

**Group annual
report and financial
statements**

2022/23



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Chair and Chief Executive's statement

We would like to start with a huge thank you to all our customers and colleagues for all their support in what has overall, been a really successful year. Last year we launched our refreshed corporate strategy and we have made good progress in achieving our Focused Five Strategic Goals, all of which are designed to deliver the best service possible to all of our customers.

This year, we saw the Customer Feedback Panel begin to really find its purpose and we have begun to hear directly from the panel at Board meetings. This has been so powerful in helping the Board and the strategic leadership team to understand the customer perspective and we have warmly welcomed their voice. Our new customer portal Connect will be going live in the new year and customers will be able to pay rent and book repairs online in a time that suits them.

We are making strong progress in our plans to build 2,000 new homes and during the year delivered another 159 homes and it's been great to hear from those customers the difference, these much-needed affordable homes are making to their lives. Given the economic challenges and to ensure that we get the balance right in investing in new and existing homes, the 2,000 ambition will now stretch over a slightly longer period of time, but we will revisit this and aim to get back to our original plan if/when the market conditions improve.

We know how important having efficient and easy to heat homes are to our customers and we are making good progress on our plans to decarbonise our homes; our first goal is to ensure all homes meet EPC standard C or better and currently 86% of homes already meet this standard. We have also been successful in achieving some additional Government funding to accelerate our plans.

We were also pleased to be accredited as being an official 'Great Place to Work' and officially ranked within the list of large organisations. We are a people led business so attracting and retaining excellent colleagues really helps us to best serve our customers.

All of this has been achieved is in the context of many challenges which we do not underestimate. With the impact of global events and cost-of-living crisis affecting our lives we know customers are really reeling from the impact of high inflation and energy costs. We have worked tirelessly over the last year to respond to these challenges and get back on track post pandemic. We have seen a marked increase in demand for repairs post-COVID 19. The knock-on effect of being unable to run a normal service for almost two years, plus the impact of having to delay kitchen and bathroom replacements, has meant greater numbers of repairs being reported.

This has further been compounded by going live with a new process to support customers who may be experiencing damp and mould. This process went live shortly before the tragic death of Awaab Ishak, in Rochdale, became known and saw an increase in customers contacting us to have their home assessed.

We are doing everything we can to meet this demand. Our priority is to work through urgent repairs and to ensure those most in need are supported. We have a plan in place to continue to drive improvements within repairs, but it will take time. Where we are completing repairs, customers are reporting high levels of satisfaction, but we need to reduce the time it is taking to complete.

We have also seen record number of customers turning to us for support due to the impact of the cost-of-living. Our income team helped over 2,000 customers who are struggling financially and our money advice team supported over 200 people in the wider community, helping them secure more than £500,000 in benefits and awards. We've worked in partnership with North Somerset Council and others to offer more help to those in our communities as well as providing some of our facilities to act as 'warm spaces' for people to connect.

There is always more to do, and we are very grateful for the continued support of customers, colleagues and other partners to help us create great places for our customers to live.



Andy Willis
Chair of the Board

Louise Swain
Chief Executive



Board members, advisors and bankers

Board members

Andrew Willis	Chair
Richard Gaunt	Chair of Audit and Risk Committee
Carol Rosati OBE	Senior Independent Director Chair of Remuneration, People and Culture Committee
Paul Foster	Chair of Asset Committee
Louise Swain	Chief Executive
Sarah Frost	Board Member
Ciaran Cronnelly	Board Member Appointed November 2022
Amanda Hamilton-Stanley	Board Member Appointed November 2022
Huw James	Board Member Retired May 2022
Sameer Rahman	Board Member Resigned in September 2022

Strategic Leadership Team

Louise Swain	Chief Executive Officer
Claudette Marcano	Chief Finance Officer Appointed in October 2022
Philippa Armstrong-Owen	Director of Business Services
Elizabeth Griffiths	Director of Customer Services
Iain Lock	Director of Investment
Helen Grantham	Director of People
Matt Bingham	Director of Digital and Change
Katrina Michael	Chief Finance Officer Resigned in August 2022

The Asset Committee was established in February 2023 to support the Group Board with its oversight of property assets. This replaces the Investment Committee with the Group Board now directly scrutinising development and treasury activity.

Registered office

40 Martingale Way
Portishead
BS20 7AW

Group members

NSAH (Alliance Homes) Limited	Alliance Homes Sales Limited (dormant entity)
Alliance Homes (Ventures) Ltd	Alliance Homes Design and Build Company Ltd (dormant entity)
Alliance Homes Partnerships Limited	
Alliance Living Care Ltd (non-trading entity)	

Independent auditors

Beever and Struthers
150 Minories
London
EC3N 1LS

Legal advisors

Trowers and Hamlins Solicitors LLP
3 Bunhill Row
London
EC1Y 8YZ

We also work with Anthony Collins Solicitors, Cobb Warren, Devonshires Solicitors, Forresters IP and Tozers for specialist advice as required.

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

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

Who we are

We're a dynamic, fair and community-minded housing association delivering new homes and landlord services. Our properties support borrowing which we use to build more new homes, with the borrowing charges being covered by our rental income.

We want to make housing accessible for everyone, create thriving communities and support independent living.

Operating in five local authority areas, we own and manage over 6,871 homes and provide support services to thousands of people each year.



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We want to make housing accessible for everyone
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Plan A 2.0 2022-27

Plan A was launched in 2017 and set a new direction for Alliance Homes. The strategy set out the organisation’s ambition to build more homes and deliver a great service for our customers.

Plan A 2.0 is an evolution of this strategy, and this review of the year has been structured around our new strategic areas of focus.

Who we are

We’re a housing association that exists to make a positive difference to people’s lives.

Why we exist

To create great places to live that our customers are proud to call home.

Our focused five strategic priorities



Delivering a great customer experience



Building more affordable homes



Being a green and ethical business



Investing in existing homes and neighbourhoods



Being a great place to work

Our values



Ambitious for all



Genuine



Awake to opportunity



Make the difference



Effective

Our principles

- Leading with our values
- Putting customers at the centre of everything we do
- Being a trusted partner
- Embracing innovation, change, technology
- Being commercially adept and financially resilient



Corporate priorities for 2022/23

Delivering a great customer experience:

- deliver consistency in our services as the bedrock for a great customer experience
- proactively develop a customer-centric culture
- use customer segmentation and customer insights to shape our services
- ensure that our services are designed to deliver first point of resolution and where possible fully self service.



Building more affordable homes:

- build the right new homes in the right places.



Being a green and ethical business:

- ensure our data and information assets are accurate and effectively managed to drive continuous improvement and decision making
- we will have agreed funding in place for a minimum of 18 months
- we will improve the environmental performance of our homes and wider business, by supporting the ambition for decarbonisation.



Investing in existing homes and neighbourhoods:

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



Being a great place to work:

- improve reward and recognition approach to improve colleague satisfaction and attract talent (aligned to values)
- improve talent acquisition and candidate experience to attract a more diverse workforce
- increase colleague engagement and Trust Index as part of Great Place to Work
- develop and retain existing talent to ensure we have the right skills to deliver Plan A 2.0.





Our operational performance 2022/23

367

Number of colleagues



Previous year 349 <<

6,871

Number of homes owned (excl RTB)



Previous year 6,721 <<

2.4%

Average rent arrears



Previous year 2.3% <<

294

Number of compliments



Previous year 116 <<

72%

Meeting our customers needs (UKCSI)



Previous year 75% <<

3,906

Number of people supported



Previous year 3,976 <<

993

Number of complaints



Previous year 607 <<

25,965

Number of repairs



Previous year 22,124 <<

19.2%*

Operating margin



Previous year 22.5% <<

159

Number of new homes delivered



Previous year 234 <<

9,082

Number of customers



Previous year 8,968 <<

78%

Customers who believe rent provides value for money



Previous year 80% <<

* This figure is an operating metric and differs from that defined by the Regulator of Social Housing. Our operating margin is lower than target due to increased repairs and maintenance costs combined with a one-off cost-of-living to staff and costs related to the exit of the local government pension scheme.



The corporate priorities for 2022/23 have been reported within the highlights shown in the following section of this report.

Delivering a great customer experience

Letting homes

This has been our biggest ever year for new lettings, as we've completed 654 this year including new builds, temporary and specialist accommodation. Our aim is to make it easy and enjoyable for our customers to move in while we find efficiencies in the service to ensure our homes are let as quickly as possible.

We've reviewed our whole approach to managing empty homes, including a review of our empty homes standard and our processes. We've improved joint working between the lettings and HRS Empty Homes team this year, which has brought some significant benefits. One of the biggest benefits has been that in the latter part of the year we achieved 37 lets where the Empty Homes team finished work in the morning and a new customer signed for the property the same day.

We're making improvements to the experience of moving into a new home. While we're continuing with the digital sign-up processes which have improved customer experience, we're now also able to provide face-to-face viewings and end of tenancy visits to ensure great engagement with our customers.

Empty homes standard

We've fully reviewed our empty homes standard which includes a focus on improving flooring. We want to improve the customer experience and so we always leave carpets in situ and clean them if they're in good condition. In flats we fit a sound proofing flooring material and/or carpets wherever possible to decrease noise transfer between flats.

While a home is empty, we take a proactive approach to look for and address any issues of disrepair, damp and mould. We also try look to enhance the property by improving ventilation and insulation at that point too.

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Our aim is to make it easy and enjoyable for our customers to move in...

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Home repairs service

It's been another busy year for our Homes Repairs Service (HRS). We have a repairs partnership with Brighter Places, a housing association in Bristol, and during course of the last year our service to them expanded and grew.

Despite these challenges HRS has continued to deliver a great service to our customers, and we're pleased to say that in the past year they attended 25,965 home repairs for just Alliance Homes properties.

Our planned works services have also continued to deliver for customers by increasing the number of home improvements carried out. Last year we fitted 138 kitchens, 225 external doors, 224 windows, 125 bathrooms, externally decorated 688 homes and improved 75 roofs. We also carried out several large-scale improvements to allow families to remain independent within their home.

Professionalising our contract management function is a key business driver. Our Customer Improvement Programme has created a robust set of guidelines to ensure we work with our contractors effectively while obtaining best value for money and service for our customers. Enhanced training is being rolled out to all our managers, so we have uniformity in our approach to all contracted services.

We continue to enhance the culture within HRS and hold monthly One Team meetings to discuss current topics, possible challenges and ways of improving customer experience. Our Your Voice colleagues continue to provide valuable insight into the business to help steer strategic thinking around service delivery.

Customer satisfaction is always our top priority and we're continually working to provide the very best customer service. At year end, the percentage of customers who were satisfied with their repair stood at 86%.

Damp and mould issues have been a priority during the year. We believe that it's never acceptable for our customers to live with the consequences of damp and mould. This is why we've taken steps to improve our processes and asked our customers to tell us how they think we are handling damp and mould.

In collaboration with our customers, we created a set of commitments that demonstrate how we manage reported cases and we've become more proactive in preventing issues. We will continue to refine and monitor our approach to damp and mould, ensuring we tackle these issues quickly and effectively.

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Managing anti-social behaviour

This year we've continued to focus on managing our cases as proactively as we can and making sure that the key things that matter to our customers are managed promptly. To this end we implemented a new quality assurance framework that allows us to support colleagues, as well as change approaches and processes that aren't working.

Following an independent health check of the service from February 2023, we began a process to fully review the anti-social behaviour (ASB) Policy. The main aim is to reflect customer priorities from the service and provide as much clarity as possible to customers on what they could expect from us when tackling ASB. Through a series of workshops with the Customer Panel, we took them through the expectations and service standards expected from a landlord dealing with ASB, to deep dive real case studies and what drives satisfaction. In parallel we consulted, via Hive, on the policy and what areas mattered most to customers, as well as making sure the language was accessible.

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...making sure that the key things that matter to our customers are managed promptly.

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Cases dealt with last year

Last year we managed **531 incidents** of ASB, a **reduction of 55 cases**.

Noise and nuisance cases

33%

Threats harassment and intimidation

25%

Drug related activity

15%



What customers say

In the last year we received 294 compliments, 110 comments and 993 complaints from our Alliance customers. To improve our customers' experience of making a complaint, we refreshed our policy and complaint handling procedure, working closely with the Customer Feedback Panel.

To support the management of the new complaints handling processes and ensure we're resolving customers complaints quickly and effectively, we trained teams across the business, streamlined our systems, and strengthened resources within the feedback team.

We intend to focus on improving complaint handling times and embedding the learning from working with the Customer Feedback Panel to ensure they start feeding through into noticeable service improvements for customers. This in turn will lead to improved satisfaction for customers with the way their complaint was handled, which is currently below where we think it should be.

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Listening to customers

From April 2023, all social housing providers in England are required to collect data on Tenant Satisfaction Measures (TSMs). These are part of a new system developed by the Regulator of Social Housing to assess how well social housing landlords are doing at providing good quality homes and services. All registered providers are required to collect and publish a range of comparable information on areas such as repairs, safety checks and complaints.

These TSMs aim to give tenants visibility around their landlord's performance, give landlords insight about where they can improve, and provide a source of intelligence to the Regulator of Social Housing about whether landlords are meeting regulatory standards.

The TSMs are grouped into five themes: keeping properties in good repair; maintaining building

safety; respectful and helpful engagement; effective handling of complaints and responsible neighbourhood management.

There are 22 TSMs in total: 12 tenant perception measures, collected through satisfaction surveys, and 10 management information measures, collected directly through landlord data.

As we have been carrying out research in recent years that's not dissimilar to the TSMs we've been able to adapt our questions. We're also asking an additional three questions that are aligned to our corporate priorities

Landlords are required to submit their first year's performance in summer 2024, which will be formally published in autumn 2024.

The following looks at our results so far from a pilot:



TSMs collected from tenant perception surveys

Proportion of respondents who report that they are satisfied with the overall service from their landlord	75%
Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service	78%
Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair	69%
Proportion of respondents who report that they are satisfied that their home is well maintained	73%
Proportion of respondents who report that they are satisfied that their home is safe	77%
Proportion of respondents who report that they are satisfied that their landlord listens to tenant views and acts upon them	65%
Proportion of respondents who report that they are satisfied that their landlord keeps them informed about things that matter to them	71%
Proportion of respondents who report that they agree their landlord treats them fairly and with respect	79%
Proportion of respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling	37%
Proportion of respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained	69%
Proportion of respondents who report that they are satisfied that their landlord makes a positive contribution to the neighbourhood	63%
Proportion of respondents who report that they are satisfied with their landlord's approach to handling anti-social behaviour	59%

In addition to the tenant satisfaction measures survey, we continue to reach out to customers to hear their views through a range of approaches, including HIVE, our online community platform. Throughout 2022/23 our HIVE members were involved in the development of our customer portal, with 47 members taking part in the formal tender evaluation process to help select the final portal provider for Alliance Homes.

We have also reached out through HIVE to customers on several other areas, including:

- seeking feedback on our new approach to dealing with damp and mould
- hearing customer expectations around garden standards when first moving in
- exploring the idea of an annual property inspection
- reviewing several of our policies, including our anti-social behaviour policy.

We also have our transactional surveys, which measure the customer experience at specific touchpoints. These include:

- the experience of new customers who have just moved into their home
- feedback on our Home Repairs Service and major works programmes
- feedback on our support services
- how we handle complaints and anti-social behaviour cases.

Results are used to understand the current customer experience and what improvements can be implemented to drive positive change.

We're already using these results to address areas such as complaints handling. Details of new complaints procedures are shown on page 21.

Customer engagement

We launched our Customer Feedback Panel at the end of last year. This representative group of eight customers enables us to create a great service by collaborating with our customers, inviting scrutiny and building solutions together. Throughout the year, the panel has delivered insights on a range of topics affecting the business.

The panel carried out a desk top review of the pet policy and provided feedback on the wording of the document. The panel's recommendations and suggested changes have now been incorporated.

The panel were included in the design of the new tenant handbook and provided insight into how a customer moving into an Alliance property expects to be introduced to their new home. This is a work in progress, but the feedback shared with the tenancy team so far was that the handbook/guide should be bespoke to localities and include community information, as well as tenant responsibilities and links to property maintenance videos.

Over last the last three months the panel has been working with the Customer Experience Manager to review complaints data and what acceptable complaint management looks like to

customers. Most recently, the panel has moved on to performing the same review of the anti-social behaviour (ASB) procedure. The panel were given examples of real ASB cases (with names and address redacted) and how they were handled from start to finish. The panel then gave their opinions on procedure.

Three members of the panel also met with the Regulator of Social Housing at a Q&A session to get a better understanding of the new Tenant Satisfaction Measures and how involved customers can help with positive service delivery.

Other opportunities for feedback have included consultations on estate management issues regarding communal cleaning, changes to overgrown garden areas and how we can best make changes to unused areas that could also prevent fly tipping. These pieces of work have taken direct responses from customer surveys and face to face conversations, to ascertain their requirements and what they see as an acceptable standard. This type of engagement has ensured Alliance makes relevant decisions for neighbourhood issues, which in turn should lead to fewer complaints and reports of anti-social behaviour.



Connect – our customer portal

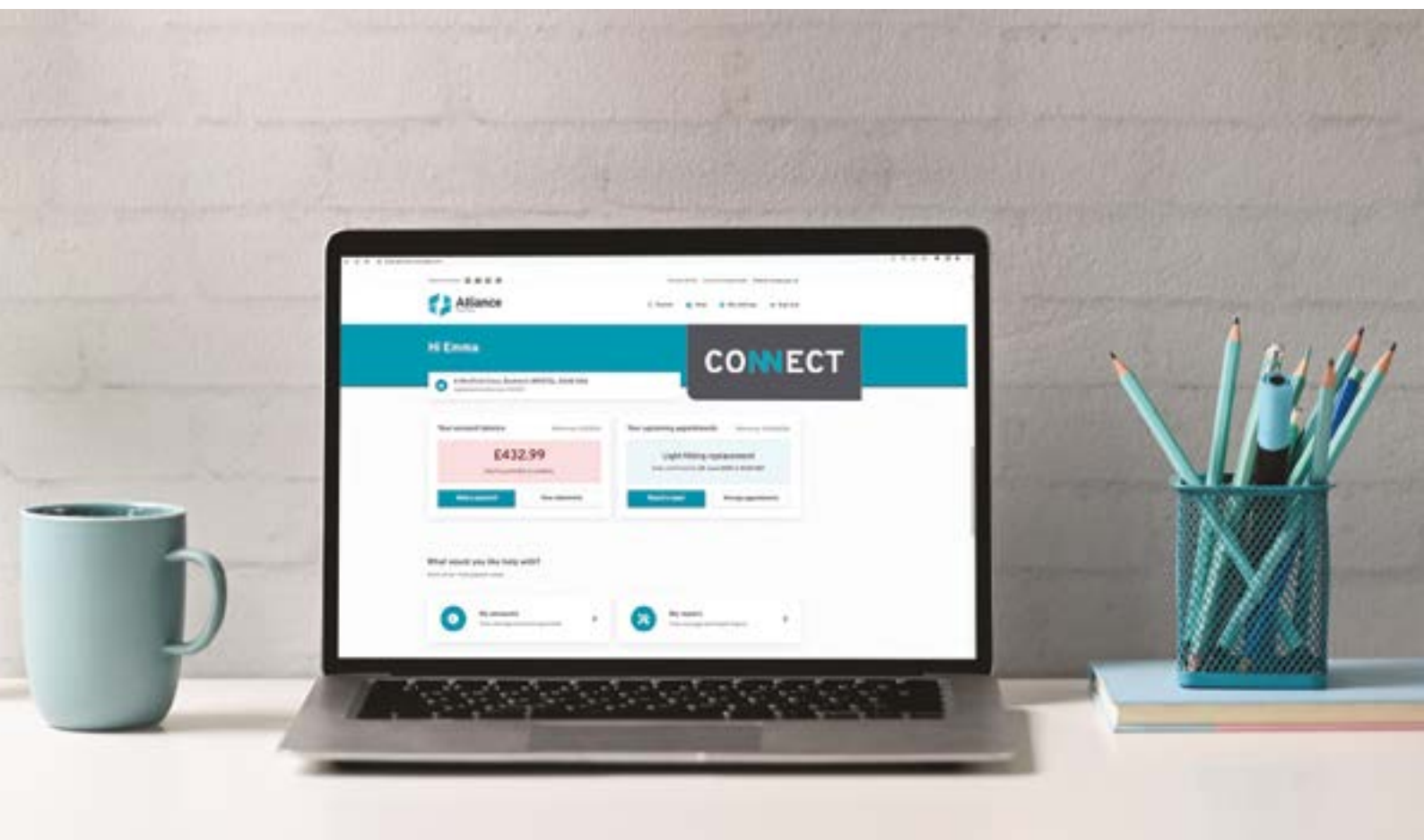
One of the biggest and most exciting changes for customers in how they interact with us will be our customer portal, which is well under way. Our new customer portal has been named ‘Connect’ after consultation with staff and customers. Connect is an essential component of our digital transformation roadmap that will enable us to better serve our customers and improve their overall experience at a time and in a way that suits them. Roll-out to customers is due to begin in the new year.

Connect will allow customers to view and update their personal information and access our services online. Customers will be able to check details about their tenancy, update their contact details, book repairs, check their rent account and make on-line payments.

We want as many customers as possible to use our online services with the principle of Digital by Choice. This principle means that those who prefer to use Connect can do so, and this in turn allows our contact team to concentrate on our customers who really need them.

Customer experience is a priority so the look and feel of Connect will be easy and seamless for customers to use. Customers on Hive have helped to design the functionality and they’ll be given the first roll out for their approval.

Connect will give us lots of data about how our services work and we’ll use that to keep improving services and Connect itself.



Digital transformation updates

We have made great progress in continuing to deliver digital customer enhancements. This includes a Live chat solution implemented in our Contact Team for the website which will also be used as part of the new Connect portal. This means the Contact Team can communicate directly to customers to help with queries during our operating hours of 8am-5pm, Monday to Friday. The new Live Chat system comes with enhanced security to ensure we're speaking to the right person.

Our Customer Improvement Programme has been delivering improvements to our Housing Management System and business processes to deliver a great customer experience as efficiently as possible. This includes launching a new process for complaints and disrepairs. With the help of our customers, we've created a set of commitments that will demonstrate how we'll manage reported cases and be more proactive in preventing issues arising in the first place.

We take cyber security very seriously to ensure we protect our customer data. We've successfully obtained Cyber Essentials accreditation, a Government-sanctioned cyber security standard. This means we're continuously updating our hardware and software to help protect us against the most common security threats by the adoption of best-in-class cyber security practices. This has meant our cyber security incidents are at their lowest level with all incidents automatically resolved by our systems.

Data and insights

Over the course of the year, we've made good progress putting in place the foundations of improved digital capabilities that will give us robust business insights.

We started to develop data models that will allow us to deliver reliable reporting, enabling users to make decisions based on insight into the data as opposed to spending their time on further analysis.

We've made progress towards improving data quality. We now have the capability to automatically monitor data including customer, asset and program management data. This has allowed the business to use this information as part of business-as-usual behaviour rather than taking a more ad-hoc approach.

We're working on a large-scale automation of core business reporting. Within the next year this should deliver the core business reporting models and operational functionality for teams, removing large quantities of analytical work.

We're developing further processes that will take the business from ad-hoc and siloed insights to standardised and governed self-service analytics.

Over the next year we'll work in partnership with business teams to work on quality controls that match our strategic goals and enhance cross functional working. We'll also reduce reliance on SQL Service Reporting Standard (SSRS) and move the business into the alternative Power BI environment, which produces reports that are easier to digest and involve less human effort.



Supporting our customers

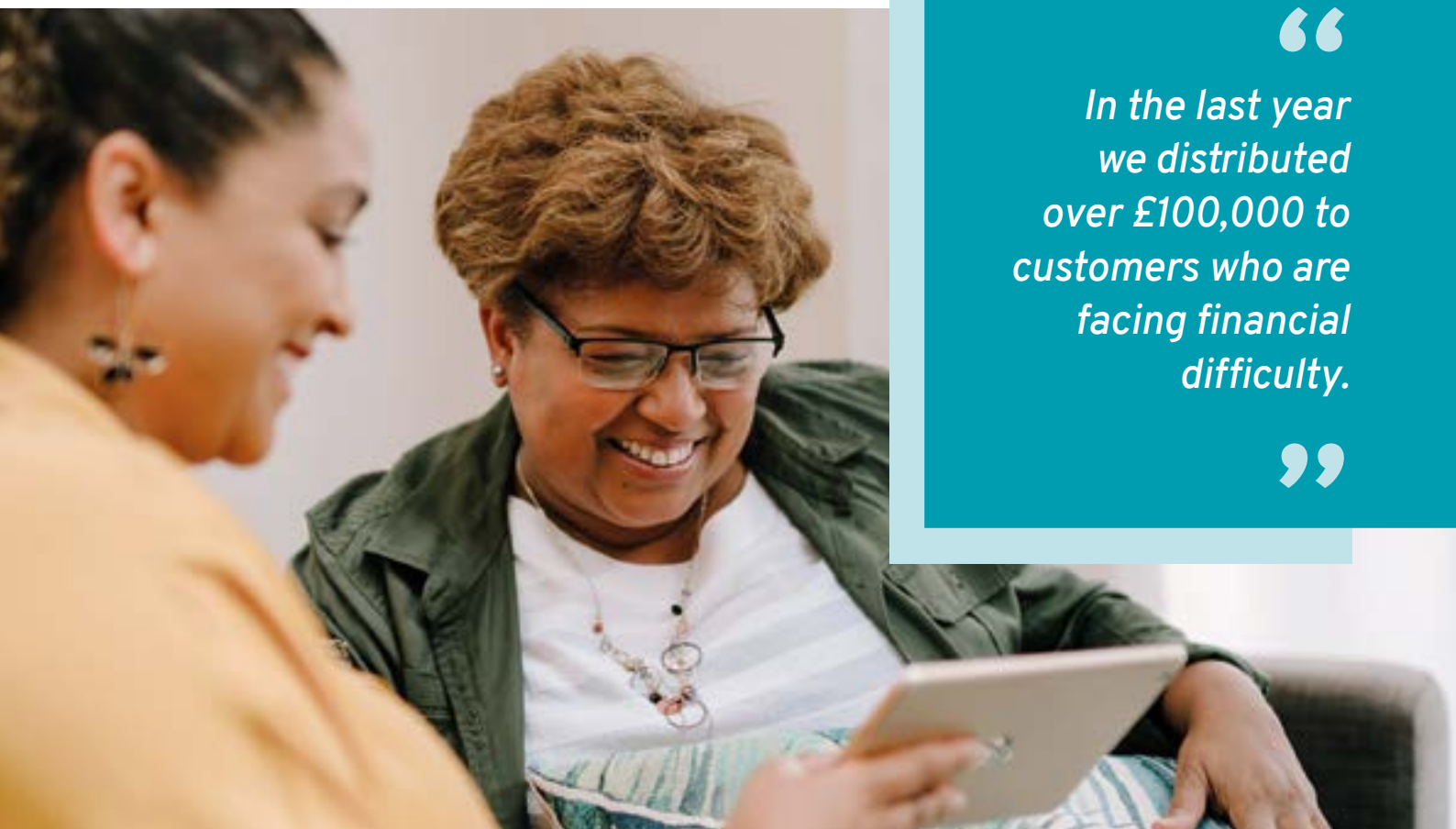
We know that it's our customers who are some of the people most affected by the cost-of-living crisis, and we want to use our position and expertise to provide them with any guidance and assistance we can – a hand up.

Our teams joined with North Somerset Together, a group of similar organisations from across North Somerset. The group regularly come together to share expertise and knowledge in relation to helping with the cost-of-living crisis and communicating that to people in the region. Various initiatives were created including creating community 'warm places' during the winter and sharing their various locations.

During the past year we've been very supportive of foodbanks in the area. Alliance provides an annual donation to local foodbanks, and this year that

donation increased to £3,750. We also provided £1,000 for the food club at the Sub-station and joined with the Co-op and Hubbub to create a new community fridge in Portishead. The community fridge reduces food waste from local shops and provides food for local people.

This year we merged our Springboard and Essential Living Funds together to create one larger Springboard Fund and simplify the process. In the last year we distributed over £100,000 to customers who are facing financial difficulty. One of the biggest spend has been on the Tenant Wellbeing Service, this has allowed our customers access to a range of help including: debt, health and bereavement.



“
In the last year we distributed over £100,000 to customers who are facing financial difficulty.
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Building more affordable homes

During 2022/23, our growth continued as we developed a further 159 new affordable homes for rent or Shared Ownership – this represents a 2.4% growth rate. The demand for housing continues to outstrip supply in our operating area, with the lack of affordable housing in the private rental and open market sector more acute than ever.

Sales income received from 64 shared ownership homes totalled more than £7m, which represents the highest ever annual level of shared ownership sales for Alliance Homes. This demonstrates significant growth in this tenure and our ongoing commitment to supporting households into home ownership.

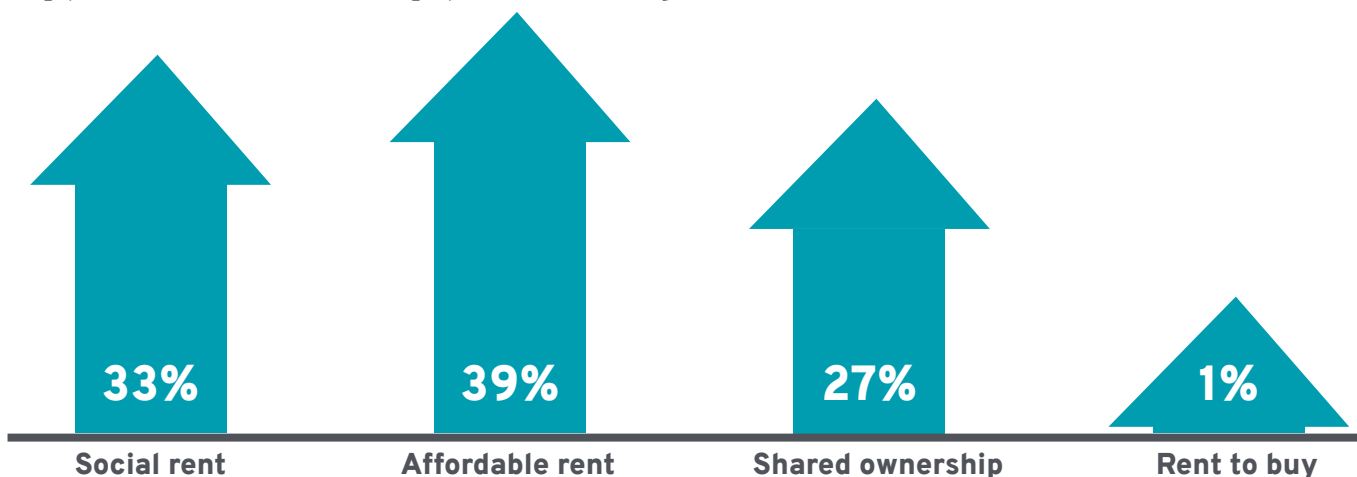


2022/23 completion profile

Our completion profile for the year shows that we continue to play an important role in North Somerset, alongside growing development ambitions in Somerset.

Local Authority	Social rent	Affordable rent	Shared ownership	Rent to buy	Total
North Somerset	48	50	13	1	112
BANES	5		16		21
Somerset (Sedgemoor)		12	14		26
TOTAL	53	62	43	1	159

Types of homes by percentage



Our output in 2022/23 is dominated by rented tenures – representing 73% of our total delivery. We know providing homes that are affordable in the long term is important to sustaining tenancies and we are committed to continuing that focus with a renewed emphasis on social rent moving forward.

The scale of the Marina Gardens scheme in Portishead meant it continued to dominate our delivery programme during 2022/23, alongside other notable schemes such as the adjacent V2 scheme, Netherton Grange and Parish Brook in Nailsea and continued investment in Locking Parklands Weston-Super-Mare.

Growing our future pipeline

Increasing the supply of new affordable housing drives our growth. During 2022/23 we've continued to grow our development pipeline, securing approvals and contracts that will deliver 170 new homes affordable homes in future years.

Notable schemes include Steart Farm in Cheddar with Keepmoat (58 homes), the former Trading Post in Bitton with Countryside Partnerships (50 homes), Bath Road in Radstock with Hawkfield Homes (15 homes) and Engine Common in Yate with Newland Homes (29 homes).

We've continued to emphasise the importance of future-proofing these homes, so all land-led contracts are projected to deliver homes that secure an Energy Performance Certificate (EPC) A certification.

Working in partnership

Grant funding continues to support our new homes delivery – particularly through our Homes England partnership with Curo and Magna. During 2022/23, we committed our final WAVE 1 projects and reprofiled our WAVE 2 programme to take account of increasing build costs and the competing draws on funding being experienced across the sector.

We also continued to work closely with North Somerset Council to deliver our combined aspirations set out in our partnership agreement, and recycle the funds received from selling assets to target identified housing need in the district.

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Investing in existing homes and neighbourhoods

Asset management

During the year we continued to feel the impacts of reduced investment in existing homes over previous years because of the COVID-19 pandemic. As a result, we've seen increased demand on our responsive repairs service. This challenging environment was further compounded by high inflation, supply chain and labour market difficulties. However, a plan has been put in place to enable the ongoing and 'catch up' investment in our existing homes.

During the year we've continued to implement our asset strategy. This sets the framework for our future focus on improving the quality of our existing homes and neighbourhoods, particularly responding to the external environment concerning net zero carbon and building safety.

The underpinning objectives of the strategy are:

1. Managing our assets effectively
2. Providing safe homes that meet customer needs
3. Planning for a greener future
4. Placemaking in our communities
5. Building the right new homes in the right places.

Over the coming years we'll be developing our approach to asset value for money, net carbon zero and other policy objectives. A key focus will be on improving the energy efficiency of our existing homes by achieving EPC C on all homes by 2030. We'll also be extending our customer segmentation and insight and improving our understanding of how our assets are performing, to ensure the homes we provide remain fit for purpose in the long term.





Community investment

Our Community Hubs offer our customers a place to meet, a warm space and a range of community activities and crafts. We now have three hubs, all of which have been awarded a five-star food hygiene rating and as a result, a new food club started in March at the Substation in partnership with The For All Healthy Living Centre. This food club will help reduce food waste and respond to the cost-of-living crisis by offering the community access to quality low-cost food.

We successfully delivered a sheltered scheme pilot project to re-activate our communal areas in existing schemes so they inspire activity and community. This project has enabled us to consult and develop a closer relationship with our customers on their priorities. With our support, customers have formed resident-led committees, held events and activities to reduce isolation and improved their physical health and wellbeing. We have also piloted a monthly drop-in service, which has improved access to our community, support and housing management services. Working alongside our customers and with social value support from our contractors we're also making some improvements to their scheme lounges and gardens.

The Community Green Hub at Coleridge Road is increasingly becoming a popular community venue to carry out a range of green, wellbeing and creative activities. It was recently used as a venue for a sculpting workshop with 48 local community members and families coming together to create some amazing sculptures and fire bowls as part of Culture Weston's Glow Festival.

The team regularly delivers produce to various locations where customers can help themselves to free fresh fruits, vegetables, herbs and flowers.

This continues to be very popular, and plans are being developed to increase crop yields during 2023.

Big Worle (resident-led project) has provided £50,000 funding towards the cost of a SEN park at Castle Batch. This has a focus primarily on sensory play, encouraging children to explore their boundaries and learn from their surroundings. It is envisaged that this exciting, inclusive new play space will be open in the summer. Big Worle has also invested £50,000 in creating a community garden and partnership with Becket School. The garden will be used to grow fruit, vegetables and flowers, with the overall aim of enhancing the environmental impact of that piece of land, as well as improving community relations and the quality of life of local residents.

Alliance Homes was thanked by the local community for supporting the Pill Precinct Improvement Group to make the recent improvements possible and for helping to realise the ambitions of enhancing the local area and helping boost the local economy. Funding for the first installation was secured thanks to Alliance Homes' Micro Grant scheme. The group then went onto to gain more significant investment from the Government and European Union's 'Welcome Back fund'. We have also given permissions to Pill that have now enabled them to establish a successful community market in the precinct.

We helped to bring a new skate park to Portishead by providing a £3,000 grant to Portishead Wheels and Skate Park (CIC). This facility will help reduce inequality of access to sports facilities and improve activity and wellbeing for young people.



Delivering support services

Support

Working closely with North Somerset Council, we continue to provide a range of support services to our customers and the wider community. During the year these provided 2,055 housing-related support interactions, helped 820 patients home from hospital and supported 449 adult carers and 581 young carers.

The benefits to the local community from the support team can be seen in the numbers. The Home from Hospital service reduced hospital stays by approximately 1,000 days, saving around £724k to the local Health & Social Care system. Our Money Advice team have helped customers with over £500k worth of debt management and income maximisation.

This year, in response to the cost-of-living crisis, we introduced a new element into the service to help tackle fuel poverty. Our new Home Energy Advisor service has been trained and accredited by the Centre for Sustainable Energy to provide advice that will help tackle fuel poverty, provide energy efficiency advice and identify any eligible grants. The team has been well received, adding expertise and offering specialist support to customers.

The Support Team received a welcome boost from our customer survey that gave them a net promoter score of excellent.

Young and adult carers

Our carers team have made big strides in their aim to develop a volunteer programme in 2024. They successfully secured a £100k grant from the National Lottery Community Fund, which will be used to fund a Volunteer Coordinator post for three years with a likely view of extension. This award,

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The Home from Hospital service reduced hospital stays by approximately 1,000 days, saving around £724k to the local Health and Social Care system.

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together with another successful award of £20k from the National Grid, will be used to allow our new team of volunteers to participate in activities with carers that will improve their well-being.

In partnership with the Community Investment Team, we successfully secured funding in February to run programme of nature-based activities for both our young carers and adult carers. The activities will be based at Coleridge Road Allotment where they can get involved in a range of activities, including making their own homemade pizza.

In 2022 we successfully secured an additional year of funding from Children in Need which has allowed us to take our young carers to a wide range of activities in the school holidays including Clip’n’Climb, bowling and the Wild Place. To say thank you to Children in Need, we organised a cake and bake sale with proceeds going back to the charity.

Delivering support services (continued)

Day centre

We've improved the accessibility at Tamar Wellness centre thanks to securing social value funding from Bell Group. Benches and wheelchair accessible raised beds have now improved the garden at Tamar Court. Customers have told us they really enjoy being able to safely use the outside space and it's highlighted the value of providing outdoor activities for customers with dementia.

Together with the carers team and community investment team, the Day Centre was part of a successful grant application to provide nature-based activities for our customers. The grant will allow the community garden team from Coleridge Road to build vegetable planters and provide monthly horticulture sessions with our customers.



Being a green and ethical business

Our journey

Alliance Homes has already invested heavily in reducing our environmental impact, including measures such as installing solar panels on 2,500 homes, harvesting water at Martingale Way and procuring a sustainability-linked loan from Lloyds.

In 2022/23 we built on past successes, with highlights including:

- undertaking our first assessment against the SHIFT Environment Sustainability Standard. This gave us an overall score of bronze and provided us with a clear roadmap for reducing our environmental impact further.
- setting up a Home Energy Advice Service to help our customers reduce their energy consumption and bills.
- continuing to invest in the energy efficiency of new and existing homes and increasing the number of our homes at EPC C or above from 84% to 86% over the course of the year.
- successfully securing £1.1m of Social Housing Decarbonisation Fund grant monies to help us improve the energy efficiency of 135 of our homes over the coming years.

However, we recognise the need to do more and that's why we've made it one of our five key strategic focus areas for the next five years.

Over the next five years, we'll invest in a range of initiatives to reduce our environmental impact and carbon footprint. We'll embed green principles and develop ways to evolve our culture of sustainability.

As a social purpose organisation, operating ethically is key to our success. We'll continue to embed ethical practices through our supply chain, compliance with regulatory codes and underpinned by our AGAME values.

We will:

- develop our environmental sustainability roadmap
- explore ways to reduce the carbon footprint of our office facilities
- reduce the carbon emissions from our vehicle fleet
- ensure our purchasing and supply chain arrangements meet high ethical standards.

This will be achieved by implementing a range of measures including the following:

- improving our SHIFT score year on year
- meeting EPC C on all existing homes by 2030 with a stretch target of 2028
- achieving EPC A on all land-led new builds
- introducing electrically powered vehicles into our fleet
- introducing sustainable sourcing within our procurement activities.

Regulatory review

During 2022/23 we underwent our second in-depth assessment and Alliance Homes was again awarded a G1/V1 rating from the Regulator of Social Housing. This is the highest grading a housing association can achieve and confirms the Regulator's confidence in our strategy, financial viability and the way we govern the organisation.

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

Lloyds Bank loan

In April 2022 we secured a £75m sustainability-linked loan from Lloyds Bank. The loan will be used to help meet the goals set out in the corporate plan. These include tackling fuel poverty by retrofitting its least efficient homes, investing in our communities, and building more affordable homes.

Lloyds Bank will discount the loan subject to Alliance Homes achieving certain sustainability Key Performance Indicators (KPIs). These consist of going beyond government standards for energy efficiency by hitting EPC C on all its stock by 2028, building 2,000 new homes over the next 10 years, and installing 519 new photovoltaic systems to improve energy generation capacity to tackle fuel poverty of its customers.



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Social value

We continue to work with our contractors to achieve as much social value as we can through our contract arrangements. A total of £16,358 of social value has been secured through our supply chain and invested into our neighbourhoods.

These contributions have produced a range of benefits to our communities. At Tamar Court a fantastic dementia garden was created thanks to help from Bell Contracting. Our contractor Teign Trees donated trees, plants and a herb garden to the Maltings Sheltered Scheme in Worle.

We worked with the Co-op and Hubbub to create the Portishead community fridge. This initiative to reduce food waste and help the local community was made possible thanks to our suppliers, Gasworld, the Low Carbon Exchange, Harmony and Bristol Drains who provided over £2,500 between them for the structure.

Safety first culture

All landlord safety programmes continue to be delivered as one of our top priorities. These programmes are designed to provide the highest levels of safety while minimising disruption to customers.

To ensure that our quality of work is maintained and matches, or exceeds, the very best industry standards, we've implemented a regime of third-party independent audits in addition to our internal audit programme. The work of our gas team has been assessed by this process and we're delighted that their work is consistently rated in the top quartile by our auditors, and they've been rated as best performing nationally on several occasions. We've now expanded this process to include electrical and fire safety inspections.

Changes to fire safety legislation will see even more activity in our taller blocks. This will include increased frequency of fire door inspections and enhanced signage.





Being a great place to work

Officially a Great Place to Work

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

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

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



Customer Academy

We developed out Customer Academy training, because we want all our colleagues to deliver an outstanding, recognisable Alliance Homes customer experience. Our Customer Academy programme will support the delivery of Plan A 2.0 and the Customer Improvement Programme.

The programme helps colleagues develop more customer-focused ways of working by introducing them to common behaviours, understanding and language around customer service.

The content connects our AGAME values and unique customer insights to the way that we provide person centred services. By delivering some great practical skills and knowledge, tailored to teams and types of customer interactions, it equips everyone to deliver the best possible outcomes for both customers and Alliance.

95% of colleagues have now attended Customer Academy sessions and given it a seal of approval, with 84% rating the training as excellent, as well as engaging and useful in their day-to-day work.

The academy programme will continue to be available to new colleagues joining Alliance as it will be woven into the Welcome training programme, ensuring that we help everyone understand the important of great customer service from day one.

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The programme helps colleagues develop more customer-focused ways of working by introducing them to common behaviours, understanding and language around customer service.

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Above and Beyond recognition programme

Delivering a great service for our customers sits at the heart of what we do. We can only provide that service with great colleagues who live and breathe our AGAME values. We strive to be the best we can by embodying these values every day.

During 2022/23 we developed our Above and Beyond programme that was launched in June 2023. In this programme we acknowledge and celebrate success, whether it's colleagues going above and beyond to help a teammate or customer, or colleagues who consistently deliver exceptional results.

The programme empowers managers to recognise colleagues in a variety of ways so that it can be personalised and really show how much they are valued. From on-the-spot gifts to supporting planned whole team activities and long service awards, as well as quarterly and annual prizes for those who are really demonstrating their AGAME, we want to encourage more recognition and make it an everyday part of being a truly great place to work.

An Alliance for all

As a great place to work, we want all our colleagues to be themselves to deliver the best they can for our customers. In 2022, we designed Being You. Being You is a plan to help us grow our colleague diversity as well as continue to be culturally aware and inclusive for our colleagues. As part of this we redefined our Equality, Diversity and Inclusion (EDI) champions group to continuously develop our culture through spreading awareness about issues relating to EDI, creating a respectful inclusive environment and reviewing policies and procedures. We built on our disability confident employer status to achieve disability confident leader status and we invited one of our champions to share their experiences with the board and Senior Leadership Team.

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Value for money

Our strategy

We are committed to driving efficiency within our business operations as well as providing value for money services to our customers, in order that we can invest more in our existing homes and in building new homes. We recognise that our operating environment presents opportunities and risks to this, and we are driving a culture to meet those challenges by understanding and responding to our cost and quality indicators.

Our approach to value for money focuses on the distribution of efficiency gains into reinvestment in our core services. Value for money is implicit in everything we do. It is a cross-cutting theme and overarching priority, intricately balancing cost and quality to drive optimum business and customer service decisions.

We're a long term, customer and asset driven business, so decisions we make will reflect this. We will ensure that all decisions consider overall cost effectiveness, e.g., installing components that will last rather than the cheapest and our aim is to deliver a broadly consistent quality of home for

customers, whether they are living in an existing or new property.

We're fundamentally shifting our resources to investing in digital services and new and existing homes. To achieve this, we will drive out cost from other parts of our business. Our service offering will meet legal, contractual and regulatory requirements, and we will only provide services above this level where they can demonstrably contribute to the achievement of our objectives, or if a customer pays for these services. The same principle applies to our business support services. Overheads, including business support services, are actively managed and flex in size to reflect the scale, complexity and requirements of our business activities.

We will achieve quality, flexibility and business efficacy within our colleague team by using a mixed economy of permanent, fixed term and contracted employees. We will apply a colleague offer that is tailored to each sector or employment market.

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Our approach to value for money focuses on the distribution of efficiency gains into reinvestment in our core services. Value for money is implicit in everything we do.

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Our principles

Value for money is at the cornerstone of everything we do, and our approach is a holistic one which places our customers at the centre of every decision we make, ensuring that five principles are considered:

Principle 1: Doing things economically

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

Principle 2: Doing things right

This principle ensures that we have clear strategies, policies and processes in order to deliver the vision of the business.

Principle 3: Maximising the return on our assets

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

Principle 4: Maximising the return from our colleagues

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

Principle 5: Achieving the right outcomes

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

Plan A 2.0

In 2022, we launched Plan A 2.0, a new corporate strategy. Plan A 2.0 builds on our original, ambitious Plan A, and updates our direction using insights that were gained when we engaged and involved our customers, colleagues and stakeholders. A fundamental part of the strategy is our focussed five objectives for the next five years:

1. Delivering a great customer experience
2. Building more affordable homes
3. Being a green and ethical business
4. Investing in existing homes and neighbourhoods
5. Being a great place to work

The delivery of our Value for money strategy will support our purpose - 'to create great places to live, that our customers are proud to call home' and it underpins our focussed five objectives.

Delivering a great customer experience

Metric	Alliance performance 2021/22	Sector Scorecard Performance 2020/21 (median)	Alliance target 2022/23	Alliance performance 2022/23	Alliance target 2023/24
Overall satisfaction with Alliance Homes (fairly / very satisfied)	82%	N/A	85%	75%	85%

The Regulator for Social Housing's (RSH) new Tenant Satisfaction Measures (TSM) and landlord metrics came into force on 1 April 2023, to ensure that housing associations are providing high-quality services to their tenants. There are 22 TSMs including 12 measured by perception and 10 landlord data directly from us.

We are using a census approach to gather data for these measures, meaning all customers will be asked to participate in one of the two surveys each year, by email or telephone, which occur in July and January. All Landlords' data will be made available in the autumn of 2024, and we will publish this on our website and in our Customer Annual Review.

We carried out a pilot of the new Tenant Satisfaction Measures in January 2023. Two key metrics reported in the pilot were: overall satisfaction and the VFM metric. With the introduction of the new TSM measures, we will no longer be reporting on the 'meets my needs' metric which used to be our KPI. The results for overall satisfaction are shown above.

Our new customer portal called Connect will be launched in 2023/24. We will aim for as many customers as possible to use our online services. Connect will deliver time savings and cost savings across our services. The system will be easy and seamless for customers to use. Therefore, our customer services team can concentrate on those who really need them. Our customers have helped to design the functionality. Connect will enable us to collect data about how our services work, which we will use to keep improving our services.

Building more affordable homes

Metric	Alliance performance 2021/22	Sector Scorecard Performance 2020/21 (median)	Alliance target 2022/23	Alliance performance 2022/23	Alliance target 2023/24
New homes into management	234	N/A	198	159	258

We are an ambitious and growing organisation with a clear strategic objective of building more affordable homes to meet the ever-growing housing need in our area of operation. Significant investment in new housing supply has enabled us to continue to effectively grow our development pipeline which will support our ambition of delivering 2,000 new homes over the next 10 years.

With significant variations in house values across our operating area and varied delivery mechanisms, we continue to develop a new build portfolio that balances tackling housing need in high value areas with securing value for money within our investments. We develop our own homes through direct land purchase and partnerships with developers as this offers us the most flexibility to tackle areas that the market would not naturally address, and control the timing and specification of our homes. We also purchase S106 homes secured through the planning process from the housing market as they offer us greater value for money and speed of delivery.

Despite the challenging market conditions including rising inflation, materials and labour shortages, we have completed 409 new homes in the two-year period from 1 April 2021 to 31 March 2023. This leaves 1,591 development completions to achieve our 2,000 homes target. Additionally, we have continued to provide homes for shared ownership sale. Shared ownership tackles affordability issues within many of our communities and during 2022/23 we have sold 64 new shared ownership homes. This has generated an income of £7.1m at an average surplus of 25.7% that will be re-invested in homes and services.

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...we have completed 409 new homes in the two-year period from 1 April 2021 to 31 March 2023.
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Being a green and ethical business

Ethical and environmental standards is a new initiative underway covering the ethical and environmental standards we use in our procurement activities and through our supply chain. The initial activity is to undertake a review to determine the scope of the project, and this is now underway. Once the review stage has been completed an appropriate action plan will be created.

We have recently received the results of our first SHIFT Environmental Assessment. This report details our current environmental impacts, together with a comparison against peers and science-based targets. The targets have been derived by government institutions and reflect limits that, if attained, will have positive benefits for long term human wellbeing. This also provides us with a rating for the Organisation’s overall environmental impact. We have achieved a high Bronze position and will begin planning our roadmap for improving our score over the coming years.

Investing in existing homes and neighbourhoods

Metric	Alliance performance 2021/22	Sector Scorecard Performance 2020/21 (median)	Alliance target 2022/23	Alliance performance 2022/23	Alliance target 2023/24
Decent Homes	99%	N/A	100%	95%	100%

For a home to be considered “decent”, we use the Decent Homes guidance provided by the RSH which uses a component age and condition methodology in addition to the identification of Category1 hazards under the Housing Health and Safety Rating System (HHSRS). We set a target of 100% decency to ensure we actively track and monitor stock condition at the highest regulatory level.

Our proactive asset surveying programme records HHSRS failures (which may be outside of Alliance direct control) and stock condition data is collected on a cyclical basis and therefore non decency performance will fluctuate, but is trending below the 100% compliance target.

In February 2023, the Regulator stated that damp and mould will be a “key focus” of the housing sector’s new consumer regulatory regime. Our approach to measuring the extent of damp and mould issues affecting our properties is through assessing the condition of all our homes using a five-yearly rolling stock condition survey programme. Since April 2022, our surveys have also included the collection of damp and humidity readings to support our ability to identify potential damp and mould risks. This approach also provides longer term predictive data analytics and trend mapping across our portfolio of homes.

In February 2023, we were awarded a grant of £1.1m through the government’s Social Housing Decarbonisation Fund (SHDF) to boost energy efficiency and cut emissions of our properties. We fund approximately 130 homes through the SHDF grant process.

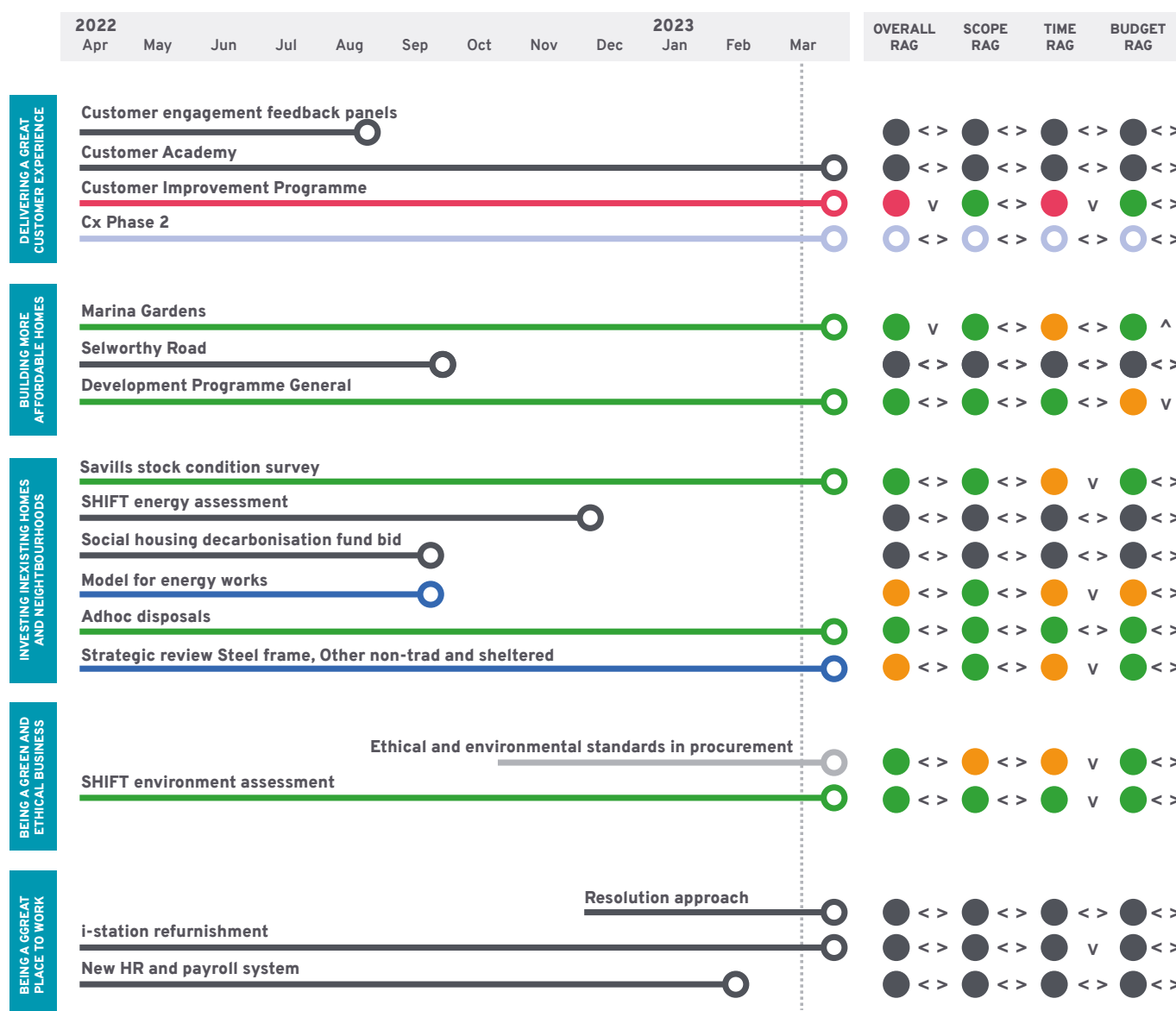
Being a great place to work

Our colleague offer is mid-market, tailored to each sector or employment market. We will use a mixed economy of permanent, fixed term and contracted employees to achieve flexibility, high quality results and maximum business efficiency.

Our 2022/23 Value for Money plan

The first three years of Plan A were focussed on investing in and delivering the structure that is required to support Plan A. For 2020/21 and 2021/22, we planned to undertake a full review of our service provision. During 2021/22, we commenced a review of our corporate plan, creating Plan A 2.0. This was published in April 2022 and sets out our strategic priorities for the next five years.

For 2022/23 our approach to value for money includes a number of objectives in the form of strategic projects and other business efficiency initiatives. These initiatives are collated in the change programme for 2022/23, which has been aligned to the corporate plan priorities as approved by the Board in March 2023 and presented below:



Key

- Not started
- Initiation
- In closure/closed
- Behind schedule

Value for money (VFM) metrics

In April 2018, the Regulator of Social Housing (RSH) introduced a new Value for Money Standard, which included a requirement for registered providers to publish performance against a series of common metrics with which to measure economy, efficiency and effectiveness as set by the Regulator. The Regulator defined these metrics as the most appropriate set of measures to evaluate and capture performance across the sector, in a fair and comparable way.

We also identify a peer group of housing associations that are most similar to ourselves. We review this peer group every three years to ensure that it is still relevant and appropriate. Our process of peer group selection for VFM comparison starts with a review of the Statistical Data Return (SDR) information and Sector Global Accounts as issued by the RSH, regional price information from the Office of National Statistics and the published group financial statements of the registered providers (RPs) who were subsequently identified as our peers.

We used a “filter” based approach to work through three key parameters that would reduce the size of the initial group of registered providers for inclusion within our peer group. This methodology is described below:

Operating region

The RSH information consists of a total of 209 registered providers. Those providers who are located in cost regions within the UK that are significantly higher or lower than the region in which we operate are excluded from the process. This is due to many of those providers operating in multiple regions, and because different regions have similar price levels.

Property types

The parameter aims to exclude those provided who own a significantly higher or lower proportion of units for older people or supported housing units compared to us. These types of properties tend to incur higher operating costs, therefore were excluded from the process to allow better cost comparability.

Organisation size

The remaining filter identified RPs on the basis of the number of units owned/managed. This parameter was used to effectively place Alliance Homes as the median provider within a normal distribution for the total number of units owned.

Registered providers with an internal repairs and maintenance service

We filter those organisations which, like us, manage their own internal repairs and maintenance service.

We use external benchmarking to assess how we are delivering value for money. Using the Housemark Sector Scorecard analysis 2022 and the Regulator of Social Housing’s Global Accounts 2022 we can compare our cost per unit against other social housing providers. In addition, we compare ourselves to a group of statistically similar associations – our peer group as described above.

Our results are shown below, together with benchmarking results.

Metric	Alliance Homes performance 2021/22	Housemark Sector Scorecard performance 2021/22 (median)	Peer group performance 2021/22 (mean)	RSH global accounts performance 2021/22 (median)	Alliance Homes target 2022/23	Alliance performance 2022/23	Alliance target 2023/24
Reinvestment (%)	27.7%	5.7%	8.8%	6.5%	13.7%	18.1%	18.1%

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

Our performance is higher than both target and forecast for the year. Our reinvestment percentage was significantly higher in 2021/22 as a direct result of the Marina Gardens acquisition in September 2021.

New supply (social housing) delivered (%)	3.2%	1.2%	1.8%	1.4%	2.5%	2.2%	2.5%
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The new supply metric sets out the number of new social housing units we have acquired or developed in the year, as a proportion of total social housing units we owned at the end of the year.

We delivered 159 new homes during 2022/23 against a target of 186 due to slippage on two sites. These schemes will complete later than previously expected in the year to 31 March 2024.

New supply (non-social housing) delivered (%)	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
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The new supply metric sets out the number of new non-social housing units we have acquired or developed in the year, as a proportion of total non-social housing units we owned at the end of the year.

Not applicable for Alliance Homes.

Gearing (%)	45.5%	35.8%	53.3%	44.1%	47.0%	49.5%	53.1%
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The gearing metric assesses how much of our adjusted assets are funded by debt, and our capacity for growth.

Our gearing result for the year has come in higher than our target and forecast. Our gearing ratio is lower than our peers but is in line with the sector (only 1.4% higher in 2021/22), and shows we continue to maintain a healthy gearing ratio and capacity for growth going forward.

Metric	Alliance Homes performance 2021/22	Housemark Sector Scorecard performance 2021/22 (median)	Peer group performance 2021/22 (mean)	RSH global accounts performance 2021/22 (median)	Alliance Homes target 2022/23	Alliance performance 2022/23	Alliance target 2023/24
EBITDA-MRI interest cover (%)	280.1%	181.9%	152.3%	145.7%	171.7%	162.6%	100.7%

EBITDA MRI is the abbreviation for “earnings before interest, tax, depreciation and amortisation, major repairs included”. This metric measures our liquidity and investment capacity and seeks to measure the level of surplus we generate compared to interest payable.

Our actual result is higher than our original target, but lower than our forecast, due to increased interest costs and increased capitalised major works expenditure.

Headline social housing cost per unit (£)	£4,235	£4,230	£4,170	£4,150	£4,878	£4,933	£5,282
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This cost metric assesses the headline social housing cost per unit, as defined by the Regulator of Social Housing. We take all of our social housing related costs (including capitalised major repairs costs) and divide this by the number of social housing units we own or manage at the end of the year.

Our results for the year were greater than our original target. The actual sub-contractor costs incurred for repairs and maintenance were higher than budgeted by c. £1.9m, due to significant increases in demand, and damp and mould cases.

Operating margin – social housing lettings (%)	21.4%	22.2%	27.0%	23.3%	26.6%	15.9%	25.5%
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This metric demonstrates our social housing lettings profitability before taking into account net interest payable costs and taxation.

Our performance for our operating margin social housing lettings is lower than our target and forecast for the year. This is driven by the delay in units completed compared to budget and the effects of increased repairs and maintenance spend.

Operating margin – overall (%)	22.1%	20.2%	25.7%	20.5%	22.2%	17.6%	22.9%
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This metric demonstrates our overall profitability before taking into account net interest payable costs and taxation.

Our operating margin overall, is lower than our target, due to increased spend on repairs and maintenance combined with a one-off cost-of-living payment to staff and costs related to the exit of the local government pension scheme. These amounts are slightly offset by improved margins on shared ownership sales during the year and effective management of our staffing budget.

Metric	Alliance Homes performance 2021/22	Housemark Sector Scorecard performance 2021/22 (median)	Peer group performance 2021/22 (mean)	RSH global accounts performance 2021/22 (median)	Alliance Homes target 2022/23	Alliance performance 2022/23	Alliance target 2023/24
Return on capital employed (ROCE) (%)	.5%	2.8%	3.8%	3.2%	4.6%	3.9%	44.4%

This metric compares the operating surplus to total assets less current liabilities, and is a common measure in assessing our efficient investment of capital resources.

Our ROCE result is lower than with our target and forecast. Our total assets less current liabilities increased during the year by £30.0m. The result is higher than our peers and benchmarking groups, and is higher than our weighted average cost of capital (WACC) of 3.59%, indicating that we continue to make healthy returns on our investments back into the business.

Driving efficiency and value for money

The cost per unit has a direct relationship to our operating margins and other metrics. Below we set out how our cost per unit is arrived at and compare this to others:

Cost per unit measure	Alliance Homes performance 2021/22	Housemark Sector Scorecard performance 2021/22 (quartile 1)	Housemark Sector Scorecard performance 2021/22 (median)	Housemark Sector Scorecard performance 2021/22 (quartile 3)	Peer group performance 2021/22	RSH global accounts performance 2021/22 (median)	Alliance Homes performance 2022/23
Management costs	£1,057	£908	£1,151	£1,479	£1,187	£1,104	£1,246
Service charge costs	£497	£285	£471	£819	£345	£701	£554
Maintenance costs	£1,337	£998	£1,224	£1,482	£1,255	£1,300	£1,561
Major repairs costs	£1,018	£688	£920	£1,198	£1,108	£1,002	£1,213
Other social housing costs	£326	£82	£175	£525	£275	£491	£359

Our costs within all categories above are higher than in 2021/22, and higher than the peer group against which we benchmark ourselves.

Management costs are high due to one-off costs associated with cost-of-living payments to staff, and legal and consultancy fees associated with our exit of the Local Government Pension Scheme.

Service charge costs are higher mainly due to increases in utility costs and costs of third-party contract service provisions.

Maintenance and major repairs costs are higher due to sub-contractor costs and increases in damp and mould cases.



Governance, risk and assurance

Our governance

Corporate governance is a term that we use to refer to how an organisation is run and how it manages the risks to its business. This generally includes regulation, corporate structure and the function of the Board.

Alliance is keen to ensure best practice in its governance; to ensure our governance arrangements deliver our aims, objectives and intended outcomes for tenants in an effective, transparent and accountable way. We operate under the Regulator of Social Housing’s Regulatory Standards and have adopted the National Housing Federation’s Code of Governance 2020; we regularly self-assess ourselves against this code and comply in full.

We are adopters of the Sustainability Reporting Standard for Social Housing and you can find our published reports on our Environmental, Social and Governance arrangements (ESG) on our website

Alliance has a simple organisational structure. It is governed by a Board of eight people, made up of seven non-executive Board members and the Chief Executive Officer. The Board members who served during the year and up to the date of signing the financial statements are listed on page 7.

The Board has established a Competency and Skills Framework that is aligned to our Strategic Plan (Plan A 2.0). This sets out the skills and qualities the Board need to have to meet the challenges of delivering on our ambitions.

It is not necessary for each individual Board member to have all the attributes, but to ensure the board, as a whole, achieves an optimum balance.

Competencies	Examples
Personal qualities	<ul style="list-style-type: none"> • Commitment to vision and values • Ability to put Alliance Homes before personal interests • Integrity • High ethical standards • Confidence • Sense of responsibility
Behavioural competencies	<ul style="list-style-type: none"> • Leadership • Interpersonal/team skills • Sound judgement • Critical thinking and constructive challenge • Conflict management • Strategic thinking • Continuous improvement

Delegation

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

The three Committees supporting the Board and its governance are:

Audit and Risk Committee

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

- financial reporting
- external audit
- internal audit
- internal control
- risk and control framework.

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

Remuneration, People and Culture Committee

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

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

Asset Committee

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

Board remuneration

Fees paid to Board members are routinely independently reviewed against market levels having regard to the size, complexity, resources, and benchmarking information on Board member pay in comparable organisations. The level of remuneration is ultimately determined by the Board on recommendation from the Remuneration People and Culture Committee. Remuneration levels for 23/24 have been set as follows:

Role	Payment
Chair	£15,681
Senior Independent Director	£8,886
Committee Chair	£8,363
Board Member	£6,000
Board Member (CEO)	Unpaid for board appointment

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

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

The Group

The Alliance Homes Group includes the following:

- NSAH (Alliance Homes) Limited – our parent company and Social Landlord. It is a Community Benefit Society and owns circa 6,700 properties.
- Alliance Homes Partnerships Limited t/a Home Repairs Service – providing services for Alliance Homes, Brighter Places and Bristol Community Land Trust. It is a company limited by shares and commenced trading in April 2018.
- Alliance Homes (Ventures) Ltd - a photovoltaic panels business and a company limited by shares.
- Alliance Living Care Ltd – our former domiciliary care company which has now ceased trading. It is a company limited by shares.
- Alliance Homes Sales Limited and Alliance Homes Design and Build Company Ltd are dormant companies that have not yet traded.

Company membership

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

Statement of Board’s responsibilities

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

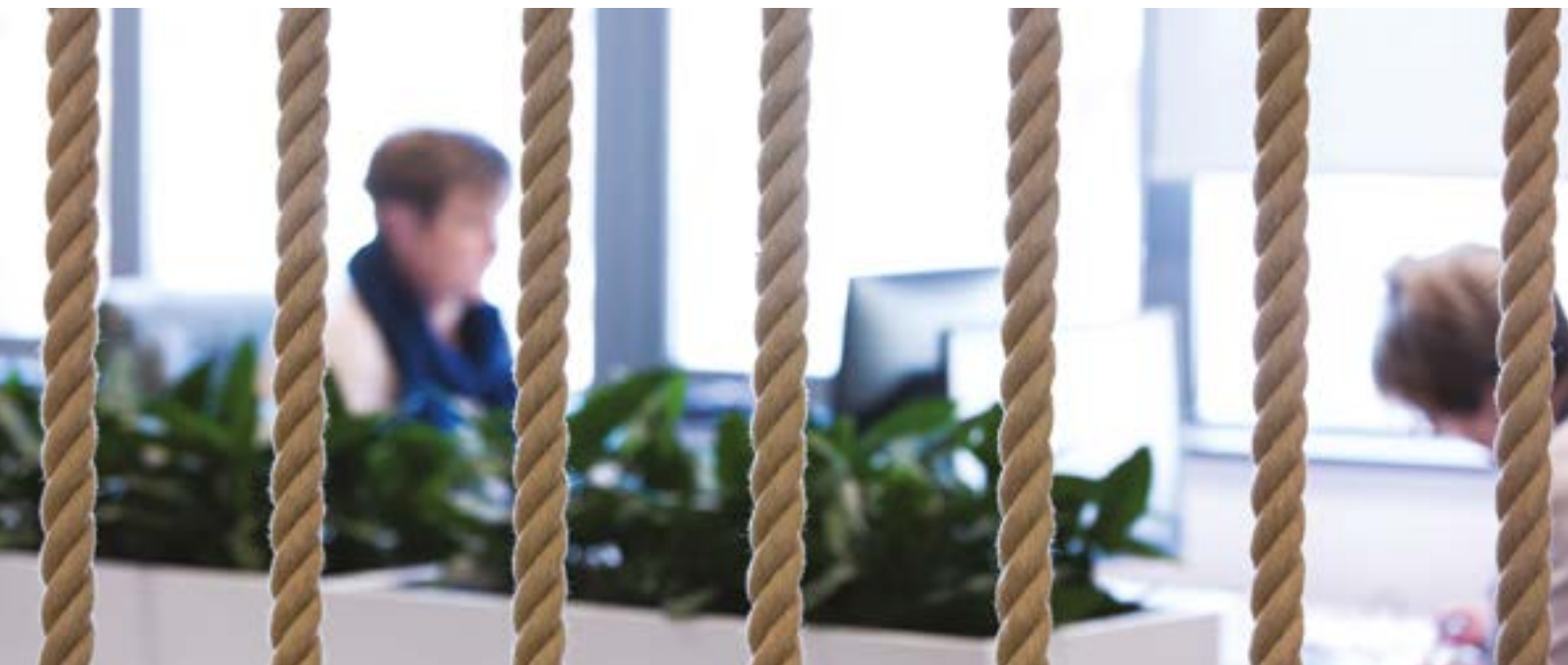
The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Association and of the Income and Expenditure for the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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

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

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



Risks and uncertainties

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

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

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

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

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

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

Risks and uncertainties continued

Key risk	Failure to deliver the planned development programme within agreed resources
Key controls	<ul style="list-style-type: none"> • Annual budget setting and quarterly reforecasts • Close working between New Homes, Finance and Treasury • KPI and performance reporting • Grant funding agreement with Curo • Close contractor management

Risk	Failure to meet energy efficiency requirements, including targets for net zero carbon within business plan capacity
Key controls	<ul style="list-style-type: none"> • Strategy commitment through Plan A 2.0 • Stock condition surveys • Surveys supported by asset data analysis and 30-year projection • Energy performance data collected to identify poorly performing properties for future investment • Programme of PV installation to over 1,100 properties • External specialists commissioned to advise roadmap • Baseline environmental assessment in place

Risk	Cost of maintaining LGPS pension becomes unaffordable
Key controls	<ul style="list-style-type: none"> • Rates adjusted in line with any actuarial valuation recommendations • Final salary pension closed, and defined contribution pension introduced • Regular monitoring of external environment for deterioration in affordability • SLT and Board pensions working group continuously monitor • Scheme exited as of 30 June 202

Risks and uncertainties continued

Risk	Poor performance of contractors including maintenance contractor resulting in service failure and low customer satisfaction
Key controls	<ul style="list-style-type: none"> • Customers involved in contractor selection • contracts in place • Contract management meetings • Monitoring systems (KPIs) for each individual contract • quarterly contractor expenditure reported against budget profile % post inspection of works before payment • Regular satisfaction monitoring of customers

Risk	Failure to comply with fire, gas, water, asbestos, lifts and electrical servicing and inspection obligations
Key controls	<ul style="list-style-type: none"> • Registration with industry accreditation bodies e.g. Gas Safe • Landlord safety compliance monitoring and oversight • Appropriate qualifications/training for operational teams • Horizon scanning by subject matter experts for legislative changes • Independent third-party quality checks of Gas, Electric • Dedicated Safer Homes team including Head of Customer Safety and Fire Safety Manager • Dedicated Access team • Internal Audit of key compliance areas every two years

Risks and uncertainties continued

Risk	A cyber-crime incident which affects IT systems impacting on service delivery
Key controls	<ul style="list-style-type: none"> • Cyber security penetration testing • Anti-virus software on all company devices and servers • Web filtering on all company laptops • Email filtering for all inbound emails • Firewalls with intrusion prevention capabilities. • Regular patching of systems and third-party software • Vulnerability scanning software to locate unpatched • Vulnerabilities in the ICT environment • Password policy in line with industry best practice. • Multi-factor authentication for all Microsoft 365 services • Up to date ICT Security Policy • ICT Cyber Security Incident Response Procedure • Cyber Security Strategy and framework

Risk	Ineffective management of damp and mould in customer homes
Key controls	<ul style="list-style-type: none"> • Rolling Stock condition survey (non-cloned) • Specialist damp surveyors • Home safety inspection regime • HHSRS monitoring • Heat system service monitoring • PIs and KPIs • Complaints process • Proactive encouragement of customer reporting

Risks and uncertainties continued

Risk	Failure to provide a quality of accommodation that meets relevant standards, including the Decent Homes Standard, within agreed resources
Key controls	<ul style="list-style-type: none"> • Rolling stock condition survey (non-cloned) • Asset strategy • Budgeted planned recovery for repairs • Board level performance oversight - Asset Committee • Reporting against regulatory standards • KPI monitoring of key delivery areas • HHSRS reporting • Budget approved for asset investment

Risk	Volume of maintenance work and/or maintenance costs are greater than forecast
Key controls	<ul style="list-style-type: none"> • Planned works are managed through competitively tendered contracts • Budget setting, control and financial oversight • Budget forecasts based on prudent financial assumptions • Monitoring changes to regulation or legislation • Insurance is in place for severe events requiring higher than usual level of repairs • Cost recovery where properties are left in poor condition • Weekly monitoring of work in progress

Risk	Service charges are not appropriately set/recovered
Key controls	<ul style="list-style-type: none"> • Service charges reviewed in consultation with tenants • Variable service charges are in place for new tenants and where individual agreement is obtained • Detailed consultation is complete for sheltered schemes • monitoring of costs against budget

Risks and uncertainties continued

Risk	Failure of HRS to deliver a service that achieves high levels of customer satisfaction within agreed resources
Key controls	<ul style="list-style-type: none"> • Monitoring systems (KPIs) for each individual contract • Transactional satisfaction monitoring of customers • Customer satisfaction survey (quarterly reporting) and feedback loops • Quality analysis of calls in ACT to ensure processes are followed • Complaints management policy in line with Housing Ombudsman requirements • Customer Academy • Feedback on major works and subcontractor through HIVE • Customer feedback panel support alignment of services to needs of customer

Internal controls assurance

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

The Board has overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness. They are responsible for a range of issues covering strategic and operational matters with key elements of the control framework including:

- adoption of the National Housing Federation Code of Governance 2020, which sets out the standards an organisation should achieve if it is to be well governed.

The Board regularly assesses its compliance with the NHF 2020 Code of Governance and can confirm compliance with this. The Board confirms that it has taken all reasonable steps to ensure the organisation adheres to all relevant law and

achieves the expectations of the Regulatory Standards issued by the Regulator of Social Housing, including the introduction of remediation plans where improvements can be made.

Alliance has:

- Board members and colleagues follow the Rules of the Association, Standing Orders, Financial Regulations and policies and procedures which cover issues such as delegated authority, procurement, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection
- financial reporting procedures including annual budget setting and reporting on a quarterly basis to the Board
- Long-term strategic financial plans annually created, stress tested and reviewed by the Board. These are revised during the year if necessary

- an annual independent review of our risk management framework which enables the Board to confirm that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process has been in place throughout the year under review and is up to date as at the date of the annual report.
- external audit arrangements, including presentation of management letters
- appointed internal auditors and a strategy and programme of independent internal audits in accordance with recognised professional standards
- quarterly review by the Board of key performance indicators to assure progress towards the achievement of objectives
- quarterly review by the Audit and Risk Committee of risk throughout the year with consideration of strategic risks also considered by the Board. Remit relevant risk registers are also considered by committees of the Board.
- a fraud policy and associated register are maintained, and fraud controls and awareness form a regular part of the internal audit programme. The fraud register is made available to the Audit and Risk Committee
- reports from the Committees are made to each subsequent Board meetings with their minutes also made available
- all Board members, Committee members and colleagues are covered by Directors and Officers Liability insurance to protect them from claims made against them in their capacity as representatives of the organisation .

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

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

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

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

Going concern

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

The Board, after reviewing the long-term financial plans for the Group and Association is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements. Further information can be found in note 1 to these financial statements.

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

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

Public Benefit Entity

As a public benefit entity, Housing Association Group has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Annual General Meeting

The Annual General Meeting will be held on 26 September 2023.

Disclosure of information to auditors

At the date of making this report each of the Group's Directors, as set out on page 7, confirm the following:

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

Auditors

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

Statement of compliance

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

Approval

The report of the Board of Directors was approved by the Board on 23 August 2023 and signed on its behalf by:



Andrew Willis
Chair

40 Martingale Way
Portishead
BS20 7AW

Independent Auditor’s report to the members of Alliance Homes

Opinion

We have audited the financial statements of NSAH (Alliance Homes) Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Association Statement of Comprehensive Income, Statement of Financial Position, Consolidated Statement of Changes in Reserves, Association Statement of Changes in Reserves, and Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group’s and of the Association’s affairs as at 31 March 2023 and of the Group’s income and expenditure and the Association’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board’s Responsibilities set out on page 61, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group’s activities and the regulated nature of the Group’s activities.


- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

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

Use of our report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers
 Chartered Accountants
 Statutory Auditor
 150 Minorities
 London
 EC3N 1LS

Date: 8 September 2023

Consolidated statement of comprehensive income

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	2	51,798	46,305
Cost of sales	2	(5,234)	(3,016)
Operating expenditure	2	(37,432)	(33,163)
Gain on disposal of property, plant and equipment	5	941	155
Movement in fair value of investment properties		(134)	120
Operating surplus	6	9,939	10,401
Interest receivable and similar income	7	255	17
Interest payable and financing charges	7	(4,497)	(3,327)
Surplus before tax		5,697	7,091
Taxation	10	-	-
Surplus for the year after tax		5,697	7,091
Movement in fair value of contract asset		(202)	(40)
Actuarial gain/(loss) in respect of pension schemes	23	9,517	3,041
Total comprehensive income for the year		15,012	10,092

The Consolidated results relate wholly to continuing activities and the notes on pages 80 to 124 form an integral part of these financial statements.

The financial statements on pages 74 to 124 were approved by the Board and authorised for issue on 23 August 2023 and signed on its behalf by:


Andrew Willis
 Chair


Richard Gaunt
 Board Member


Philippa Armstrong-Owen
 Company Secretary

Association statement of comprehensive income

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	2	49,281	42,655
Cost of sales	2	(5,234)	(3,016)
Operating expenditure	2	(34,812)	(29,416)
Gain on disposal of property, plant and equipment	5	941	155
Movement in fair value of investment properties		(134)	120
Operating surplus	6	10,042	10,498
Interest receivable and similar income	7	268	64
Interest payable and financing charges	7	(4,497)	(3,319)
Surplus for the year		5,813	7,243
Movement in fair value of contract asset		(202)	(66)
Actuarial gain/(loss) in respect of pension schemes	23	9,517	3,043
Total comprehensive income for the year		15,128	10,220

The Association's results relate wholly to continuing activities and the notes on pages 80 to 124 form an integral part of these financial statements.

The accompanying notes form part of these financial statements. The financial statements on pages 74 to 124 were approved by the Board and authorised for issue on 23 August 2023 and signed on its behalf by:


Andrew Willis
 Chair


Richard Gaunt
 Board Member


Philippa Armstrong-Owen
 Company Secretary

Statement of financial position

As at 31 March 2023

	Note	Group		Association	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Tangible fixed assets – housing properties	11	228,819	197,248	228,819	197,248
Tangible fixed assets – other	12	18,211	19,958	11,449	12,734
Investment properties	13	3,872	2,660	3,872	2,660
Fixed asset investments	14	-	-	5,070	5,070
		250,902	219,866	249,210	217,712
Current assets					
Stocks and work in progress	15	1,787	3,564	1,715	3,553
Debtors	16	6,968	5,864	5,589	6,149
Cash and cash equivalents	17	10,766	11,084	9,486	8,972
		19,521	20,512	16,790	18,674
Creditors: amounts falling due within one year	18	(11,091)	(11,063)	(9,954)	(10,414)
Net current assets		8,430	9,449	6,836	8,260
Total assets less current liabilities		259,332	229,315	256,046	225,972
Creditors: amounts falling due after more than one year	19	(143,313)	(119,375)	(143,313)	(119,434)
Provisions for liabilities:					
Pension - defined benefit liability	23	(3,549)	(12,482)	(3,549)	(12,482)
Total net assets		112,470	97,458	109,184	94,056
Reserves					
Income and expenditure reserve		112,470	97,458	109,184	94,056
Total reserves		112,470	97,458	109,184	94,056

The notes on pages 80 to 124 form an integral part of these financial statements.

The financial statements on pages 74 to 124 were approved by the Board and authorised for issue on 23 August 2023 and signed on its behalf by:


Andrew Willis
 Chair


Richard Gaunt
 Board Member


Philippa Armstrong-Owen
 Company Secretary

Consolidated statement of changes in reserves

For the year ended 31 March 2023

	Income and expenditure reserve £'000
At 1 April 2021	87,366
Total comprehensive income for the year	
Surplus for the year	7,091
Movement in fair value of contract asset	(40)
Actuarial gain in respect of pension schemes	3,041
Balance as at 31 March 2022	97,458
Total comprehensive income for the year	
Surplus for the year	5,697
Movement in fair value of contract asset	(202)
Actuarial gain in respect of pension schemes	9,517
Balance as at 31 March 2023	112,470

The notes on pages 80 - 124 form an integral part of these financial statements.

Association statement of changes in reserves

For the year ended 31 March 2023

	Income and expenditure reserve £'000
At 1 April 2021	83,836
Total comprehensive income for the year	
Surplus for the year before pension movement	7,243
Actuarial gain on pension scheme	3,043
At 31 March 2022	94,056
Total comprehensive income for the year	
Surplus for the year before pension movement	5,813
Movement in fair value of contract asset	(202)
Actuarial gain on pension scheme	9,517
At 31 March 2023	109,184

The notes on pages 80 - 124 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities	25	21,015	13,600
Cash flows from investing activities			
Purchase of tangible fixed assets		(42,098)	(48,885)
Proceeds from the sale of tangible fixed assets		941	155
Grants received		660	8,460
Interest received		255	17
		(40,242)	(40,253)
Cash flows from financing activities			
Interest and finance costs paid		(4,173)	(3,012)
Interest element of finance lease rental payments		(48)	(46)
New secured loans		37,000	11,000
Repayment of borrowings		(13,000)	-
Capital element of finance lease repayments		(468)	(502)
Loan issue fees		(402)	(266)
		18,909	7,174
Net change in cash and cash equivalents		(318)	(19,479)
Cash and cash equivalents at beginning of year		11,084	30,563
Cash and cash equivalents at end of year	17	10,766	11,084

The notes on pages 80 - 124 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2023

Legal status

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

The Group comprises the following entities:

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

* Alliance Living Care Ltd ceased trading during the prior financial year on 9 November 2021. Minor transactions have occurred during the current financial year, which are included within the consolidated results.

1. Principal accounting policies

Basis of accounting

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

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit

Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investment properties, non-basic financial instruments, pension provision, and are presented in sterling £'000 for the year ended 31 March 2023.

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

Parent company disclosure exemptions

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

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

Basis of consolidation

The consolidated financial statements incorporate the results of NSAH (Alliance Homes) Limited and all of its subsidiary undertakings as at 31 March 2023 using the acquisition method of accounting as required. Where the acquisition method is used, the results of 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 operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2023/24 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

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

Significant judgements:

Development expenditure

The Group capitalises development expenditure in accordance with the accounting policy described. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to 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.

Categorisation of housing properties

The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.

Impairment

The Group considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Group also considers expected future performance of the asset. See note 11 for more information. Any impairment loss is charged to the Statement of Comprehensive Income.

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

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

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

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

Lease accounting

Whether the risks and rewards of ownership in relation to individual leases indicate that it should be accounted for as a finance lease or an operating lease. The carrying value of finance leases at 31 March 2023 was £267k.

Key sources of estimation and uncertainty:

Tangible fixed assets

Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as

technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying value of tangible fixed assets at 31 March 2023 was £247,030k.

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in The Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at the reporting period date. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 13. The carrying value of investment properties at 31 March 2023 was £3,872k.

Pension provision and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities

corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 23.

Business combinations

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

Turnover and revenue recognition

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

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

Rental and service charge income is stated net of losses from voids.

Support income and costs including Supporting People income and costs (SP)

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in Turnover as per note 2.

The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

Service charges

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

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

Loan interest costs

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

Loan finance issue costs

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

Taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

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

Alliance Homes Partnerships Limited was previously approved by HMRC as a Cost Sharing Group, which meant that the company was able to charge partners for work carried out without the addition of VAT. During the prior year, this approval was rescinded by HMRC, and the partnership now charges VAT on work carried out for its partners.

Tangible fixed assets and depreciation

Housing properties

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

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

Freehold land is not depreciated.

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

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

UELs for identified components are as follows:

Structure	1.0%
Roofs	2.0%
Kitchens	5.0%
Bathrooms, wall/loft insulation and energy improvements	3.3%
Central heating systems	6.7%
Boilers	8.3%
Electrical rewiring	4.0%
Windows	3.3%
Doors	4.0%

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

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

Freehold land	nil
Freehold offices	a range of 2% to 4%
Office refurbishment	over a period of 7 years
Furniture, fixtures and fittings	33%
Computers and office equipment	33%
Operatives' vans*	25%
Garage doors and roofs	6.7%
Photovoltaic panels	4%
Photovoltaic panel convertors	10%
Pigeon mesh	over the remaining useful life of the photovoltaic panels

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

Low-cost home ownership properties

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

Capitalisation of interest and administration costs

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

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

Leasing and hire purchase

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

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

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

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

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date.

Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income. There are no restrictions on realisation or remittance of income or disposal proceeds.

Valuation of investments

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

Stock and properties held for sale

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

Short-term debtors and creditors

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

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance

requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

Social Housing and other government grants

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

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

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

Recycling of Capital Grant

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

Holiday pay accrual

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

Retirement benefits

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

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

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

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

Financial Instruments

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

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

- Debt instruments that meet the conditions in paragraph 11.8(b) or 11.8(bA) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

- Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at:
 - Fair value with changes in fair value recognised in the Statement of Comprehensive Income if the shares are publicly traded or their value can otherwise be measured reliably, and
 - At cost less impairment for all other such investments.

Financial instruments held by the Group are classified as follows:

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

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

- (a) The best evidence of fair value is a quoted price in an active market.
- (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- (c) Where there is no active market or recent transactions then a valuation technique is

used to estimate what the transaction price would have been on the measurement date in an arm’s length exchange motivated by normal business considerations.

Loans

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

Impairment of Financial Assets

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

The following financial instruments are assessed individually for impairment:

- (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.

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

- (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 if it 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 cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

Contract asset

The Group recognises a non-basic financial asset in relation to the contract with North Somerset Council, under which the Group is able to recover pension costs incurred within the Alliance Homes – Ebdon Court LGPS Pension Scheme with the Avon Pension Fund, which was transferred into NSAH (Alliance Homes) Limited during the prior financial year.

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

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

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

Group – continuing activities

2023

	Turnover	Cost of sales	Operating expenditure	Surplus on disposal	Valuation	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3)	37,315	-	(31,402)	-	-	5,913
Other social housing activities						
First tranche low-cost home ownership sales	7,090	(5,234)	-	-	-	1,856
Charges for support services	391	-	(244)	-	-	147
Charges for support services - restricted grants	1,226	-	(1,226)	-	-	-
Community development	102	-	(359)	-	-	(257)
Community development - restricted grants	133	-	(133)	-	-	-
Development services	-	-	(507)	-	-	(507)
Management services	67	-	(42)	-	-	25
Abortive scheme costs	-	-	(27)	-	-	(27)
Gain on disposal of property, plant and equipment	-	-	-	941	-	941
	9,009	(5,234)	(2,538)	941	-	2,178
Non-social housing activities						
Commercial lettings	860	-	(415)	-	-	445
Electricity generation	2,229	-	(964)	-	-	1,265
Domiciliary care provision	-	-	-	-	-	-
Home repairs service	1,652	-	(1,569)	-	-	83
Other	733	-	(544)	-	-	189
Gain on valuation of investment properties	-	-	-	-	(134)	(134)
	51,798	(5,234)	(37,432)	941	(134)	9,939

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

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

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

Group – continuing activities

2022

	Turnover	Cost of sales	Operating expenditure	Surplus on disposal	Valuation	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3)	34,159	-	(26,847)	-	-	7,312
Other social housing activities						
First tranche low-cost home ownership sales	4,243	(3,016)	-	-	-	1,227
Charges for support services	1,251	-	(1,173)	-	-	78
Community development	233	-	(404)	-	-	(171)
Community development - restricted grants	54	-	(54)	-	-	-
Development services	-	-	(524)	-	-	(524)
Management services	310	-	(35)	-	-	275
Abortive scheme costs	-	-	(62)	-	-	(62)
Gain on disposal of property, plant and equipment	-	-	-	155	-	155
	6,091	(3,016)	(2,252)	155	-	978
Non-social housing activities						
Commercial lettings	813	-	(297)	-	-	516
Electricity generation	1,992	-	(852)	-	-	1,140
Domiciliary care provision	1,662	-	(1,596)	-	-	66
Home repairs service	1,299	-	(1,244)	-	-	55
Other	289	-	(75)	-	-	214
Gain on valuation of investment properties	-	-	-	-	120	120
	46,305	(3,016)	(33,163)	155	120	10,401

The Community Development restricted grants above relate to the Big Local Trust for the Worle Big Local Plan and a restricted grant of £129k was held at the year-end.

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

Association - continuing activities

2023

	Turnover	Cost of sales	Operating expenditure	Surplus on disposal	Valuation	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3)	37,316	-	(31,319)	-	-	5,997
Other social housing activities						
First tranche low-cost home ownership sales	7,090	(5,234)	-	-	-	1,856
Charges for support services	391	-	(244)	-	-	147
Charges for support services - restricted grants	1,226	-	(1,226)	-	-	-
Community development	336	-	(359)	-	-	(23)
Community development - restricted grants	133	-	(133)	-	-	-
Development services	-	-	(507)	-	-	(507)
Management services	67	-	(42)	-	-	25
Abortive scheme costs	-	-	(27)	-	-	(27)
Gain on disposal of property, plant and equipment	-	-	-	941	-	941
	9,243	(5,234)	(2,538)	941	-	2,412
Non-social housing activities						
Commercial lettings	860	-	(415)	-	-	445
Gift Aid	1,084	-	-	-	-	1,084
Other	778	-	(540)	-	-	238
Gain on valuation of investment properties	-	-	-	-	(134)	(134)
	49,281	(5,234)	(34,812)	941	(134)	10,042

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

The Supporting People restricted grants above relate to the Carer Support Fund and the Supporting People Fund. Expenditure of £228k and £998k respectively was incurred during the year. Restricted grants of £nil and £423k respectively were held at the year-end.

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

Association - continuing activities (continued)

2022

	Turnover	Cost of sales	Operating expenditure	Surplus on disposal	Valuation	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3)	34,182	-	(26,791)	-	-	7,391
Other social housing activities						
First tranche low-cost home ownership sales	4,243	(3,016)	-	-	-	1,227
Charges for support services	1,251	-	(1,173)	-	-	78
Community development	464	-	(404)	-	-	60
Community development - restricted grants	54	-	(54)	-	-	-
Development services	-	-	(524)	-	-	(524)
Management services	310	-	(35)	-	-	275
Abortive scheme costs	-	-	(62)	-	-	(62)
Gain on disposal of property, plant and equipment	-	-	-	155	-	155
	6,322	(3,016)	(2,252)	155	-	1,209
Non-social housing activities						
Commercial lettings	813	-	(297)	-	-	516
Gift Aid	1,001	-	-	-	-	1,001
Other	337	-	(76)	-	-	261
Gain on valuation of investment properties	-	-	-	-	120	120
	42,655	(3,016)	(29,416)	155	120	10,498

The Community Development restricted grants above relate to the Big Local Trust for the Worle Big Local Plan and a restricted grant of £129k was held at the year-end.

3. Particulars of turnover and operating expenditure from social housing lettings

Group

	General housing* £'000	Supported housing £'000	Total 2023 £'000	Total 2022 £'000
Rent receivable, net of identifiable service charges and net of voids	34,038	547	34,585	32,460
Service charge income	2,164	360	2,524	1,550
Amortised government grants	206	-	206	149
Turnover from social housing lettings	36,408	907	37,315	34,159
Expenditure on social housing lettings				
Management	(8,737)	(59)	(8,796)	(7,306)
Service charge costs	(3,790)	(121)	(3,911)	(3,432)
Routine maintenance	(8,563)	(58)	(8,621)	(7,206)
Planned maintenance	(2,390)	(16)	(2,406)	(2,034)
Major repairs expenditure	(2,495)	(17)	(2,512)	(2,561)
Bad debts	(347)	(2)	(349)	(260)
Depreciation of housing properties	(4,774)	(33)	(4,807)	(4,048)
Operating expenditure on social housing lettings	(31,096)	(306)	(31,402)	(26,847)
Operating surplus on social housing lettings	5,312	601	5,913	7,312
Void losses	(642)	(60)	(702)	(667)

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

3. Particulars of turnover and operating expenditure from social housing lettings

Association

	General housing* £'000	Supported housing £'000	Total 2023 £'000	Total 2022 £'000
Rent receivable, net of identifiable service charges and net of voids	34,038	547	34,585	32,463
Service charge income	2,165	360	2,525	1,570
Amortised government grants	206	-	206	149
Turnover from social housing lettings	36,409	907	37,316	34,182
Expenditure on social housing lettings				
Management	(8,737)	(59)	(8,796)	(7,306)
Service charge costs	(3,790)	(121)	(3,911)	(3,432)
Routine maintenance	(8,480)	(58)	(8,538)	(7,150)
Planned maintenance	(2,390)	(16)	(2,406)	(2,034)
Major repairs expenditure	(2,495)	(17)	(2,512)	(2,561)
Bad debts	(347)	(2)	(349)	(260)
Depreciation of housing properties	(4,774)	(33)	(4,807)	(4,048)
Operating expenditure on social housing lettings	(31,013)	(306)	(31,319)	(26,791)
Operating surplus on social housing lettings	5,396	601	5,997	7,391
Void losses	(642)	(60)	(702)	(667)

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

4. Accommodation owned, managed and in development

At the end of the year accommodation in management was as follows:

	Group		Association	
	2023 No.	2022 No.	2023 No.	2022 No.
Social housing				
General housing:				
• Social rent	5,910	5,840	5,910	5,840
• Affordable rent	662	623	662	623
Supported housing and housing for older people	47	47	47	47
Shared ownership	249	208	249	208
	6,868	6,718	6,868	6,718
Market rented	3	3	3	3
Total owned	6,871	6,721	6,781	6,721
Accommodation managed for others				
Low-cost home ownership	194	194	194	194
Total owned and managed	7,065	6,915	7,065	6,915

The Group also owns 1,629 (2022: 1,605) garages and manages 512 (2022: 511) Right to Buy leasehold flats where the freehold is retained.

The Group owns 50 (2022: 47) shops, of which 13 (2022: 13) are held as housing properties and 37 (2022: 34) are held as investment properties.

5. Gain on disposal of property, plant and equipment

Group and Association

	Right to Buy 2023 £'000	Right to Acquire 2023 £'000	Low cost home ownership staircasing 2023 £'000	Other 2023 £'000	Total 2023 £'000	Total 2022 £'000
Proceeds of sales	143	450	283	328	1,204	265
Cost of sales	(65)	(17)	(181)	-	(263)	(110)
	78	433	102	328	941	155

6. Operating surplus

The operating surplus is stated after charging:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Audit of the Group financial statements (excl. VAT) - current auditor	45	-	45	-
Audit of the Group financial statements (excl. VAT) - previous auditor	-	29	-	29
Audit of subsidiaries' financial statements (excl. VAT) - current auditor	15	-	-	-
Audit of subsidiaries' financial statements (excl. VAT) - previous auditor	-	24	-	-
Operating lease rentals - land and buildings	9	8	9	8
Operating lease rentals – equipment	5	6	5	6
Depreciation of housing properties	4,806	4,048	4,806	4,048
Depreciation of other fixed assets	2,453	2,345	1,825	1,723
Amortisation of loan issue costs	192	111	133	107

7. Net interest

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest receivable and similar income				
Interest receivable	255	17	235	15
Income from other investments	-	-	33	49
	255	17	268	64
Interest payable and financing costs				
Finance leases	46	46	46	46
Loans	4,613	3,360	4,613	3,360
Interest on defined benefit pension	324	313	324	305
	4,983	3,719	4,983	3,711
On financial liabilities measured at fair value				
Interest capitalised on housing properties under construction	(486)	(392)	(486)	(392)
	4,497	3,327	4,497	3,319
Capitalisation rate used to determine finance costs capitalised	3.59%	3.16%	3.59%	3.16%

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

8. Employee information

The average monthly number of employees (full-time equivalents based on 37 hours per week) were as follows:

	Group		Association	
	2023 No.	2022 No.	2023 No.	2022 No.
Administration	69	74	69	74
Development	13	11	13	11
Housing, support and care	175	213	175	158
Maintenance operatives	71	69	71	69
	328	367	328	312

Employee costs for the year were as follows:

	Group		Association	
	2023 No.	2022 No.	2023 No.	2022 No.
Wages and salaries	11,978	11,528	11,978	10,477
Social security costs	1,252	1,117	1,252	1,046
Other pension costs	1,069	1,349	1,069	1,281
	14,299	13,994	14,299	12,804

The Association's employees were members of the Avon Pension Scheme (a defined benefit scheme) or a defined contribution scheme. The employees of other Group members were members of the Avon Pension Scheme or a defined contribution scheme. Further information on the Avon Pension Scheme is included in note 23.

9. Key management personnel remuneration

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel of the Alliance Homes Group consist of the Board and the Strategic Leadership Team (SLT).

The aggregate emoluments paid to the SLT Members during the year, including the Chief Executive Officer, were £857k (2022: £755k). The emoluments of the highest paid director, the Chief Executive Officer, excluding pension contributions, were £151k (2022: £147k). The aggregate amount of compensation paid to executive officers or former executive officers during the year was £nil (2022: £nil).

The SLT Members, including the Chief Executive Officer, participate in the defined contribution pension scheme at the same contribution levels as all eligible staff. They do not participate in the Avon Pension Scheme. The employer's pension contribution paid on behalf of the Chief Executive Officer amounted to £15k (2022: £15k).

The aggregate emoluments paid to Board members were £53k (2022: £57k). Expenses paid during the year to Board and Committee members amounted to £4k (2022: £2k).

The total payments made to Board members were as follows:

			2023	2022
			£	£
Chair		A. Willis	16,493	12,850
Audit Committee – Chair		R. Gaunt	7,600	6,857
Remuneration, People and Change Committee – Chair		C. Rosati	8,182	7,783
Investment Committee – Chair		P. Foster	7,500	6,816
Alliance Living Care Ltd Board – Chair	Retired September 2021	C. Feehily	-	3,356
Customer Insight Committee – Chair	Retired September 2021	M. McIsaac Dunne	-	3,356
Board Member		S. Frost	6,253	5,072
Board Member	Retired May 2022	H. James	720	4,520
Board member	Resigned September 2022	S. Rahman	2,443	4,529
Co-optee	Resigned August 2021	I. Watkins*	-	1,898
Board member	Appointed November 2022	C. Cronelly	2,083	--
Board member	Appointed November 2022	A. Hamilton-Stanley	2,083	-
			53,357	57,037

*I. Watkins was a member of the Alliance Living Care Ltd Board, but not a member of the NSAH (Alliance Homes) Limited Group Board.

9. Key management personnel remuneration (continued)

The number of full-time equivalent colleagues whose remuneration payable fell within the following bands were:

	2023	2022
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	2	2
£100,001 - £110,000	-	2
£110,001 - £120,000	2	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1
£150,001 - £160,000	-	-
£160,001 - £170,000	1	1

The key management personnel of the Group consist of the Strategic Leadership Team and the Board. The banding disclosure above considers the Strategic Leadership Team only.



10. Tax on surplus on ordinary activities

Group

Factors affecting the tax charge for the period

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2023 £'000	2022 £'000
Current tax		
Current tax on profit for the year	-	-

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

	2023 £'000	2022 £'000
Surplus on ordinary activities – continuing operations	5,697	7,091
Tax on surplus at the standard rate of corporation tax in the UK of 19% (2022: 19%)	1,082	1,348
Effects of:		
Surplus of charitable entity not subject to corporation tax	(899)	(1,186)
Other non-deductible expenditure	-	15
Gift Aid payment to parent	(197)	(206)
Capital allowances super-deduction	(9)	(1)
Movement in deferred tax not recognised	23	30
Tax charge for the year	-	-

Association

As a charity, the Association is exempt from UK corporation tax under section 505 of the Income and Corporation Taxes Act 1988.

11. Tangible fixed assets – housing properties

Group and Association

	Properties held for lettings		Properties under construction		Total
	Social housing lettings	Low cost home ownership	Social housing lettings	Low cost home ownership	
	£'000	£'000	£'000	£'000	
Cost					
At 1 April 2022	175,212	13,680	31,104	10,781	230,777
Additions to properties	-	-	25,549	9,793	35,342
Works to existing properties	6,051	-	-	-	6,051
Schemes completed	37,550	9,277	(37,550)	(9,277)	-
Transfers to assets held for sale	-	-	-	(3,427)	(3,427)
Transfers to investment properties (note 13)	-	-	(1,346)	-	(1,346)
Disposals	(563)	(187)	-	-	(750)
At 31 March 2023	218,250	22,770	17,757	7,870	266,647
Depreciation					
At 1 April 2022	(32,523)	(1,006)	-	-	(33,529)
Transfers	131	(131)	-	-	-
Charge for the year	(4,660)	(146)	-	-	(4,806)
Released on disposal	501	6	-	-	507
At 31 March 2023	(36,551)	(1,277)	-	-	(37,828)
Net book value					
At 31 March 2023	181,699	21,493	17,757	7,870	228,819
At 31 March 2022	142,689	12,674	31,104	10,781	197,248

Included within housing properties is £166k (2022: £168k) in respect of a community hall.

Additions to housing properties during the year include capitalised interest of £486k (2022: £392k).

11. Tangible fixed assets – housing properties (continued)

Housing properties comprise:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Housing property net book value in respect of freeholds	228,285	196,715	228,285	196,715
Housing property net book value in respect of long leaseholds	534	533	534	533
	228,819	197,248	228,819	197,248

Expenditure on works to existing properties:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Improvement works capitalised	701	-	701	-
Components capitalised	5,350	4,478	5,350	4,478
Amounts charged to income and expenditure	2,512	2,561	2,512	2,561
	8,563	7,039	8,563	7,039



12. Tangible fixed assets – other

Group

	Free-hold offices	Office and other equipment	Motor vehicles	IT equipment	Garages	Photo- voltaic panels	Pigeon mesh installation	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2022	13,454	233	2,024	6,697	-	12,993	-	35,401
Additions	6	22	-	502	10	-	166	706
At 31 March 2023	13,460	255	2,024	7,199	10	12,993	166	36,107
Depreciation								
At 1 April 2022	(3,976)	(131)	(1,258)	(4,309)	-	(5,769)	-	(15,443)
Charge for the year	(411)	(28)	(505)	(884)	-	(620)	(5)	(2,453)
At 31 March 2023	(4,387)	(159)	(1,763)	(5,193)	-	(6,389)	(5)	(17,896)
Net book value								
At 31 March 2023	9,073	96	261	2,006	10	6,604	161	18,211
At 31 March 2022	9,478	102	766	2,388	-	7,224	-	19,958

The net book value of assets held under finance leases amounted to £261k (2022: £766k).

12. Tangible fixed assets – other (continued)

Association

	Free-hold offices	Office and other equipment	Motor vehicles	IT equipment	Garages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2022	13,454	233	2,024	6,697	-	22,408
Additions	6	22	-	502	10	540
At 31 March 2023	13,460	255	2,024	7,199	10	22,948
Depreciation						
At 1 April 2022	(3,976)	(131)	(1,258)	(4,309)	-	(9,674)
Charge for the year	(410)	(27)	(504)	(884)	-	(1,825)
At 31 March 2023	(4,386)	(158)	(1,762)	(5,193)	-	(11,499)
Net book value At 31 March 2023	9,074	97	262	2,006	10	11,449
At 31 March 2022	9,478	102	766	2,388	-	12,734

The net book value of assets held under finance leases amounted to £261k (2022: £766k).

13. Investment properties

Group and Association

	2023	2022
	£'000	£'000
At 1 April	2,660	2,540
Transfers from housing properties (note 11)	1,346	-
(Loss)/gain from investment value	(134)	120
At 31 March	3,872	2,660

Investment properties (commercial and market rent) were valued at 31 March 2023 by professional qualified external valuers. These valuations were undertaken by Jones Lang LaSalle and were carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards

14. Fixed asset investments

The Group comprises the following entities, all of whom are registered in England:

Name	Incorporation and ownership	Regulated/ non-regulated	Nature of business
NSAH (Alliance Homes) Limited (AHL)	Company 100%	Regulated by the Regulator of Social Housing	Registered provider
Alliance Living Care Ltd (ALC)	Company 100%	Non-regulated	Domiciliary care
Alliance Homes (Ventures) Ltd (AHV)	Company 100%	Non-regulated	Electricity generation
Alliance Homes Partnerships Limited (AHP)	Company 98%	Non-regulated	Repairs and maintenance
Alliance Homes Design & Build Company Limited (AHD&B)	Company 100%	Non-regulated	Design and build
Alliance Homes Sales Limited (AHS)	Company 100%	Non-regulated	Non-regulated property sales

14. Fixed asset investments (continued)

	AHL £'000	ALC £'000	AHV £'0 00	AHP £'000	AHD&B £'000	AHS £'000	Total £'000
Cost							
At 1 April 2022 and 31 March 2023	-	70	5,000	-	-	-	5,070
Share of retained profits							
At 1 April 2022 and 31 March 2023	-	-	-	-	-	-	-
Net book value							
At 31 March 2023	-	70	5,000	-	-	-	5,070
At 31 March 2022	-	70	5,000	-	-	-	5,070

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

Alliance Homes Partnerships Limited is a non-profit making cost sharing group, providing repairs, maintenance and services solutions. Details of the intra-group transactions relating to the cost sharing group are disclosed per note 31.

15. Stocks and work in progress

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Properties held for sale	1,715	3,553	1,715	3,553
Work in progress	72	11	-	-
	1,787	3,564	1,715	3,553

16. Debtors

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year				
Rent and service charges receivable	1,792	1,773	1,792	1,773
Less: provision for bad and doubtful debts	(1,498)	(1,224)	(1,498)	(1,224)
	294	549	294	549
Amounts due from North Somerset Council	2,347	1,931	2,347	1,931
Amounts due from subsidiary undertakings	-	-	80	-
Loan to subsidiary undertaking	-	-	-	1,000
Other debtors	391	755	149	669
Prepayments and accrued income	3,919	2,410	2,702	1,781
	6,951	5,645	5,572	5,930
Amounts falling due after more than one year				
Contract asset	17	219	17	219
	17	219	17	219
	6,968	5,864	5,589	6,149

17. Cash and cash equivalents

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash at bank and in hand	10,766	11,084	9,486	8,972
	10,766	11,084	9,486	8,972

18. Creditors: amounts falling due within one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank overdraft	19	-	-	-
Trade creditors	3,494	3,419	2,386	2,521
Rent and service charges paid in advance	833	833	833	833
Amounts owed to North Somerset Council	655	1,075	655	1,075
Amounts due to subsidiary undertakings	-	-	-	370
Other creditors	233	740	78	682
Accruals and deferred income	5,372	4,302	5,517	4,239
Deferred capital grants (note 20)	218	196	218	196
Obligations under finance leases (note 28)	267	498	267	498
	11,091	11,063	9,954	10,414

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

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank and other loans (note 22)	125,000	101,000	125,000	101,000
Less: issue costs	(1,178)	(968)	(1,178)	(909)
Deferred capital grants (note 20)	19,480	19,060	19,480	19,060
Recycled capital grant fund (note 21)	11	-	11	-
Obligations under finance leases (note 28)	-	283	-	283
	143,313	119,375	143,313	119,434

20. Deferred capital grants

Group and Association

	2023	2022
	£'000	£'000
At 1 April	19,256	10,946
Grants received during the year	660	8,460
Grants transferred to recycled capital grant fund	(12)	-
Released to income in the year	(206)	(150)
At 31 March	19,698	19,256
Falling due within one year (note 18)	218	196
Falling due after more than one year (note 19)	19,480	19,060
	19,698	19,256
Total grants received	20,960	20,300
Total grants repaid	(323)	(323)
Total grants transferred to recycled capital grant fund	(28)	(16)
Total grants amortised	(911)	(705)
	19,698	19,256

21. Recycled capital grant fund

Group and Association

	2023	2022
	£'000	£'000
At 1 April	-	-
Inputs into recycled capital grant fund		
Allocation of funds	12	-
Recycling of grant		
Other	(1)	-
At 31 March	11	-

22. Debt analysis

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year				
Bank overdraft	19	-	-	-
	19	-	-	-
Amounts falling due after more than one year				
Bank loans	125,000	101,000	125,000	101,000
Less: issue costs	(1,178)	(968)	(1,178)	(909)
	123,822	100,032	123,822	100,091
Total borrowings	123,841	100,032	123,822	100,091

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

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year or on demand	19	-	-	-
In two years or more but less than five years	14,542	-	14,542	-
In five years or more	109,280	100,032	109,280	100,091
	123,841	100,032	123,822	100,091
Undrawn facilities	140,000	64,000	140,000	64,000

£90m of the loan outstanding is at a fixed rate of 3.745% and £20m is at a fixed rate of 3.39% for the full duration of the loan term. £35m of the loan outstanding is at variable rate interest.

£80m of the undrawn facilities is a deferred bond, £40m until July 2023 at a fixed rate of 3.45% and £40m until July 2024 at a fixed rate of 3.46%.

£75m of the total facilities is a Revolving Credit Facility. As at 31 March 2023, £15m was drawn leaving £60m undrawn. Interest under this facility is on variable rates with the final repayment date being 31 March 2027.

Loans are secured on the assets of the Association.

23. Pension provision

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

On 20 April 2021, the Board took the decision to exit the domiciliary care market, and to novate the contracts with North Somerset Council to another provider. Alongside this, the employees providing these services were transferred from Alliance Living Care Ltd to the alternative provider on 9 November 2021, including the related net defined benefit pension obligation for these employees.

Additionally, a contract to deliver day care services in a number of locations across North Somerset was transferred to NSAH (Alliance Homes) Limited on 27 October 2021, along with the related net defined benefit pension obligation. These employees were initially transferred into Alliance Living Care Ltd on 1 April 2020, and on the same terms as the existing employees.

NSAH (Alliance Homes) Limited

Total contributions to the scheme by the Association for the year ended 31 March 2023 were £370k (2022: £409k), of which employer contributions totalled £279k (2022: £316k) at a contribution rate of 21.8% (2022: 21.7%) of pensionable salaries.

Estimated employer contributions to the scheme during the accounting period commencing on 1 April 2024 are projected to be £19k.

Alliance Living Care

Total contributions to the scheme by the company for the year ended 31 March 2023 were £nil (2022: £36k), of which employer contributions totalled £nil (2022: £29k) at a contribution rate of nil% (2022: 22.9%) of pensionable salaries.

23. Pension provision (continued)

Principal actuarial assumptions:

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 102 basis were:

Financial assumptions: 2023 % per annum

	NSAH (Alliance Homes) Limited		Alliance Living Care Ltd	
	Alliance Homes	Alliance Homes: Ebdon Court	Alliance Living Care	Alliance Living Care: Ebdon Court
Increase in salaries	3.1	4.2	n/a	n/a
Increase in pen-sion in payment	3.1	2.8	n/a	n/a
Discount rate	4.6	4.8	n/a	n/a
Inflation as-sumption (CPI)	3.1	2.7	n/a	n/a

Financial assumptions: 2022 % per annum

	NSAH (Alliance Homes) Limited		Alliance Living Care Ltd	
	Alliance Homes	Alliance Homes: Ebdon Court	Alliance Living Care	Alliance Living Care: Ebdon Court
Increase in salaries	4.7	4.8	4.4	4.3
Increase in pen-sion in payment	3.2	3.4	3.0	2.9
Discount rate	2.6	2.8	1.8	1.8
Inflation assumption (CPI)	3.2	3.3	2.9	2.8

23. Pension provision (continued)

Post retirement mortality assumptions (normal health):

Alliance Homes

	2023	2022
Non-retired members	S3PA CMI_2021 [2.25%] (105% males, 95% females)	S3PA CMI_2021 [1.75%] (98% males, 88% females)
Retired members	S3PA CMI_2021 [2.25%] (100% males, 98% females)	S3PA CMI_2021 [1.75%] (92% males, 87% females)

Alliance Homes: Ebdon Court

	2023	2022
Non-retired members	S3PA CMI_2021 [1.5%] (105% males, 95% females)	S3PA CMI_2021 [1.75%] (98% males, 88% females)
Retired members	S3PA CMI_2021 [1.5%] (100% males, 98% females)	S3PA CMI_2021 [1.75%] (92% males, 87% females)

Alliance Living Care

	2023	2022
Non-retired members	n/a	S3PA CMI_2021 [1.75%] (98% males, 88% females)
Retired members	n/a	S3PA CMI_2021 [1.75%] (92% males, 87% females)

Alliance Living Care: Ebdon Court

	2023	2022
Non-retired members	n/a	S3PA CMI_2018 [1.75%] (98% males, 88% females)
Retired members	n/a	S3PA CMI_2018 [1.75%] (92% males, 87% females)

23. Pension provision (continued)

Life expectancy of a male (female):

2023 Years

	NSAH (Alliance Homes) Limited		Alliance Living Care Ltd	
	Alliance Homes	Alliance Homes: Ebdon Court	Alliance Living Care	Alliance Living Care: Ebdon Court
Future pensioner age 65 in 20 years time	25.2 (27.8)	23.7 (26.4)	n/a	n/a
Current pensioner age 65	23.0 (25.0)	22.4 (24.4)	n/a	n/a

2022 Years

	NSAH (Alliance Homes) Limited		Alliance Living Care Ltd	
	Alliance Homes	Alliance Homes: Ebdon Court	Alliance Living Care	Alliance Living Care: Ebdon Court
Future pensioner age 65 in 20 years time	24.6 (27.3)	24.6 (27.3)	24.5 (27.2)	24.8 (27.4)
Current pensioner age 65	23.1 (25.3)	23.1 (25.3)	23.0 (25.2)	23.3 (25.4)

Changes in assumptions for the Alliance Homes scheme

The Board of NSAH (Alliance Homes) Limited takes advice from a third-party actuary (Isio) in setting the assumptions for the Alliance Homes scheme under FRS 102, as opposed to using the standard assumptions as proposed by the Pension Fund Actuary (Mercer). The ability to do this is within the responsibilities of the Board.

The end of year assumptions are in line with the cessation basis as advised by Isio.

23. Pension provision (continued)

Analysis of the amounts charged to the Statement of Comprehensive Income:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts charged to operating costs				
Current service cost	530	603	530	554
Administration costs	9	8	9	8
Effect of curtailments or settlements	-	(607)	-	57
Total operating charge	539	4	539	619
Amounts charged to finance costs				
Expected return on pension scheme assets	823	619	823	604
Interest on pension liabilities	(1,147)	(932)	(1,147)	(909)
Interest payable and financing charge	(324)	(313)	(324)	(305)

Analysis of the gains and losses recognised in the Statement of Comprehensive Income:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Actuarial gains on pension scheme assets	(3,115)	2,368	(3,115)	2,225
Actuarial gains/(losses) on scheme liabilities	12,632	673	12,632	818
Actuarial gains/(losses) recognised	9,517	3,041	9,517	3,043

Fair value of assets:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Equities	191	12,878	191	12,878
Government bonds	105	3,943	105	3,943
Other bonds	28,621	2,384	28,621	2,384
Property	35	2,130	35	2,130
Cash/liquidity	10	509	10	509
Other	157	9,952	157	9,952
	29,119	31,796	29,119	31,796

23. Pension provision (continued)

Major categories of plan assets as a percentage of total plan assets:

	NSAH (Alliance Homes) Limited		Alliance Living Ebdon Court	
	2023	2022	2023	2022
	%	%	%	%
Equities	-	40.5	34.9	40.5
Government bonds	-	12.4	19.2	12.4
Other bonds	100.0	7.5	8.9	7.5
Property	-	6.7	6.4	6.7
Cash/liquidity	-	1.6	1.9	1.6
Other	-	31.3	28.7	31.3
	100.0	100.0	100.0	100.0

Actual return on plan assets:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Actual return on plan assets	2,840	2,987	2,840	2,829
	2,840	2,987	2,840	2,829

Changes in fair value of plan assets:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	31,796	29,889	31,796	28,701
Transfer in	-	658	-	658
Interest on plan assets	823	619	823	604
Administration costs	(9)	(8)	(9)	(8)
Remeasurements	(3,115)	2,368	(3,115)	2,225
Employer contributions	279	345	279	316
Member contributions	91	100	91	93
Benefits/transfers paid	(746)	(803)	(746)	(793)
Settlements	-	(1,372)	-	-
	29,119	31,796	29,119	31,796

23. Pension provision (continued)

Changes in present value of defined benefit obligation:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Opening defined benefit obligation	(44,278)	(45,156)	(44,278)	(43,334)
Transfer in	-	(942)	-	(942)
Service cost	(530)	(603)	(530)	(554)
Interest cost	(1,147)	(932)	(1,147)	(909)
Member contributions	(91)	(100)	(91)	(93)
Remeasurements	12,632	673	12,632	818
Benefits/transfers paid	746	803	746	793
Curtailments	-	(57)	-	(57)
Settlements	-	2,036	-	-
	(32,668)	(44,278)	(32,668)	(44,278)

Amounts for the current and previous three periods are as follows:

Group	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Present value of defined benefit obligation	(32,668)	(44,278)	(45,156)	(37,549)
Fair value of scheme assets	29,119	31,796	29,889	25,206
Deficit on scheme	(3,549)	(12,482)	(15,267)	(12,343)

Association	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Present value of defined benefit obligation	(32,668)	(44,278)	(43,334)	(36,733)
Fair value of scheme assets	29,119	31,796	28,701	24,703
Deficit on scheme	(3,549)	(12,482)	(14,633)	(12,030)

24. Non-equity share capital Group and Association

	2023 No.	2022 No.
Number of members		
At 1 April	21	24
Joining during the year	2	-
Leaving during the year	(3)	(3)
At 31 March	20	21

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

25. Cash flow from operating activities

	2023 £'000	2022 £'000
Net surplus	5,697	7,091
Adjustment for non-cash items		
Depreciation of tangible fixed assets	7,259	6,393
Amortisation of grants and fees	(206)	(149)
Increase/(decrease) in stock	1,777	(3,384)
Increase in trade and other debtors	(1,304)	(2,324)
Increase in trade and other creditors	236	2,399
Pension costs less contributions payable	260	319
Carrying amount of tangible fixed asset disposals	241	109
	13,960	10,454
Adjustments for investing or financing activities		
Decrease/(increase) in fair value of investment properties	134	(120)
Proceeds from the sale of tangible fixed assets	(941)	(155)
Transfers to housing properties	3,428	-
Interest and financing costs	4,497	3,327
Interest received	(255)	(17)
Amortisation of loan arrangement fees	192	111
Net cash generated from operating activities	21,015	13,600

26. Analysis of changes in net debt

	At 1 April 2022	Cash flows	Movements in creditors due within one year	New finance leases	New borrowings	Amortisation of loan fees	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents							
Cash	11,084	(318)	-	-	-	-	10,766
	11,084	(318)	-	-	-	-	10,766
Borrowings							
Overdraft repayable on demand	-	(19)	-	-	-	-	(19)
Loans	(100,032)	402	-	13,000	(37,000)	(192)	(123,822)
	(100,032)	383	-	13,000	(37,000)	(192)	(123,841)
Finance leases							
Amounts due in less than one year	(498)	514	(283)	-	-	-	(267)
Amounts due after more than one year	(283)	-	283	-	-	-	-
	(781)	514	-	-	-	-	(267)
Changes in net debt	(89,729)	579	-	13,000	(37,000)	(192)	(113,342)

27. Financial instruments

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets				
Financial assets measured at amortised cost:				
Rent and service charges receivable	1,792	1,773	1,792	1,773
Amounts due from North Somerset Council	2,347	1,931	2,347	1,931
Amounts due from subsidiary undertakings	-	-	80	-
Other debtors	391	755	149	669
Loan to subsidiary undertaking	-	-	-	1,000
Cash and cash equivalents	10,766	11,084	9,486	8,972
	15,296	15,543	13,854	14,345
Financial assets measured at fair value:				
Contract asset	17	219	17	219
	17	219	17	219

27. Financial instruments (continued)

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans payable	123,822	100,032	123,822	100,091
Bank overdraft	19		-	
Trade creditors	3,494	3,419	2,386	2,521
Rent and service charges paid in advance	833	833	833	833
Amounts owed to North Somerset Council	655	1,075	655	1,075
Amounts due to subsidiary undertakings	-	-	-	370
Other creditors	244	740	89	682
Deferred capital grants	19,699	19,256	19,699	19,256
Obligations under finance leases	267	781	267	781
	149,033	126,136	147,751	125,609

28. Obligations under finance leases

Group and Association

The future minimum lease payments which the Group and Association is committed to making under finance leases are as follows:

	2023 £'000	2022 £'000
Within one year	267	498
Between one and five years	-	283
	267	781

29. Obligations under operating leases

Group and Association

The future minimum lease payments which the Group and Association is committed to making under non-cancellable operating leases are as follows:

	2023 £'000	2022 £'000
Within one year	13	15
Between one and five years	37	34
After more than five years	35	42
	85	91

30. Capital commitments

Capital expenditure commitments were as follows:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Expenditure contracted for, but not provided for in the financial statements	55,275	40,657	55,275	40,657
Expenditure authorised by the Board, but not contracted	33,857	47,849	33,857	47,849

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

31. Related parties

As required by statute, the financial statements consolidate the results of Alliance Homes (Ventures) Ltd, Alliance Living Care Ltd and Alliance Homes Partnerships Limited, all of whom were subsidiaries at the end of the year.

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

NSAH (Alliance Homes) Limited is the ultimate parent company of the Group.

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

		2023 £'000	2022 £'000
Alliance Homes (Ventures) Ltd			
	Allocation basis		
Management services	Time spent	50	49
Gift Aid received	Taxable profits	1,069	1,001
Roof lease payments	Legal agreement	234	231
Loan interest	Legal agreement	33	49
		1,386	1,330
Alliance Living Care Ltd			
	Allocation basis		
Gift Aid received	Taxable profits	15	-
Overhead recharge	Agreed management fee	-	167
Day centre charges	Actual costs	-	22
		15	189

31. Related parties (continued)

		2023	2022
		£'000	£'000
Alliance Homes Partnerships Limited	Allocation basis		
Provision of maintenance repairs and services	Actual costs	11,369	8,991
Management services	Percentage of overheads	560	471
		11,929	9,462

The Board has no tenant members who hold tenancy agreements (2022: 1). Tenancy agreements are on normal terms and transactions are undertaken on an arm's length basis. Total rent charged to the Board members was £nil (2022: £3k). There are no arrears on their tenancies at the reporting period end (2022: £nil).

The Avon Pension Fund is considered a related party under section 33 of FRS 102, as a provider of defined benefit pensions. Details of the pension related transactions are disclosed in note 23.

On 20 April 2021, the Board took the decision to exit the domiciliary care market, with the transfer of the trade and assets of Alliance Living Care Ltd in relation to these activities being transferred to an alternative provider.

On 9 November 2021, the domiciliary care services provided by Alliance Living Care Ltd were novated out from the Alliance Homes Group. In February 2022, Alliance Homes (Ventures) Ltd provided a guarantee to Alliance Living Care Ltd to cover any indemnities arising as a result of this transfer. Alliance Living Care Ltd paid an amount of £nil (2022: £20k) to Alliance Homes (Ventures) Ltd during the year in this regard.

32. Post balance sheet events

During the year, after collective and individual consultation with effected employees, the Board decided to exit the Avon Pension Fund. All active members have provided signed consent to cease accrual and exit the Fund, however the Transfer Agreement and Admission Agreement needed to be amended before ultimate cessation can occur.

Under an agreement with Avon Pension Fund specific to this transaction, 85% of the estimated exit debt provided by scheme actuary was paid on 26 June 2023, with an agreement from the Fund to return any excess to Alliance Homes on calculation of the final exit debt after 30 June 2023. Equally, any remaining deficit will be paid across to the Fund by Alliance Homes if the final debt figure is higher than the cash paid in June 2023.

As at the date of approval of these financial statements, it is not currently considered that there are significant doubts over the Group and Association's ability to continue as a going concern for at least a year from the date of approval of these financial statements.



Alliance
Homes

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