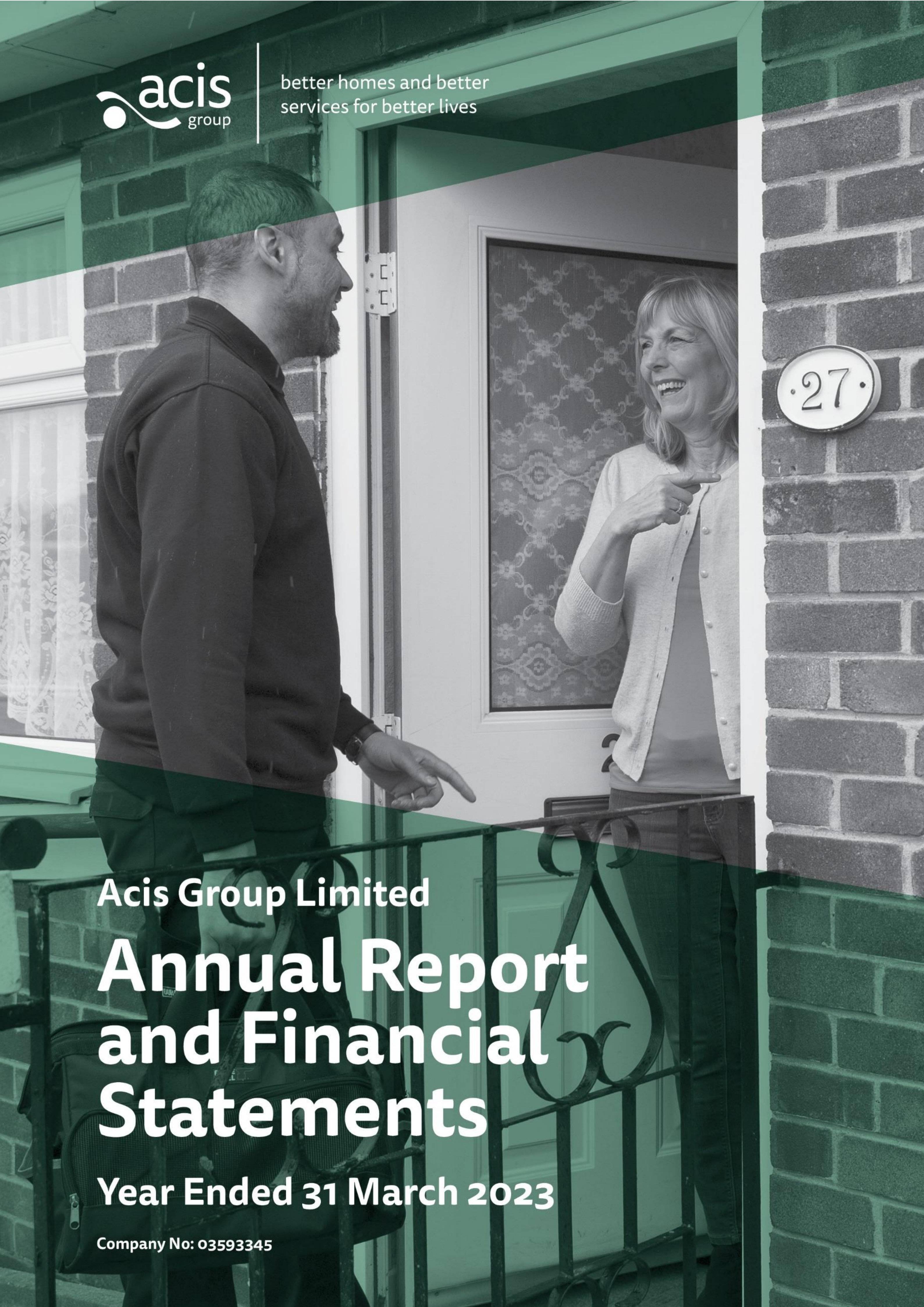


better homes and better services for better lives

Acis Group Limited

Annual Report and Financial Statements

Year Ended 31 March 2023

Company No: 03593345

Acis Group in numbers

6,629
Homes

294
Colleagues
(average FTE over the year)

£40.1m
Turnover

1,131
Student bedspaces

100
New Homes Completed

£5m
Net Surplus

26
Local authorities

£14.2m
Investment in new homes

76%
Overall customer satisfaction

Contents

Board Members, Executive Officers, Advisors and Bankers

Board:

Chair	Kathryn Smart
Vice Chair	Carole Hodson
Other Members	Mike Kay Graham Ward Nigel Whitaker Ronan O'Hara Paul Satchwell Bruce Kerr Julie Haywood Paul Wilkin

Please see pages 37-39 for board appointment and resignations

Executive officers:

Chief Executive	Greg Bacon
Finance Director	Adrian Chamberlain
Director for Customer Excellence	Paul Woollam
Director of Property Services	Mark Jones
Company Secretary	Catherine Kelly

Registered numbers:

Registered as a private company limited by guarantee under the Companies Act 2006, No. 03593345

Registered as a charity with The Charity Commission, No. 1141067

Registered by the Regulator for Social Housing, No. L4229

Registered office:	Acis House Bridge Street Gainsborough Lincolnshire DN21 1GG www.acisgroup.co.uk
External Auditor:	Beevers and Struthers Statutory Auditors One Express 1 George Leigh Street Manchester M4 5DL
Solicitors:	Trowers & Hamlins 3 Bunhill Row London EC1Y 8YZ
	Forbes Solicitors Rutherford House 4 Wellington Street Blackburn, Lancashire BB1 8DD
	Devonshires 37 Temple Street Birmingham B2 5DP
Bankers:	National Westminster Bank Plc Leicester Customer Service Centre Bede House 11 Western Boulevard Leicester LE2 7EJ

Chair's Statement

The year has been, without doubt, one filled with political and economic turbulence that has challenged the foundations of economic and financial stability that we have all grown accustomed to over recent years. Rocketing fuel costs, high levels of inflation, increased borrowing costs and a wider cost of living challenge are now synonymous with the events of the last financial year.

Despite the uncertainties and obvious challenges, Acis continued to thrive throughout the year – delivering improved services to our customers, growing and developing as an organisation. It's been another great but very busy year where we have had to adapt to significant changes whilst we continue to prepare for more.

This year has seen significant change on the Acis Group Board. With our chair and vice chair both approaching the end of their respective tenures in September 2023, they stepped down from their roles at the September 2022 annual general meeting. I was delighted to be appointed as the new chair and for Carole Hodson to be appointed as the new vice chair. We also welcomed two new substantive members during the year and started our trainee board member development programme in partnership with the Housing Diversity Network.

We have always known that our repairs service is a key provision for our customers, and a major contributor to our customer satisfaction. We started the transformation of our repairs service in earnest this year, introducing shift working patterns which makes our repairs service available from 8am to 8pm, seven days a week. We've also worked to modernise our repairs delivery, launching "Repairs on Demand" where operatives liaise directly with customers to diagnose repairs and make their own appointments. This provides a much more responsive service designed to meet customers' needs. Together, these changes have increased our repairs satisfaction over the year. We were delighted when that hard work was recognised as the repairs team was awarded In House Maintenance Team of the Year as part of the Building Communities Awards – congratulations to everyone involved!

The social housing sector is still experiencing increased scrutiny over damp, mould and the quality of homes following tragic cases across the country, especially in relation to damp & mould in properties, and Acis welcomes the opportunity to learn from these and adopt policies and practices to ensure that we provide high quality, safe homes.

During the year the Board took the very difficult decision to close Acis HomePlus as we could no longer continue to financially support it. We did this with a heavy heart, as it's clear that those valuable services are still needed by parts of the community to enable vulnerable people to stay in their homes. However, our commitment to achieving Value for Money means that sometimes we must make difficult decisions in order to protect the interests of our customers and the business in the long term.

Despite the closure of Acis HomePlus, our growth ambition to deliver on our charitable aims, and to provide more social investment in the communities we work in, has continued throughout the year.

We brought Community Learning in Partnership CIC (CLIP) into the Acis family in August. CLIP has been operating since 1995 and aims to widen participation in learning for people from rural, coastal and isolated communities. It works with young people and adults who are looking to refresh their skills – for personal development, family, higher education or work. CLIP is also committed to supporting people who have experienced mental health difficulties and complements Riverside Access and Training Centre CIC which we acquired in September 2020.

At the end of August, we brought Eione LLP to a close, ending the facilities management agreement for our student accommodation management. Since then, we've embarked on a process of integrating our student sites of Raleigh Park in Nottingham and The Trigon, in Sheffield into the group.

The organisational changes that have occurred throughout the year prompted us to take stock of our business activities and the way that Board has oversight. This resulted in us establishing a new Enterprise Committee to focus on our social and charitable purpose activities.

As we start the journey to net zero carbon, a Board-sponsored Asset Management Working Group was formed. The group is considering immediate actions to address hard to heat / hard to treat properties and develop a plan to deal with a number of properties rated at EPC "D" and below.

Throughout the year, the Board has received regular reports showcasing the excellent work we do around the "Your Voice" initiative. Your Voice is designed to not only ensure that we respond to customer demands, but also offer our customers the opportunity to be involved with the services we deliver and how we shape them.

We've also been working to prepare the organisation for the outcomes of the Social Housing White Paper, and greater emphasis on consumer standards. We are closely following the Social Housing (Regulation) Bill as it transits through Parliament.

Chairman's Statement Continued

We welcome the new regulation and are wholly supportive of the regulatory commitment to greater tenant involvement and say in shaping services. We have taken steps throughout the year to grow our tenant engagement, and offered opportunities for customer scrutiny. Board level involvement of customers has been challenging, however, we are maintaining our commitment and are ramping up activity to get people involved.

As we face the new financial year, we recognise the financial uncertainty that we have seen in the last year is likely to continue to affect both Acis and our customers. We will continue to closely monitor any impact on our business plan and respond accordingly whilst ensuring that we have appropriate signposting routes available to offer support to all of our customers.

So, as I reflect and look back on my first year as Chair, it's been both a challenging and rewarding year. I'm proud of the way that the whole team has continued to challenge the status quo, to embrace change positively and to work closer together to drive the business forward.

Kathryn Smart, Chair
July 2023

Operating and Financial Review and Strategic Report

Business overview

Acis Group Limited (Acis) is a diverse organisation with substantial diversity in our customers; our people; our physical locations and in the wide range of services that we offer across the Group. This is something we are proud of and we believe it enables us to adapt to our ever-changing operating environment, and to make noticeable improvements to our customers' lives.

Acis began life in 1999 out of the large-scale voluntary transfer of properties previously owned by West Lindsey District Council. Since then, the organisation has grown significantly. Today, we develop new homes, provide housing and related services, deliver community regeneration and provide training and employability support across 26 local authority areas.

We own and manage nearly 8,000 properties to rent or lease, including a growing portfolio of low-cost home ownership products and more than 1,100 student accommodation bed-spaces in Nottingham and Sheffield.

We deliver an active new development programme across our areas of operation, and we continue to invest in our existing estates and communities in order to improve both the quality of life of our customers and the long-term performance potential of our asset base.

We are a regional housing provider, but we are not prescriptive about how our area of operations is defined. We will consider opportunities in varied locations, the key being that they are viable both operationally and financially.

Group activities

Acis consists of a parent registered provider, Acis Group Limited, and eight subsidiaries, as follows:

- Acis Development Services Limited
- Acis Management Limited
- Prime Repairs and Maintenance Limited
- Acis HomePlus Limited
- Riverside Access and Training Centre Gainsborough CIC
- Community Learning in Partnership CIC
- Acis Properties Limited (Dormant)
- Eione LLP

Acis Group Limited is the main asset-holding entity of the Group, including all the Group's housing properties held for rent. Student accommodation management was delivered via Eione LLP; a 60 per cent owned joint venture with Derwent Facilities Management Limited until 31 August 2022, when we transferred the activity back into Acis. Repairs and maintenance activities were delivered via Prime Repairs and Maintenance Limited until 1 April 2022, when we also transferred this activity back into Acis. Acis HomePlus Limited provided home independence services on behalf of local authorities under Disabled Facilities Grant arrangements and to private customers until this activity ceased on 31 March 2023. Riverside Access and Training Centre and Community Learning in Partnership both provide a wide range of training opportunities to our customers and the wider communities. Other subsidiary entities provide services for specific activities carried out within the Group, primarily development services and commercial investments.

Our goals

At Acis, we want to create opportunities for people to have better lives through the provision of better homes and better services. Our corporate strategy aims to drive the organisation to achieve long-term success across four priority areas:

Priority 1: Customers	Provide the best possible service to the people in our communities.
Priority 2: Partnerships	Work with others to grow the service we offer and improve the lives of those living in our homes and the communities in which we work.
Priority 3: Growth	Grow our organisation, creating financial efficiency and strength to support more customers.
Priority 4: Efficiency	Ensuring we deliver a customer focused and efficient service that drives value for money through the way we work.

Operating and Financial Review and Strategic Report (continued)

We are now approaching the end of our current strategy which set out our plans up to 2024 and we are busy planning exciting things for our new strategy.

In our current strategy we set out our ambition to become an organisation that provides more supportive products and services so that we can give help and support to those most vulnerable in society, helping them live better lives. The additions to the Group of Riverside Training and Community Learning in Partnership have helped us to deliver against this target, along with our ever increasing network of partners we are now able to offer wider services and support to our customers and those living in the wider communities in which we operate.

Above everything we want to provide a good service to all our customers, continue to look after their homes through delivering a fantastic repairs and maintenance service and ensuring their home is safe and secure. Throughout the year we have made significant improvements to our repairs and now offer a much more modern and flexible approach to ensure we provide the best possible service for our customers. These improvements have clearly been recognised by our customers through the transactional and perceptional satisfaction scores and feedback that they give us.

Whilst doing this we have continued to maintain our excellent track record for our property health and safety compliance ensuring that customers homes are safe and secure.

The financial strength of the organisation is the foundation that enables us to meet these objectives. We continue to drive up efficiency, cost effectiveness delivered through procurement and contract management, and a strongly commercial approach to our work.

Corporate priorities

Our corporate strategy sets out the strands of activity that we will undertake in support of our four corporate priority areas, these are set out in more detail below:

Priority 1: Our Customers

Our customers are our absolute priority. Everything we do is for the people we serve. We recognise that one size doesn't fit all. We need to adapt our approach to ensure all customers have access to the same high standard of service across the board.

Measure of success:

Increase customer satisfaction and then sustain it at a level above 90%

We will do this by:

- Ensuring our repairs service meets our customers' expectations.
- Involving our customers to design services they want and help us monitor performance.
- Giving our customers more choice in how they communicate with us through digital means such as texting and online services.
- Providing increased support for our customers – both online and face to face.
- Supporting our people to deliver better for our customers – both online and face to face.
- Being seen out and about in the communities where we work.

Operating and Financial Review and Strategic Report (continued)

Priority 2: Our Partnerships

Work with others to grow the service we offer and improve the lives of those living in our homes and the communities in which we work.

We know we cannot work alone to achieve our goals. Through partnership working, we aim to add real value to everyone who lives in our homes, the community and neighbourhood. Ultimately, we will work with others to enhance our service offering and improve the lives of those living in our homes.

Measure of success:

Develop new services to meet the demands and needs of our customers and communities. We aim for those services to be at least 10% of our turnover.

We will do this by:

- Building on our strategic links with local authorities.
- Implementing targeted and proactive stakeholder engagement and management for all areas we work.
- Continuing to develop relationships with sectors wider than housing to increase our offer for our customers.
- Developing our service offer to ensure we are supporting customers and the wider community.
- Supporting our people to build relationships and knowledge externally.

Priority 3: Our Growth

Grow our organisation, creating financial efficiency and strength to support more customers.

Growth is fundamental to our strategy. Our aspiration to grow not only provides more financial stability but it enables us to make a bigger impact on our charitable aims by helping more people.

Measure of success:

Increasing the number of homes we own or manage towards our target of 10,000. Develop 1,000 new homes.

We will grow by:

- Developing a range of different tenures including homes for low-cost rent, affordable home ownership and outright sale.
- Increasing our scale of operation to work in new areas further than we work now.
- Continuing with our new-build programme to develop more homes in areas where we see greatest need.
- Seeking opportunities for growth through stock purchases or swaps.
- Identifying opportunities for us to deliver more through strategic partnerships.
- Developing our service offering to ensure we are supporting customers and the wider community.
- Develop different types of homes that meet our customers’ needs.
- Defining and delivering our support service offering that’s more than bricks.

Operating and Financial Review and Strategic Report (continued)

Priority 4: Our Efficiency

Ensuring we deliver an efficient and customer-focused service that drives value for money through the way we work.

We have always taken a commercial approach, operating in an efficient manner, diversifying into other income streams. As a result, the organisation is financially robust and is well placed to achieve great things in a challenging sector.

Our focus during the lifetime of this strategy is on generating maximum value for money (VFM). We will ensure the way we work is not only delivered in the best way for our customers but maximises efficiencies too.

Measure of success:

At least 90% or our customers feel their rent provides value for money.

Increase customers' satisfaction with our repairs and maintenance service to 83% or over.

We will do this by:

- Ensuring we deliver an efficient repairs service that meets our customers' expectations.
- Delivering improved management information under a business performance management framework.
- Strengthening our procurement practices to deliver greater VFM.
- Developing new tools and technology to deliver more efficiency.
- Recognising our people are key and providing them with a learning environment where personal development is actively encouraged and supported.
- Equipping our people with the tools they need, including processes that work, to do their jobs more effectively.

Culturally, we continue to promote and exhibit the three values that are most fundamental to how we go about our activities. These are the core values which help us to understand what behaviors and attitudes we need to exhibit in order to deliver for our customers:

Honest	We work on a basis of trust. We are honest and behave responsibly with a shared purpose
Positive	We are positive in our thinking and the choices we make
Ambitious	We are ambitious, take pride in our achievements and are constantly innovating and improving

Operating and Financial Review and Strategic Report (continued)

Our resources and services – in the year and looking forward

Our finances

Despite the economic challenges that the whole country has faced in the last year our financial performance results for 2022/23 represent another good outturn position. We had to change and adapt our plans during the year in response to high levels of inflation, rising interest costs and high fuel costs but through our stress testing triggers, we were able to respond promptly with necessary mitigations to ensure the underlying business plan remained solid. At the same time, we have continued to develop and grow, implementing new core systems, changing our repairs delivery model and bringing two business streams into the Acis Family.

Our Group net surplus before taxation decreased to £4.9m (2022: £6.4m) largely due to a £700k reduction in profits generated from outright sales following completion of a big scheme in the prior year and also a £500k increase in interest payable.

We were however able to invest more on capital improvements to our existing stock which increased to £8.3m (2022: £6m), allowing us to provide better homes for our customers.

Group turnover reduced by £4.6m, Turnover from Social housing lettings increased by £1.7m due to an increased stock holding and rent increases. Turnover generated from property developed for sale decreased by £6.9m which was made up of a £2.0m reduction in shared ownership first tranche sales and a £4.9m reduction in turnover generated from outright sales.

Operating surplus from social housing lettings, excluding depreciation and impairment increased slightly by 1.9% to £14.4m (2022: £14.1m).

Net debt (drawn loans less cash and cash equivalents held by the Group) increased to £183.7m (2022: £169.7m) through the year as we continued to invest heavily in our existing stock whilst continuing to build new stock both for future rental and for sale.

Our people

While we can reflect with pride on our achievements since the organisation was formed in 1999, we recognise that we must continue to adapt to our operating environment. Customer expectations and external political, technological and economic factors will shape our services in a number of ways.

The new ways of working which were initially necessary in response to Covid-19 have settled over the year into a new blended home and office working approach. There were significant benefits identified from this approach during the pandemic which we didn't want to lose. Along with the changes that we made to our head office we now have a blended approach which allows our people to work in a much more flexible way, enabling them to better deliver the customer and business needs.

Following the significant increase in staff recruitment in the previous year we are pleased to see staff turnover beginning to fall back slightly. The work that we did in the previous year to review our recruitment processes and add a recruitment partner to the structure has meant that we have been able to respond much more swiftly to potential candidates.

In terms of our Board, this year has seen some significant change, with our chair and vice chair both approaching the end of their respective tenures in September 2023, they stepped down from their roles at the September 2022 annual general meeting. With existing board members Kathryn Smart and Carole Hodson being appointed to these roles. We also welcomed two new substantive members during the year and started our trainee board member development programme in partnership with the Housing Diversity Network.

Our Executive and Senior Management Teams were stable in the year. With only, Rob Main- Head of Property Development, leaving in the period. This led to the decision to merge the asset and development teams to drive greater efficiencies and integration.

We hold the Investors in People Silver Award following the improvements demonstrated in our 2021 re-accreditation.

Our employee forum, Our People's Voice, has continued to meet monthly. The forum acts as the official staff consultative body for our people across the organisation.

Business infrastructure

This year has seen the introduction of a number of new systems which all provide enhanced reporting capabilities, better integration and increased efficiencies.

We started the year with the go live of our new Open Accounts finance software which went live on 1st April 2022. This has seen a huge effort from all of the Finance Team to manage the transition. The new system provides enhanced reporting capability, integrated purchase to pay processes and fixed asset registers and enhanced integrations with other core systems.

Operating and Financial Review and Strategic Report (continued)

This was promptly followed by the introduction of Accuserv, our new end to end repairs solution which has helped simplify processes and removed reliance on numerous systems to provide a fully integrated solution. This has set the path for the first year of transformative change in our repairs service.

The introduction of new systems didn't stop there and continued with the implementation of Kinetics to help manage our student accommodation and the introduction of new property development software, Proval and Sequel, across our property development team in order to model projects and monitor project cash flows.

With the increasing threat on cyber security we have continued to implement upgrades to our IT infrastructure to make sure we are as protected as possible, we have also continued our focus on educating our staff and Board, to ensure they have the skills and knowledge to defend against such threats.

Towards the end of the year, we have started to look at Phase 2 of MyACIS portal to identify future system improvements and enhancements.

We have made a number of changes to our Group structure during the year, firstly with the addition of Community Learning In Partnership (CLIP) to the Acis Family in August. CLIP has been operating since 1995 and seeks to widen participation in learning for people from rural, coastal and isolated communities. It works with young people aged 16-18 years who have under-achieved at school and with adults who are looking to refresh their skills – for personal development, family, higher education or work. CLIP is also committed to supporting people who have experienced mental health difficulties. CLIP compliments the services provided by Riverside Access and Training Centre which was acquired in September 2020.

At the end of August, we brought Eione LLP to a close ending the facilities management agreement with Derwent Facilities Management Limited for our student accommodation management and have embarked on a process of integrating our Acis Student sites in Nottingham and Sheffield into the Group.

In addition we completed the unwinding of Prime following the transfer of its repairs and maintenance activities back into Group at the end of last year and have started the processes of winding up Acis Homeplus following its cessation of trade in March 2023.

Our customer and their homes

Throughout the year we have sought to ensure our Board has greater exposure to the work we do around hearing our customers' voice. Regular reports show our excellent work around the "Our Voice" initiative which has been designed to ensure that we respond to customer demands and offer our customers the opportunity to be involved with the services we deliver.

As a sector, we watched in horror at the increasing numbers of appallingly bad social housing conditions being reported in the media; tenants laid undiscovered in properties, damp and mould issues and a plethora of severe maladministration findings made by the Housing Ombudsman. All of which has lead to the suggestion that the sector suffers from systemic discriminatory bias and have caused reputational damage across the sector.

The Better Social Housing Review was published in December 2022 and represented the output of a six-month investigation, by an independent panel, into the poor quality of some social housing. This resulted in a detailed report and recommendations. We accord fully with the principle that the role of housing associations is to provide decent safe homes for those who can't afford access to the wider market and are supportive of any actions that seek to improve these aspects.

We have continued to prepare the organisation for the outcomes of the Social Housing White Paper and the greater emphasis on customer standards, we are closely following the Social Housing (regulation) Bill as it transits through parliament.

We welcome the new regulation and are wholly supportive of the regulatory commitment to greater tenant involvement and say in shaping services. We have taken steps throughout the year to grow our tenant engagement and opportunities for scrutiny and Board level involvement.

We have embarked on a programme of inclusion to understand how we ensure that we listen and respond to minority interest groups within our customer base. Our Board agreed to adopt a modified version of the National Housing Federation Code of Governance which places enhanced responsibilities on the board to monitor the organisations objectives and progress on the issues of diversity and inclusion.

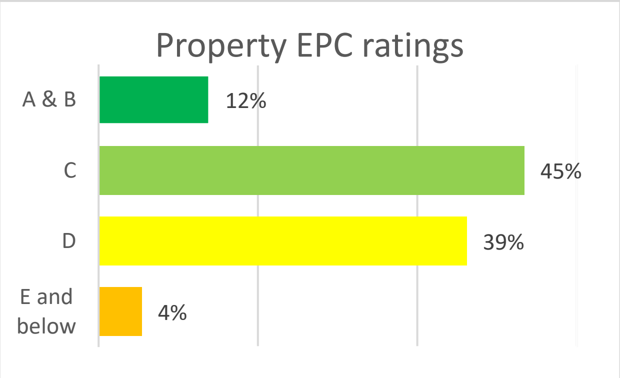
Operating and Financial Review and Strategic Report (continued)

Our new Asset Management Strategy was approved last-year, and this set the foundations for preparing the organisation for future investment into net zero carbon by 2050. Works undertaken in conjunction with our consultants has identified significant investment challenges which are further exacerbated by skills shortages and supply chain issues which are driving retrofit prices even higher.

Due to currently unknown replacement technologies for our existing fuel sources and, perhaps more importantly, an unknown funding obligation on the business. Our business plan does not include the potential cost of full net zero carbon.

Our current focus is on establishing the base data from which no regret decisions can be made about improving the thermal efficiency of our existing housing stock and so helping to combat fuel poverty issues that so many of our customers continue to face.

A Board sponsored Asset Management Working Group was formed and has met throughout the year to consider immediate actions to address hard to heat/hard to treat properties and establish a plan to deal with properties rated at EPC "D" and below.



Our plans for the coming year will see us invest £1.3m to improve the energy efficiency of these hard to heat/hard to treat homes which aims to help reduce customer's energy bills.

Building new homes

We have continued to respond to the national shortage of affordable housing in the year with 89 new homes handed over and many more on site being developed for handover in the coming years. These included 27 new homes at North Parade in Gainsborough as part of the regeneration of this area.

Construction works on the 138 new homes at Bowling Green Road, Gainsborough continues, and we have now received the first of those new homes and have made the first sales on the site under the new Shared Ownership model which provides a repair commitment for the next ten years.

Our development aspirations reflect the continuing need for cross subsidy, and we intend to continue to develop on a mixed tenure basis, utilising the surpluses made from outright and shared ownership property sales to support provision of new rented homes in the communities which need them.

Mixed tenure development clearly builds housing market risk into the organisation. Our financial planning and stress-testing on both an individual scheme and organisation-wide basis factors this in, and schemes are not approved unless they add value and have a feasible exit or mitigation strategy in the event of market downturn.

Supporting our communities

We recognise that we are in very challenging times with high levels of economic uncertainty as a result of Brexit, Coronavirus, the war in Ukraine and the associated cost of living crisis. Our immediate priority is to work with customers to make sure they can sustain their tenancies, including meeting their rent payment obligations. When this becomes difficult, we work proactively with other agencies to offer access to support and guidance.

More broadly, we recognise that some of our customers require help to improve their employability, skills and financial independence. We have done some valuable work in this area in the past and have continued to grow our offer through the services provided by Riverside Training and CLIP meaning we are now able to support even more customers and those in the wider communities in which we work.

We also work with other agencies to provide specialist advice and are actively engaged in seeking to establish partnership arrangements that can support this further.

We believe that community safety and community investment play a vital part in overall community wellbeing, and our investment in them protects our income streams by helping to create safe, secure and well-integrated communities. We have focused on growing our business and building in the efficiencies and economies of scale that can enable us to continue to deliver these valuable extra services.

Operating and Financial Review and Strategic Report (continued)

Section 172 Statement

The Directors have had regard to their duties as set out in section 172 of the companies act 2006. As a registered charity, the duty of a director is to act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its charitable beneficiaries. The key factors that demonstrate this duty are:

Decision making

All decisions taken by the Board are done so after considering the short, medium and long term financial and non-financial impact on the Group. The Group has a long-term financial plan which all material decisions are considered against; the plan is stress tested for multi variable scenarios and early warning triggers are in place and are reported to the Board. All investment decisions are supported by detailed financial modelling using financial assumptions set out in the Group's Investment Policy.

Examples of Board decision making in the year include:

- After very closely monitoring Acis Homeplus hit predefined exit triggers in the year and the Board were forced to consider if it could continue to support this entity. This was a difficult decision as it was clear that the services which were being provided were much needed by some of the most vulnerable people in our communities. After careful consideration of all options, the board decided to cease the activity and closed Acis Homeplus on 31st March 2023.
- In January, after careful consideration the Board approved increasing rents on our affordable homes by 7% with effect from 1 April 2023. This was in accordance with the cap level introduced by Government in response to escalating inflation. However, Board chose not to adopt the voluntary cap on shared ownership rents as it had to balance the potential impact on its customers with that of the impact on the business which faces the same inflationary pressures.

Employee engagement

Our people form a key part of our corporate strategy, we have a commitment to equip our people to ensure they have the skills, tools, support and empowerment they need to do what needs to be done to serve our customers. We regularly benchmark our salaries and benefits to ensure that they remain competitive. We have an employee forum, Our People's Voice, which meets monthly, The forum acts as the official staff consultative body for our people across the organisation. We also hold the Investors in People accreditation.

Examples of engagement with employees during the year include:

- We have considered the cost of living impact on our people when making decisions about our rewards and recognition package. We have adopted more innovative methods to ensure those on lower salaries are not disadvantaged.
- Following the introduction of CLIP and Acis students into the Group we have worked hard to ensure our new colleagues are integrated into the Acis Ways of working and that we provide a consistent customer focused approach across the Group.
- We have a self-selected staff working group who are in the process of developing our new corporate strategy, they have owned the process and have worked with customers and the Board on a data lead approach.

Supplier relationships

Good relationships with suppliers are key to us being able to deliver our services to our customers. These are managed through dedicated contract managers and supported by our Procurement Manager. We work with our suppliers to develop and build effective relationships.

Examples of engagement with suppliers during the year include:

- Since joining the Group our new commercial team have reviewed our supply chain and have driven a more commercial ethos which is helping to drive better value for money.
- We have procured a number of new regional sub-contractors, which we have worked closely with to secure reduced rates. This also ensures we have more depth to our supply chain and makes it easier to respond to changes.
- We have continued to work with our main materials suppliers to make system enhancements and to achieve other outcomes which benefit us both.

Operating and Financial Review and Strategic Report (continued)

Customer Engagement

The relationship with our customers is key to our success and is our number one priority in our corporate strategy. We strive to provide an amazing service to all of our customers and continue to look after their home ensuring it is safe and secure. We ensure that the customer's voice is heard through a variety of initiatives to help us improve our services and deliver value for money.

Examples of engagement with customers during the year include:

- We continued to undertake our quarterly independent customers satisfaction survey, the consolidated annual results of which was overall customer satisfaction of 76%, we value and act on this feedback.
- Our "Your Voice" initiative has been designed to ensure that we respond to customers demands and offer our customers the opportunity to be involved in the services that we deliver.
- We continue to open up more channels for our customers to engage with us. This means that we can extend our hours so customers can contact us at a time that suits them.

Communities and Environment

We actively consider our effect on the wider communities and the environment. In addition to providing a large portfolio of mixed tenure housing and associated estate management services, we go beyond the bricks and mortar, to focus on the people who live in our homes and the wider communities in which they live. Our homes are the starting point to help people achieve whatever they want to and our wider service offering is continuing to grow. This now includes more training and employability support services which means we can support even more people in our communities.

Below are some of our activities in the year:

- We acquired Community Learning In Partnership which compliments the services already offered by Riverside Training and widens our reach offering more services in more of the communities in which we operate.
- Following the approval of our new asset management strategy last year. A board sponsored working Group has met throughout the year to consider actions to address hard to heat hard to treat properties and to deal with properties rated EPC "D" and below.
- We continued our work to regenerate parts of our hometown, Gainsborough. With the completion of the work to re-develop our properties in North Parade, Gainsborough which has transformed the local area. Work has also continued at pace at our Bowling Green, Gainsborough project which will provide a mix of 138 much needed affordable homes, including 60 accessible apartments offering sheltered scheme accommodation to older persons and helping to shape our older persons services for the future.

Business Conduct

The Group strives to maintain a reputation for high standards of business conduct. The Group has the top governance grade (G1) as assessed by the Regulator of Social Housing and undertakes an annual assessment of compliance against the regulatory standard. In addition, the Group also carries out an annual assessment of compliance with the adopted code of Governance.

The Group has core policies in place which the directors agree to uphold. This includes a code of conduct, Group standing orders, financial regulations and a confidential reporting (whistleblowing) policy.

The directors also complete declarations of interest disclosures to avoid any potential conflicts of interest. Collectively, these measures help to ensure that the Board acts in the best interest of the Group at all times.

Operating and Financial Review and Strategic Report (continued)

Strategic risk overview

Risk evaluation remains integral to the formulation and delivery of our business strategy. Our Board and Executive Management Team has maintained its programme of risk review throughout the year.

The board revisited its assessment of risk appetite again at its May 2023 strategy session.

Operational and project specific risk maps help in support of the corporate risk register – this work has driven increased risk awareness into operational teams, providing another level of assurance that our staff are thinking about what could impede successful delivery of targets and what can be done to manage these risks.

Our Audit and Risk Committee performs a detailed risk management scrutiny function on behalf of the Board. The most significant risks currently facing the organisation are shown in the table below. These, along with the other main risks captured on the corporate risk register, are reviewed by the Board on at least a quarterly basis and at every Audit and Risk Committee meeting. We continue to map our risks against external sector information including the regulators sector risk profile.

These risks link closely to the work we do to stress-test our financial plans against a range of adverse scenarios. For each of the scenarios we identify the necessary mitigations and early warning triggers which are continuously monitored and reported quarterly to the Finance and Development Committee. These triggers allow us to respond quickly if necessary.

Operating and Financial Review and Strategic Report (continued)

Risk area	Consequences	Mitigation	Control measures
Energy costs	Many contributing factors have driven up energy costs increasing our costs and possibly resulting in shortages.	Prudent business plan assumption in the short term; investigating ways to reduce usage.	Close monitoring of contract and market conditions.
Cost and income inflation divergence	Costs have risen over recent years with uncertainty over prospects for inflation; introduction of rent cap in 2023 and uncertainty over future rent settlements.	Stress testing of business plan, early warning triggers monitored and reported to Finance Committee and Board including inflation sensitivities. Business plan predicated on CPI after current settlement.	Performance management. Board and committee reporting.
Interest rate increases on new and existing debt/availability of funding	Acis has an element of variable rate debt and a refinancing requirement. Higher rates will result in increased funding costs	High levels of fixed rates on existing debt with newest round of funding forward fixed. Strategy for managing refinancing risk.	Risk adverse treasury policy. Stress testing with triggers. Regular reporting to committee includes cash forecasting.
Reduced demand for student accommodation	External factors such as Coronavirus and changes in student approach to studies could lead to a short-term reduction in occupancy and income.	Strong established relationship with both Universities; close early monitoring of bookings; stock assessment taken by third party experts on a periodic basis.	Performance management. Financial planning and modelling.
Financial impact of net carbon zero agenda	To achieve the Government targets for net carbon zero there will be a requirement to improve the energy efficiency of our homes the costs of retrofit are significant.	Factor low carbon into new development design; collect EPC data for all existing stock; New asset management strategy sets path for no regrets thermal measures.	Collection of all necessary base data to make an informed decision; consultants engaged to model financial impact. Stress testing scenario to demonstrate the impact.
Ability to meet the financial plan and maintain covenant compliance	Impact of external changes or an unexpected event could impact negatively on the business plan.	Stress testing of business plan, early warning triggers monitored and reported to Finance Committee and Board which aim to explore all possible scenarios.	Committee/Board scrutiny of monthly accounts, cashflows and triggers. Strong financial planning. Strong governance and Board reporting.
Health and safety compliance	Failure of health and safety responsibilities resulting in a failure to keep customers and others safe.	Good track record of compliance across all statutory duties; routine performance monitoring; working towards a ISO45001 equivalent health and safety management framework.	Performance management. Board and committee reporting.
Cost of living impact on Acis and its customers	Increased pressure on rent arrears and bad debts due to unemployment, energy cost rises and the wider cost of living crisis.	Prudent business plan assumptions; proactive but empathetic arrears management; increased signposting to additional support where necessary.	Performance management; scenario testing models the impact which is monitored through early warning triggers.
Poor customer/stakeholder perception	Customer/stakeholders view our actions negatively resulting in reputational damage.	KPI monitoring and surveying in place; customer first approach; customer involvement and feedback promoted.	Reporting of stakeholder contact and customer satisfaction to Board.
Climate change	Impact of extreme weather events which have a financial or operational impact on the business.	Insurances in place which are revised regularly for coverage; understanding of risk areas being further developed.	Early warning measures and business continuity planning.
Development and sales	Impact of the economic environment on the development and sales programme	Structure deals to protect as much as possible against price changes and allow tenure change	Close oversight of development and sale performance by committee.

Operating and Financial Review and Strategic Report (continued)

Financial Performance

The reported results for 2022/23 evidence continued strong financial performance.

Income

Group turnover reduced by £4.6m to £40.1m in 2022/23 due to a reduction of £6.9m in turnover generated by property sales activities comprising both shared ownership first tranche sales as well as properties developed for outright sale, following completion of some large schemes in the prior year.

Rent receivable from general needs, sheltered and shared ownership properties increased to £29.0m (2022: £27.4m) due to rent increases and increased stock numbers. The associated losses due to empty properties reduced slightly again this year to £0.31m (2022: £0.34m).

When setting rents the Group ensures that rents remain affordable taking account of local factors and we ensure that all rents comply with the Regulator of Social Housing's rent standard. The rent standard allows for an element of flexibility and the Group has elected to apply a ten percent tolerance to the target rent of its supported housing and a five percent tolerance to the target rent on its general needs housing. With these tolerances applied, rents remain below affordable rents levels and within the local housing allowances in the areas in which we operate, demonstrating affordability. Applying the tolerance allows the Group to remain financially viable whilst it strives to deliver additional affordable homes for more customers, in keeping with its corporate objectives.

Net Surplus

Ongoing cost efficiency continues to be embedded within our reported results. Our costs per unit benchmark particularly well against the sector as a whole, further details are available in the Value for Money Statement section of these accounts.

Group net surplus decreased to £5.0m in 2022/23 down from £6.4m last year. Again primarily driven by a reduced property sales programme with surpluses from these activities being down by over £1m on the previous year.

Surpluses generated by the Group are reinvested back into the stock primarily through a programme of capital major component replacements.

Statement of Financial Position

The Group Statement of Financial Position saw a net addition of £15.0m (2022: £10.6m) tangible fixed assets through the year. This is after taking account of new housing additions of £14.2m (2022: £11.6m) and works to existing stock of £8.3m (2022: £6.0m).

The Group has a fully secured revolving credit facility in place with an undrawn balance of £11.6m (2022: £16.1m) plus an additional £10m forward fixed, fully secured, facility which is due to be drawn in the coming financial year.

Future financial performance

Our financial results exhibit a strong and consistent trend. We want to ensure that we can make decisions about customer services delivery and asset investment from a position of choice and strength.

Our financial plan aligns with our corporate strategy, which emphasises the need for ongoing operational efficiency to underpin service delivery, for growth in our housing portfolio, for greater partnership working to deliver more and for our continued commitment to our customers. The ambition for 2023/24 and beyond is therefore to remain on a path of continuous financial strength whilst continuing to build on all our strategic priorities.

Commercial strength is fundamental to the achievement of our broader objectives and delivery of healthy surpluses is vital to our success. Increased financial capacity leads to increased investment options – we need to evidence to our customers and stakeholders how financial strength has a direct and positive influence on our social value and particularly in the current environment, our ability to meet the demand for new housing provision.

Achievement of our goals is dependent on sound financial management at all levels of the organisation. We have made good strides with raising the profile of financial management within our business, and we have ambition to continue ratcheting up this work so that finance becomes an enabler of business transformation. We believe that it's right and natural for financial awareness and responsibility to be at the heart of all our daily actions and activities.

Operating and Financial Review and Strategic Report (continued)

Environmental, Social and Governance

Acis has a strong track record of delivering social value for our customers and the wider communities in which we operate. Whilst others have cut back, we have continued to grow our offer so that we can provide more services and help more people in our communities.
We are conscious of our environmental impact and are focused on achieving EPC C or above for all of our properties. We also continue to put the foundations in place to achieve net zero carbon but we are aware of the challenges that the social housing sector and wider society will face in achieving this. We are working hard to get our base data right so that we can charter a course for a no regrets strategy to improving the thermal efficiency of our existing social housing stock.

The Group has strong governance arrangements in place and an embedded internal controls framework. We hold the top governance grade (G1) as assessed by the Regulator of Social Housing.

In the coming year, we will be looking at ways to improve the reporting, on all the great work that we do under the ESG agenda.

Below is some of the work that we are doing across these areas, the table also includes signposting to more information where it is included in these financial statements.

Environmental	
Measuring our emissions and energy consumption and the work we are doing to reduce it.	page 31
Our asset management strategy which sets out targets to move all of our properties to EPC C or above and seeks to prepare the organisation for net zero carbon by 2050	page 12
Our sustainability modelling on our assets which allows us to understand both the financial and non financial impact of our stock - Including energy performance	
Our current and previous work to install solar PV and air source heat pumps to 607 of our properties.	
Social	
The work that we do through Riverside Training and Community Learning in Partnership has increased meaning we can now offer more opportunities across a wider geographical area allowing us to support more people in our communities.	page 25
Acis Homeplus delivered further adaptations for disabled and elderly customers throughout the yeear, enabling them to remain in their homes rather than seek residential care.	
In the year we have continued to regenerate areas of our home town, Gainsborough with two new development schemes which will transform the local area.	page 26
Our antisocial behaviour teams continue to work hard with our customers across all our areas of operation to make the environment in which we live better for everyone.	
Improvements to our repairs service making the service more accessable when it suits our customers.	page 25
Our equality, diversity and inclusion working group cotinues to review our customer and staff EDI statistics in the context of the population in the areas in which we operate.	
We continue to increase our network of partnerships organisation so that where additional support is required we have relevant agencies available to offer that support.	Page 26
Governance	
Our committee and Board structure which provides scrutiny and challenge and seeks to include representation from our customers.	Page 34
Our G1 governance grade as assessed by the Regulator of Social Housing.	Page 14
Our robust business planning, stress testing and early warning triggers which ensure we are able to react early to adverse economic movements.	Page 10
Our risk management framework which has processes for identifying, evaluating and managing risks. It also included the Board's assessment of risk appetite which was again reviewed in the year.	Page 15
Our Investor in People Silver accreditation and "our peeople Voice" employee forum	Page 10
Our gender pay gap data and report and the work we are doing to reduce them.	
Our "Your Voice" customer engagement framework and the work of the Customer Voice Panel to scrutinise our services.	Page 24
Our annual assessment against both the code of governance and Regulator of Social Housing regulatory standard.	Page 34

Operating and Financial Review and Strategic Report (continued)

Treasury and Liquidity

Treasury management

Acis operates a treasury function within its core finance team, with responsibility for the management of liquidity, interest rate risk and counterparty risks. These activities are governed by a treasury management policy and strategy which are approved each year by the Board. The policy is based on industry good practice standards and was constructed with the assistance of expert external advice.

The organisation adopts a risk-based approach to liquidity and interest rate management. The overriding objective is the avoidance of unacceptable risk. Surplus cash is invested with approved banks and counterparties in line with the Treasury Management Policy (ensuring the preservation of capital rather than maximising returns). The Group is funded from a number of sources including long-term loans, retained earnings and grant (primarily provided by government agencies). All funding is in sterling and, therefore, there is no currency exchange exposure to the Group.

Loans and credit structure

Acis Group Limited ('AGL') is the parent company of the Group and the main borrowing vehicle. As at 31 March 2023 the Group had committed facilities of £208.0 million (2022: £224.7 million). Drawn loans as at 31 March 2023 totalled £186.4 million (2022: £173.6 million). Current loan facilities are sourced from the banking sector and from a private placement arranged directly with institutional investors and include a revolving credit facility. A significant amount of debt is repayable over the next ten years and in order to deliver its long-term financial plan, the Group will require additional debt facilities to maintain its future operation.

Interest rate management

The organisation has a risk-averse attitude to interest rate movements, and our treasury strategy requires at least 50 per cent of drawn funds to be held on fixed or hedged rates of interest. As at 31 March 2023, 81 per cent of drawn monies were held on this basis (2022: 85 per cent), comprising a combination of standard fixed rate debt and cancellable fixed rate debt. All such hedges are embedded within loan agreements; the organisation does not enter into free-standing derivatives and so has no mark to market exposure. Interest and related expense on our loans was £7.4m across the Group during the year (2022: £6.9m). The weighted average cost of funds as at 31 March 2023 was 4.30 per cent (2022: 4.02 per cent)

Covenant compliance

AGL's loan facility financial covenants are based on interest cover and gearing ratios. Interest cover is calculated on Operating Surplus after adding back housing property depreciation and includes surpluses from property sales and capital improvements expenditure. Gearing is based on total debt compared to the balance sheet historic cost of housing assets. Covenants are monitored monthly, reported to the Board and Finance and Development Committee on a quarterly basis and annually to the finance providers. Covenants were met as at the balance sheet date and we expect this to continue to be the case going forward.

Liquidity and cash flow

Surplus funds from operations and drawdowns from the revolving credit facility are used for the purposes of funding new development activity. Any additional cash balances are placed on short-term deposit. The organisation will only deposit monies with institutions which comply with stringent Treasury Management Policy parameters, based on credit rating agency assessments of financial strength. The combination of internal cash generated by the organisation, cash held by the organisation, new undrawn facilities and a revolving credit facility are sufficient to fund the Group's anticipated development programme for at least the next eighteen months.

Governing Document

Acis Group Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 14 October 2022. It is registered as a charity with the Charity Commission.

Acis Group Limited

Value for Money Statement

Operating and Financial Review and Strategic Report (continued)

Acis Group Limited

Value for Money Statement for the financial year ended 31 March 2023

Introduction

Value for money (VFM) isn't just about saving money. It's about making sure that whenever we spend, we do so wisely and with customer benefits in mind. Every day, our people strive to deliver better outcomes for our customers and to ensure they see our services as good value for money. We continually reinvest our income to improve the homes and services we provide across our communities.

Our VFM approach is underpinned by the corporate objectives we set out in our 2021-2024 strategy. This ensures we use our resources and assets in the most efficient way to deliver the best possible service for our customers.

Our headline corporate objectives are:

Our Customers - Provide the best possible service to the people in our communities.

Our Partnerships - Work with others to grow the services we offer and improve the lives of those living in our homes and the communities in which we work

Our efficiency - Deliver an efficient and customer-focused service that drives value for money through the way we work.

Our Growth - Grow our organisation, creating financial efficiency and strength to support more customers.

Benchmarking

We set ourselves challenging targets across all our business activities and benchmark these against our peers. This helps us understand our costs and performance as we strive to improve. It also means that we are held to account to deliver VFM by our Board and our customers.

We recognise there will undoubtedly be variations across the peer group based on size, location and the services delivered. Even taking these factors into account, no two providers are the same. We believe that benchmarking across the whole sector is the most transparent approach which provides the largest possible data set.

In this report, we compare our 2022 / 23 cost per unit data and regulator metrics to the 2021 / 22 sector results from the Regulator of Social Housing global accounts – which includes data from 204 providers. Because of the high inflation operating environment, these benchmarks are likely to have increased when the 2022 / 23 data becomes available. All of our benchmarking sources are identified in the individual tables throughout this report.

Our social housing costs

We've always been a lean organisation compared to our peers. This is evidenced by our cost per unit metrics, which we use to benchmark our cost base against the rest of the sector. Despite this solid starting position, we continue to challenge ourselves to ensure that we provide the best possible quality for our customers and that we do this as efficiently as possible.

Operating and Financial Review and Strategic Report (continued)

	Headline Social Housing CPU	Management CPU	Service Charge CPU	Maintenance CPU	Major Repairs CPU	Other Social Housing CPU
Acis Group Result 2022/23	**£3,647**	£675	£183	£1,055	£1,579	£154
Acis Group Result 2021/22	**£3,143**	£647	£148	£931	£1,215	£202
Acis Group Result 2020/21	**£2,557**	£584	£148	£937	£720	£168
Acis Group Result 2019/20	**£2,935**	£593	£135	£907	£1,183	£117
Acis Group Result 2018/19	**£2,841**	£538	£137	£921	£1,097	£148
Acis Group Result 2017/18	**£2,657**	£538	£128	£907	£964	£120
Sector - Top 25%	**£5,179**	£1,453	£828	£1,483	£1,183	£584
Sector - Median	**£4,133**	£1,130	£468	£1,229	£924	£232
Sector - Bottom 25%	**£3,693**	£881	£279	£1,026	£714	£127

CPU = Cost per unit; top 25% equals least efficient; bottom 25% equals most efficient

Sector benchmarks are taken from the 2021/22 global accounts published by the regulator of social housing

= most efficient = relatively efficient = relatively inefficient = least efficient

This benchmarking demonstrates that we have consistently performed among the most efficient organisations for our costs. We rank in the top 10 per cent of housing providers for total cost, management cost and service cost. Our maintenance costs and other costs are also favourable against our peers, and the 2022 / 23 results are also close to the top 25 per cent of organisations.

Our major repairs spend has always been an outlier, but this is a conscious decision by our Board to invest more heavily to directly benefit our customers and their homes. This is in line with our ethos to provide better homes for our customers. We see this as a positive decision which will deliver benefits in the longer term for both our organisation and our customers.

Our performance and areas for improvement

Our Board sets and approves operational targets at the start of the financial year. Our leadership team, committees, and Board monitor these closely throughout the year. We take corrective action where performance doesn't align with targets. A selection of these operational indicators which demonstrate our performance against these targets and against our peers is set out on the following page:

Operating and Financial Review and Strategic Report (continued)

KPI	Priorities	21/22 Performance	Benchmark	22/23 - Current Performance	22/23 - Current Target	23/24 Target	24/25 Target	25/26 Target
Overall % Satisfaction	Our Customers	81%	77.5%	76%	85%	83%	85%	87%
% Tenancies Lasting More Than 12 Months	Our Customers	95.7%	N/A	95.4%	95%	95%	95%	95%
Gas Safety Compliance	Our Customers	100%	99.9%	100%	100%	100%	100%	100%
% Satisfaction with Repairs in last 12 months	Our Customers	N/A	N/A	81%	N/A	80%	82%	84%
% Satisfaction with overall repairs and maintenance services	Our Customers	71%	86.4%	75%	78%	N/A	N/A	N/A
% Stakeholders Engaged	Our partnerships	N/A	N/A	75.6%	50%	60%	70%	70%
% Satisfaction that rent offers Value for Money	Our efficiency	88%	N/A	86%	88%	90%	90%	90%
Rent Arrears	Our efficiency	3.4%	2.8%	2.7%	4.5%	3.50%	3.30%	3.1%
Void Loss %	Our efficiency	0.66%	1.08%	0.75%	0.80%	0.78%	0.77%	0.76%
Void Turnaround Times (days)	Our efficiency	41	N/A	28.6	28	26	25	24
% Days Lost to Sickness Absence	Our efficiency	4.27%	3.87%	3.90%	N/A	N/A	N/A	N/A
% Voluntary Staff Turnover	Our efficiency	31%	13.2%	23.8%	N/A	N/A	N/A	N/A
Student Occupancy	Our efficiency	81%	N/A	81%	80%	88%	94%	96%
Homes Handed Over	Our Growth	139	N/A	100	200	150	150	150
Loan Covenant Compliance	Our Growth	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Benchmarks are taken from the Housemark pulse report which includes data from 171 providers.

Our customer satisfaction has always been lower than we'd like, despite benchmarking similar, or higher than our peers. Addressing this is one of our corporate priorities and continues to be a focus for us in our planning. We know our repairs service is key for our customers, and is the top influencer for their overall satisfaction with us. We have worked hard in the year to make improvements in this area by extending our operating hours, implementing more efficient systems, and rolling out repairs on demand.

All these improvements are aimed at improving our service for customers and realising efficiencies. We're pleased customers are recognising this, as we've seen a 4% increase in overall satisfaction scores for repairs. There are more details on these improvements in the next section of this report.

While this has not yet translated into overall satisfaction, we're sure it's only a matter of time. We have reprofiled our overall satisfaction targets over the coming years to recognise this.

We have also changed our repairs satisfaction metric to give us a more realistic picture of our performance in this area over the last 12 months. We now ask customers 'how satisfied are you with the repair you have had in the last 12 months?' instead of 'how satisfied are you with overall repairs and maintenance services?', this shows even higher satisfaction as does our transactional data.

Our lettings and arrears performance has been extremely strong, outperforming our targets in all areas, throughout what has been a challenging year. We're also pleased to see our people sickness and turnover starting to reduce from the high levels we experienced in 2021 / 22.

Operating and Financial Review and Strategic Report (continued)

Achievements and challenges in 2022 / 23

Our Customers

Customer Service Centre

We've made changes to our Customer Service Centre opening hours to help us be there for customers when they need us. We have also added a number of routes for customers to interact with us digitally to make this even easier. These new digital channels have reduced email and call volumes, but, we are now having more interactions with customers within the same cost base.

Digital customer interaction

We now have over 2,900 customers signed up for the MyAcis Portal, enabling them to interact with us digitally when it suits them and manage their tenancy online. This also provides us with another platform to directly engage with customers which has proved successful in generating responses to research requests. We're seeing around 470 contacts per month through this channel, including from shared owners which is helping us to connect better with this customer group.

Our Live Chat function is also seeing increased usage with around 200 customer interactions per month. This channel provides support for customers between 5pm and 9pm, when our customer contact centre phone lines are closed.

And we're receiving around 600 text messages per month too – which provides another digital route for customers to engage with us, at a time and in a way that's convenient for them.

Your Voice

We have continued our programme of Your Voice activities to ensure we hear our customers' voice, which enables us to use this feedback to tailor our services. This included a "Love Your Street Day", helping residents to take pride in their neighbourhoods. This activity also resulted in two further customers joining our Customer Voice Panel to help shape our customer offer.

Externally funded support

A key driver for us is to ensure that we deliver the wider services that our customers need. We do this through generating additional external income to offer those services and drive even further value for money. This year we received almost £1.5m income to deliver across many contracts and have secured even more income to deliver new services next year.

This has enabled us to work with over 4,000 people and support 1485 people within our communities, by providing a range of interventions including training, wellness activities, support groups, 1-2-1 support and employment support. Some of the outcomes from this support are listed below:

- Over 50 people have been supported to move into work.
- A further 450 people have increased their confidence and are actively looking for work.
- More than 350 people achieved qualifications.
- More than 60 people have been helped into further education or training.
- More than 240 people have been helped to reduce anxiety and depression through their attendance at wellbeing courses.

Our Efficiency

Operating and Financial Review and Strategic Report (continued)

Building expertise

We've built our expertise across the organisation to improve efficiency. This is particularly true in our corporate functions, adding in-house conveyancing and recruitment business partner roles to reduce third-party costs and improve quality.

Within our property services directorate, we created a new Commercial team to help drive a commercial ethos and achieve greater value for money. As well as helping us transition through changes with our material supply contractors, the Commercial team has procured a number of regional sub-contractors at reduced rates, as well as direct supply of major components. We've managed our suppliers and contractors hard, ensuring value for money in the longer term.

We're committed to recruiting for cultural alignment – ensuring our new starters fit well with the organisation and align with our values, principles and behaviours.

Our benefits

We continued to review our benefits package – and at the same time introduced a further salary sacrifice scheme for pensions. This has generated savings for the organisation and our people. Offering enhanced benefits like this ultimately helps us attract and retain the right talent. This should help us to reduce turnover among our colleagues beyond the reduction of 7% we've already seen this year.

Accuserv

We've mobilised Accuserv (our end-to-end repairs system) to ensure repairs and contractor costs are visible and more easily controlled. The system allows us to measure engineer productivity, assess projects in real-time to prevent rebooking appointments and reduces administration associated with contractor invoices and payments.

Repairs

We have increased customer satisfaction with our repairs service to 75.3%, following the roll out of our Repairs on Demand service. This allows our operatives to control their own diary and for customers to book repairs directly, we have also implemented text messaging to deliver notifications and reminders about appointments. The new model reduces time spent attending appointments that we can't access, as customers are well-informed about our planned attendance.

Customer support & rent arrears

By supporting our customers, we have outperformed our targets for tenancy sustainment and void rent loss, outturning at 95.4% and 0.75% respectively. We have also reduced rent arrears from 3.4% last year to 2.7% and reduced our time to turnaround empty properties from 41 days last year to less than 29 days. In a particularly challenging external environment, this performance is extremely positive.

Acis Students

The 10-year joint venture arrangements for managing our student accommodation ended in the year, this gave us an opportunity to review how we deliver services to customers at Raleigh Park, Nottingham and The Trigon, Sheffield. We brought the joint venture to an end and transferred the management of this accommodation back into the Group. This gives us much more control over the service our customers receive, reduces cost and allows us to review processes to unlock further efficiencies.

Our Growth

CLIP

We transferred CLIP into the group, which saw us bring around 600 learners and 30 additional colleagues on board. Not only does CLIP enable us to offer more support to customers we already work with in Gainsborough and Market Rasen, it also widens our reach to the coastal community in Mablethorpe. CLIP also allows us to deliver other interventions for customers in-house.

Operating and Financial Review and Strategic Report (continued)

One Team
After a period of consolidating and bedding in, we have started to roll out our Ways of Working across CLIP, Riverside and Acis Students. Embedding our principles in all areas of the organisation allows us to streamline some processes, and ultimately deliver a more consistent customer experience, regardless of where a person accesses our services.

Acis Homeplus
During the year, the Board took the difficult decision to close Acis HomePlus. This was done with a heavy heart, as it was clear that its valuable services were still needed by parts of the community to enable vulnerable customers to stay in their homes. However, after a difficult few years, it was not possible for Acis to continue to support the entity, so we ended the HomePlus activities on 31 March 2023.

New Build and Sales
We've completed several shared ownership and the first outright property sales at Bowling Green Road, Gainsborough; a desirable property location where we're working to build a strong community in our heartland. Our purpose-built community centre is also underway to enable the residents in this area to access the services and support they need. We also completed our redevelopment of North Parade, Gainsborough.

Overall sales performance continues to be strong, and we are holding very few properties which are available for sale at the end of this financial year.

Our Partnerships

Stakeholder management
We've grown the numbers of stakeholders that we are engaging with by 300 to 1,200, utilising the same team to increase the reach of our messages and grow our opportunities. We have actively engaged with over 75% of these stakeholders in the year and have implemented a new reporting system to reduce duplication and increase efficiency. This amounts to more than 2,200 engagements in the year.

We have also embedded key account management arrangements to manage relationships with 400 key stakeholders across funders and influencers.

Investment
We secured £110,000 in investment from West Lindsey District Council for young people's education support via their UK Shared Prosperity Fund. This funding has helped us to continue a pilot successor programme to our hugely successful CareerNet programme which has run over the last five years.

Value for Money Metrics
We report and monitor our performance against the Regulator of Social Housing's Value for Money Metrics. These metrics increase transparency and help to compare our performance with other housing associations. Our relative performance against these metrics can be seen on the next page.

Operating and Financial Review and Strategic Report (continued)

Metric	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	Top 25%	Median	Bottom 25%
1) Reinvestment % - Efficiency	5.9%	6.6%	7.9%	10.2%	11.3%	7.9%	6.6%	8.6%	6.5%	4.7%
2a) New supply delivered (social) % - Effectiveness	2.2%	1.7%	1.3%	2.9%	2.3%	1.9%	2.1%	2.1%	1.4%	0.7%
2b) New supply delivered (non-social) % - Effectiveness	0.55%	0.39%	0.14%	0.19%	0.33%	0.06%	0.06%	0.09%	0.00%	0.00%
3) Gearing % - Efficiency	65.8%	62.0%	63.6%	62.8%	63.3%	64.1%	62.8%	32.1%	44.1%	53.1%
4) EBITDA MRI interest cover % - Efficiency	214.1%	180.9%	134.0%	129.5%	134.2%	127.2%	126.1%	198%	146%	107%
5) Headline social housing cost per unit – Economy	£2,557	£3,143	£3,647	£3,731	£3,654	£3,820	£3,883	£3,700	£4,150	£5,180
6a) Operating margin % - Efficiency	24.4%	26.9%	26.7%	25.6%	23.7%	28.2%	28.9%	25.4%	20.5%	14.3%
6b) Operating margin (social housing lettings) % - Efficiency	25.4%	27.4%	25.2%	24.6%	26.3%	27.5%	27.9%	28.5%	23.3%	17.6%
6c) Operating margin (other social housing activity) % - Efficiency	25.4%	19.4%	24.4%	20.5%	26.0%	11.2%	11.2%	22.6%	9.4%	-6.8%
6d) Operating margin (non-social housing activities % - Efficiency	24.7%	28.4%	29.7%	30.3%	15.5%	33.4%	36.7%	46.0%	21.3%	4.1%
7) ROCE % - Efficiency	4.1%	4.9%	4.0%	3.9%	4.0%	4.1%	5.6%	4.2%	3.3%	2.7%

Benchmarks are taken from the 2021/22 global accounts published by the regulator of social housing which includes data from 204 organisations

= most efficient = relatively efficient = relatively inefficient = least efficient

Operating and Financial Review and Strategic Report (continued)

How we performed

Reinvestment and new supply

In the year we invested £14 million to provide new affordable homes through our development programme. We took handover of 56 homes for rent and 33 for shared ownership. And we started building many more new homes. We also invested over £8 million in our existing housing stock.

Our VFM metric for reinvestment in the year was 7.9%. This was an increase on previous years, due to increased levels of investment in our existing housing stock. Our reinvestment and new supply metrics did fall short of our targets. This was due to delays in new build delivery and handovers, with much of this moving back into following years.

During the year, because of the difficult economic conditions and primarily increasing interest costs, the Board revisited the business plan and were forced to scale back some of our development ambitions. In the new business plan, we have reduced the investment in new supply but maintained our investment in existing housing stock. This is a recognition of how important this is for our customers and in meeting energy efficiency targets.

Debt

Our year end gearing is slightly higher than target. This is primarily due to changes in our development programme which resulted in handovers, and therefore receipts, from homes developed for sale being delayed into the new financial year, while most of the build costs were still incurred.

While we were reasonably well protected against increasing interest costs with relatively high levels of fixed rate debt, these did have an impact this year. These increased interest costs were offset by slightly lower capital spend, resulting in our interest cover metric being slightly better than the target we set at the beginning of the year.

Our desire to develop and invest in existing assets means we have higher levels of debt when compared to our peers. This results in higher gearing and lower interest cover, although this is a conscious decision of our Board.

Efficiency

The majority of our VFM metrics for the cost and operating margin metrics performed better than target, and we continue to benchmark favourably when compared to our peers. We’re exceptionally pleased with this performance in a challenging economic environment.

We fell slightly short of our target for the margin generated from our non-social housing activities. This was primarily caused by increasing utility costs which impacted on the cost base of our student accommodation. We have included a prudent forecast for utility costs in the next financial year which will further reduce margins before they are forecast to return to more normal levels.

Our non-social housing surpluses remain strong, and we are reinvesting them into our social housing portfolio to further improve our customers’ homes.

Looking ahead

For us, delivering value for money doesn’t stand alone. It’s our business as usual. As we move into the new financial year, we are already consulting with staff about some important changes to our education and skills activities as well as looking to explore the outsourcing of some capital investment works to gain greater cost efficiency in the year ahead.

We are constantly looking for ways to get the most benefit for our customers in everything we do, whether that’s how we buy our materials, or turning the lights off when we leave a meeting room.

This mindset will set us up for success leading into the next stage of our journey, we are already deep into the planning for our new corporate strategy and VFM will continue to play a huge part in this, ensuring we continually strive for the most efficient, best quality outcomes for our customers.

We are excited to launch our new corporate strategy soon.

Report of the Directors

Report of the Directors

Board members and executive directors

The Board members and executive directors of the group are set out on page 3.

This year there have been changes to the Board, as follows:

With our Chair-Mike Kay and Vice Chair-Graham Ward both approaching the end of their respective tenures in September 2023, they stepped down from their roles at the September 2022 annual general meeting but remain on the board for a final year to support the transition. Existing board members Kathryn Smart was appointed to the role of Chair and Carole Hodson to the role of Vice Chair.

In September 2022 we said goodbye to Suzanne Bolton following the final staircasing of her shared ownership property, Suzanne had served on the board since January 2020. Following a rigorous recruitment exercise, we were pleased to welcome Paul Wilkin and Julie Haywood to the board, bringing with them extensive experience.

The Board is continuing its journey to embrace diversity and inclusion and has worked with Housing Diversity Network to offer Trainee Board member positions, which is currently supporting one aspirant Board member.

The executive directors are the Chief Executive, the Finance Director, the Director of Property Services and the Director for Customer Excellence. There have been no changes to the executive Directors in the year.

Group insurance policies indemnify Board members and officers against liability when acting for the Group.

Service contracts

The Chief Executive and the other executive directors are employed on the same terms as other employees with their notice periods ranging from three to six months.

Employees

We recognise that the success of our business depends on the quality of our managers and our people. It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

We are committed to equal opportunities and, in particular, we support the employment of disabled people, both in recruitment and in retention of employees who become disabled whilst employed by the Group. The association retains 'positive about disabled people' and Investors In People accreditation, in recognition of its commitment in these areas.

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides staff training and education on health and safety matters. We also have a Health and Safety Steering Group to engage with staff across the organisation and enable positive change to be brought forward.

Donations

The Group made no charitable or political donations during the course of the year.

Financial risk management objectives and policies

The Group uses various financial instruments, including loans and cash, and other items such as rent arrears and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks. The main risks arising from the Group's financial instruments are considered by the directors to be interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group finances its operations through a mixture of retained surpluses and bank borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and variable rate facilities.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and investing cash assets safely and profitably.

Credit risk

The Group's principal credit risk relates to tenant arrears. This risk is managed by providing support to eligible tenants with their applications for benefits and closely monitoring the arrears of self-funding tenants. Welfare reform, the resulting changes to the benefits system and the current cost of living crisis have been identified as a key risks to the Group. The challenges faced by these are continually being assessed in light of new best practice and local benchmarking.

Report of the Directors (continued)

Emissions and Energy Consumption

In line with the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018, our energy use and greenhouse gas (GHG) emissions are set out below.

Acis Group Ltd Energy Use and Associated Greenhouse Gas Emissions

	Year end Mar-23	Year end Mar-22
Total Energy consumption (kWh)	**4,780,743**	**3,150,194**
Emissions from combustion of gas (Scope 1) (tCO2e)	**72**	**82**
Emissions from transport (Scope 1) (tCO2e)	418	[illegible]
Emissions from purchased electricity (Scope 2) (tCO2e)	471	[illegible]
Emissions from business travel in employee-owned vehicles where the company is responsible for purchasing the fuel or electricity (Scope 3) (tCO2e)	60	[illegible]
Total gross emissions (tCO2e)	**1,021**	**721**
tCO2e per staff number	**3.5**	**2.7**
Renewable energy generated and then exported (kWh)	[illegible]	[illegible]
Renewable energy generated and then exported (tCO2e)	54	3
Emissions avoided by purchasing renewable electricity (tCO2e)	0	[illegible]
Total annual net emissions (tCO2e)	**967**	**538**

Acis Group Ltd Energy Use and Associated Greenhouse Gas Emissions: Company Breakdown

	Electricity		Renewables	Gas		Company Fleet		Grey Fleet			
	kWh	tco2e	kWh	kWh	tco2e	kWh	tco2e	kWh	tco2e	Total kWh	Total tco2e
Acis	2,407,593	466	278,998	390,724	71	1,674,419	418	218,025	52	4,969,758	1,007
Riverside	10,470	2		0	0			21,471	5	31,941	7
Clip	17,671	3		4,899	1			10,648	3	33,218	7
Totals	2,435,733.86	471.02	278,998.23	395,622.66	72.22	1,674,418.66	418.02	250,143.61	59.79	5,034,917.02	1,021.05

Group structure changes

Total gross emissions for the Group have significantly increased in the year due to a large increase in electricity consumption. This is consistent with the number of MPANs in the Group this year as a result of changes in the group structure which includes new companies and the transfer of our student activities into the Group which has 74 associated MPAN's.

Quantification and Reporting Methodology

The boundaries of this report are based on operational control. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only that come under the operational control boundary. The 2022 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) are used to convert energy use in our operations to emissions of CO2e.

Carbon emission factors for purchased electricity calculated according to the 'location-based grid average' method. This reflects the average emission of the grid where the energy consumption occurs.

Data sources include billing, invoices and the Group's internal systems. At the time of reporting, there were multiple sites with several months of missing energy data, the approach to estimate this data was to either use average monthly figures, or assume zero consumption dependent on the site. For transport data where actual usage data (e.g. litres) was unavailable conversions were made using average fuel consumption factors to estimate the usage.

Report of the Directors (continued)

Intensity Ratio

We have chosen to report our gross emissions against staff number. The value for the intensity ratio was 3.5 tCO_2e per staff member.

Energy Efficiency Actions

The Group has implemented the following energy efficiency actions during the reporting period:

- Installed new loft or cavity wall insulation to 15 properties.
- Installed new door or windows to 53 properties.
- Added air source heat pumps to 2 further properties.
- Commissioned a review into renewable energy options for our student accommodation.

Going concern

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Operating and Financial Review. The Group has in place long-term debt facilities, a revolving credit facility, cash reserves, and generates positive cash from core operations.

These elements combine to provide sufficient resources to finance committed reinvestment and development programmes, along with the Group's day to day operations.

The Group has a long-term business plan which shows that it is able to service its debt facilities whilst continuing to comply with lenders' covenants. The business plan also includes multi variance stress testing scenarios and trigger points which are monitored and reported on regularly to the Board and Finance and Development Committee.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Reserves are retained at levels that allow the group to continue to provide the services that the reserves are intended to support while managing the risks associated with long term expenditure plans. The budget and business plans are approved each year and are set to achieve this.

The Group held £60,315k (2022: £55,855k) in the Income and Expenditure reserve as at 31 March 2023. Free reserves, i.e. unrestricted funds excluding tangible fixed assets net of grant, were -£188,335k (2022: -£177,855k) at 31 March 2023, as -£292,561k (2022: -£276,844k) is represented by fixed assets and can only be realised by their disposal. The funding facility is secured against the housing property fixed assets.

Post balance sheet events

There were no post balance sheet events.

Other Group companies

Acis Development Services Limited

Acis Development Services Limited was established in October 2010 to provide design and construction services to the Association and undertakes the construction and sale of properties on the open market.

Acis Management Limited

Acis Management Limited is the majority partner in Eione LLP and provides management services.

Eione LLP

Eione LLP was established in January 2013 as a joint venture to provide facilities management services to the student accommodation properties owned by the Association. In August 2022 the contracts came to an end and these services were transferred back into Acis Group Limited. Eione LLP is going through the process of voluntary strike off.

Prime Repairs and Maintenance Limited

Prime Repairs and Maintenance Limited became responsible for the delivery of all repairs and maintenance activities for the Group in September 2016. From 31st March 2022 all activities undertaken by Prime have been transferred back into Acis Group Limited. Prime is being wound-up.

Acis HomePlus Limited

Acis HomePlus Limited provided home independence services including adaptations to the Group and the private sector. Acis HomePlus Limited commenced trading in November 2019 after changing its name from Acis Housing Limited. As from 31st March 2023 Acis HomePlus has ceased to trade and is currently being wound-up.

Report of the Directors (continued)

Riverside Access and Training Centre CIC

Riverside Training was acquired by the Group in September 2020. Riverside Training delivers training and welfare/social support services alongside employability programmes.

Community Learning in Partnership CIC

Community Learning (CLIP) was acquired by the Group in August 2022. CLIP works with young people and adults who are looking to refresh their skills – for personal development, higher education or work.

Acis Properties Limited

Acis Properties Limited has been dormant throughout the period.

Internal controls assurance

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

This responsibility applies to all organisations within the Group, including those not registered with the Regulator of Social Housing.

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

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing. The Board receives and considers reports from management on these risk management and control arrangements throughout the year.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for the Audit and Risk Committee, Finance and Development Committee, Operations Committee, Enterprise Committee and Remuneration and Review Committee;
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- Board approved risk appetite levels;
- Robust strategic and business planning processes;
- Quarterly review of the Group's risk map by the Board;
- Detailed financial budgets and forecasts for subsequent years;
- Formal recruitment, retention, training and development policies;
- Established authorisation and appraisal procedures for all significant new initiatives and commitments;
- Regular reporting to senior management and the Board of key business objectives, targets and outcomes;
- Board approved whistleblowing and anti-fraud and bribery policy; and
- Detailed policies and procedures in each area of the Group's work.

A fraud register is maintained and available for review at every meeting of the Audit and Risk Committee.

No fraud has been reported in the year.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives minutes and an update from the committee chair for all Audit and Risk Committee meetings.

Throughout the year, the Audit and Risk Committee have reviewed the effectiveness of the systems of internal controls, including the sources of assurance agreed by the Board as being appropriate for that purpose. The Committee is satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year.

Governance

Governance and Financial Viability Standard

Acis has designed and implemented a comprehensive approach to the management of regulatory compliance including:

- Codifying the role and responsibilities of the Board, Sub-Committees and Officers in relation to RoSH compliance;
- Specifying the regulatory requirement and building the supporting evidence base of compliance;
- Identification of the deadlines for each regulatory cycle with a project plan in place to support completion of the regulatory cycle deadlines. The project plan developed includes clear stage gates / milestones, risk review and specific ownership of items in the plan by officers;
- Appropriate scrutiny at identified points by officers, Board and Committees;

Report of the Directors (continued)

- A programmed approach to compliance designed to ensure visibility of the way that issues are being addressed at stages where remedial action can be taken if required;
- The Group has applied this approach to all elements of the Regulatory Standard, with each element of the Standard and the accompanying code of practice specified along with the associated evidence references and required actions which are tracked using a RAG status.

Assessment of Acis Group Limited's compliance with the Governance and Viability standard has been made by the Board and there are no areas of non-compliance.

Code of Governance

In accordance with the Governance and Financial Viability Standard as set by the Regulator of Social Housing. Acis Group, in 2022 adopted a bespoke Code of Governance which is heavily based on the National Housing Federation Code of Governance 2020. These requirements do not apply to the non-registered subsidiary entities of the Group although they do operate within the spirit of the Code. Compliance with the adopted Code of Governance has been upheld by Acis Group Limited throughout the year.

The board has given robust consideration to the effectiveness and conduct of business for all Boards and Committees and is committed to formally reviewing its effectiveness at least every three years. The latest review was undertaken in January 2021.

In December 2015 the NHF published its voluntary code in relation to Mergers, Group Structures and Partnerships. Acknowledging the strategic aim to grow our organisation, and to create financial efficiency and strength through actively seeking collaborative working arrangements, the Board formally adopted the code at its meeting held in April 2016. Within the year, the Group made no formal merger proposals to any other party.

Board composition

The Board is made up of ten non- executive members. The Board structure includes the following committees and groups:

Committee / Group	Membership	Meeting frequency 2022/23	Role
Audit and Risk Committee	Bruce Kerr (Chair) Paul Satchwell Kathryn Smart (until 26/9/22 after being appointed Board Chair) Paul Wilkin (Joined 26/9/22) Russell Stone (Independent member)	4	Provides independent scrutiny and challenge to provide the Board with assurance. Ensure that appropriate external audit arrangements are in place and regularly evaluated and monitored. Consideration of audit reports and detailed review of financial statements. Seek assurance that appropriate risk management and assessment techniques are operated within the Group and performs detailed scrutiny and evaluation of risk. Ensures satisfactory internal audit arrangements operate within the Group and seek assurance that appropriate systems of internal control are established and maintained. Ensure an adequate system of internal control is in place.

Report of the Directors (continued)

Committee / Group	Membership	Meeting frequency 2022/23	Role
Remuneration and Review Committee	Kathryn Smart (Chair Apr-Sept) Mike Kay (Chair from Sept) Graham Ward (Until Feb) Carole Hodson (From Feb)	2	Review and recommend remuneration package of the Chief Executive and executive directors to the Board. Oversight of appraisal of the Chief Executive and executive directors.
Finance and Development Committee	Paul Satchwell (Chair) Graham Ward Ronan O'Hara (Until 26/9/22) Nigel Whitaker Paul Wilkin (Joined 26/9/22)	6	Maintain an overview of the Group's financial performance including reviewing and commenting upon the Group's management accounts and financial forecasts. Consider financial implications of proposals for areas of major new strategic business development on behalf of AGL and make recommendations to the board. Assist in the development of the Group's Treasury Management Strategy and consider the impact of changes in interest rates on the same. Monitor the Group's existing loan portfolio and determination of the adopted approach in relation to the drawdown of new funds, and the maturity of existing loans. Consider and approve within delegated authorities new development proposals or recommend to Board. Ensure compliance with the Group's Financial regulations in relation to procurement. Review the Group's Business Plan and act as an early warning system to the Board in cases of concern.
Operations Committee	Nigel Whitaker (Chair) Bruce Kerr Ronan O'Hara Carole Hodson Jamil Tuki (Trainee) (Resigned 24/3/22)	5	Ensure the maintenance of adequate and effective arrangements for internal monitoring of operational action plans and performance management processes. Receive reports and other performance information in relation to the Group's performance on all operational services. Receive reports in relation to the Group's customer communications and feedback. Report any serious delivery or compliance failures or concerns to the Group Board.

Report of the Directors (continued)

Enterprise Committee	Mike Kay (Chair) Carole Hodson Julie Haywood Ronan O'Hara Chris Duncan (Trainee)	3	Review, monitor and assess the operational and financial performance of the Group's enterprise activities. Report any serious delivery or compliance failures or concerns to the Group Board. Act as a sounding board to the Executive on any areas of potential new business or growth for the Group.

Skills and recruitment

All appointments are approved by the Board with due consideration of skills and supported by an objective and rigorous selection and assessment process. All appointments are made in accordance with the Board's skills matrix and the recruitment processes focused on securing members with the following appropriate skills:

Housing Sector: in-depth, up-to-date knowledge including the housing needs Acis Group aims to meet, and the opportunities and threats posed by the organisation's external framework

Resident / Customer: experience of the needs, concerns and aspirations of Acis' customers/ tenants, community development. Community relations and needs including equal opportunity, disability and managing diversity

Strategic leadership and management: vision, intellectual flexibility, political astuteness and drive for results. Experience of working at a strategic management level in the commercial, public sector, local/central government policy or charitable sector

Analytical: ability to digest large amounts of information, picking out the relevant points and using the information to support strategic decision making

Business Management: successful senior level business, financial and management experience including the ability to monitor performance and hold to account, change management, basic HR/employee engagement, IT and PR and Marketing.

The Board is made up of a range of skilled business people, with both private and public sector backgrounds, ensuring a broad range of skills, competencies, experience and knowledge. Members of the Executive Leadership Team attend the Board and Committees but are not Board members.

Evaluation

All Board members are subject to an individual appraisal conducted by the Chair. The appraisal process assesses contributions made, reviews and identifies training and development needs of the individual, and formalises individual and wider Board goals for the forthcoming year.

The adopted code of governance sets a requirement for appraisal of individual members to be carried out at least every two years. All Board members had an appraisal in the year.

The Board also completed a collective annual review of effectiveness for the year ended 31 March 2023. Committees and the Boards of subsidiary companies also undertook an annual review of effectiveness. An action plan will be drawn up and adopted by the Board to address any elements identified as areas where performance could be enhanced.

Attendance

The attendance at meetings by Board members throughout the year was as follows:

Report of the Directors (continued)

Acis Group Board

Member	Maximum Possible	Actual Attendance	Comment
Kathryn Smart	7	7	
Carole Hodson	7	6	
Mike Kay	7	7	
Graham Ward	7	7	
Nigel Whitaker	7	7	
Paul Satchwell	7	7	
Ronan O'Hara	7	6	
Bruce Kerr	7	7	
Suzanne Bolton	3	2	Resigned 26/9/22
Paul Wilkin	3	3	Appointed 26/9/22
Julie Haywood	3	3	Appointed 26/9/22
Chris Duncan (Trainee)	3	1	Appointed 26/9/22
Jamil Tuki (Trainee)	3	2	Appointed 26/9/22 Resigned 24/3/23

Audit and Risk Committee

Member	Maximum Possible	Actual Attendance	Comment
Bruce Kerr	4	4	
Paul Satchwell	4	3	
Kathryn Smart	1	1	Stood down after being appointed board chair 26/9/22
Paul Wilkin	3	3	Appointed 26/9/22
Russell Stone	4	3	

Remuneration and Review Committee

Member	Maximum Possible	Actual Attendance	Comment
Michael Kay	2	2	
Graham Ward	1	1	Stood down from committee 9/2/23
Kathryn Smart	2	2	
Carole Hodson	1	1	Appointed to committee 9/2/23

Operations Committee

Member	Maximum Possible	Actual Attendance	Comment
Nigel Whitaker	5	5	
Bruce Kerr	5	5	
Ronan O'Hara	5	4	
Carole Hodson	5	5	
Jamil Tuki (Trainee)	3	1	Resigned 24/3/2023

Report of the Directors (continued)

Finance and Development Committee

Member	Maximum Possible	Actual Attendance	Comment
Paul Satchwell	6	5	
Graham Ward	6	6	
Nigel Whitaker	6	6	
Ronan O'Hara	2	0	Stood down from committee 26/9/22
Paul Wilkin	4	4	Appointed 26/9/22

Enterprise Committee (New Committee)

Member	Maximum Possible	Actual Attendance	Comment
Mike Kay	3	3	
Carole Hodson	3	3	
Ronan O'Hara	3	1	
Julie Haywood	3	3	
Chris Duncan (Trainee)	3	1	

Eione LLP

Member	Maximum Possible	Actual Attendance	Comment
Graham Ward	4	4	
Greg Bacon	4	3	
Adrian Chamberlain	4	4	
Janice Boucher	4	3	Resigned 28/4/23
David Swift	4	4	

Prime Repairs and Maintenance Limited

Member	Maximum Possible	Actual Attendance	Comment
Greg Bacon	1	1	
Paul Woollam	1	1	
Adrian Chamberlain	1	1	
Mark Jones	1	0	

Acis Development Services Limited

Member	Maximum Possible	Actual Attendance	Comment
Greg Bacon	2	2	
Paul Woollam	2	2	
Adrian Chamberlain	2	2	
Mark Jones	2	1	

Report of the Directors (continued)

Acis Management Limited

Member	Maximum Possible	Actual Attendance	Comment
Greg Bacon	1	1	
Paul Woollam	1	1	
Adrian Chamberlain	1	1	
Mark Jones	1	0	

Acis HomePlus Limited

Member	Maximum Possible	Actual Attendance	Comment
Greg Bacon	2	2	
Paul Woollam	2	2	
Adrian Chamberlain	2	2	
Mark Jones	2	1	

Riverside Access and Training Centre Gainsborough CIC

Member	Maximum Possible	Actual Attendance	Comment
Greg Bacon	2	2	
Paul Woollam	2	2	
Adrian Chamberlain	2	2	
Mark Jones	2	1	

Community Learning in Partnership CIC

Member	Maximum Possible	Actual Attendance	Comment
Greg Bacon	1	1	
Paul Woollam	1	1	
Adrian Chamberlain	1	1	
Mark Jones	1	1	

Report of the Directors (continued)

Statement of the responsibilities of the Board for the financial statements.

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

Company law requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018 (Statement of Recommended Practice for Registered Social Housing Providers). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers update 2018 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and Group and enable them to ensure that the financial statements comply with the Companies Act 2006 (Part 10, chapter 2, paragraphs 170-180), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers (2018) (SORP). The Board is responsible for the maintenance and integrity of the corporate and financial information on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public Benefit

Acis has considered the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and planning future activities. All of the Association's charitable activities, details of which appear in the Operating and Financial Review, are undertaken for the benefit of local communities.

The charitable objectives of the Association are "to carry on the business of providing social housing, other housing, accommodation and assistance to help house people and associated facilities, services and amenities for poor people and for the relief of elderly, disabled (whether physically or mentally) or chronically sick people".

Report of the Directors (continued)

Our vision is to create opportunities for people to have better lives through the provision of better homes and better services. The Association has the following streams in relation to its charitable objects:

- Over 5,700 properties for rent, primarily by families who are unable to rent or buy at open market rates;
- Over 250 sheltered housing properties across nine schemes and assistance for people who need additional housing-related support;
- Over 500 low-cost home ownership properties, primarily shared ownership and the Rent to Own initiative;
- 6 Supported properties where the tenants receive support from other agencies;
- Over 1,100 student bed spaces providing affordable accommodation for students to continue their education;
- Support for tenants and the wider communities in education and gaining access to the workplace;
- Support for those requiring adaptions in order to stay in their properties.

To deliver these objects the Association engages in a comprehensive range of activities including those referred to in the Operating and Financial Review and Strategic Report and also in the annual report to tenants. These activities are underpinned by a comprehensive framework of strategies and policies to maximise the involvement of our tenants and ensure a robust governance structure.

Over 34 per cent of our tenants are aged 60 or over and nearly 34 per cent of our tenants are on full or partial Housing Benefit and over 36 per cent are on Universal Credit. Our tenancies are open to all, subject to Local Authority and local lettings policies which are legitimate, proportionate, rational and justifiable.

Annual general meeting

The Annual General Meeting will be held on 25 September 2023 at Acis House, Bridge Street, Gainsborough.

External auditors

Beevers and Struthers were appointed to audit the Group and Association financial statements for the year ended 31 March 2023.

Approval

The Report of the Board, including the strategic report, was approved by the Board on 31 July 2023 and signed on its behalf by:

Kathryn Smart

Chair

Independent Auditor's Report to the Members of Acis Group Limited

Independent Auditor's Report to the Members of Acis Group Limited

Opinion

We have audited the financial statements of Acis Group Limited (the 'parent Association') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Association Statement of Comprehensive Income, the Consolidated and Association Statements of Financial Position, the Consolidated Statement of Changes in Equity (Reserves), the Association Statement of Changes in Equity (Reserves), the Consolidated Statement of Cash Flow and the notes to the financial statements, including a summary of significant accounting policies in note 2. 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 parent Association's affairs as at 31 March 2023 and of the Group's income and expenditure and the parent 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 Companies Act 2006, 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 parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 Group's or the parent Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Acis Group Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Association, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Association financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of the responsibilities of the Board for the financial statements set out on page 40, 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 Group's and the parent Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the parent Association or to cease operations, or has 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 web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Acis Group Limited (continued)

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.

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, regulations and guidance that affect the Group and parent Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, 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 the 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 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 regulated nature of the Group's activities.
- We reviewed financial statements disclosures and 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.

Use of our Report

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

Beever and Struthers

Helen Knowles LLB FCA (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 19 September 2023

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover from continuing activities	3	**40,068**	[illegible]
Operating expenditure	3	**(29,645)**	[illegible]
Gain on disposal of property, plant & equipment	5	**885**	[illegible]
[illegible]	5	**271**	[illegible]
Operating surplus	4	**11,579**	[illegible]
Interest receivable	6	**16**	[illegible]
Interest payable and [illegible]	7	**(6,650)**	[illegible]
Surplus before taxation		**4,945**	[illegible]
Taxation	12	**57**	[illegible]
Surplus for the year after taxation		**5,002**	[illegible]
Other comprehensive income			
[illegible] for the year	9	**(457)**	[illegible]
Total comprehensive income for the year		**4,545**	[illegible]
Total comprehensive income for the year attributable to:			
[illegible] interests		**29**	112
Owners of the parent company		**4,516**	[illegible]

The consolidated results relate to continuing activities with the exception [illegible] Limited [illegible] ceased trading on 31 March 2023. These discontinued activities generated [illegible] turnover [illegible]120 (2022: [illegible]01,39[illegible]) and profit [illegible]332,19[illegible] (2022: [illegible]1[illegible]11[illegible]).

The notes on pages [illegible]3 to 9[illegible] form an integral part of these financial statements.

The financial statements on pages [illegible] to 9[illegible] were approved and authorised for issue by the Board on 31 [illegible] 2023.

Kathryn Smart
Chair / Trustee

Carole Hodson
Vice Chair / Trustee

Catherine Kelly
Secretary

Acis Group Limited, Company Number 03593345

Association Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	**2023**	2022
		£'000	□000
T□r□□er□□□t□□□□ □□t□t□e□	*3*	**38,848**	39□3□□
□per□t□□ e□pe□d□t□re	*3*	**(28,229)**	□2□3□□□
□ □□□ □□d□p□□□pr□pert□□p□□t□e□□pme□t	*5*	**885**	□□0
Operating surplus		**11,504**	11□□□0
□□tere□t re□e□□□b□e	*6*	**49**	□0
□□tere□t p□□□b□e □□d □□□□□□□ □□□t□	*7*	**(7,202)**	□□1□9□
□ □□t □□d	*11*	**147**	1□093
Surplus before taxation		**4,498**	□□□□□
T□□□t□□□	*12*	**40**	□□0□
Surplus for the year after taxation		**4,538**	□□□0□
Other comprehensive income			
□□t□□r□□□□□□□□□□□□□□□□□t□e □e□r	*9*	**(457)**	1□□□□
Total comprehensive income for the year		**4,081**	□□3□0

T□e re□□□t□ □□t□e □□□□□□□t□□ re□□te □□□□□t□ □□□t□□□□□ □□t□t□e□ □□d t□e □□te□ □□ p□□e□ □3 t□ 9□ □rm □□ □□te□r□□p□rt □□t□e□e □□□□□□□□□t□teme□t□□

T□e □□□□□□□□t□teme□t□ □□ p□□e□ □□ t□ 9□ □ere □ppr□□ed □□d □□t□□r□ed □□r □□□e b□t□e B□□rd □□ 31 □□□□ 2023 □□d □ere □□□□ed □□ □t□ be□□□b□□

Kathryn Smart
Chair / Trustee

Carole Hodson
Vice Chair / Trustee

Catherine Kelly
Secretary

Acis Group Limited, Company Number 03593345

Consolidated and Association Statement of Financial Position

As at 31 March 2023

	□□te	Group 2023 £'000	Group 2022 □000	Association 2023 £'000	Association 2022 □000
Fixed Assets					
□ □□□□□	13	289,496	2□□□□9	291,455	2□□311
□ □□□□□□□	1□	3,065	2□3□□	2,404	2□2□2
T□□□ble □□ed □□□et□		292,561	2□□□□□	293,859	2□□□□3
Current Assets					
St□□□	1□	4,475	2□3□□	4,471	2□3□□
Tr□de □□d □t□er Debt□r□	1□	1,822	1□□□2	1,871	3□□01
□□□□ □□d □□□□ □□□□□e□t□	1□	2,321	3□□01	1,749	1□□0□
		8,618	□□39□	8,091	□□□□3
Less: Creditors: amounts falling due within one year	19	(10,793)	□2□□□02□	(10,376)	□2□2□0□
□et □□rre□t □□□b□□te□		(2,175)	□20□10□□	(2,285)	□19□9□□
Total Assets Less Current Liabilities		290,386	2□□□□□0	291,574	2□□□□□□
□red□t□r□□□m□□□t□ □□□□□ d□e □□ter m□re t□□□ □□e □e□r	20	(228,668)	□199□□□0□	(228,220)	□199□□□0□
Pr□□□□□□ □□r □□b□□te□					
Pe□□□□□ □de□□□ed be□e□□t □□b□□t□	9	(1,402)	□1□32□□	(1,402)	□1□32□□
Total Net Assets		60,316	□□□□□□	61,952	□□□□□1
Reserves					
□□□□me □□d □□pe□d□t□re Re□er□e		60,316	□□□□□□	61,952	□□□□□1

T□e □□te□ □□ p□□e□ □3 t□ 9□ □□rm □□ □□te□r□□p□rt □□t□e□e □□□□□□□□t□teme□t□□

T□e □□□□□□□□□t□teme□t□ □□ p□□e□ □□t□ 9□ □ere □ppr□□ed □□d □□t□□r□□ed □□r □□□□e b□t□e B□□rd □□ 31 □□□□ 2023 □□d □ere □□□□ed □□ □t□be□□□b□□

Kathryn Smart
Chair / Trustee

Carole Hodson
Vice Chair / Trustee

Catherine Kelly
Secretary

Acis Group Limited, Company Number 03593345

Consolidated Statement of Changes in Equity (reserves)

	Income and Expenditure Reserve £'000	Total Excluding Non-controlling Interest £'000	Non-Controlling Interest £'000	Total £'000
Balance as at 31 March 2021	[illegible]	[illegible]	[illegible]	[illegible]
Surplus for the year after tax	[illegible]	[illegible]	112	[illegible]
Other comprehensive income for the year after tax	[illegible]	[illegible]	[illegible]	[illegible]
Total comprehensive income for the year	[illegible]	[illegible]	112	[illegible]
Distributions in year	[illegible]	[illegible]	[illegible]	[illegible]
Balance as at 31 March 2022	[illegible]	[illegible]	[illegible]	[illegible]
Surplus for the year after tax	[illegible]	[illegible]	29	[illegible]
Other comprehensive income for the year after tax	[illegible]	[illegible]	[illegible]	[illegible]
Total comprehensive income for the year	[illegible]	[illegible]	29	[illegible]
Distributions in year	[illegible]	[illegible]	[illegible]	[illegible]
Balance as at 31 March 2023	**60,316**	**60,316**	**-**	**60,316**

The notes on pages [illegible] to [illegible] form an integral part of these financial statements.

Association Statement of Changes in Equity (reserves)

	Income and Expenditure Reserve £'000	Total £'000
Balance as at 31 March 2021	[illegible]9[illegible]11	[illegible]9[illegible]11
Surplus for the year after tax	[illegible]0[illegible]	[illegible]0[illegible]
Other comprehensive income for the year after tax	1[illegible]	1[illegible]
Total comprehensive income for the year	[illegible]3[illegible]0	[illegible]3[illegible]0
Balance as at 31 March 2022	[illegible]1	[illegible]1
Surplus for the year after tax	[illegible]3[illegible]	[illegible]3[illegible]
Other comprehensive income for the year after tax	[illegible]	[illegible]
Total comprehensive income for the year	[illegible]0[illegible]1	[illegible]0[illegible]1
Balance as at 31 March 2023	**61,952**	**61,952**

The notes on pages [illegible]3 to 9[illegible] form an integral part of these financial statements.

Consolidated Statement of Cash Flow

	2023	2022
	£'000	[illegible]000
Net cash generated from operating activities	**13,943**	[illegible]
Cash flow from investing activities		
Purchase of tangible fixed assets	(22,924)	[illegible]
Proceeds from sale of tangible fixed assets	1,754	[illegible]
Grants received	1,531	[illegible]
Interest received	16	[illegible]
	(19,623)	[illegible]
Cash flow from financing activities		
Interest paid	(8,233)	[illegible]
New secured [illegible]	4,500	[illegible]
New secured [illegible]	25,000	[illegible]
Repayments of borrowings	(16,667)	[illegible]
Loan arrangement fee	-	[illegible]
	4,600	[illegible]
Net change in cash and cash equivalents	**(1,080)**	131
Cash and cash equivalents at beginning of year	**3,401**	[illegible]
Cash and cash equivalents at end of the year	**2,321**	[illegible]

The notes on pages [illegible]3 to 9[illegible] form an integral part of these financial statements.

Reconciliation of Group Operating Surplus to Net Cash Inflow from Operating Activities

	2023 £'000	2022 £'000
Cash generated from operating activities		
Surplus for the year	**4,516**	[illegible]
<u>Adjustment for non-cash items</u>		
Depreciation of tangible fixed assets	**7,798**	[illegible]
(Increase)/decrease in stock	**(2,130)**	[illegible]
(Increase)/decrease in trade and other debtors	**(94)**	[illegible]
Increase/(decrease) in trade and other creditors	**(584)**	[illegible]
Pension costs less contributions payable	**(411)**	[illegible]
Carrying amount of tangible fixed asset disposals	**(288)**	[illegible]
Share of operating surplus in [illegible] LLP	**(77)**	[illegible]
[illegible]	**(271)**	[illegible]
Deferred Government grants utilised in the year	**(722)**	[illegible]
[illegible]	**457**	[illegible]
<u>Adjustments for investing or financing activities</u>		
[illegible] on disposal of tangible fixed assets	**(885)**	[illegible]
Interest and financing costs	**6,650**	[illegible]
Interest receivable	**(16)**	[illegible]
Net cash generated from operating activities	**13,943**	[illegible]

The notes on pages [illegible] to [illegible] form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2023

1. Legal Status

Acis Group Limited (The Association) is incorporated in England under the Companies Act 2006. The Association is limited by guarantee, is a registered charity and is defined as a Public Benefit Entity. The principle activity undertaken is the provision of social housing.

The Association is registered with the Regulator of Social Housing (RSH) as a Private Registered Provider of Social Housing. The registered office is Acis House, Bridge Street, Gainsborough, DN21 1GG.

The Group comprises the following entities:

Name	Incorporation	Registered/ Non-Registered
Acis Group Limited	Companies Act 2006	Registered
Acis Management Limited	Companies Act 2006	Non-Registered
Acis Development Services Limited	Companies Act 2006	Non-Registered
Prime Repairs and Maintenance Limited	Companies Act 2006	Non-Registered
Acis HomePlus Limited	Companies Act 2006	Non-Registered
Acis Properties Limited (Dormant)	Companies Act 2006	Non-Registered
Riverside House and Training Centre (Gainsborough) Community Interest Company	Companies Act 2006	Non-Registered
Community Learning in Partnership Community Interest Company	Companies Act 2006	Non-Registered
[illegible] LLP	Limited Liability Partnerships Act 2000	Non-Registered

2. Principal Accounting Policies

Basis of accounting

The financial statements of the Group and Association have been prepared in accordance with applicable United Kingdom [illegible] Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for Registered Social Housing Providers: Housing SORP 2018 update. The accounts comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The Group is required under the Companies Act 2006 to prepare consolidated group accounts.

The accounts have been prepared on the historical cost basis of accounting and are presented in sterling £'000 for the year ended 31st March 2023.

The Group's Financial Statements have been prepared in accordance 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 company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company'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 company as their remuneration is included in the totals for the Group as a whole.

Notes to the Financial Statements

For the year ended 31 March 2023

Principle accounting policies (continued)

Basis of consolidation

The consolidated Financial Statements incorporate the results of all its subsidiary undertakings as at 31 March 2023 using the acquisition method of accounting as required. Where the acquisition method is used the results of the subsidiary undertakings are included from the date of acquisition being the date the Group obtains control.

Going Concern

The Group's Financial Statements have been prepared on a going concern basis which assumes an ability to continue operations for the foreseeable future.

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Operational and Financial Review. The Group has in place long-term debt facilities, revolving credit facilities, reserves and generates positive cash from core operations.

These elements combine to provide sufficient resources to finance committed reinvestment and development programmes, along with the Group's day to day operations.

The Group has a long-term business plan which shows that it is able to service its debt facilities whilst continuing to comply with lenders' covenants. The business plan also includes mitigations for the stress testing scenarios and trigger points which are monitored and reported on regularly to the Board and Finance and Development Committee.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

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 Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimates 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.

a. **Development expenditure** – The Group capitalises development expenditure in accordance with the accounting policy described on page xx. Initial capitalisation of costs is based on management's judgement that a 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 rent. The Group has determined that no current rented properties or student accommodation should be classified as investment properties.

c. **Impairment** – Where it is recognised that there is a permanent diminution in value of any property, the reduction in value is written off to the Statement of Comprehensive Income in the year in which the diminution is recognised. An impairment review carried out for the year concluded that no assets were to be impaired resulting in no charge in 2022/23 financial statements. In arriving at this conclusion, the Group used numerous indicators, including external sources of information such as market values, market interest rates and returns on investments, other proposed changes in 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.

Notes to the Financial Statements

For the year ended 31 March 2023
Principle accounting policies (continued)

Other key sources of estimation and assumptions:

Tangible fixed assets – 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.

Stock and Work in progress – The Group carries stock and work in progress of properties that it intends to sell. The stock is held at cost and this is regularly compared to the recoverable amount to ensure no impairment is required. The recoverable amounts are derived from [illegible] market data and sales experiences.

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 valuations involve making assumptions about discount rates, future salary increases, mortality rates, inflation 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 rates, management considers the interest rates of corporate bonds in the respective currencies with at least an 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 of 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 country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. The table below sets out the impact on the organisation's liability for the changes in these key assumptions.

[illegible] The Sensitivity To The Principal Assumptions

	Change in assumption	Change in liabilities	£'000
Discount rate	Increase by 0.1% p.a.	Decrease by 1.9%	1[illegible]
Rate of inflation	Increase by 0.1% p.a.	Increase by 1.9%	1[illegible]
Rate of salary growth	Increase by 0.1% p.a.	Increase by 0.1%	[illegible]
Rate of mortality	Probability of survival each year increased by 10%	Increase by 1[illegible]	133

Further details are given in note 9.

Impairment of non-financial assets – Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge 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 or its value in use. A cash generating unit is normally a group of properties at scheme or property type level, whose income can be separately identified.

No impairment reviews carried out for the year concluded that no assets were to be impaired resulting in no charge in 2022/23 financial statements.

Notes to the Financial Statements

For the year ended 31 March 2023
Principle accounting policies (continued)

Acquisition accounting

[illegible]

[illegible]

Turnover and revenue recognition

[illegible]

Service charges

[illegible]

Loan interest costs

[illegible]

Loan finance issue costs

[illegible]

Taxation

[illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

Principle accounting policies (continued)

- 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 values of liabilities acquired and the amount that will be assessed for tax.

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

In accordance with FRS 102, deferred tax is not provided for gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over.

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. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs.

Tangible Fixed Assets and Depreciation

Housing properties and Student Accommodation

Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. Freehold land is not depreciated.

The costs of shared ownership properties (Shared ownership) are split proportionally between current and fixed assets based on the element relating to expected first tranche portion (initial tranche). The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Subsequent sales are treated as disposals of fixed assets (property sales) in operating profit.

Student accommodation properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings and expenditure incurred in respect of improvements.

Depreciation is charged so as to write down the net book value of properties to their estimated residual value, on a straight-line basis over their estimated useful economic lives in the business. For general needs housing properties, a full year's depreciation is charged in year of acquisition. For student accommodation, depreciation is charged from the month of acquisition. The depreciable amount is arrived at on the basis of original cost, less residual value. The Group's housing properties are depreciated at the following annual rates:

Notes to the Financial Statements

For the year ended 31 March 2023
Principle accounting policies (continued)

Houses and flats	**0.75% to 4.2%**
Student accommodation buildings	**0.85%**
Garages	**1.2%**
Commercial Properties	**2.0%**

[illegible]

[illegible]

[illegible]

Bathrooms	**3.3% to 10.0%**	**Roofs**	**1.3% to 2.5%**
Central Heating and Boilers	**4.0% to 10.0%**	**External Cladding and Structural Works**	**1.7% to 2.5%**
Doors	**5.0% to 6.7%**	**Windows**	**2.5% to 20.0%**
Electrical Works	**2.5% to 5.0%**	**Fixtures and Fittings**	**33.3%**
Kitchens	**5.0% to 14.3%**	**Environmental Improvements**	**3.3%**
Photo Voltaic Panels	**4.0%**		

[illegible]

Capitalisation of interest and administration costs

[illegible]

[illegible]

Other tangible fixed assets

[illegible]

Freehold Offices	**2.0%**	**Motor Vehicles**	**20.0%**
Building Fitting and Equipment	**10.0% to 20.0%**	**Depot Fitting and Equipment**	**20.0%**
Computer Equipment and Software	**25.0%**	**Furnished Accommodation**	**25.0%**

Notes to the Financial Statements

For the year ended 31 March 2023
Principle accounting policies (continued)

Valuation of Investments

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Stock and properties held for sale

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Stock swaps

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Short-term debtors and creditors

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Non-government grants

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Social Housing and other government grants

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Non-monetary government grant

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Notes to the Financial Statements

For the year ended 31 March 2023

Principle accounting policies (continued)

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. Where recycled grant is known to be repayable it is shown as a creditor within one year.

The [illegible] grant to b[illegible] M[illegible]d [illegible]d P[illegible]t scheme ended during 2019/20 the net receipt from the sales were recycled into recycled grant fund within creditors. This fund is to be used for a like for like replacement.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet 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, as well as the Group's own participation interests.

The Group operates two types of pension schemes: a defined contribution scheme for new members and a defined benefit scheme. The cost of providing retirement pensions and related benefits for both schemes are charged to management expenses over the periods benefiting from the employee's services.

The Group participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT').

Income and Expenditure Reserve

The Group has generated reserves:

- to provide a financial cushion against risk and uncertainty in future operations;
- to finance future major repairs and improvements; and
- to provide internal subsidy for new homes and property developments.

Due to the decline in [illegible] grant (SHG) and other capital grants available to the sector over recent years the Group continues to commit more of its reserves to finance investment in new homes and major maintenance programmes. This approach not only enables greater investment but it also reduces interest costs on additional finance to be kept to a minimum.

Notes to the Financial Statements

For the year ended 31 March 2023
Principle accounting policies (continued)

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 profit or loss, 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) of FRS 102 are measured at amortised cost using the effective interest method except where the arrangement constitutes a financing transaction, in which 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.

Loans

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. If repayable within one year are not discounted.

Financial instruments held by the group are classified as follows:

- Financial assets such as non-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.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.

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 assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed individually for impairment:

a) all equity instruments regardless of significance; and

b) 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. Impairment loss is measured as follows on the financial instruments measured at cost or amortised costs:

Notes to the Financial Statements

For the year ended 31 March 2023
Principle accounting policies (continued)

a) 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.

b) 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 were to be sold at the reporting date.

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 shall not result in a carrying amount (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

Notes to the Financial Statements

For the year ended 31 March 2023

3. Particulars of Turnover, Cost of Sales, Operating Expenditure and Operating Surplus

<u>Group</u>	2023			
	Turnover £'000	Cost of Sales £'000	Operating expenditure £'000	Operating Surplus £'000
Social Housing Lettings	[illegible]	[illegible]	[illegible]	**7,682**
Other social housing activities				
First tranche low cost home ownership sales	[illegible]	[illegible]	[illegible]	[illegible]
	2,004	**(1,516)**	**-**	**488**
Non-social housing activities				
Other lettings	[illegible]	[illegible]	[illegible]	[illegible]
Student accommodation lettings	[illegible]	[illegible]	[illegible]	[illegible]
Properties for outright sale	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	303
	7,592	**(137)**	**(5,202)**	**2,253**
	40,068	**(1,653)**	**(27,992)**	**10,423**

<u>Group</u>	2022			
	Turnover £'000	Cost of Sales £'000	Operating expenditure £'000	Operating Surplus £'000
Social Housing Lettings	[illegible]	[illegible]	[illegible]	**7,870**
Other social housing activities				
First tranche low cost home ownership sales	[illegible]	[illegible]	[illegible]	[illegible]
	3,957	**(3,191)**	**-**	**766**
Non-social housing activities				
Other lettings	313	[illegible]	[illegible]	202
Student accommodation lettings	[illegible]	[illegible]	[illegible]	[illegible]
Properties for outright sale	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]
	11,899	**(4,315)**	**(4,204)**	**3,380**
	44,626	**(7,506)**	**(25,104)**	**12,016**

Notes to the Financial Statements

For the year ended 31 March 2023

3. Particulars of Turnover, Cost of Sales, Operating Expenditure and Operating Surplus

Association — **2023**

	Turnover £'000	Cost of Sales £'000	Operating expenditure £'000	Operating Surplus £'000
Social Housing Lettings	30□□□2	□	□22□□□□□	7,617
Other social housing activities				
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	2,004	**(1,516)**	**-**	**488**
Non-social housing activities				
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Pr□pert□e□ □□r □□tr□□□t □□e	1□3	□13□□	□	3□
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□t□er	□02	□	□□3□	□□9
	6,372	**(137)**	**(3,721)**	**2,514**
	38,848	**(1,653)**	**(26,576)**	**10,619**

Association — **2022**

	Turnover £'000	Cost of Sales £'000	Operating expenditure £'000	Operating Surplus £'000
Social Housing Lettings	2□□□□0	□	□21□□13□	7,357
Other social housing activities				
□r□t tr□□□□e □□ □□□t □me □□□er□□p □□e□	3□9□□	□3□191□	□	□□□
	3,957	**(3,191)**	**-**	**766**
Non-social housing activities				
□t□er ett□□□	313	□	□111□	202
St□de□t □□□□mm□d□t□□ ett□□□	□□□21	□	□2□992□	1□□29
□tr□□r□□p □er□□e □e□e□□reeme□t□	□02	□	□	□02
□□ter□□□ □□ded □pp□rt □□t□t□e□	□93	□	□□93□	□
□t□er	□99	□	□1□□□	□□□
	6,628	**-**	**(3,751)**	**2,877**
	39,355	**(3,191)**	**(25,164)**	**11,000**

Notes to the Financial Statements

For the year ended 31 March 2023

Particulars of Income and Expenditure from Social Housing Lettings

Group	General Housing £'000	Supported Housing and housing for older people £'000	Shared Ownership £'000	2023 Total £'000	2022 £'000
Turnover from social housing lettings					
Rent receivable net of identifiable service charges and voids	[illegible]	1,133	[illegible]	**28,984**	[illegible]
Service charges receivable	[illegible]	[illegible]	[illegible]	**772**	[illegible]
Amortised government grants	[illegible]	[illegible]	23	**716**	[illegible]
Turnover from Social Housing lettings	[illegible]	[illegible]	[illegible]	**30,472**	[illegible]
Expenditure on social housing lettings					
Management	[illegible]	[illegible]	[illegible]	**(4,464)**	[illegible]
Service charge costs	[illegible]	[illegible]	[illegible]	**(1,212)**	[illegible]
Routine maintenance	[illegible]	[illegible]	[illegible]	**(5,398)**	[illegible]
Planned maintenance	[illegible]	[illegible]	[illegible]	**(1,574)**	[illegible]
Major Repairs	[illegible]	[illegible]	[illegible]	**(2,183)**	[illegible]
Bad Debts	[illegible]	[illegible]	[illegible]	**(226)**	[illegible]
Depreciation of housing properties	[illegible]	[illegible]	[illegible]	**(6,716)**	[illegible]
Other costs	[illegible]	[illegible]	[illegible]	**(1,017)**	[illegible]
Operating expenditure on social housing lettings	[illegible]	[illegible]	[illegible]	**(22,790)**	[illegible]
Operating surplus on social housing	[illegible]	[illegible]	[illegible]	**7,682**	[illegible]
Void losses (being rental income lost as a result of property not being let although it is available for letting)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Expenditure on social housing lettings in the year includes [illegible] relating to operating leases ([illegible]).

Notes to the Financial Statements

For the year ended 31 March 2023

Particulars of Income and Expenditure from Social Housing Lettings

Association	General Housing £'000	Supported Housing and housing for older people £'000	Shared Ownership £'000	2023 Total £'000	2022 £'000
Turnover from social housing lettings					
Rent receivable net of service charges and voids	[illegible]	[illegible]	[illegible]	**28,984**	[illegible]
Service charges receivable	[illegible]	[illegible]	[illegible]	**772**	[illegible]
Amortised Government Grants	[illegible]	[illegible]	23	**716**	[illegible]
Turnover from Social Housing lettings	[illegible]	[illegible]	[illegible]	**30,472**	[illegible]
Expenditure on social housing lettings					
Management	[illegible]	[illegible]	[illegible]	**(4,464)**	[illegible]
Service charge costs	[illegible]	[illegible]	[illegible]	**(1,212)**	[illegible]
Routine maintenance	[illegible]	[illegible]	[illegible]	**(5,398)**	[illegible]
Planned maintenance	[illegible]	[illegible]	[illegible]	**(1,574)**	[illegible]
Major Repairs	[illegible]	[illegible]	[illegible]	**(2,183)**	[illegible]
Bad Debts	[illegible]	[illegible]	[illegible]	**(226)**	[illegible]
Depreciation of housing properties	[illegible]	[illegible]	[illegible]	**(6,775)**	[illegible]
Other costs	[illegible]	[illegible]	[illegible]	**(1,023)**	[illegible]
Operating expenditure on social housing lettings	[illegible]	[illegible]	[illegible]	**(22,855)**	[illegible]
Operating surplus on social housing	[illegible]	[illegible]	[illegible]	**7,617**	[illegible]
Void losses being rent income lost as a result of property not being let, although it is available for letting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Expenditure on social housing lettings in the year included [illegible] relating to operating leases (2022: [illegible])

Notes to the Financial Statements

For the year ended 31 March 2023

Particulars of Turnover from Non-Social Housing Activities

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
M□r□et re□ted pr□pert□e□	**171**	23□	**171**	23□
□□mmer□□□pr□pert□e□	**13**	1□	**13**	1□
Pr□□te □□r□□e□	**53**	□□	**53**	□□
Re□e□e □□□ □pt□□□r□□t□	**6**	□	**6**	□
St□de□t □□□□mm□d□t□□ □ett□□□	**4,870**	□□21	**4,870**	□□21
Pr□pert□e□ □□r □□tr□□t □□e	**173**	□0□3	**173**	□
□tr□□r□□p □er□□e □e□e□□reeme□t□	**-**	□	**226**	□02
□□□e □□□□ □r□□p □□□r□ed t□r□□□er	**117**	3□0	**-**	□
□□ter□□□ □□□ded □□pp□rt □□t□□t□e□	**358**	□93	**358**	□93
□t□er	**1,831**	1□1□9	**502**	□99
	7,592	11□□99	**6,372**	□□2□

□t□er t□r□□□er □r□m □□□□□□□□□□□□□□□□□ □□t□□t□e□ pr□m□r□□ re□□te□ t□ □1□330□ □r□m □□b□d□r□ □□dert□□□□□ □2□□□ P□□t□□□□t□□ □□□□me □□d □9□□ □r □□□r□e □e□t p□mp □□□□me□

4. Operating Surplus

<u>**This is arrived at after charging / (crediting) :**</u>

	Group		Association	
	2023	2022	**2023**	2022
	£'000	□000	**£'000**	□000
Depre□□□t□□□ □□□□□□□□□ pr□pert□e□	**6,716**	□2□1	**6,775**	□329
Depre□□□t□□□ □□ □t□er □□□ed □□ed □□□et□	**625**	□□□	**631**	□□1
Depre□□□t□□□ □□□t□er t□□□□b□e □□ed □□□et□	**457**	323	**314**	22□
□m□rt□ed □□□er□me□t □r□□t□	**(722)**	□□22□	**(722)**	□□22□
Auditors remuneration (Excluding VAT)				
□ee□p□□□b□e □□r t□e □□d□t □□t□e □□□□□□□□□t□teme□t□	**21**	1□	**21**	1□
□□d□t □□t□e □□□□□□□□St□teme□t□ □□t□e □□mp□□□□ □□b□d□r□e□p□r□□□□t t□ □e□□□□t□□□	**27**	20	**27**	20
T□t□□□□d□t □er□□□e□	**48**	3□	**48**	3□
□T□□ □□mp□□□□e □er□□□e□	**8**	□	**8**	□
□□□□t□er □er□□□e□	**3**	3	**3**	3
T□t□□□□□□□□d□t □er□□□e□	**11**	10	**11**	10

Notes to the Financial Statements

For the year ended 31 March 2023

5. Gain on disposal / acquisition

Surplus on Sale of Fixed Assets – Housing Properties

Group — **2023**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Pr□□eed□ □□□□e□	519	1,060	175	1,754
□e□□□□ □□t□ □□□□□e□	(305)	(503)	(61)	(869)
S□rp□□	**214**	**557**	**114**	**885**

Group — **2022**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Pr□□eed□ □□□□e□	□99	910	13	1□□22
□e□□□□ □□t□ □□□□□e□	□312□	□□□0□	□	□□□2□
S□rp□□	**187**	**360**	**13**	**560**

Association — **2023**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Pr□□eed□ □□□□e□	519	1,060	175	1,754
□e□□□□ □□t□ □□□□□e□	(305)	(503)	(61)	(869)
S□rp□□	**214**	**557**	**114**	**885**

Association — **2022**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Pr□□eed□ □□□□e□	□99	910	13	1□□22
□e□□□□ □□t□ □□□□□e□	□312□	□□□0□	□	□□□2□
S□rp□□	**187**	**360**	**13**	**560**

Notes to the Financial Statements

For the year ended 31 March 2023

5. Gain on disposal / acquisition (continued)

Gain on acquisition

T□e □r□□p □□□□□red □□mm□□□t□ □e□r□□□ □□ P□rt□er□□p □□mm□□□t□ □□tere□t □□mp□□□ □□ 1 □□□□□t 2022 which resulted in a gain on acquisition being the entity's reserves at the acquisition date.

T□ere □□□ □□ □□□□□der□t□□□ t□e □□□et□ □□d □□b□□t□e□ □□ □□mm□□□t□ □e□r□□□ □□ P□rt□er□□p □□□ □□ t□e d□te □□tr□□□□er □□□e bee□ br□□□□t □□t□ □□□ □r□□p □m□ted □t t□e □et b□□□ □□□□e □□□2□0□1□□T□e □et b□□□ □□□□e □□□ □□d□ed t□ e□□□□□□□r □□□e□

6. Interest Receivable and Other Income

	Group 2023 £'000	Group 2022 □000	Association 2023 £'000	Association 2022 □000
On financial assets measured at amortised cost:				
□tere□t Re□e□□b□e□				
□tere□t re□e□□b□e □□ b□□□ dep□□□t□	**16**	□	**16**	□
□□□□ □tere□t □r□m □□b□d□□r□ □□mp□□□□	**-**	□	**33**	□0
	16	□	**49**	□0

7. Interest Payable and Financing Costs

	□□te	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
On financial liabilities measured at amortised cost:					
□□ □□□□□rep□□□b□e		**7,397**	□909	**7,384**	□909
□m□rt□□ed bre□□□□e □□□t□re□e□□e	10	**(351)**	□3□0□	**(351)**	□3□0□
□□□ept□□□□□tem □□□P □□□□r□te □□□	10	**-**	□	**565**	□
□t□er □tere□t		**0**	0	**0**	0
□□□□ □m□rt□□□t□□□ □ee		**34**	12□	**34**	12□
On defined benefit pension schemes					
□□pe□ted ret□r□ □□ p□□□ □□□et□	9	**(329)**	□22□□	**(329)**	□22□□
□tere□t □□ □□□eme □□b□□t□e□	9	**360**	29□	**360**	29□
		7,111	□□□□	**7,663**	□□□□
□e□□□□tere□t □□p□t□□□ed		**(461)**	□□□□	**(461)**	□□□□
		6,650	□□1□9	**7,202**	□□1□9
□□p□t□□□□t□□□r□te □□ed t□ determ□□e □□□□□e □□□t□ □□p□t□□□ed d□r□□□ t□e per□□d		**4.0%**	□0□	**4.0%**	□0□

Notes to the Financial Statements

For the year ended 31 March 2023

8. Key Management Personnel Remuneration

T□e □□□□e□e□t□e □□d e□e□□t□e d□re□t□r□ □□ted □□ p□□e 3□□re □□□□dered t□ be □e□ m□□□□eme□t per□□□□e□□

T□e □□□re□□te em□□me□t□ p□d t□ □r re□e□□b□e b□ □□e□□t□e □□d □□□□□e□□t□e D□re□t□r□ □□d □□rmer □□e□□t□e □□d □□□□□e□□t□e D□re□t□r□ □□□□

	Basic Salary £'000	Car Allowance £'000	Pension Contributions £'000	Social Security Costs £'000	2023 Total £'000	2022 T□t□□ □000
Executive Directors	□3□	□□	□1	□□	**605**	□□□
Board Members						
M□□□e□□□	10	□	□	□	**10**	11
□□e □□□□□d	2			□	**2**	□
□r□□□m □ □rd	□	□	□	□	**6**	□
Br□□e □err	□	□	□	□	**7**	□
□□r□e □□d□□□	□	□	□	□	**7**	□
□□e□□ □t□□er	□	□	□	□	**8**	□
□□t□r□□Sm□rt	9	□	□	□	**9**	□
S□□□□e B□t□□	□	□	□	□	**4**	□
R□□□□□ □□r□	□	□	□	□	**5**	□
P□□□S□t□□□e□	□	□	□	□	**8**	□
P□□□□ □□□	2	□	□	□	**2**	□
	503	**45**	**61**	**64**	**673**	□12

□□pe□□e□ p□□d d□r□□□ t□e □e□r t□ B□□rd member□ □m□□□ted t□ □□□□ □2022□□39□□□T□e em□□me□t□ □□t□e □□□□e□t p□□d d□re□t□r□t□e □□e□□□e□□t□e□e□□□d□□ pe□□□□ □□□tr□b□t□□□ □□d □□□□□□e□r□t□ □□□t□□□ere □1 □□□□□□ □2022□□13□□□□□□

T□e □□rre□t □□e□□□e□□t□e □□re□ B□□□□□□□□ □pp□□□ted □□M□□201□□□re□B□□□□ □□□□ □rd□□r□member □□t□e S□□□□□□□□□□□De□□□ed □□tr□b□t□□□Pe□□□□S□□eme □□d □□e□□□□□ed □r □pe□□□term□ □pp□□T□e emp□□er □□□tr□b□t□□□□ □r t□e □□e□□□e□□t□e □ere □1□□1□0 □2022□□10□0□□□□□□□□ □r□□p □m□ted d□e□ □□t m□□e □□□ □□rt□er □□□tr□b□t□□□t□ □□ □□d□□d□□□pe□□□□ □rr□□□eme□t □□r t□e □□e□□□e□□t□e□

Notes to the Financial Statements

For the year ended 31 March 2023

9. Employee Information

Average monthly number of employees expressed in full time equivalents:	Group		Association	
	2023	2022	2023	2022
Administration	**67**	[illegible]3	**63**	[illegible]
Development	**8**	9	**8**	9
Operations	**219**	21[illegible]	**213**	19[illegible]
	294	2[illegible]	**284**	2[illegible]0

The maximum average number of full time equivalent employees is based on contracted hours of [illegible]0 hours per week for operatives or 3[illegible] hours per week for other employees.

Employee Costs

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Salaries and wages	**9,122**	[illegible]	**8,862**	[illegible]9[illegible]
Social security costs	**878**	[illegible]02	**860**	[illegible]3
Other pension costs	**627**	[illegible]1[illegible]	**623**	[illegible]0[illegible]
	10,627	9[illegible]9[illegible]	**10,345**	9[illegible]10[illegible]

Aggregate number of full time equivalent staff whose remuneration exceeded £[illegible]0,000

	2023 Number	2022 Number
£60,001 - £70,000	6	9
£70,001 - £80,000	7	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-

Notes to the Financial Statements

For the year ended 31 March 2023

Pension Obligations

During the year ended 31 March 2023 the employees of the Group participated in one of two pension schemes. These were the Social Housing Pension Scheme (SHPS) for employees of the Association and a separate stakeholder scheme for [illegible] employees.

Contributions are made to SHPS for both defined benefit and defined contribution schemes. The [illegible] scheme is a defined contribution money purchase scheme.

The SHPS scheme is open to [illegible] the officers and employees of the Association.

The stakeholder scheme operated by [illegible] is open to all employees of [illegible].

The Pensions Trust - Social Housing Pension Defined Benefits Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme.

Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

The liabilities are compared, at the relevant accounting date, with the association's fair share of the Scheme's total assets to calculate the association's net deficit or surplus.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Notes to the Financial Statements

For the year ended 31 March 2023

Principal Actuarial Assumptions

	At 31 March 2023	At 31 March 2022
Inflation assumption (RPI)	**3.16%**	[illegible]
Discount rate for scheme liabilities	**4.83%**	[illegible]
Inflation assumption (CPI)	**2.81%**	3.13%
Salary growth	**3.81%**	[illegible]
Commutation of pensions to lump sums	**75% of maximum allowance**	[illegible] maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

Life expectancy at age 65	**At 31 March 2023 Years**	**At 31 March 2022 Years**
Retiring today		
Males	**21.0**	21.1
Females	**23.4**	[illegible]
Retiring in 20 years		
Males	**22.2**	[illegible]
Females	**24.9**	[illegible]

Analysis of the amount recognised in the statement of comprehensive Income

	At 31 March 2023 £'000	**At 31 March 2022 £'000**
Employer service cost (net of employee contributions)	**79**	[illegible]
Expenses	**10**	11
Interest on pension liabilities	**31**	[illegible]
Amount recognised in the statement of comprehensive income	**120**	239

Notes to the Financial Statements

For the year ended 31 March 2023

Analysis of the amount recognised In Other Comprehensive Income

	At 31 March 2023 £'000	At 31 March 2022 £'000
Experience on plan assets excluding amounts included in net interest cost [illegible]	(5,397)	[illegible]
Experience gains and losses arising on the plan liabilities [illegible]	307	[illegible]
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation [illegible]	17	[illegible]
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation [illegible]	4,616	[illegible]
Total amount recognised in other comprehensive income - (loss) / gain	**(457)**	[illegible]

Reconciliation of opening and closing balances of the fair value of plan assets

	At 31 March 2023 £'000	At 31 March 2022 £'000
Fair value of plan assets at start of period	**11,672**	[illegible]
Interest income	329	[illegible]
Experience on plan assets excluding amounts included in interest income [illegible]	(5,397)	[illegible]
Contributions by the employer	500	[illegible]
Contributions by plan participants	17	[illegible]
Benefits paid and expenses	(185)	[illegible]
Fair value of plan assets at end of period	**6,936**	[illegible]

The actual return on plan assets [illegible] over the period from 31 March 2022 to 31 March 2023 [illegible]

Notes to the Financial Statements
For the year ended 31 March 2023

Reconciliation of opening and closing balances of the defined benefit obligation

	At 31 March 2023 £'000	At 31 March 2022 £'000
Defined benefit obligation at start of period	**12,997**	13□2□□
Current service cost	**79**	1□□
Expenses	**10**	11
Interest expense	**360**	29□
Contributions by plan participants	**17**	2□
Actuarial losses (gains) due to scheme experience	**(307)**	□93
Actuarial losses (gains) due to changes in demographic assumptions	**(17)**	□1□9□
Actuarial losses (gains) due to changes in financial assumptions	**(4,616)**	□1□2□2□
Benefits paid and expenses	**(185)**	□119□
Defined benefit obligation at end of period	**8,338**	12□99□

Notes to the Financial Statements

For the year ended 31 March 2023

Fair value of plan assets, present value of defined benefit obligation, and defined benefit liability	At 31 March 2023 £'000	At 31 March 2022 £'000
Fair value of plan assets	**6,936**	[illegible]
Present value of defined benefit obligation	**(8,338)**	[illegible]
(Deficit) in plan	**(1,402)**	[illegible]
Unrecognised surplus	**-**	[illegible]
Defined benefit (liability) to be recognised	**(1,402)**	[illegible]

Assets	At 31 March 2023 £'000	At 31 March 2022 £'000
Global Equity	**129**	[illegible]
Absolute Return	**75**	[illegible]
Distressed Opportunities	**210**	[illegible]
Credit Relative Value	**262**	[illegible]
Alternative Risk Premia	**13**	[illegible]
Fund of Hedge Funds	**-**	[illegible]
Emerging Markets Debt	**37**	[illegible]
Risk Sharing	**511**	[illegible]
Insurance-Linked Securities	**175**	[illegible]
Property	**299**	[illegible]
Infrastructure	**792**	[illegible]
Private Debt	**309**	299
Opportunistic Illiquid Credit	**297**	392
High Yield	**24**	101
Opportunistic Credit	**-**	[illegible]
Cash	**50**	[illegible]
Corporate Bond Fund	**-**	[illegible]
Long Lease Property	**209**	300
Secured Income	**318**	[illegible]
Liability Driven Investment	**3,195**	[illegible]
Currency Hedging	**13**	[illegible]
Net Current Assets	**18**	32
Total assets	**6,936**	[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

10. Exceptional Item

[illegible]

[illegible] maturity expired after the refinancing date and which led to 'breakage costs' of £3.5 milli[illegible] [illegible]

[illegible]

[illegible]

11. Gift Aid

[illegible] receipt of gift aid by the Association from its subsidiaries is based on the subsidiary's taxable surpluses. [illegible]

12. Tax on Surplus on Ordinary Activities

[illegible]

[illegible]

	Group		Association	
	2023	2022	**2023**	2022
	£'000	[illegible]000	**£'000**	[illegible]000
[illegible]	**4,945**	[illegible]	**4,498**	[illegible]
[illegible] 19[illegible]	**940**	[illegible]	**855**	[illegible]
[illegible]				
[illegible]	**(57)**	[illegible]	**(40)**	[illegible]
[illegible]	**-**	[illegible]	**-**	[illegible]
[illegible]	**(940)**	[illegible]	**(855)**	[illegible]
[illegible]	**-**	[illegible]	**-**	[illegible]
[illegible]	**-**	[illegible]	**-**	[illegible]
[illegible]	**-**	[illegible]	**-**	[illegible]
	(57)	[illegible]	**(40)**	[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

13. Tangible Fixed Assets – Properties

GROUP	Social Housing properties held for letting	Non-Social Housing properties held for letting	Total Housing properties held for letting	Social Housing properties under construction	Non-Social Housing properties under construction	Total Housing properties under construction	Completed Shared Ownership housing properties	Shared Ownership properties under construction	Total
Fixed Assets - Properties	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
COST									
At 31st March 2022	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**340,694**
Additions to properties acquired	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**14,221**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**8,257**
Interest capitalised	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**461**
Schemes completed in year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**-**
Disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**(2,894)**
At 31st March 2023	**254,601**	**47,962**	**302,563**	**12,681**	**-**	**12,681**	**39,348**	**6,147**	**360,739**
DEPRECIATION AND IMPAIRMENT									
At 31st March 2022	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**66,215**
Depreciation charged in year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**7,341**
Eliminated on disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**(2,313)**
At 31st March 2023	**62,652**	**6,312**	**68,964**	**285**	**-**	**285**	**1,994**	**-**	**71,243**
NET BOOK VALUE									
At 31st March 2023	**191,949**	**41,650**	**233,599**	**12,396**	**-**	**12,396**	**37,354**	**6,147**	**289,496**
At 31st March 2022	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

13. Tangible Fixed Assets – Properties

ASSOCIATION	Social Housing properties held for letting	Non-Social Housing properties held for letting	Total Housing properties held for letting	Social Housing properties under construction	Non-Social Housing properties under construction	Total Housing properties under construction	Completed Shared Ownership housing properties	Shared Ownership properties under construction	Total
Fixed Assets - Properties	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
COST									
At 31st March 2022	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**343,087**
Additions to properties acquired	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**14,380**
Transfer to existing properties	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**8,290**
Interest capitalised	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**461**
Schemes completed in year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3,232	[illegible]	**-**
Disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**(2,894)**
At 31st March 2023	**256,271**	**48,010**	**304,281**	**13,496**	**-**	**13,496**	**39,377**	**6,170**	**363,324**
DEPRECIATION AND IMPAIRMENT									
At 31st March 2022	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**66,776**
Depreciation charged in year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**7,406**
Eliminated on disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**(2,313)**
At 31st March 2023	**63,205**	**6,385**	**69,590**	**285**	**-**	**285**	**1,994**	**-**	**71,869**
NET BOOK VALUE									
At 31st March 2023	**193,066**	**41,625**	**234,691**	**13,211**	**-**	**13,211**	**37,383**	**6,170**	**291,455**
At 31st March 2022	[illegible]	[illegible]	[illegible]	10,002	[illegible]	10,002	[illegible]	[illegible]	[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

13. Tangible Fixed Assets – Properties (continued)

Expenditure to works on existing properties:

	Group		Association	
	2023	**2022**	**2023**	**2022**
Improvement works capitalised	**8,257**	[illegible]	**8,290**	[illegible]
Major Repairs charged to income and expenditure account	**2,183**	1,990	**2,183**	2,100
	10,440	[illegible]	**10,473**	[illegible]

[illegible]

[illegible]

[illegible] Group's housing units.

[illegible]

Properties book value, net of depreciation, and offices net book value (Note 14) comprises:

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Freehold land and buildings	**291,681**	[illegible]	**292,999**	[illegible]

Impairment

[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

14. Tangible Fixed Assets – Other

Group	Freehold Offices £'000	Office Furniture, Fixtures and Fittings £'000	Computers and Office Equipment £'000	Motor Vehicles £'000	Depot Tools & Equipment £'000	Total £'000
COST						
At 31 March 2022	**2,468**	**487**	**1,943**	**407**	**113**	**5,418**
Additions	[illegible]	[illegible]	339	[illegible]	[illegible]	[illegible]
Disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
At 31 March 2023	[illegible]	[illegible]	[illegible]	391	[illegible]	[illegible]
DEPRECIATION						
At 31 March 2022	**933**	**272**	**1,472**	**268**	**108**	**3,053**
Charged in year	[illegible]	119	231	[illegible]	2	[illegible]
Eliminated on disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
At 31 March 2023	[illegible]	391	[illegible]	[illegible]	[illegible]	[illegible]
NET BOOK VALUE						
At 31 March 2023	**2,184**	**178**	**579**	**122**	**2**	**3,065**
At 31 March 2022	[illegible]	[illegible]	[illegible]	139	[illegible]	[illegible]

Association	Freehold Offices £'000	Office Furniture, Fixtures and Fittings £'000	Computers and Office Equipment £'000	Motor Vehicles £'000	Depot Tools & Equipment £'000	Total £'000
COST						
At 31 March 2022	**1,714**	**449**	**1,910**	**63**	**102**	**4,238**
Additions	[illegible]	[illegible]	339	[illegible]	[illegible]	[illegible]
Disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
At 31 March 2023	[illegible]	[illegible]	[illegible]	200	102	[illegible]
DEPRECIATION						
At 31 March 2022	**138**	**246**	**1,449**	**63**	**100**	**1,996**
Charged in year	33	[illegible]	[illegible]	13	[illegible]	[illegible]
Eliminated on disposals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
At 31 March 2023	[illegible]	[illegible]	[illegible]	[illegible]	100	[illegible]
NET BOOK VALUE						
At 31 March 2023	**1,543**	**163**	**572**	**124**	**2**	**2,404**
At 31 March 2022	[illegible]	203	[illegible]	[illegible]	2	[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

15. Investment in Subsidiaries

The Group comprises the following entities registered in England:

Name	Incorporation and Ownership	Regulated / Non-Regulated	Nature of Business
Acis Group Limited	Company – 100%	Regulated	R[illegible]P
Acis Management Limited	Company – 100%	Non-Regulated	Management Services
Acis Development Services Limited	Company – 100%	Non-Regulated	Developer [illegible]
Prime Repairs and Maintenance Limited	Company – 100%	Non-Regulated	[illegible] Repairs and Maintenance
Acis HomePlus Limited	Company – 100%	Non-Regulated	Disabled adaptations
Riverside House and Training Centre (Gainsborough) Community Interest Company	Company – 100%	Non-Regulated	Training services
Community Learning in Partnership Community Interest Company	Company – 100%	Non-Regulated	Training services
Acis Properties Limited	Company – 100%	Non-Regulated	Dormant
[illegible] LLP	LLP – [illegible]0%	Non-Regulated	Management [illegible] properties

Acis Group Limited has the right to appoint members to the boards of the eight subsidiaries and thereby exercises control over them. Acis Management Limited, Acis Development Services Limited, Prime Repairs and Maintenance Limited, Acis Properties Limited and Acis HomePlus Limited [illegible] 1 ordinary share capital and are [illegible] by Acis Group Limited and Riverside House and Training Centre (Gainsborough) Community Interest Company and Community Learning in Partnership Community Interest Company are private companies limited by guarantee without share capital. Acis Management Limited is the [illegible]0% member/partner in [illegible] LLP.

From the 1 April 2022 the activities of Prime Repairs and Maintenance and from 1 September 2022 the activities of [illegible] LLP be transferred back into Acis Group Limited and these entities [illegible] be [illegible] be wound up and Acis Management Limited will be made dormant [illegible] the winding up [illegible] LLP.

Acis Group Limited is the ultimate parent undertaking and is regulated by the Regulator of Social Housing (RSH). All these subsidiary companies are registered in England and Wales.

Notes to the Financial Statements

For the year ended 31 March 2023

16. Stock

	Group		Association	
	2023	2022	**2023**	2022
	£'000	[illegible]000	**£'000**	[illegible]000
[illegible]	**1**	[illegible]	**1**	[illegible]
Properties held for sale				
Shared Ownership properties:				
Completed	**444**	[illegible]	**444**	[illegible]
Work in progress	**2,057**	[illegible]	**2,057**	[illegible]
Outright Sale Properties:				
Completed	**1,310**	[illegible]	**1,310**	[illegible]
Work in progress	**663**	[illegible]	**659**	[illegible]
	4,475	[illegible]	**4,471**	[illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

17. Trade and Other Debtors

	Group		Association	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Due Within One Year				
Social Rent and Service Charges Receivable	**786**	[illegible]	**786**	[illegible]
Less: Social Provision for Bad and Doubtful Debts	**(700)**	[illegible]	**(700)**	[illegible]
Student Rent and Service Charges Receivable	**416**	102	**416**	102
Less: Student Provision for Bad and Doubtful Debts	**(137)**	[illegible]	**(137)**	[illegible]
	365	[illegible]	**365**	[illegible]
Amounts due from group undertakings	**-**	[illegible]	**400**	[illegible]
Other Debtors	**834**	[illegible]	**413**	[illegible]
Prepayments and accrued income	**623**	[illegible]	**623**	[illegible]
	1,822	[illegible]	**1,801**	[illegible]
Due After More Than One Year				
Amounts due from group undertakings	**-**	[illegible]	**70**	[illegible]
	1,822	[illegible]	**1,871**	[illegible]

18. Cash and Cash Equivalents

	Group		Association	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Short Term Investments	**1,245**	[illegible]	**1,245**	[illegible]
Cash at bank	**1,075**	[illegible]	**504**	[illegible]
Cash in hand	**1**	[illegible]	**-**	[illegible]
	2,321	[illegible]	**1,749**	[illegible]

Of the above are balances totalling £11,0[illegible]1 (2022: £113[illegible]) which are held in trust for leaseholders.

Notes to the Financial Statements

For the year ended 31 March 2023

19. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Loans (note 21)	**1,633**	[illegible]	**1,633**	[illegible]
Trade creditors	**2,547**	[illegible]	**698**	[illegible]
Other grants received in advance	**49**	[illegible]	**49**	[illegible]
Amounts owed to group undertakings	**-**	[illegible]	**1,666**	2,329
Rent and service charges paid in advance	**941**	[illegible]	**941**	[illegible]
Corporation tax	**-**	[illegible]	**-**	[illegible]
Other taxation and social security payable	**247**	229	**247**	229
Accruals and deferred income	**3,462**	2,990	**3,462**	2,990
Deferred capital grant (note 22)	**720**	[illegible]	**720**	[illegible]
Recycled capital grant fund (note 23)	**109**	[illegible]	**109**	[illegible]
Other creditors	**1,085**	[illegible]	**851**	933
	10,793	[illegible]	**10,376**	[illegible]

Housing property fixed assets are secured against loans by specific charges on [illegible] (2022: 300) of the Group's housing units and are repayable in instalments as detailed in note 21 below.

The net book value of assets pledged as security is [illegible] (2022: [illegible]).

20. Creditors: Amounts Falling Due After More Than One Year

		Group		Association	
		2023	2022	**2023**	2022
		£'000	£'000	**£'000**	£'000
	Note				
Debt	*21*	**184,385**	[illegible]	**184,385**	[illegible]
Deferred capital grant	*22*	**43,191**	[illegible]	**43,191**	[illegible]
Recycled capital grant fund	*23*	**592**	[illegible]	**592**	[illegible]
Other		**500**	[illegible]	**52**	[illegible]
		228,668	[illegible]	**228,220**	[illegible]

Housing property fixed assets are secured against loans by specific charges on [illegible] (2022: 300) of the Group's housing units and are repayable in instalments as detailed in note 21 below.

Notes to the Financial Statements

For the year ended 31 March 2023

21. Debt Analysis

	Group		Association	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Loans repayable by instalments				
Within one year	**1,667**	1[illegible]	**1,667**	1[illegible]
In one year or more but less than two years	**15,000**	1[illegible]	**15,000**	1[illegible]
In two years or more and less than five years	**12,200**	21,133	**12,200**	21,133
In five years or more	**42,149**	[illegible]21[illegible]	**42,149**	[illegible]21[illegible]
Loans not repayable by instalments				
In two years or more and less than five years	**60,400**	—	**60,400**	—
In five years or more	**55,000**	[illegible]900	**55,000**	[illegible]900
	186,416	1[illegible]3[illegible]3	**186,416**	1[illegible]3[illegible]3
[illegible] arrangement fees	**(398)**	[illegible]33[illegible]	**(398)**	[illegible]33[illegible]
	186,018	1[illegible]3[illegible]1[illegible]0	**186,018**	1[illegible]3[illegible]1[illegible]0

Financial Instruments

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Loans [illegible] bear fixed rates of interest ranging from 2.2[illegible]% to [illegible]% or variable rates based on a margin above the Sterling Overnight Index Average (SONIA). The instruments are to be repaid in the period 202[illegible] to 20[illegible] and no derivative transactions have been entered into by the Group.

Bullet Loans

The Group's financing facility includes four bullet loans with M&G Investment Management Limited totalling £30,000,000. The bullet loans carry interest at a fixed rate of [illegible]19% and [illegible]22%. The bullet loans are due for repayment in 20[illegible]. The remaining two are with RBS and total £[illegible]00,000. The bullet loans carry interest quarterly at a rate of between 3[illegible]% and [illegible]%. The bullet loans are due for repayment in 202[illegible] and 20[illegible] respectively. These loans are secured by a charge over the Group's housing properties.

Revolver Loan

The Group has a £29,[illegible]00,000 Revolver loan facility with RBS and to date has drawn down a value of £1[illegible],900,000 and forms part of the £10[illegible],000,000 Secured Facility Agreement. Commitment interest payable is charged at 0.[illegible]0[illegible]%.

Other Loans

The Group's financing facility includes 10 (2022: 12) other loans totaling £71,016,666 (2022: £87,683,334) from three lenders: Dexia Bank, Danske Bank and M&G. The portfolio includes both fixed and variable rate loans which carry interest on a quarterly basis. The variable rate loans bear interest at SONIA +1.[illegible]0%. The fixed rate loans bear interest ranging from 2.2[illegible]% to [illegible]2[illegible]% (2022: 2.2[illegible]% to [illegible]3[illegible]%).

All loans are secured by a charge over the Group's housing properties.

Notes to the Financial Statements

For the year ended 31 March 2023

The interest rate profile of the Group at 31st March 2023 was:

	Total £'000	Variable Rate £'000	Fixed Rate £'000	Weighted Average Rate %	Weighted Average Term Years
Instalment loans	[illegible]1,01[illegible]	9,1[illegible]	[illegible]1,[illegible]1	3.[illegible]9[illegible]	[illegible]
Non-instalment loans	11[illegible],[illegible]00	2[illegible],[illegible]0	[illegible]0	[illegible]	12
	186,416	**35,895**	**150,521**	**4.30%**	**21**

The interest rate profile of the Group at 31st March 2022 was:

	Total £'000	Variable Rate £'000	Fixed Rate £'000	Weighted Average Rate %	Weighted Average Term Years
Instalment loans	[illegible]3	9,[illegible]19	[illegible]1[illegible]	3.[illegible]0[illegible]	[illegible]
Non-instalment loans	[illegible]900	1[illegible],900	[illegible]0,000	[illegible]3[illegible]	11
	173,583	**25,419**	**148,164**	**4.02%**	**19**

At 31st March 2023 the Group had the following undrawn borrowing facilities:

2023

	£'000
Undrawn secured committed facilities	10,000
Undrawn facilities	11,[illegible]00
Total	**21,600**

At 31st March 2022 the Group had the following undrawn borrowing facilities:

2022

	£'000
Undrawn secured committed facilities	3[illegible],000
Undrawn facilities	1[illegible],100
Total	**51,100**

[illegible] properties [illegible]ed [illegible] are [illegible]ed [illegible]t [illegible] by [illegible] [illegible] 1[illegible] (2022: [illegible]300) of the Group's housing units.

Notes to the Financial Statements

For the year ended 31 March 2023

22. Deferred Capital Grant

	Group		Association	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
At start of year	**43,134**	[illegible]	**43,134**	[illegible]
Grant received in the year	**1,531**	[illegible]	**1,531**	[illegible]
Utilisation of Recycled Capital Grant Fund (note 23)	**115**	[illegible]	**115**	[illegible]
Released to income in the year	**(722)**	[illegible]	**(722)**	[illegible]
Recycled in the year (note 23)	**(147)**	[illegible]	**(147)**	[illegible]
At the end of the year	**43,911**	[illegible]	**43,911**	[illegible]
Analysis				
Amounts to be released within one year	**720**	[illegible]	**720**	[illegible]
Amounts to be released in more than one year	**43,191**	[illegible]	**43,191**	[illegible]
	43,911	[illegible]	**43,911**	[illegible]

23. Recycled Capital Grant Fund

	Group		Association	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
At the start of the year	**669**	[illegible]	**669**	[illegible]
Inputs to Fund:				
Grants recycled from deferred capital grant fund	**147**	[illegible]	**147**	[illegible]
Use of Fund:	**(115)**	[illegible]	**(115)**	[illegible]
	701	[illegible]	**701**	[illegible]
Repayment of grant to Homes England	**-**	[illegible]	**-**	[illegible]
At the end of the year	**701**	[illegible]	**701**	[illegible]
Amount three years or older where repayment may be required	**-**	[illegible]	**-**	[illegible]
Due within one year	**109**	[illegible]	**109**	[illegible]
Due in more than one year	**592**	[illegible]	**592**	[illegible]

[illegible] Group currently hold RCGF grant that it intends to utilise on identified development schemes. Discussions are currently being progressed with Homes England to agree proposals.

£1[illegible]1k relates to amounts [illegible] in the year and are due in more than one year.

[illegible] Group Limited acquired properties with associated Government Grant during 2019. In the event of these properties being disposed of, [illegible] Group Limited would be liable for the repayment of the associated Government Grant. At 31 March 2023 the value of this liability is [illegible] (2022: [illegible]).

Notes to the Financial Statements

For the year ended 31 March 2023

24. Share Capital

The Association is limited by a guarantee and does not issue shares.

25. Minority Interests

	Eione LLP £'000	Total £'000
At the start of the year	[illegible]	[illegible]
Proportion of profit after taxation for the year	29	29
Distributions in year	[illegible]	[illegible]
At the end of the year	-	-

Notes to the Financial Statements

For the year ended 31 March 2023

26. Accommodation in Management and Ownership

	Group		Association	
	2023	2022	2023	2022
	No of Properties	No of Properties	No of Properties	No of Properties
Social housing				
Social rent	**5,051**	[illegible]	**5,051**	[illegible]
Affordable rent	**739**	[illegible]	**739**	[illegible]
Supported housing and housing for older people	**258**	[illegible]	**258**	[illegible]
Low cost home ownership	**562**	[illegible]	**562**	[illegible]
Total owned and managed	**6,610**	[illegible]	**6,610**	[illegible]
Total managed	**6,606**	[illegible]	**6,606**	[illegible]
Non-social housing				
Student accommodation	**1,131**	1,131	**1,131**	1,131
Market rent	**19**	19	**19**	19
Total owned and managed	**7,760**	[illegible]	**7,760**	[illegible]
Total managed	**7,751**	[illegible]	**7,751**	[illegible]
Accommodation in development at the year end				
Rented units	**223**	[illegible]	**223**	[illegible]
Low cost home ownership	**108**	[illegible]	**108**	[illegible]
Outright sale	**25**	[illegible]	**-**	[illegible]
Total	**356**	211	**331**	[illegible]

Residential accommodation owned

At the end of the year accommodation owned for each class of accommodation was as follows:

GROUP	2022 No of Properties	Additions No of Properties	Disposals No of Properties	Movements No of Properties	2023 No of Properties
Social housing					
Social rent	[illegible]	[illegible]	[illegible]	0	**5,051**
Affordable rent	[illegible]	[illegible]	0	0	**739**
Supported housing and housing for older people	[illegible]	0	0	0	**258**
Low cost home ownership	[illegible]	33	[illegible]	0	**562**
Total owned	[illegible]	[illegible]	[illegible]	0	**6,610**
Non-social housing					
Student accommodation	1,131	0	0	0	**1,131**
Market rent	19	0	0	0	**19**
Total owned	[illegible]	0	0	0	**1,150**

Notes to the Financial Statements

For the year ended 31 March 2023

ASSOCIATION	2022 No of Properties	Additions No of Properties	Disposals No of Properties	Movements No of Properties	2023 No of Properties
Social housing					
Social rent	[illegible]	[illegible]	[illegible]	0	**5,051**
Affordable rent	[illegible]	[illegible]	0	0	**739**
Supported housing and housing for older people	[illegible]	0	0	0	**258**
Low cost home ownership	[illegible]	33	[illegible]	0	**562**
Total owned	[illegible]	[illegible]	[illegible]	0	**6,610**
Non-social housing					
Student accommodation	1,131	0	0	0	**1,131**
Market rent	19	0	0	0	**19**
Total owned	[illegible]	0	0	0	**1,150**

Accommodation managed by others

The Group [illegible] property managed by other bodies[illegible]

GROUP	2023 No of Properties	2022 No of Properties
Supported housing and housing for older people	**3**	[illegible]
Market rent	**6**	[illegible]
Total managed	**9**	10

ASSOCIATION	2023 No of Properties	2022 No of Properties
Supported housing and housing for older people	**3**	[illegible]
Student accommodation	**0**	1,131
Market rent	**6**	[illegible]
Total managed	**9**	[illegible]

Notes to the Financial Statements

For the year ended 31 March 2023

27. Capital Commitments

Tangible fixed asset expenditure commitments were as follows:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**41,831**	[illegible]	**39,933**	[illegible]
Capital expenditure that has been authorised by the Board but has not yet been contracted for	**9,620**	[illegible]	**9,620**	[illegible]
	51,451	[illegible]	**49,553**	[illegible]
The Group expects these commitments to be contracted within the next year and financed with:				
Social Housing Grant	**8,696**	[illegible]	**8,696**	[illegible]
Cash Reserves	**2,428**	[illegible]	**1,856**	[illegible]
Proceeds from the sale of properties	**10,664**	[illegible]	**8,614**	[illegible]
Revolving credit [illegible]	**11,600**	[illegible]	**11,600**	[illegible]
Secured [illegible]	**10,000**	[illegible]	**10,000**	[illegible]
[illegible]	**8,063**	[illegible]	**8,787**	[illegible]
	51,451	[illegible]	**49,553**	[illegible]

There are no performance conditions attached to the above commitments.

Operating leases

At the reporting date the Group and Association [illegible] commitments for the lease [illegible] fleet [illegible] [illegible]303[illegible]3 [illegible] over [illegible] 0 month term (2022 [illegible] 303[illegible]3[illegible]).

At the reporting date the Group and Association [illegible] commitments for the lease [illegible] premises in Sheffield and [illegible] [illegible] rent [illegible] 2,399 (2022 [illegible] 2,399) both [illegible] lease length [illegible].

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

Operating Leases 2023	Group Vehicles £'000	Group Offices £'000	Association Vehicles £'000	Association Offices £'000
Not later than one year	303	[illegible]2	303	[illegible]2
Later than one year and not later than five years	3[illegible]	[illegible]1	3[illegible]	[illegible]1
Later than five years	[illegible]	[illegible]	[illegible]	[illegible]
	341	**83**	**341**	**83**

Operating Leases 2022	Group Vehicles £'000	Group Offices £'000	Association Vehicles £'000	Association Offices £'000
Not later than one year	303	[illegible]2	[illegible]	[illegible]2
Later than one year and not later than five years	303	[illegible]	[illegible]	[illegible]
Later than five years	[illegible]	[illegible]	[illegible]	[illegible]
	606	**126**	**-**	**126**

Notes to the Financial Statements

For the year ended 31 March 2023

28. Other Commitments

The Group and [illegible] had no other commitments at 31 March 2023 (2022: [illegible])

29. Contingent Liabilities

The Group and [illegible] had no contingent liabilities at 31 March 2023 (2022: [illegible])

30. Related Parties

The following are related parties:

- The Board had one tenant member who held [illegible] tenancy agreement on normal terms and could not use their position to their advantage. Rent charged to the Tenant Board member was [illegible] (2022: [illegible]) and there were no arrears on their tenancy at the reporting period end (2022: [illegible]).
- Transactions with key management personnel and their close family members including compensation paid.

Related party balances are not secured.

Transactions with Non-Registered Elements of the Business

The Association provides management services and other services and support to subsidiaries and joint venture partners. The Association also receives charges from its subsidiaries. The balance outstanding charges [illegible] set out below.

Intra Group Management Fees

Intra Group Management Fees are receivable by the Association from subsidiaries to cover the running costs of the Association incurred on behalf of its subsidiaries and providing services. The Management Fee is calculated on a service by service basis using various methods of apportionment. The costs are allocated as follows:

Service Provided	Basis of allocation
Human resources, payroll and training	Staff numbers
Information and communication technology	IT users
Management accounting	Weighted service costs and staff numbers
Treasury services	Net debt
Purchase ledger/procurement	Operating costs
Communications and marketing	Weighted service costs and staff numbers
Executive	Weighted service costs and staff numbers

During the year the Association had the following intra group transactions with subsidiary companies:

Notes to the Financial Statements

For the year ended 31 March 2023

	2023 £'000	2022 □000
Income		
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	1,275	□0□□

Expenditure	2023 £'000	2022 □000
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□□□□De□e□pme□t Ser□□e□ □□m□ted	**7,127**	□□□0□
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	8,557	20□9□□

Notes to the Financial Statements

For the year ended 31 March 2023

At the year end the Association had the following intra-group balances with subsidiary companies:

Amounts Owed from Group Companies	**2023 £'000**	2022 £'000
Acis Development Services Limited	**73**	[illegible]23
Acis Management Limited	**-**	291
[illegible] LLP	**-**	1[illegible]
Acis HomePlus Limited	**165**	[illegible]0[illegible]
Prime Repairs and Maintenance Limited	**-**	[illegible]
Riverside Business and Training Centre Gainsborough Community Interest Company	**112**	9[illegible]
Community Learning Partnership Community Interest Company	**120**	[illegible]
	470	2,309

Amounts Owed to Group Companies	**2023 £'000**	2022 £'000
Acis Development Services Limited	**1,510**	1,292
[illegible] LLP	**-**	1[illegible]9
Acis HomePlus Limited	**140**	[illegible]
Prime Repairs and Maintenance Limited	**-**	[illegible]20
Riverside Business and Training Centre Gainsborough Community Interest Company	**16**	33
	1,666	2,329

Other Intra Group Charges

Other intra group charges are payable to the Association from subsidiaries and relate to staff recharges.

Intra Group Interest Charges

Intra group interest is charged by the Association to its subsidiaries at an agreed commercial rate.

Gift Aid

During the year to 31 March 2019 Acis Group Limited entered into a gift aid deed with Acis Management Limited and Acis Development Services Limited.

In March 2023 Acis Development Services Limited declared a gift aid payment to the Association of [illegible] ([illegible] 31 2022: £23,3[illegible]3).

In March 2023 Acis Management Limited declared a gift aid payment to the Association of £[illegible]0,93[illegible] (2022: £2[illegible]9,0[illegible]).

In March 2023 Riverside Business and Training Centre Gainsborough Community Interest Company did not declare a gift aid payment to the Association (2022: £1[illegible]02[illegible]).

Notes to the Financial Statements

For the year ended 31 March 2023

31. Analysis of Changes in Net Debt

The Group and Association had the following net debt movements:

	Group			
	At Beginning of the year £'000	Cash Flows £'000	Non-cash Movements £'000	At End of Year £'000
Cash and cash equivalents	3,401	(1,080)	-	2,321
Loans Due within one year	(16,633)	15,000	-	(1,633)
Loans Due after one year	(156,517)	(27,834)	(34)	(184,385)
	(169,749)	(13,914)	(34)	(183,697)

	Association			
	At Beginning of the year £'000	Cash Flows £'000	Non-cash Movements £'000	At End of Year £'000
Cash and cash equivalents	1,507	242	-	1,749
Loans Due within one year	(16,633)	15,000	-	(1,633)
Loans Due after one year	(156,517)	(27,834)	(34)	(184,385)
	(171,643)	(12,592)	(34)	(184,269)

Notes to the Financial Statements

For the year ended 31 March 2023

32. Grant and financial assistance

	Social Housing Grant £'000	GAP Funding £'000	2023 £'000	2022 £'000
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Re□□□□□□ed □□ □□□□me □□ □t□teme□t □□ □□mpre□e□□□□e □□□□me □□t□e per□□d	2□0	□□2	□22	□22
Re□□□□ed □□t□e □e□r	1□□	□	1□□	10□
□e□d □□ de□erred □□p□t□□□r□□t	3□□0□0	□□□□1	□3□911	□3□13□