of £136k was held at the year-end.

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**Notes to the financial statements**  
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**3. Particulars of turnover and operating expenditure from social housing lettings**

| Group   | General housing | Supported housing | Total           | Total           |
|---|-----------------|-------------------|-----------------|-----------------|
|   | 2024            | 2024              | 2024            | 2023            |
|   | £'000           | £'000             | £'000           | £'000           |
| <b>Turnover</b>   |                 |                   |                 |                 |
| Rent receivable, net of identifiable service charges and net of voids | 37,800          | 412               | 38,212          | 34,585          |
| Service charge income   | 4,212           | 127               | 4,339           | 2,524           |
| Amortised government grants   | 263             | -                 | 263             | 206             |
| <b>Turnover from social housing lettings</b>                          | <b>42,275</b>   | <b>539</b>        | <b>42,814</b>   | <b>37,315</b>   |
| <b>Operating expenditure</b>  |                 |                   |                 |                 |
| Management  | (9,136)         | (60)              | (9,196)         | (8,796)         |
| Service charge costs  | (5,397)         | (167)             | (5,564)         | (3,911)         |
| Routine maintenance   | (10,677)        | (69)              | (10,746)        | (8,621)         |
| Planned maintenance   | (2,172)         | (14)              | (2,186)         | (2,406)         |
| Major repairs expenditure   | (1,959)         | (13)              | (1,972)         | (2,512)         |
| Bad debts   | (186)           | (1)               | (187)           | (349)           |
| Depreciation of housing properties                                    | (5,166)         | (34)              | (5,200)         | (4,807)         |
| <b>Operating expenditure on social housing lettings</b>               | <b>(34,693)</b> | <b>(358)</b>      | <b>(35,051)</b> | <b>(31,402)</b> |
| <b>Operating surplus on social housing lettings</b>                   | <b>7,582</b>    | <b>181</b>        | <b>7,763</b>    | <b>5,913</b>    |
| Void losses   | (957)           | (30)              | (987)           | (702)           |

Included in General Housing is an immaterial level of income and expenditure attributable to shared ownership properties.

**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

|   | General<br>housing | Supported<br>housing | Total           | Total           |
|---|--------------------|----------------------|-----------------|-----------------|
|   | 2024               | 2024                 | 2024            | 2023            |
| Association   | £'000              | £'000                | £'000           | £'000           |
| <b>Turnover</b>   |                    |                      |                 |                 |
| Rent receivable, net of identifiable service charges and net of voids | 37,800             | 412                  | 38,212          | 34,585          |
| Service charge income   | 4,212              | 127                  | 4,339           | 2,525           |
| Amortised government grants   | 263                | -                    | 263             | 206             |
| <b>Turnover from social housing lettings</b>                          | <b>42,275</b>      | <b>539</b>           | <b>42,814</b>   | <b>37,316</b>   |
| <b>Operating expenditure</b>  |                    |                      |                 |                 |
| Management  | (9,136)            | (60)                 | (9,196)         | (8,796)         |
| Service charge costs  | (5,397)            | (167)                | (5,564)         | (3,911)         |
| Routine maintenance   | (10,560)           | (69)                 | (10,629)        | (8,538)         |
| Planned maintenance   | (2,172)            | (14)                 | (2,186)         | (2,406)         |
| Major repairs expenditure   | (1,959)            | (13)                 | (1,972)         | (2,512)         |
| Bad debts   | (186)              | (1)                  | (187)           | (349)           |
| Depreciation of housing properties                                    | (5,166)            | (34)                 | (5,200)         | (4,807)         |
| <b>Operating expenditure on social housing lettings</b>               | <b>(34,576)</b>    | <b>(358)</b>         | <b>(34,934)</b> | <b>(31,319)</b> |
| <b>Operating surplus on social housing lettings</b>                   | <b>7,699</b>       | <b>181</b>           | <b>7,880</b>    | <b>5,997</b>    |
| Void losses   | (957)              | (30)                 | (987)           | (702)           |

Included in General Housing is an immaterial level of income and expenditure attributable to shared ownership properties.



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**4. Accommodation owned, managed and in development**

| Group and Association                          | 2023         | Additions  | Disposals   | Other      | 2024         |
|--|--------------|------------|-------------|------------|--------------|
|  | No.          | No.        | No.         | No.        | No.          |
| <b>Social housing</b>                          |              |            |             |            |              |
| General needs – social rent                    | 5,910        | 74         | (12)        | (2)        | 5,970        |
| General needs – affordable rent                | 662          | 62         | -           | -          | 724          |
| Supported housing and housing for older people | 47           | -          | -           | (1)        | 46           |
| Shared ownership                               | 249          | 38         | (1)         | -          | 286          |
| <b>Total social housing owned</b>              | <b>6,868</b> | <b>174</b> | <b>(13)</b> | <b>(3)</b> | <b>7,026</b> |
| <i>Accommodation managed for others</i>        |              |            |             |            |              |
| Low cost home ownership                        | 194          | -          | -           | -          | 194          |
| <b>Total social housing owned and managed</b>  | <b>7,062</b> | <b>174</b> | <b>(13)</b> | <b>(3)</b> | <b>7,220</b> |
| <b>Non-social housing</b>                      |              |            |             |            |              |
| Market rented                                  | 3            | -          | -           | -          | 3            |
| <b>Total owned and managed</b>                 | <b>7,065</b> | <b>174</b> | <b>(13)</b> | <b>(3)</b> | <b>7,223</b> |

The Group also owns 1,629 (2023: 1,629) garages, 48 (2023: 50) shops, and manages 514 (2023: 512) Right to Buy leasehold flats where the freehold is retained.

**5. Gain on disposal of property, plant and equipment**

| Group and Association | Right to buy | Low cost home ownership staircasing | Other      | Total      | Total      |
|-----------------------|--------------|-------------------------------------|------------|------------|------------|
|                       | 2024         | 2024                                | 2024       | 2024       | 2023       |
|                       | £'000        | £'000                               | £'000      | £'000      | £'000      |
| Proceeds of sales     | 243          | 146                                 | 776        | 1,165      | 1,204      |
| Cost of sales         | (100)        | (112)                               | (53)       | (265)      | (263)      |
|                       | <b>143</b>   | <b>34</b>                           | <b>723</b> | <b>900</b> | <b>941</b> |

There were no gains or losses arising on disposal of non-housing assets.

**NSAH (Alliance Homes) Limited**  
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**6. Operating surplus**

The operating surplus is stated after charging:

|   | <b>Group</b> |              | <b>Association</b> |              |
|---|--------------|--------------|--------------------|--------------|
|   | <b>2024</b>  | <b>2023</b>  | <b>2024</b>        | <b>2023</b>  |
|   | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>       | <b>£'000</b> |
| Audit of the Group financial statements (excluding VAT)     | 48           | 45           | 48                 | 45           |
| Audit of subsidiaries' financial statements (excluding VAT) | 16           | 15           | -                  | -            |
| Operating lease rentals - land and buildings                | 10           | 9            | 10                 | 9            |
| Operating lease rentals – equipment                         | 5            | 5            | 5                  | 5            |
| Depreciation of housing properties                          | 5,173        | 4,806        | 5,173              | 4,806        |
| Depreciation of other fixed assets                          | 1,892        | 2,453        | 1,343              | 1,852        |
| Amortisation of loan issue costs                            | 136          | 192          | 136                | 133          |

**7. Net interest**

|   | <b>Group</b> |              | <b>Association</b> |              |
|---|--------------|--------------|--------------------|--------------|
|   | <b>2024</b>  | <b>2023</b>  | <b>2024</b>        | <b>2023</b>  |
|   | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>       | <b>£'000</b> |
| <b>Interest receivable and similar income</b> |              |              |                    |              |
| Interest receivable                           | 747          | 255          | 684                | 235          |
| Income from other investments                 | -            | -            | -                  | 33           |
|   | 747          | 255          | 684                | 268          |

**NSAH (Alliance Homes) Limited**  
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|   | Group   |       | Association |       |
|---|---------|-------|-------------|-------|
|   | 2024    | 2023  | 2024        | 2023  |
| Interest payable and financing costs                            | £'000   | £'000 | £'000       | £'000 |
| Loans   | 6,529   | 4,613 | 6,529       | 4,613 |
| Finances leases   | 27      | 46    | 27          | 46    |
| Interest on defined benefit pension                             | 17      | 324   | 17          | 324   |
|   | 6,573   | 4,983 | 6,573       | 4,983 |
| <b>On financial liabilities measured at fair value</b>          |         |       |             |       |
| Interest capitalised on housing properties under construction   | (1,156) | (486) | (1,156)     | (486) |
|   | 5,417   | 4,497 | 5,417       | 4,497 |
| Capitalisation rate used to determine finance costs capitalised | 4.12%   | 3.59% | 4.12%       | 3.59% |

Finance leases are secured on the assets to which they relate.

## 8. Tax on surplus/(deficit) on ordinary activities

| Group                              | 2024  | 2023  |
|------------------------------------|-------|-------|
|                                    | £'000 | £'000 |
| <b>Current tax</b>                 |       |       |
| Current tax on profit for the year | -     | -     |

The charge for the year can be reconciled to the Statement of Comprehensive Income as follows:

| Group   | 2024         | 2023         |
|---|--------------|--------------|
|   | £'000        | £'000        |
| <b>Total tax reconciliation</b>                             |              |              |
| <b>Surplus on ordinary activities before tax</b>            | <b>6,602</b> | <b>5,697</b> |
| Theoretical tax at UK corporation tax rate 25% (2023: 19%)  | 1,651        | 1,082        |
| Surplus of charitable entity not subject to corporation tax | (1,347)      | (899)        |
| Gift Aid payment to parent                                  | (321)        | (197)        |
| Capital allowances super-deduction                          | -            | (9)          |
| Movement in deferred tax not recognised                     | 17           | 23           |
| <b>Total tax charge</b>                                     | <b>-</b>     | <b>-</b>     |

The Association is exempt from UK corporation tax under section 505 of the Income and Corporation Taxes Act 1988.

## 9. Board Members' and Strategic Leadership Team emoluments

Key management personnel have the authority and responsibility for planning, directing, and controlling the activities of the Group. They comprise the Board and Strategic Leadership Team.

Non-executive Board Member remuneration for the year ended 31 March:

|                              | <b>2024</b>   | <b>2023</b>   |
|------------------------------|---------------|---------------|
| <b>Group and Association</b> | <b>£</b>      | <b>£</b>      |
| Andrew Willis                | 14,695        | 16,493        |
| Richard Gaunt                | 8,363         | 7,600         |
| Carol Rosati OBE             | 8,886         | 8,182         |
| Paul Foster                  | 8,363         | 7,500         |
| Sarah Frost                  | 6,000         | 6,253         |
| Ciaran Cronnelly             | 6,000         | 2,083         |
| Amanda Hamilton-Stanley      | 6,000         | 2,083         |
| Joy Luxford                  | 2,000         | -             |
| Huw James                    | -             | 720           |
| Sameer Rahman                | -             | 2,443         |
|                              | <b>60,307</b> | <b>53,357</b> |

Expenses paid during the year to Board Members amounted to £2k (2023: £4k).

Emoluments for the Strategic Leadership Team, including the Chief Executive, for the year ended 31 March:

|   | <b>2024</b> | <b>2023</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Emoluments payable to the directors excluding pension contributions | 782         | 746         |
| Pension contributions   | 73          | 111         |
| Termination benefits  | 57          | -           |
|   | <b>912</b>  | <b>857</b>  |

|   |            |            |
|---|------------|------------|
| Emoluments payable to the Chief Executive excluding pension contributions | <b>158</b> | <b>151</b> |
|---|------------|------------|

The Chief Executive was also the highest paid director, and participates in the defined contribution scheme at the same contribution levels as all eligible staff. The employer's contribution paid on behalf of the Chief Executive amounted to £20k (2023: £15k).

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**10. Employee information**

The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:

|                              | <b>2024</b> | <b>2023</b> |
|------------------------------|-------------|-------------|
| <b>Group and Association</b> | <b>No.</b>  | <b>No.</b>  |
| Administration               | 70          | 69          |
| Development                  | 12          | 13          |
| Housing support and care     | 182         | 175         |
| Maintenance operatives       | 94          | 71          |
|                              | <b>358</b>  | <b>328</b>  |

Employee costs for the year were:

|  | <b>2024</b>   | <b>2023</b>   |
|--|---------------|---------------|
| <b>Group and Association</b>               | <b>£'000</b>  | <b>£'000</b>  |
| Wages and salaries                         | 13,344        | 11,978        |
| Employers national insurance contributions | 1,321         | 1,252         |
| Employers pension contributions            | 1,782         | 1,069         |
|  | <b>16,447</b> | <b>14,299</b> |

Aggregate number of full time equivalent staff whose remuneration (including compensation for loss of office) exceeded £60,000 in the period:

|                              | <b>2024</b> | <b>2023</b> |
|------------------------------|-------------|-------------|
| <b>Group and Association</b> | <b>No.</b>  | <b>No.</b>  |
| £60,001 - £70,000            | 8           | 1           |
| £70,001 - £80,000            | 4           | 1           |
| £80,001 - £90,000            | 4           | -           |
| £90,001 - £100,000           | -           | 2           |
| £100,001 - £110,000          | -           | -           |
| £110,001 - £120,000          | 2           | 2           |
| £120,001 - £130,000          | 1           | -           |
| £130,001 - £140,000          | -           | -           |
| £140,001 - £150,000          | -           | 1           |
| £150,001 - £160,000          | 2           | -           |
| £160,001 - £170,000          | -           | 1           |

**NSAH (Alliance Homes) Limited**  
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**11. Pension obligations**

The Group has one (2023: two) admitted body in the Avon Pension Scheme (“the scheme”), which is a multi-employer, defined benefit scheme administered by the Avon Pension Fund under the regulations governing the Local Government Pension Scheme (LGPS). Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit method. The most recent formal actuarial valuation was completed as at 31 March 2022.

**Alliance Homes scheme**

NSAH (Alliance Homes) Limited exited the Avon Pension Scheme on 30 June 2023. Settlement payments during the current year amounted to £4,031k. At 31 March 2023, the net pension provision against the scheme was £3,531k (out of a total provision of £3,549k). The resulting £500k difference has been charged to operating expenditure in the current year.

**Ebdon Court scheme**

NSAH (Alliance Homes) Limited continues to participate in the scheme for existing members who deliver day care services across North Somerset. The scheme is closed to new members.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability):

|   | <b>2024</b>  | <b>2023</b>    |
|---|--------------|----------------|
| <b>Group and Association</b>                | <b>£'000</b> | <b>£'000</b>   |
| Fair value of plan assets                   | 609          | 29,119         |
| Present value of defined benefit obligation | (602)        | (32,668)       |
|   | <b>7</b>     | <b>(3,549)</b> |
| Effect of asset ceiling                     | (7)          | -              |
|   | <b>-</b>     | <b>(3,549)</b> |

**Changes in the fair value of plan assets:**

|                                   | <b>2024</b>  | <b>2023</b>   |
|-----------------------------------|--------------|---------------|
| <b>Group and Association</b>      | <b>£'000</b> | <b>£'000</b>  |
| Opening fair value of plan assets | 29,119       | 31,796        |
| Interest on plan assets           | 27           | 823           |
| Administration costs              | -            | (9)           |
| Remeasurements                    | 16           | (3,115)       |
| Employer contributions            | 66           | 279           |
| Member contributions              | 3            | 91            |
| Benefits/transfers paid           | (50)         | (746)         |
| Scheme exit value                 | (28,572)     | -             |
|                                   | <b>609</b>   | <b>29,119</b> |

The actual return on plan assets was £44k (2023: £2,840k).

**Changes in the present value of defined benefit obligation:**

| <b>2024</b> | <b>2023</b> |
|-------------|-------------|
|-------------|-------------|

**NSAH (Alliance Homes) Limited**  
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| <b>Group and Association</b>       | <b>£'000</b> | <b>£'000</b>    |
|------------------------------------|--------------|-----------------|
| Opening defined benefit obligation | (32,668)     | (44,278)        |
| Service cost                       | (13)         | (530)           |
| Interest cost                      | (26)         | (1,147)         |
| Remeasurements                     | 12           | 12,632          |
| Member contributions               | (3)          | (91)            |
| Curtailments                       | (58)         | -               |
| Benefits/transfers paid            | 50           | 746             |
| Scheme exit value                  | 32,104       | -               |
|                                    | <b>(602)</b> | <b>(32,668)</b> |

Changes in asset ceiling:

|   | <b>2024</b>  | <b>2023</b>  |
|---|--------------|--------------|
| <b>Group and Association</b>  | <b>£'000</b> | <b>£'000</b> |
| Asset ceiling at the beginning of the year                            | -            | -            |
| Interest income   | -            | -            |
| Remeasurements - changes in asset ceiling (excluding interest income) | (7)          | -            |
| Asset ceiling at the end of the year                                  | <b>(7)</b>   | -            |

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Defined benefit costs recognised in statement of comprehensive income (SOCl):

|  | <b>2024</b>  | <b>2023</b>  |
|--|--------------|--------------|
| <b>Group and Association</b>                 | <b>£'000</b> | <b>£'000</b> |
| <b>Amounts charged to operating costs:</b>   |              |              |
| NSAH (Alliance Homes) Limited exit costs     | 500          | -            |
| Current service cost                         | 13           | 530          |
| Curtailments                                 | 58           | -            |
| Administration costs                         | -            | 9            |
| <b>Total operating charge</b>                | <b>571</b>   | <b>539</b>   |
| <b>Amounts charged to finance costs:</b>     |              |              |
| Interest on plan assets                      | (27)         | (823)        |
| Interest on pension liabilities              | 44           | 1,147        |
| <b>Interest payable and financing charge</b> | <b>17</b>    | <b>324</b>   |

Interest on pension liabilities includes £18k in respect the NSAH (Alliance Homes) Limited to the point of its exit from the Avon Pension Scheme.

Defined benefit costs recognised in other comprehensive income:

|  | <b>2024</b>  | <b>2023</b>  |
|--|--------------|--------------|
| <b>Group and Association</b>                   | <b>£'000</b> | <b>£'000</b> |
| Actuarial gains / (losses) on plan assets      | 16           | (3,115)      |
| Actuarial gains on defined benefit obligations | 12           | 12,632       |
| Changes in asset ceiling                       | (7)          | -            |
|  | <b>21</b>    | <b>9,517</b> |

Fair value of assets:

|                              | <b>2024</b>  | <b>2023</b>   |
|------------------------------|--------------|---------------|
| <b>Group and Association</b> | <b>£'000</b> | <b>£'000</b>  |
| Equities                     | 304          | 191           |
| Government bonds             | 140          | 105           |
| Other bonds                  | 55           | 28,621        |
| Property                     | 32           | 35            |
| Cash/liquidity               | (93)         | 10            |
| Other                        | 171          | 157           |
|                              | <b>609</b>   | <b>29,119</b> |



**NSAH (Alliance Homes) Limited**  
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Major categories of plan assets as a percentage of total plan assets:

|                  | Alliance Homes |       | Ebdon Court |       |
|------------------|----------------|-------|-------------|-------|
|                  | 2024           | 2023  | 2024        | 2023  |
|                  | %              | %     | %           | %     |
| Equities         | -              | -     | 50.0        | 34.9  |
| Government bonds | -              | -     | 23.0        | 19.2  |
| Other bonds      | -              | 100.0 | 9.0         | 8.9   |
| Property         | -              | -     | 5.2         | 6.4   |
| Cash/liquidity   | -              | -     | (15.3)      | 1.9   |
| Other            | -              | -     | 28.1        | 28.7  |
|                  | -              | 100.0 | 100.0       | 100.0 |

Financial assumptions:

|                              | Alliance Homes |      | Ebdon Court |      |
|------------------------------|----------------|------|-------------|------|
|                              | 2024           | 2023 | 2024        | 2023 |
|                              | %              | %    | %           | %    |
| Increase in salaries         | -              | 3.1  | 4.2         | 4.2  |
| Increase in pension payments | -              | 3.1  | 2.8         | 2.8  |
| Discount rate                | -              | 4.6  | 4.9         | 4.8  |
| Inflation (CPI)              | -              | 3.1  | 2.7         | 2.7  |

Life expectancy assumptions:

|  | Alliance Homes |       | Ebdon Court |       |
|--|----------------|-------|-------------|-------|
|  | 2024           | 2023  | 2024        | 2023  |
|  | Years          | Years | Years       | Years |
| Future pensioner age 65 in 20 years time<br>- male   | -              | 25.2  | 23.3        | 23.7  |
| Future pensioner age 65 in 20 years time<br>- female | -              | 27.8  | 25.8        | 26.4  |
| Current pensioner age 65 - male                      | -              | 23.0  | 22.0        | 22.4  |
| Current pensioner age 65 - female                    | -              | 25.0  | 24.1        | 24.4  |

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Post retirement mortality assumptions (normal health):

|                                      | 2024  | 2023  |
|--------------------------------------|---|---|
| <b>NSAH (Alliance Homes) Limited</b> |   |   |
| Non-retired members                  | - S3PA CMI_[2.25%]<br>(105% males, 95% females) |   |
| Retired members                      | - S3PA CMI_[2.25%]<br>(100% males, 98% females) |   |
| <b>Ebdon Court</b>                   |   |   |
| Non-retired members                  | SAPS 3<br>CMI_[1.50%] (100% males, 94% females) | SAPS 3<br>CMI_[1.50%] (105% males, 95% females) |
| Retired members                      | SAPS 3<br>CMI_[1.50%] (95% males, 94% females)  | SAPS 3<br>CMI_[1.50%] (100% males, 98% females) |

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**12. Tangible fixed assets – housing properties**

| Group and Association             | Properties held for lettings     |                                  | Properties under construction    |                                  | Total<br>£'000  |
|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------|
|                                   | Social housing lettings<br>£'000 | Low cost home ownership<br>£'000 | Social housing lettings<br>£'000 | Low cost home ownership<br>£'000 |                 |
| <b>Cost</b>                       |                                  |                                  |                                  |                                  |                 |
| At 1 April 2023                   | 218,250                          | 22,770                           | 17,757                           | 7,870                            | 266,647         |
| Additions                         | -                                | -                                | 33,169                           | 16,332                           | 49,501          |
| Works to existing properties      | 8,534                            | -                                | -                                | -                                | 8,534           |
| Interest capitalised              | -                                | -                                | 659                              | 497                              | 1,156           |
| Schemes completed                 | 27,980                           | 6,493                            | (27,980)                         | (6,493)                          | -               |
| Transfers to assets held for sale | -                                | -                                | -                                | (8,573)                          | (8,573)         |
| Disposals                         | (730)                            | (3)                              | -                                | -                                | (733)           |
| <b>At 31 March 2024</b>           | <b>254,034</b>                   | <b>29,260</b>                    | <b>23,605</b>                    | <b>9,633</b>                     | <b>316,532</b>  |
| <b>Depreciation</b>               |                                  |                                  |                                  |                                  |                 |
| At 1 April 2023                   | (36,551)                         | (1,277)                          | -                                | -                                | (37,828)        |
| Charge for the year               | (5,020)                          | (153)                            | -                                | -                                | (5,173)         |
| Released on disposal              | 560                              | -                                | -                                | -                                | 560             |
| <b>At 31 March 2024</b>           | <b>(41,011)</b>                  | <b>(1,430)</b>                   | <b>-</b>                         | <b>-</b>                         | <b>(42,441)</b> |
| <b>Net book value</b>             |                                  |                                  |                                  |                                  |                 |
| <b>At 31 March 2024</b>           | <b>213,023</b>                   | <b>27,830</b>                    | <b>23,605</b>                    | <b>9,633</b>                     | <b>274,091</b>  |
| At 1 April 2023                   | 181,699                          | 21,493                           | 17,757                           | 7,870                            | 228,819         |

Housing properties comprise:

| Group and Association | 2024           | 2023           |
|-----------------------|----------------|----------------|
|                       | £'000          | £'000          |
| Freeholds             | 273,420        | 228,285        |
| Long leaseholds       | 671            | 534            |
|                       | <b>274,091</b> | <b>228,819</b> |

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Expenditure on works to existing properties:

|                                | <b>2024</b>   | <b>2023</b>  |
|--------------------------------|---------------|--------------|
| <b>Group and Association</b>   | <b>£'000</b>  | <b>£'000</b> |
| Improvement works capitalised  | 2,209         | 701          |
| Components capitalised         | 6,235         | 5,350        |
| Amounts charged to expenditure | 1,972         | 2,512        |
|                                | <b>10,416</b> | <b>8,563</b> |

Freehold land and buildings with a carrying amount of £74.4m (2023: £72.1m) have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Lloyds loan sustainability performance indicators:

| <b>Association</b>  | <b>2024</b> | <b>2023</b> |
|---|-------------|-------------|
| KPI - Average SAP score of retained properties owned at 31 March 2022   | 76.15       | 75.98       |
| KPI - Build completions (with a minimum of 75% at EPC B or above) first let at or below Local Housing Allowance (No.) | 150         | 159         |
| KPI - Total potential energy capacity of PV panels installed (KW)   | 28,242      | 54,881      |
| Strategic Decarbonisation Programme value of work carried per the Lloyds loan definition (£'000)                      | 2,987       | 1,750       |
| Fire Safety Remediation Programme value of work carried per the Lloyds loan definition (£'000)                        | -           | -           |

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**13. Tangible fixed assets - other**

| <b>Group</b>            | <b>Freehold offices<br/>£'000</b> | <b>Office and other equipment<br/>£'000</b> | <b>Motor vehicles<br/>£'000</b> | <b>IT equipment<br/>£'000</b> | <b>Garages<br/>£'000</b> | <b>Photo-voltaic panels<br/>£'000</b> | <b>Pigeon mesh<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-------------------------|-----------------------------------|---|---------------------------------|-------------------------------|--------------------------|---------------------------------------|------------------------------|------------------------|
| <b>Cost</b>             |                                   |   |                                 |                               |                          |                                       |                              |                        |
| At 1 April 2023         | 13,460                            | 255   | 2,024                           | 7,199                         | 10                       | 12,993                                | 166                          | 35,401                 |
| Additions               | 8                                 | 13  | 6                               | 780                           | 151                      | -                                     | 164                          | 1,122                  |
| Disposals               | -                                 | -   | (63)                            | -                             | -                        | -                                     | -                            | (63)                   |
| <b>At 31 March 2024</b> | <b>13,468</b>                     | <b>268</b>                                  | <b>1,967</b>                    | <b>7,979</b>                  | <b>161</b>               | <b>12,993</b>                         | <b>330</b>                   | <b>37,166</b>          |
| <b>Depreciation</b>     |                                   |   |                                 |                               |                          |                                       |                              |                        |
| At 1 April 2023         | (4,387)                           | (159)                                       | (1,763)                         | (5,193)                       | -                        | (6,389)                               | (5)                          | (17,896)               |
| Charge for the year     | (372)                             | (33)  | (251)                           | (681)                         | (6)                      | (536)                                 | (16)                         | (1,892)                |
| Released on disposal    | -                                 | -   | 55                              | -                             | -                        | -                                     | -                            | 55                     |
| <b>At 31 March 2024</b> | <b>(4,758)</b>                    | <b>(191)</b>                                | <b>(1,958)</b>                  | <b>(5,874)</b>                | <b>(6)</b>               | <b>-</b>                              | <b>-</b>                     | <b>(19,733)</b>        |
| <b>Net book value</b>   |                                   |   |                                 |                               |                          |                                       |                              |                        |
| <b>At 31 March 2024</b> | <b>8,710</b>                      | <b>77</b>                                   | <b>9</b>                        | <b>2,105</b>                  | <b>155</b>               | <b>6,068</b>                          | <b>309</b>                   | <b>17,433</b>          |
| At 1 April 2023         | 9,073                             | 96  | 261                             | 2,006                         | 10                       | 6,604                                 | 161                          | 18,211                 |

The net book value of assets held under finance leases amounted to £9k (2023: £261k).

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| Association             | Freehold<br>offices<br>£'000 | Office and<br>other<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | IT<br>equipment<br>£'000 | Garages<br>£'000 | Total<br>£'000  |
|-------------------------|------------------------------|---|----------------------------|--------------------------|------------------|-----------------|
| <b>Cost</b>             |                              |   |                            |                          |                  |                 |
| At 1 April 2023         | 13,460                       | 255                                       | 2,024                      | 7,199                    | 10               | 22,948          |
| Additions               | 8                            | 13  | 6                          | 780                      | 151              | 958             |
| Disposals               | -                            | -   | (63)                       | -                        | -                | (63)            |
| <b>At 31 March 2024</b> | <b>13,468</b>                | <b>268</b>                                | <b>1,967</b>               | <b>7,979</b>             | <b>161</b>       | <b>23,843</b>   |
| <b>Depreciation</b>     |                              |   |                            |                          |                  |                 |
| At 1 April 2023         | (4,386)                      | (158)                                     | (1,762)                    | (5,193)                  | -                | (11,499)        |
| Charge for the year     | (372)                        | (33)                                      | (251)                      | (681)                    | (6)              | (1,343)         |
| Released on disposal    | -                            | -   | 55                         | -                        | -                | 55              |
| <b>At 31 March 2024</b> | <b>(4,758)</b>               | <b>(191)</b>                              | <b>(1,958)</b>             | <b>(5,874)</b>           | <b>(6)</b>       | <b>(12,787)</b> |
| <b>Net book value</b>   |                              |   |                            |                          |                  |                 |
| <b>At 31 March 2024</b> | <b>8,710</b>                 | <b>77</b>                                 | <b>9</b>                   | <b>2,105</b>             | <b>155</b>       | <b>11,056</b>   |
| At 1 April 2023         | 9,074                        | 97  | 262                        | 2,006                    | 10               | 11,499          |

The net book value of assets held under finance leases amounted to £9k (2023: £261k).

## 14. Investment properties

| Group and Association                       | 2024<br>£'000 | 2023<br>£'000 |
|---|---------------|---------------|
| 1 April                                     | 3,872         | 2,660         |
| Transfers from housing properties (note 12) | -             | 1,346         |
| Loss from adjustment in fair value          | (122)         | (134)         |
| <b>31 March</b>                             | <b>3,750</b>  | <b>3,872</b>  |

Investment properties (commercial and market rent) were valued at 31 March 2024 by professional qualified external valuers. These valuations were undertaken by Jones Lang LaSalle and were carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards.

**NSAH (Alliance Homes) Limited**  
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**15. Fixed asset investments**

| <b>Group and Association</b>           | <b>Alliance<br/>Homes<br/>(Ventures)<br/>Ltd</b> | <b>Alliance<br/>Living Care<br/>Ltd</b> | <b>Total</b> |
|--|--|---|--------------|
|  | <b>£'000</b>                                     | <b>£'000</b>                            | <b>£'000</b> |
| <b>Cost</b>                            |  |   |              |
| At 1 April 2023 and at 31 March 2024   | 5,000  | 70                                      | 5,070        |
| <b>Share of retained profits</b>       |  |   |              |
| At 1 April 2023 and at 31 March 2024   | -  | -                                       | -            |
| <b>Net book value at 31 March 2024</b> | <b>5,000</b>                                     | <b>70</b>                               | <b>5,070</b> |
| Net book value at 31 March 2023        | 5,000  | 70                                      | 5,070        |

NSAH (Alliance Homes) Limited holds 98 Ordinary £1 shares in Alliance Homes Partnerships Limited, with the remaining 2 Ordinary £1 shares held by Brighter Places and the Bristol Communities Land Trust.

**16. Stocks and work in progress**

|  | <b>Group</b> |              | <b>Association</b> |              |
|--|--------------|--------------|--------------------|--------------|
|  | <b>2024</b>  | <b>2023</b>  | <b>2024</b>        | <b>2023</b>  |
|  | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>       | <b>£'000</b> |
| First tranche shared ownership properties: |              |              |                    |              |
| Completed                                  | 2,226        | 1,715        | 2,226              | 1,715        |
| Work in progress                           | 6,347        | -            | 6,347              | -            |
| Repairs – work in progress                 | 74           | 72           | -                  | -            |
|  | <b>8,647</b> | <b>1,787</b> | <b>8,573</b>       | <b>1,715</b> |

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**17. Debtors**

|   | Group   |         | Association |         |
|---|---------|---------|-------------|---------|
|   | 2024    | 2023    | 2024        | 2023    |
|   | £'000   | £'000   | £'000       | £'000   |
| <b>Amounts falling due within one year</b>          |         |         |             |         |
| Rent and service charges receivable                 | 1,561   | 1,792   | 1,561       | 1,792   |
| Less: provision for bad and doubtful debts          | (1,262) | (1,498) | (1,262)     | (1,498) |
|   | 299     | 294     | 299         | 294     |
| Amounts due from North Somerset Council             | 1,307   | 2,347   | 1,307       | 2,347   |
| Amounts due from subsidiary undertakings            | -       | -       | -           | 80      |
| Other debtors                                       | 548     | 391     | 172         | 149     |
| Prepayments and accrued income                      | 4,157   | 3,919   | 3,262       | 2,702   |
|   | 6,311   | 6,951   | 5,040       | 5,572   |
| <b>Amounts falling due after more than one year</b> |         |         |             |         |
| Contract asset                                      | -       | 17      | -           | 17      |
|   | 6,311   | 6,968   | 5,040       | 5,589   |

**18. Cash and cash equivalents**

|                          | Group |        | Association |       |
|--------------------------|-------|--------|-------------|-------|
|                          | 2024  | 2023   | 2024        | 2023  |
|                          | £'000 | £'000  | £'000       | £'000 |
| Cash at bank and in hand | 9,982 | 10,766 | 7,999       | 9,486 |



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**19. Creditors: amounts falling due within one year**

|  | Group         |               | Association   |              |
|--|---------------|---------------|---------------|--------------|
|  | 2024          | 2023          | 2024          | 2023         |
|  | £'000         | £'000         | £'000         | £'000        |
| Bank overdraft                             | -             | 19            | -             | -            |
| Trade creditors                            | 2,778         | 3,494         | 2,296         | 2,386        |
| Amounts owed to North Somerset Council     | 1,416         | 655           | 1,416         | 655          |
| Amounts owed to group undertakings         |               | -             |               | -            |
| Rent and service charges paid in advance   | 893           | 833           | 893           | 833          |
| Accruals and deferred income               | 6,703         | 5,372         | 5,842         | 5,517        |
| Deferred capital grants (note 21)          | 288           | 218           | 288           | 218          |
| Other creditors                            | 265           | 233           | 241           | 78           |
| Obligations under finance leases (note 28) | 7             | 267           | 7             | 267          |
|  | <b>12,350</b> | <b>11,091</b> | <b>11,172</b> | <b>9,954</b> |

**20. Creditors: amounts falling due after more than one year**

|  | Group          |                | Association    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2024           | 2023           | 2024           | 2023           |
|  | £'000          | £'000          | £'000          | £'000          |
| Bank and other loans (note 23)             | 163,500        | 125,000        | 163,500        | 125,000        |
| Less: issue costs                          | (1,053)        | (1,178)        | (1,053)        | (1,178)        |
| Deferred capital grants (note 21)          | 26,328         | 19,480         | 26,328         | 19,480         |
| Recycled capital grant fund (note 22)      | 11             | 11             | 11             | 11             |
| Obligations under finance leases (note 28) | 2              | -              | 2              | -              |
|  | <b>188,788</b> | <b>143,313</b> | <b>188,788</b> | <b>143,313</b> |

**NSAH (Alliance Homes) Limited**  
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**21. Deferred capital grants**

| <b>Group and Association</b>                      | <b>2024</b>    | <b>2023</b>   |
|---|----------------|---------------|
|   | <b>£'000</b>   | <b>£'000</b>  |
| <b>Cost</b>                                       |                |               |
| At 1 April  | 20,609         | 19,961        |
| Grants received during the year                   | 7,181          | 660           |
| Grants transferred to recycled capital grant fund | -              | (12)          |
| <b>At 31 March</b>                                | <b>27,790</b>  | <b>20,609</b> |
| <b>Amortisation</b>                               |                |               |
| At 1 April  | (911)          | (705)         |
| Released to income in the year                    | (263)          | (206)         |
| <b>At 31 March</b>                                | <b>(1,174)</b> | <b>(911)</b>  |
| <b>Net book value at 31 March</b>                 | <b>26,616</b>  | <b>19,698</b> |
| Falling due within one year (note 19)             | 288            | 218           |
| Falling due after more than one year (note 20)    | 26,328         | 19,480        |
|   | <b>26,616</b>  | <b>19,698</b> |

Included in grants received during the year is £460k (2023: £nil) from the Department for Energy Security and Net Zero (DESNZ) relating to the Social Housing Decarbonisation Fund Wave 2.1.

**22. Recycled capital grant fund**

| <b>Group and Association</b>                   | <b>2024</b>  | <b>2023</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| At 1 April                                     | 11           | -            |
| <b>Inputs into recycled capital grant fund</b> |              |              |
| Allocation of funds                            | -            | 12           |
| <b>Recycling of grant</b>                      |              |              |
| Other  | -            | (1)          |
| <b>At 31 March</b>                             | <b>11</b>    | <b>11</b>    |

**NSAH (Alliance Homes) Limited**  
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**23. Debt analysis**

|  | Group          |                | Association    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2024           | 2023           | 2024           | 2023           |
|  | £'000          | £'000          | £'000          | £'000          |
| <b>Amounts falling due within one year</b> |                |                |                |                |
| Bank overdraft                             | -              | 19             | -              | -              |
|  | -              | 19             | -              | -              |
| <b>Amounts falling due within one year</b> |                |                |                |                |
| Bank loans                                 | 163,500        | 125,000        | 163,500        | 125,000        |
| Less: issue costs                          | (1,053)        | (1,178)        | (1,053)        | (1,178)        |
|  | 162,447        | 123,822        | 162,447        | 123,822        |
| <b>Total borrowings</b>                    | <b>162,447</b> | <b>123,841</b> | <b>162,447</b> | <b>123,822</b> |

Based on lenders' earliest repayment dates, borrowings are repayable as follows:

|   | Group          |                | Association    |                |
|---|----------------|----------------|----------------|----------------|
|   | 2024           | 2023           | 2024           | 2023           |
|   | £'000          | £'000          | £'000          | £'000          |
| In one year or less or on demand              | -              | 19             | -              | -              |
| In two years or more and less than five years | 13,157         | 14,542         | 13,157         | 14,542         |
| In five years or more                         | 149,291        | 109,280        | 149,291        | 109,280        |
| <b>Total borrowings</b>                       | <b>162,447</b> | <b>123,841</b> | <b>162,447</b> | <b>123,822</b> |
| <b>Undrawn facilities</b>                     | <b>101,500</b> | <b>140,000</b> | <b>101,500</b> | <b>140,000</b> |

£70m of the loan outstanding is at a fixed rate of 3.745%, £20m is at a fixed rate of 3.39%, and £40m is at a fixed rate of 3.45% for the duration of the loan. £33.5m of the loan outstanding is at variable rate interest.

£40m of the undrawn facilities is a deferred bond, until July 2024 at a fixed rate of 3.46%.

£75m of the total facilities is a Revolving Credit Facility. As at 31 March 2024, £13.5m was drawn leaving £61.5m undrawn. Interest under this facility is on variable rates with the final repayment date being 31 March 2027.

Loans are secured on the assets of the Association.

**NSAH (Alliance Homes) Limited**  
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**24. Analysis of changes in net debt**

| <b>Group</b>                                    | <b>At 1 April<br/>2023</b> | <b>Cash flows</b> | <b>Non-cash<br/>movements</b> | <b>At 31 March<br/>2024</b> |
|---|----------------------------|-------------------|-------------------------------|-----------------------------|
|   | <b>£'000</b>               | <b>£'000</b>      | <b>£'000</b>                  | <b>£'000</b>                |
| Cash and cash equivalents                       | 10,766                     | (784)             | -                             | 9,982                       |
| Overdraft repayable on demand                   | (19)                       | 19                | -                             | -                           |
| Bank loans due less than one year               | -                          | -                 | -                             | -                           |
| Bank loans due more than one year               | (123,822)                  | (38,500)          | (125)                         | (162,447)                   |
| Finance lease commitments in less than one year | (267)                      | 258               | 2                             | (7)                         |
| Finance lease commitments in more than one year | -                          | -                 | (2)                           | (2)                         |
| <b>Total net debt</b>                           | <b>(113,342)</b>           | <b>(39,007)</b>   | <b>(125)</b>                  | <b>(152,474)</b>            |

| <b>Association</b>                              | <b>At 1 April<br/>2023</b> | <b>Cash flows</b> | <b>Non-cash<br/>movements</b> | <b>At 31 March<br/>2024</b> |
|---|----------------------------|-------------------|-------------------------------|-----------------------------|
|   | <b>£'000</b>               | <b>£'000</b>      | <b>£'000</b>                  | <b>£'000</b>                |
| Cash and cash equivalents                       | 9,486                      | (1,487)           | -                             | 7,999                       |
| Bank loans due less than one year               | -                          | -                 | -                             | -                           |
| Bank loans due more than one year               | (123,822)                  | (38,500)          | (125)                         | (162,447)                   |
| Finance lease commitments in less than one year | (267)                      | 258               | 2                             | (7)                         |
| Finance lease commitments in more than one year | -                          | -                 | (2)                           | (2)                         |
| <b>Total net debt</b>                           | <b>(114,603)</b>           | <b>(39,729)</b>   | <b>(125)</b>                  | <b>(154,457)</b>            |

**NSAH (Alliance Homes) Limited**  
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**25. Non-equity share capital**

|  | 2024      | 2023      |
|--|-----------|-----------|
| Group and Association                  | £         | £         |
| <b>Allotted, issued and fully paid</b> |           |           |
| At 1 April                             | 20        | 21        |
| Issued during the year                 | -         | 2         |
| Cancelled during the year              | (2)       | (3)       |
| <b>At 31 March</b>                     | <b>18</b> | <b>20</b> |

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights.

**26. Cash flow from operating activities**

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | £'000         | £'000         |
| Net surplus  | 6,602         | 5,697         |
| <b>Adjustments for non-cash items:</b>                     |               |               |
| Depreciation of tangible fixed assets                      | 7,065         | 7,259         |
| Amortisation of grants and fees                            | (262)         | (206)         |
| (Decrease)/increase in stock                               | (6,860)       | 1,777         |
| Decrease/(increase) in trade and other debtors             | 843           | (1,304)       |
| Increase/(decrease) in trade and other creditors           | 838           | 236           |
| Pension costs less contributions payable                   | (3,545)       | 260           |
| Carrying amount of tangible fixed asset disposals          | 181           | 241           |
| <b>Adjustments for investing or financing activities:</b>  |               |               |
| Decrease/(increase) in fair value of investment properties | 122           | 134           |
| Proceeds from the sale of tangible fixed assets            | (900)         | (941)         |
| Transfers to housing properties                            | 8,573         | 3,428         |
| Interest and financing costs                               | 5,417         | 4,497         |
| Interest received  | (747)         | (255)         |
| Amortisation of loan arrangement fees                      | 136           | 192           |
| <b>Net cash generated from operating activities</b>        | <b>17,463</b> | <b>21,015</b> |

**NSAH (Alliance Homes) Limited**  
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**27. Financial instruments**

|  | Group         |               | Association   |               |
|--|---------------|---------------|---------------|---------------|
|  | 2024          | 2023          | 2024          | 2023          |
| Financial assets                         | £'000         | £'000         | £'000         | £'000         |
| <b>Measured at amortised cost:</b>       |               |               |               |               |
| Rent and service charges receivable      | 1,561         | 1,792         | 1,561         | 1,792         |
| Amounts due from North Somerset Council  | 1,307         | 2,347         | 1,307         | 2,347         |
| Amounts due from subsidiary undertakings | -             | -             | -             | 80            |
| Other debtors                            | 548           | 391           | 172           | 149           |
| Cash and cash equivalents                | 9,982         | 10,766        | 7,999         | 9,486         |
|  | <b>13,398</b> | <b>15,296</b> | <b>11,039</b> | <b>13,854</b> |
| <b>Measured at fair value:</b>           |               |               |               |               |
| Contract asset                           | -             | 17            | -             | 17            |
|  | <b>13,398</b> | <b>15,313</b> | <b>11,039</b> | <b>13,871</b> |

|  | Group          |                | Association    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2024           | 2023           | 2024           | 2023           |
| Financial liabilities                    | £'000          | £'000          | £'000          | £'000          |
| <b>Measured at amortised cost:</b>       |                |                |                |                |
| Bank overdraft                           | -              | 19             | -              | -              |
| Loans payable                            | 162,447        | 123,822        | 162,447        | 123,822        |
| Trade creditors                          | 2,778          | 3,494          | 2,296          | 2,386          |
| Amounts owed to North Somerset Council   | 1,416          | 655            | 1,416          | 655            |
| Amounts owed to group undertakings       | 189            | -              | 189            | -              |
| Rent and service charges paid in advance | 893            | 833            | 893            | 833            |
| Deferred capital grants                  | 26,616         | 19,699         | 26,616         | 19,699         |
| Other creditors                          | 267            | 244            | 252            | 89             |
| Obligations under finance leases         | 7              | 267            | 7              | 267            |
|  | <b>194,433</b> | <b>149,033</b> | <b>194,116</b> | <b>147,751</b> |

**NSAH (Alliance Homes) Limited**  
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**28. Finance leases**

The future minimum lease payments for the Group and Association under non-cancellable finance leases are:

|                            | <b>2024</b>  | <b>2023</b>  |
|----------------------------|--------------|--------------|
|                            | <b>£'000</b> | <b>£'000</b> |
| <b>Motor vehicles</b>      |              |              |
| Within one year            | 7            | 267          |
| Between one and five years | 2            | -            |
| After five years           | -            | -            |
|                            | <b>9</b>     | <b>267</b>   |

**29. Operating leases**

The future minimum lease payments for the Group and Association under non-cancellable operating leases are:

|                            | <b>2024</b>  | <b>2023</b>  |
|----------------------------|--------------|--------------|
|                            | <b>£'000</b> | <b>£'000</b> |
| <b>Land and buildings</b>  |              |              |
| Within one year            | 10           | 9            |
| Between one and five years | 41           | 35           |
| After five years           | 30           | 35           |
|                            | <b>81</b>    | <b>79</b>    |

|                            | <b>2024</b>  | <b>2023</b>  |
|----------------------------|--------------|--------------|
|                            | <b>£'000</b> | <b>£'000</b> |
| <b>Office equipment</b>    |              |              |
| Within one year            | 2            | 4            |
| Between one and five years | -            | 2            |
| After five years           | -            | -            |
|                            | <b>2</b>     | <b>6</b>     |

**NSAH (Alliance Homes) Limited**  
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**For the year ended 31 March 2024**

**30. Capital commitments**

|  | <b>2024</b>   | <b>2023</b>   |
|--|---------------|---------------|
| <b>Group and Association</b>   | <b>£'000</b>  | <b>£'000</b>  |
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | 64,342        | 55,275        |
| Capital expenditure that has been authorised by the Board but has not yet been contracted for              | 22,761        | 33,857        |
|  | <b>87,103</b> | <b>89,132</b> |

The above commitments will be financed primarily through borrowings which are available for draw-down under existing loan arrangements.

**31. Related parties**

**Tenant Board Members**

The Board had no members who held tenancy agreements during the year (2023: nil).

**Subsidiary companies**

The Association has the right to appoint members to the Boards of its subsidiaries, and thereby exercises control over them. Alliance Homes Partnerships Limited, Alliance Homes (Ventures) Ltd, and Alliance Living Care Ltd are non-regulated companies. NSAH (Alliance Homes) Limited is the ultimate parent company of the Group.

During the year the Association had the following intra-group transactions:

**Alliance Homes Partnerships Limited**

Alliance Homes Partnerships Limited is a non-profit making company, providing repairs and maintenance services.

|                                   |                         | <b>2024</b>   | <b>2023</b>   |
|-----------------------------------|-------------------------|---------------|---------------|
|                                   | <b>Allocation basis</b> | <b>£'000</b>  | <b>£'000</b>  |
| <b>Payable by the Association</b> |                         |               |               |
| Maintenance repairs and services  | Actual costs            | 10,763        | 11,369        |
| Management services               | Percentage of overheads | 584           | 560           |
|                                   |                         | <b>11,347</b> | <b>11,929</b> |



**NSAH (Alliance Homes) Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

Alliance Homes (Ventures) Ltd

Alliance Homes (Ventures) Ltd principal activity is the generation of electricity.

|                                   |                         | <b>2024</b>  | <b>2023</b>  |
|-----------------------------------|-------------------------|--------------|--------------|
|                                   | <b>Allocation basis</b> | <b>£'000</b> | <b>£'000</b> |
| <b>Payable to the Association</b> |                         |              |              |
| Gift aid                          | Taxable profits         | 1,039        | 1,069        |
| Roof lease payments               | Legal agreement         | 247          | 234          |
| Management services               | Time spent              | 53           | 50           |
| Loan interest                     | Legal agreement         | -            | 33           |
|                                   |                         | <b>1,339</b> | <b>1,386</b> |

Alliance Living Care Ltd

Alliance Living Care Ltd ceased trading on 10 November 2021. Its principal activity was the provision of domiciliary care services.

|                                   |                         | <b>2024</b>  | <b>2023</b>  |
|-----------------------------------|-------------------------|--------------|--------------|
|                                   | <b>Allocation basis</b> | <b>£'000</b> | <b>£'000</b> |
| <b>Payable to the Association</b> |                         |              |              |
| Gift aid                          | Taxable profits         | -            | 15           |

The intercompany debtor and creditor balances as at 31 March are disclosed in Note 17 and Note 19.

**32. Events after the reporting period**

There are no events after the reporting period to report.