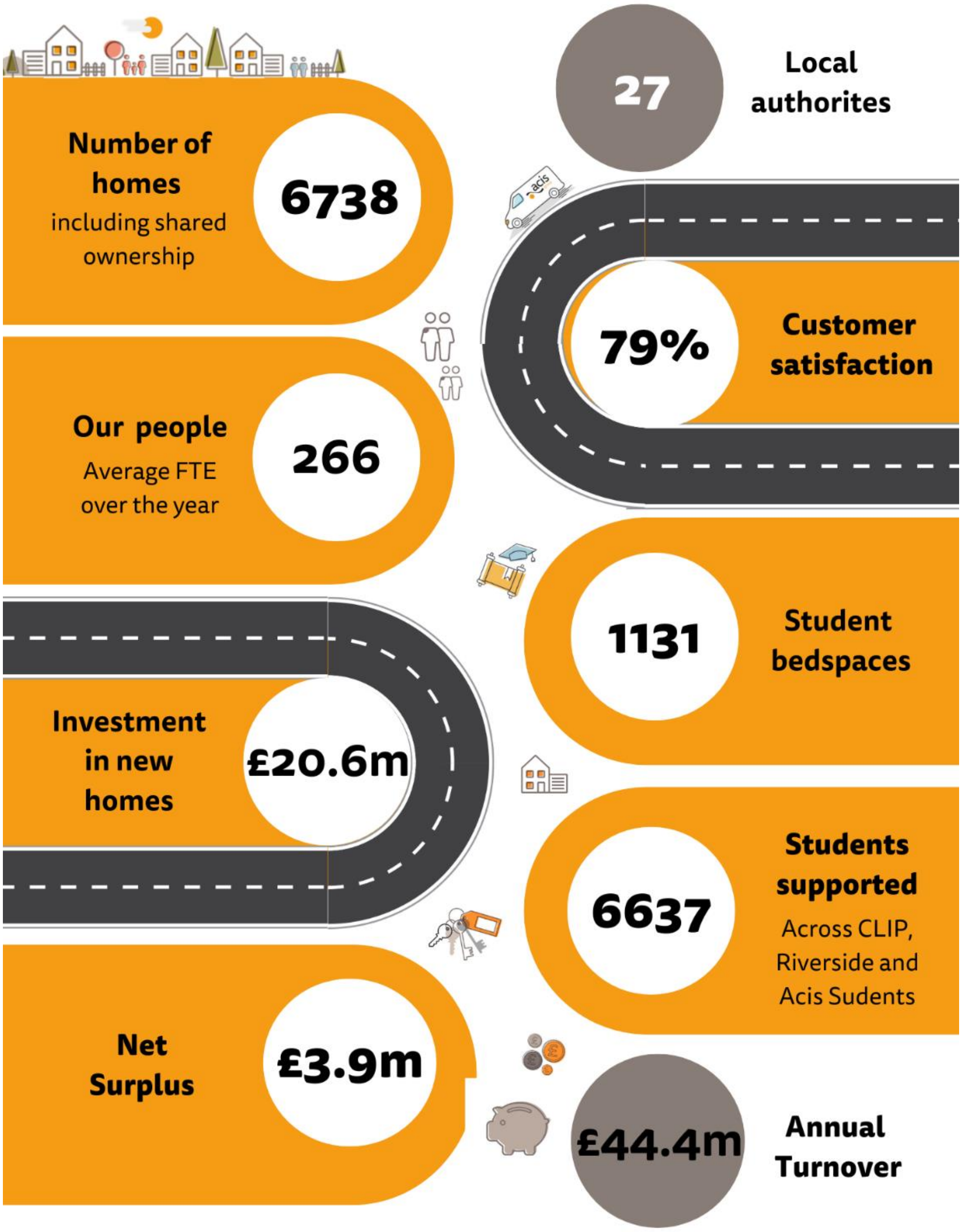
Acis Group Limited

Annual Report and Financial Statements

Year Ended 31 March 2024

Company No: 03593345

Our Year in numbers



Contents

Board Members, Executive Officers, Advisors and Bankers

Board:

Chair	Kathryn Smart
Vice Chair	Carole Hodson
Other Members	Ronan O'Hara Paul Satchwell Bruce Kerr Julie Haywood Paul Wilkin Holly Wilson John Westby Sami Mirza

Please see pages 37-39 for board appointment and resignations

Executive officers:

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

Registered numbers:

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

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

Registered by the Regulator for Social Housing, No. L4229

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

Chair’s Statement

Welcome to our Group Annual Report for 2023 to 2024. As Chair, I am pleased to share our progress and achievements over the past year. It’s been a huge year for our teams and services. One that has seen us not only deliver strong performance and great outcomes for all the people we support, but one which has seen us grow and make a difference in the communities in which we work.

It’s also been a year where we have focused our attention on the future. In December we launched our new vision and ambitious new strategy "2030 Getting There Together", which focuses on our communities and on delivering the services that are vitally needed to help people thrive. I am proud of what we have achieved, and that we have set out clearly our path for the future, which takes us into a new regulatory framework, focusing further on our customers’ needs, quality and safety – and I am excited to see what next year brings.

While 2023/24 has not been quite as turbulent as the previous year, it has not been without its challenges as we continue to ride the wave of external economic and political uncertainty. Alongside our customers and partners, we have continued to face higher fuel costs, inflationary pressures, and increased borrowing costs which tested out our organisations resilience and financial planning. However, due to the controls we had in place, we were able to react quickly with actions and ended the financial year positively against our original financial targets. We also recognise this challenging economic time for our customers, and I am pleased that we supported more than 150 customers via our supporting Foundations team.

I see the Acis Way demonstrated by everyone who works for us when I visit with our teams and services and see the work we do, and this year was no exception. The Board is invested in the innovative and inclusive approach to developing our new corporate strategy which was developed by a group of volunteers from right across our organisation, representing different teams and services. In doing so, they not only led the consultation and direction, but they engaged with all areas across the organisation to ensure it was built with views from everyone who delivers our service every day, and surveyed thousands of our customers and other stakeholders to find out what they know about Acis and what they wanted from us in the future. The team of volunteers were from all teams across the Group – and this has shown the Board both the level of passion and commitment for the work we do, but also the drive across Acis Group to recognise and value diversity and inclusion.

Our Corporate Strategy centres around “People first” and recognises that people don’t need us all the time but crucially that we will be there to support them when they do.

Crucially it puts 3 key objectives of Home, Support and Quality as the priorities we will strive for in the coming years. We’ve already taken strides this year in delivery, and the Board are driving for continual improvements for our customers and staff.

We have grown and changed considerably over the last few years as we have brought new services into our core delivery alongside our housing services. This has continued during 2023/24 which has seen us develop 124 new homes, generate over £1m in income to provide vital services to communities around wellbeing, employment and education, and put plans in place to continue to do this in the future.

This last year has also seen us continue to focus on transforming our repairs service, which is a vital asset to our organisation and many customers. We made the hard decision early in 2023 to outsource our capital repairs as it was no longer cost effective for us to operate these services in-house as we needed to invest in keeping homes warm, being more fuel efficient, having better roofing and other building fabric works instead of traditional components. We always consider value for money, and this change in delivery will help us to meet our EPC targets and benefit our customers’ homes.

Chair's Statement Continued

Following this change, we were able to focus on our responsive repairs service to help us drive efficiencies. Our Repairs on Demand service and new shift patterns have provided even further flexibility for our tenants – and have not only seen response times to complete repairs drop to around seven days, but it has also seen us win the 'Most innovative Property Service' award at the National Housing Maintenance Federation awards. We've also bucked the national trends in customer satisfaction on repairs - our repairs overall satisfaction has increased, averaging around 80% in the year and our transactional feedback survey responses show satisfaction with their recent repair in the high 90 %s consistently.

In line with our new strategy, during the year we also established our education and skills business to further support and invest in our communities. Alongside Acis Students, this brought together our CLIP and Riverside teams to deliver for communities together – generating efficiencies and ensuring they can focus on their strengths to continue supporting the vital services our local communities need. We've helped over 4,000 people through Riverside and CLIP in the last financial year, and know that based on last year, one in four of them are our tenants - which gives us a strong belief that by continuing to grow and bring these services together we can help people when they need it so they can thrive. Our previous decision to take the management of our student accommodation back in house has allowed us to improve service delivery and drive efficiencies, giving us a strong platform for the future.

With so much going on it is important to recognise the value that we place in all our teams based across the geographical locations we serve, who are fundamental to delivering the amazing services we offer. We cannot achieve any of this without them. And I would like to thank all our people for continuing to demonstrate focus, commitment and showing The Acis Way throughout the year. Our refreshed focus on diversity and inclusion aims to support equality, help promote a positive & inclusive culture and provide more tailored support to our customers.

Finally, I am pleased that the Regulator recognises Acis's commitment to good governance, we retained our G1 rating in September 2023 following an in-depth assessment. This was further supported at our triennial independent governance review which found that governance practice at Acis is of a good standard and effective.

This is just a snapshot, and you will see in this report the breadth of what we have achieved in all our areas – and the difference it has made in people's lives. I hope you will enjoy reading it – and get a sense of excitement for the future.

K L Smart

Kathryn Smart, Chair
July 2024

Operating and Financial Review and Strategic Report

Business overview

Our roots are in housing, providing safe, comfortable and affordable homes for people. Our primary focus will always be on delivering quality homes, ensuring standards are met, and delivering a great service people expect from an excellent landlord. We've always done this, and we always will. But a home is so much more than bricks and mortar. It's a place that people want to be, where they expect to receive quality services, and which enables them to be among local people and feel part of a community.

We want to provide the best support for people in our communities and, as a Group, we bring together different services to help us do that. In addition to our core housing services, we will help people to realise their potential by offering spaces which enable people to think, learn, grow and thrive. This also includes supporting people to build the confidence they need to move towards employment, learn new skills and achieve qualifications.

Housing

We manage more than 7,000 properties which provide safe and secure homes for more than 20,000 people.

Our teams and services are embedded within the communities where we work, so we know the opportunities and challenges those communities face. We prioritise customer engagement so we can continuously improve our services.

We develop around 150 new homes each year, whether they're for rent, outright sale, shared ownership or supported housing. Our development programme works to meet the needs of our communities, so we can be there to support more people when they need us.

We know that 74% of our tenants are unemployed, part time workers, in low paid roles or economically inactive, so we offer wider services to enable them to continue their tenancies and thrive. Whether that's support for financial challenges, or access to our education and skills teams for help to find work, take the next step on the career ladder or improve wellbeing.

Offering these complementary services means we can make an even bigger impact on the communities where we work.

Education and Skills

We provide places where people can thrive. For each person we help, their journey and destination could be vastly different. But we'll always aim to help people reach their full potential. Whether it's work, support with mental health or the first steps in basic skills, our team is built specifically to engage and support. Our subsidiaries focus on specific areas to support positive progression for our customers.

Riverside Training

Riverside builds support around an individual, with a focus on employment. That could be getting into work for the first time, or getting back into work after a break – for whatever reason.

Our employment specialists provide outreach support and virtual learning, so we can make sure people can access our services where and how they need them.

Community Learning in Partnership (CLIP)

Our CLIP team members are specialists in education and wellbeing. They offer tailored, specific and specialist support and qualifications for adults and young people.

Our approach for young people is different to mainstream education, offering an alternative route to achieving key qualifications and meeting community needs for a gap in provision.

Acis Students

Acis Students offers a safe and secure base for students as they create their futures through higher education. Our teams have a laser focus on wellbeing and can access our wider group services to ensure the university experience is positive and supportive for all our students, regardless of tenancy, age or home address.

With sites currently in Nottingham and Sheffield, our accommodation gives a value for money option for people who may not otherwise be able to access a university education.

We offer affordable accommodation, with short-term let options to provide flexibility. There are a range of bedrooms too, so students can choose how they live.

Operating and Financial Review and Strategic Report (continued)

Group activities

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

- Acis Development Services Limited
- Riverside Access and Training Centre Gainsborough CIC
- Community Learning in Partnership CIC
- Acis HomePlus Limited (Ceased trading 31/03/2024)
- Acis Properties Limited (Dormant)
- Acis Management Limited (Dormant)
- Prime Repairs and Maintenance Limited (Dormant)
- Eione LLP (Dissolved 7 May 2024)

Acis Group Limited is the main asset-holding entity of the Group, including all the Group's housing properties held for rent. Acis HomePlus Limited provided home independence services on behalf of local authorities under Disabled Facilities Grant arrangements and to private customers until this activity ceased in 2023. Riverside Access and Training Centre and Community Learning in Partnership both provide a wide range of training opportunities to our customers and the wider communities. Acis Development Services Limited provides development services within the group.

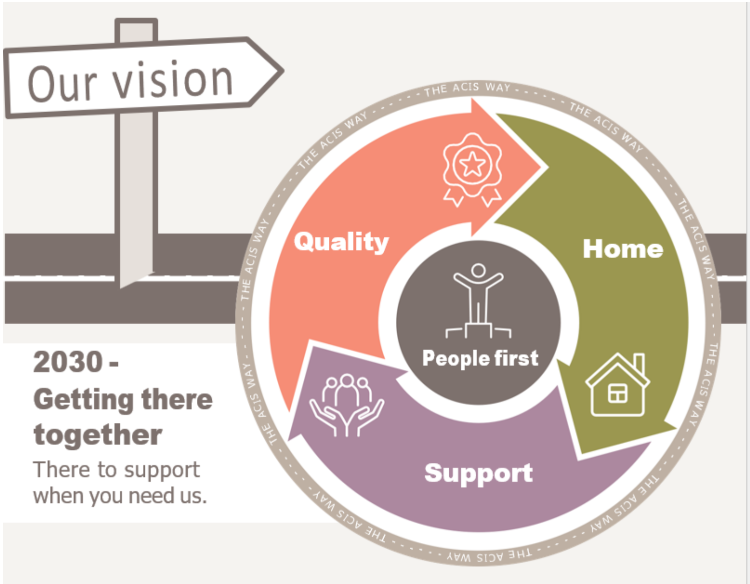
Our vision

At Acis, our vision is to be there to support people when they need us. We'll ensure we do this by putting people first and focusing on our priority areas:

Home	Creating spaces where people can thrive.
Support	Help for people across a range of challenges.
Quality	Embedding and exceeding service standards.

We launched our new Corporate Strategy in December 2023; entitled "2030 Getting There Together". To define this strategy, we asked more than 7,500 people – customers, colleagues and stakeholders – to understand what they liked about the services we provide, how we could improve them and in what other ways we could offer support into the future.

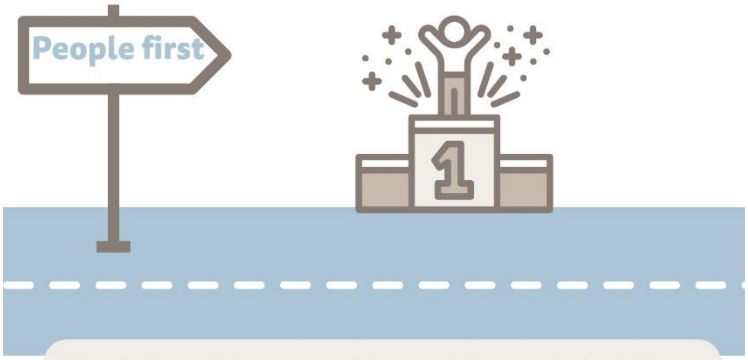
Ultimately, it's been defined and written by our people – a group of colleagues from across the organisation who have come together to develop, write and agree this strategy, ensuring it focuses on delivering what we need to achieve. And doing it by **getting there together.**



Corporate priorities

More details on our corporate priority areas, and how we will know that we have achieved our goals, are set out below:

Operating and Financial Review and Strategic Report (continued)



We asked people how we could support them, and 48% felt we could help them with challenges they were facing right now.

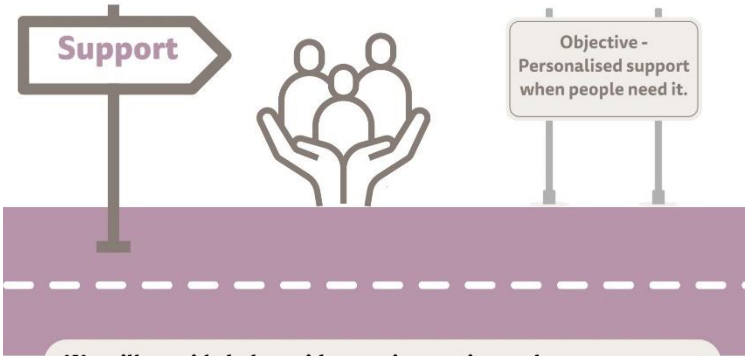
We'll know we've achieved this priority because we'll have:

- maintained an embedded approach to safeguarding everyone
- achieved Investor in People platinum status
- achieved the Diversity Network Accreditation
- continued to increase the number of people who engage with us
- increase the number of people who engage with us digitally

Our journey started with houses – and today we talk about homes to include the people and families who live in them, not just the lead tenant.

We'll know we've achieved this priority because we'll:

- continue to maintain our high level of compliance with the Decent Homes Standard
- continue to measure our compliance standards with health and safety at the heart of what we do - we will do this through our performance management framework
- develop more than 800 new homes, and around 10% will be specialist or alternative housing to meet local community needs
- achieve EPC ratings on our properties
- develop a strategy for meeting net zero carbon objectives by 2050



We will provide help, guidance, signposting and encouragement when people need it. This could be one off or as often as needed to ensure people feel we are there when they need us.

We'll know we've achieved this priority because we'll:

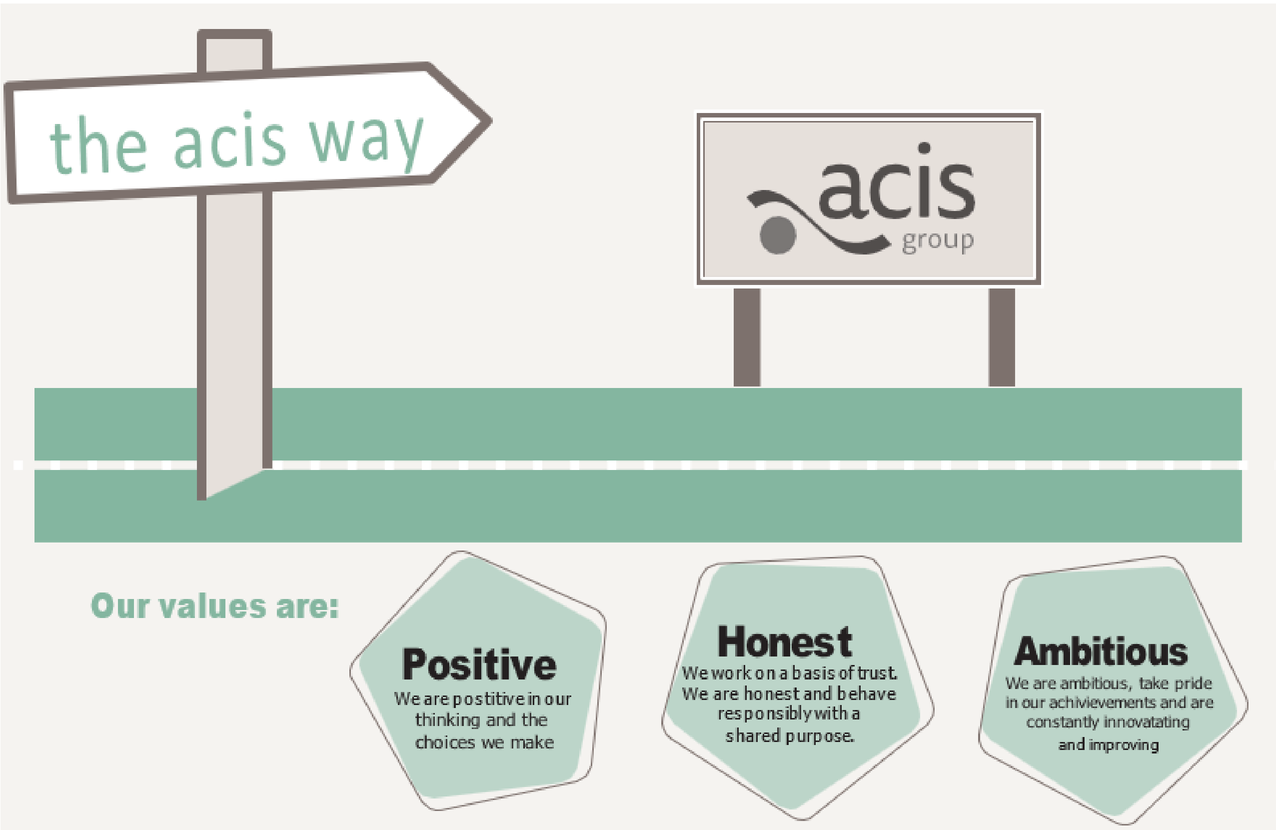
- grow to deliver 10% of turnover through charitable purpose services which support communities where we work
- measure and monitor our social impact
  - reporting through our ESG and wider impact reports annually
  - achieving over £4 million in social value pounds in exisiting services
- support 20,000 people to achieve a positive destination or outcome including support to:
  - sustain their tenancies
  - increase their confidence
  - progress into full-time education, employment or further support to work in the future
- deliver top quartile performance for housing and neighbourhood services among our peer group, particularly in our customer support areas

Operating and Financial Review and Strategic Report (continued)

We'll know we've achieved this priority because we'll:

- have defined and established our Acis Stamp of Approval by 2026, and it will be embedded across the Group by the end of the strategy period
- achieve relevant annually set housing quality standards, quality and compliance targets across the group, and annual reporting against ESG to ensure we focus on our sustainable impact
- retain our G1/V2 regulatory score with the regulator for social housing
- gain key accreditations including:
  - (Housing) Customer Excellence accreditation - maintain compliance
  - (Students) Be an approved member of the National Code for Students
  - (Education) Achieve an Ofsted rating of Good
  - (Our People) Achieve ISO 45:001

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



Operating and Financial Review and Strategic Report (continued)

Our resources and services – in the year and looking forward

Our finances

Despite further economic challenges in the last year our financial performance results for 2023/24 represent another good outturn position. We had to change and adapt our plans during the year in response to high levels of inflation, rising interest costs and high fuel costs, but through our stress testing triggers, we were able to respond promptly with necessary mitigations to ensure the underlying business plan remained solid. At the same time, we have continued to develop and grow.

Our Group net surplus before taxation decreased to £4.0m (2023: £4.9m) largely due to increased interest payable in the year. We again invested heavily in our existing stock with capital improvement totaling almost £7m, allowing us to provide better homes for our customers.

Group turnover increased by £4.3m, Turnover from Social housing lettings increased by £2.8m due to an increased stock holding and rent increases. Turnover generated from property developed for sale increased by £1.8m as a result of increases in both shared ownership first tranche sales and outright sales.

Operating surplus from social housing lettings, excluding depreciation increased by over 10% to £15.9m (2023: £14.4m).

Net debt (drawn loans less cash and cash equivalents held by the Group) increased to £193.5m (2023: £183.7m) through the year as we continued to invest heavily in our existing stock whilst continuing to build new stock both for future rental and for sale. New loan facilities arranged during the year will support our ongoing business plan.

Our people

Our new corporate strategy has “People First” at its centre, with People having a much wider context than we had in the past. Bringing together all of our people – employees, customers, partners and other stakeholders and recognising that involvement, engagement and buy-in from all of them is essential for us to succeed.

In terms of our cultural transition, we continue to promote the Acis Principals that are designed to drive forward a customer focused approach across the Group, irrespective of what part of the business our people are working in.

These are:

- Customer First – always putting the customer at the forefront of our thinking.
- Own It – take responsibility and make sure it gets done.
- Connect – engage with colleagues because together we are stronger.
- Be the Solution – don’t just highlight problems; be involved in helping us to deliver the solution.
- Do What’s Right – that doesn’t mean we can do everything. Be honest in what the customer can expect from us and ensure we deliver on that expectation.

These Principals are well embedded throughout the Group but, to support these Principals, we will continue to provide training opportunities to ensure that staff are properly equipped to be able to manage customer interactions in the right way.

We have also sought to enhance our Equality, Diversity and Inclusion (ED&I) credentials throughout the year in conjunction with our partners, the Housing Diversity Network. We have established an internal ED&I working group and set ourselves some challenges on improving our organisational understanding of ED&I and what we, as individuals, can do to support it.

Kath Smart, the Chair of our Board, has adopted the NHF’s Chair’s Challenge, a public commitment to take the Board on a journey to understand our organisational ED&I position and to develop a proactive vision for the future.

As we grow as an organisation, we need the necessary skills, experience, competencies and behaviours of a fully effective Board and have been successful in adding new Board members in the year with a diverse range of skills.

At the same time we lost three long-term Board members that have helped steer the organisation over a number of years, two of whom have acted as previous Chair and Vice Chair. Their contributions will be missed but we recognise and welcome our new Board members and the contributions that they can bring.

Our Executive and Senior Management Teams were stable in the year.

We hold the Investors in People Silver Award following the improvements demonstrated in our 2021 re-accreditation and we will be undertaking our three yearly re-accreditation early in 2024.

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

Operating and Financial Review and Strategic Report (continued)

Business Infrastructure

The organisation has continued to develop new systems and procedures to help our interaction with our customers from all parts of the organisation. We are developing a new customer engagement portal to enable all of our customers to engage with us in key areas of support. We also have the new "MyConcern" software to assist with managing safeguarding across the whole group.

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

We started the year with the formal closure of Acis HomePlus Limited which ceased trading on 31 March 2024. It was with a heavy heart that Board reached the conclusion to close the business, recognising all of the valuable works undertaken to help some of the most vulnerable people in our communities.

This followed other changes in the group structure after cessation of the student operating and maintenance agreements with Eione which led to its closure and voluntary strike off from Companies House, together with the cessation of Acis Management Limited which, absent Eione, served no continuing purpose as an intermediary.

These changes leave the group with a presently simplified structure with three operational subsidiaries; Acis Development Services Limited, Riverside Access and Training Centre Gainsborough Community Interest Company and Community Learning in Partnership Community Interest Company (CLIP).

Our customers

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

In addition to our new corporate strategy we also developed, and the board approved, our new customer experience strategy. This aligns our corporate priorities and ensures we continue to focus on meeting our customers' and communities' needs, while delivering a great experience that's valued by everyone who works with us.

This year we ran a month of activity centered around customer engagement – our Your Voice month – to put our customers at the heart of what we do. We ran different activities including scrutiny workshops, focus groups and opportunities for customers to join us on neighbourhood action days.

We also spent time recognising our customers and their incredible commitment to their communities. Joining us for The Big Connect event, we were able to share stories of how our customers are investing their time to make where they live better places for the people who live there, setting up vital services for people who just need someone to talk to, or making a weekly dinner for local residents to ensure they get a good meal and some company.

Operating and Financial Review and Strategic Report (continued)

Our Homes

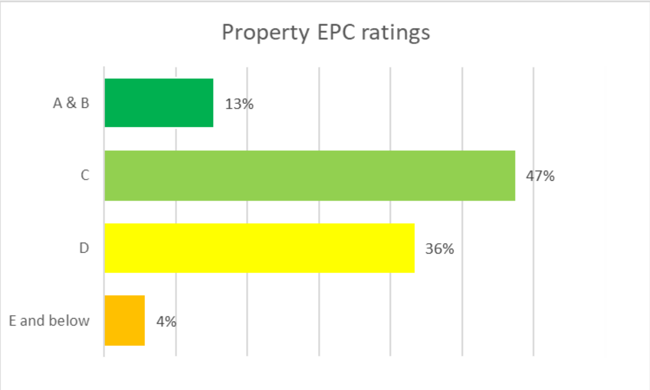
Our home safety compliance performance has remained good with tight controls continuing to be exercised over the key statutory compliance areas. Annual gas safety inspection performance has remained at 100% throughout the year; indeed, this performance is echoed around our other fuel sources including oil boilers, air source heat pumps, ground source heat pumps and solid fuel.

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

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

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

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



There has also been a continued emphasis on Building Safety and Fire Safety following the passing of the Building Safety and Fire Safety Acts in 2023. The former places a statutory requirement to register all buildings over 18 meters or 7 storeys with the Building Safety Regulator (the Health and Safety Executive).

Building new homes

We have continued to respond to the national shortage of affordable housing in the year with 109 new rental and shared ownership homes handed over and many more on site being developed for handover in the coming years.

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

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

Supporting our communities

Across CLIP and Riverside, we have continued to work with our traditional funding partners; Lincolnshire County Council, Shine, Children in Need and the Shaw Trust who have been hugely supportive of the part we play in our communities.

We continue to work as a subcontractor for Jobs 22 in getting long term unemployed people back into the workplace and we have extended our links with the local NHS health and care partnerships to deliver more wellbeing activities, crafts, physical exercise, dementia awareness as well as social and discussion groups. One in four of our attendees at CLIP and Riverside are Acis Tenants.

Our FLARE programmes aimed at delivering structured education to younger adults operates well at both Gainsborough and Mablethorpe, providing math’s, English and general life-skills education to learners that have often fallen away from mainstream education or have other health needs.

CLIP has also operated an Access to Higher Education provision in the year which enables entry level qualifications for university placement to be sought. The health-based qualifications assist learners through their basic entry level requirements for university placement and offers help, support and guidance with university applications etc. With one of CLIP’s learners winning the national Access to HE Learner of the Year award; a truly great achievement.

Operating and Financial Review and Strategic Report (continued)

Section 172 Statement

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

Decision making

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

Examples of Board decision making in the year include:

- After careful consideration the Board decided to close our in-house planned maintenance teams. This followed a review of targeted investment which would see greater investment in roofing and other building fabric works rather than traditional component replacement that the team had delivered in the past. It was therefore more cost effective to outsource the entire capital programme. This resulted in a limited number of redundancies within the workforce.
- During the year the Board were regularly updated on Student bookings and were able to react by approving more dynamic pricing strategies in order to drive up occupancy and ensure the sustainability of the schemes.

Employee engagement

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

Examples of engagement with employees during the year include:

- We held a series of roadshows for all of our people to bring them together, celebrate successes and to launch our new corporate strategy.
- We have continued to develop the next tier of management from across the Group. Our 'Change it up' Group of managers have continued to work together throughout the year to enhance their skills and collaborate on a number of themes.
- A self-selected staff working group lead on developing our new corporate strategy, they have owned the process and worked with customers and the Board on a data lead approach.

Supplier relationships

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

Examples of engagement with suppliers during the year include:

- Our commercial team have worked closely with the outsourced capital works contractors throughout the year to ensure that efficiencies and customer outcomes can be realised.
- We have strong relationships with other training providers across Lincolnshire, this was demonstrated through the delivery of the European Social Fund contract Careernet where a number of providers delivered for us as subcontractors. Since this funding ended in March 2023 we have continued to ensure stability of training provision in key areas of the county where needs are identified. We work in partnership to tackle the funding shortfalls seen by all providers recently, supporting each other with wider delivery challenges and offering strategic support to enable long-term stability.

Operating and Financial Review and Strategic Report (continued)

Customer Engagement

The relationship with our customers is key to our success. We strive to provide an amazing service to all of our customers. Our vision is to be there to support our customers when they need us. We welcome feedback from our customers and will use it to help us improve our services and to deliver value for money.

Examples of engagement with customers during the year include:

- We continued to undertake our quarterly independent customers satisfaction survey, the consolidated annual results of which was overall customer satisfaction of 79%, we value and act on this feedback.
- We are developing a new customer engagement portal to enable all of our customers to engage with us in key areas of support.
- Our training business unit (Riverside and Clip) was successful in its Matrix quality standard re-accreditation with many key strengths highlighted by the assessor.
- We developed our new customer experience strategy in the period bringing together all of our services, setting out our ambition to increase satisfaction and ensuring that our services really do make a difference to our customers' lives.

Communities and Environment

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

Below are some of our activities in the year:

- Our education and skills business unit has continued to offer valuable services across all of the communities in which we operate. Supporting some of the most vulnerable people and really making a difference to their lives.

  A board sponsored Working Group has met throughout the year to consider actions to address hard to heat hard to treat properties and to deal with properties rated EPC "D" and below, in order to improve energy efficiency and reduce energy costs for customers.
- We continued our work to regenerate parts of our hometown, Gainsborough. Our largest development project at Bowling Green, Gainsborough which provides a mix of 138 much needed affordable homes, including 60 accessible apartments for the elderly, is almost complete with the final units handing over early in 2024/25.

Business Conduct

The Group strives to maintain a reputation for high standards of business conduct. The Group received an in-depth assessment by the Regulator of Social Housing in the year and we were pleased to retain the top governance grade (G1). We also undertook our triennial independent governance review which found that governance practice at Acis is of a good standard and effective.

We continue to undertake an annual assessment of compliance against the regulatory standard. In addition, the Group also carries out an annual assessment of compliance with the adopted code of Governance.

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

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

Operating and Financial Review and Strategic Report (continued)

Strategic risk overview

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

The Board revisited its assessment of risk appetite again at its May 2023 strategy session. This was incorporated into the updated risk management strategy, along with other enhancements and the strategy was approved in November 2023.

Our internal auditors undertook a review of our risk management framework in Jue 2023 which results in a substantial assurance opinion.

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

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

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

Operating and Financial Review and Strategic Report (continued)

Risk area	Consequences	Mitigation	Control measures
Energy costs	Many contributing factors have driven up energy costs increasing our costs and possibly resulting in shortages.	Prudent business plan assumption in the short term; investigating ways to reduce usage.	Close monitoring of contract and market conditions.
Cyber security	There continues to be more sophisticated hacking attempts designed to defraud, disrupt or deny services or systems. Which could result in disruption to normal business operations.	Regular user training and continued enhancements to control environment.	Data backups, software updates and network controls.
Interest rate increases on new and existing debt/availability of funding	Acis has an element of variable rate debt and a refinancing requirement. Higher rates will result in increased funding costs.	High levels of fixed rates on existing debt. Strategy for managing refinancing risk.	Risk adverse treasury policy. Stress testing with triggers. Regular reporting to committee includes cash forecasting.
Reduced demand for student accommodation	External factors such as changes in student approach to studies could lead to a short-term reduction in occupancy and income.	Strong established relationship with both Universities; close early monitoring of bookings; stock assessment taken by third party experts on a periodic basis.	Performance management. Financial planning and modelling.
Financial impact of net carbon zero agenda	To achieve the Government targets for net carbon zero there will be a requirement to improve the energy efficiency of our homes the costs of retrofit are significant.	Factor low carbon into new development design; collect EPC data for all existing stock; New asset management strategy sets path for no regrets thermal measures.	Collection of all necessary base data to make an informed decision; consultants engaged to model financial impact. Stress testing scenario to demonstrate the impact.
Health and safety compliance	Failure of health and safety responsibilities resulting in a failure to keep customers and others safe.	Good track record of compliance across all statutory duties; routine performance monitoring; working towards a ISO45001 equivalent health and safety management framework.	Performance management. Board and committee reporting.
Poor customer/stakeholder perception	Customer/stakeholders view our actions negatively resulting in reputational damage.	KPI monitoring and surveying in place; customer first approach; customer involvement and feedback promoted.	Reporting of stakeholder contact and customer satisfaction to Board.
Climate change	Impact of extreme weather events which have a financial or operational impact on the business.	Insurances in place which are revised regularly for coverage; understanding of risk areas being further developed.	Early warning measures and business continuity planning.
Development and sales	Impact of the economic environment on the development and sales programme.	Structure deals to protect as much as possible against price changes and allow tenure change.	Close oversight of development and sale performance by committee.

Operating and Financial Review and Strategic Report (continued)

Financial Performance

The reported results for 2023/24 evidence continued strong financial performance.

Income

Group turnover increased by £4.3m to £44.3m in 2023/24 partially due to an increase of £1.8m in turnover generated by property sales activities comprising both shared ownership first tranche sales as well as properties developed for outright sale.

Rent receivable from general needs, sheltered and shared ownership properties increased to £31.6m (2023: £29.0m) due to rent increases and increased stock numbers. The associated losses due to empty properties remained relatively stable increasing in line with the rent increase to £0.34m (2023: £0.31m).

Service charge income increased to £0.93m (2023 £0.77m) and was largely driven by increased utility costs. Most other income streams were relatively consistent with the prior year.

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

Net Surplus

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

Group net surplus decreased to £3.9m in 2023/24 down from £5.0m last year. Largely driven by a £1.4m increase in interest payable.

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

Statement of Financial Position

The Group Statement of Financial Position saw a net addition of £19.3m (2023: £15.7m) tangible fixed assets through the year. This is after taking account of new housing additions of £20.6m (2023: £14.2m) and works to existing stock of £6.9m (2023: £8.3m).

The Group has a fully secured revolving credit facility in place with an undrawn balance of £9.7m (2023: £11.6m) plus an additional £22.6m, fully secured, facility which is due to be drawn in the coming financial year and will be used to replenish the revolving facility.

Future financial performance

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

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

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

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

Operating and Financial Review and Strategic Report (continued)

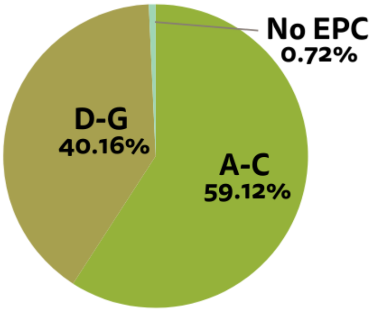
ESG in 2024

Summmary of our key performance

ESG stands for Environmental, Social, and Governance. It is a way to check how a company's actions affect the environment, society, and how ethically it is run. This helps guide Acis to make sure our work and investments are sustainable and ethical.

Environmental

EPC rating of existing homes



Green house emmissions *

Scope 1 : 382 kg CO2e
Scope 2 : 542 kg CO2e
Scope 3 : 53 kgCO2e

CO_2

Social

Tenancy sustainment rate of 95.3%.

124 New homes

10% of our workforce trained as Mental Health First Aiders

£1.4m of external funds delivered in wider support to our local communities

Governance

Our gender pay gap in 2023 was 13.68% and has decreased from 15.9% in 2022.

2.22 %

G1 / V2

Maintained governance rating 1 / viability rating 2

Our full ESG report, with information of what we have achieved so far and how we plan to continue working towards our action plan can be found on our website by scanning this QR code.

SCAN

*The scope for greenhouse gas emissions categorises emissions based on their source:

- Scope 1: Direct emissions from company-owned sources like vehicles and facilities.
- Scope 2: Indirect emissions from purchased electricity, steam, heating, and cooling.
- Scope 3: Other indirect emissions in the company's value chain, such as those from goods, services, travel, and waste.

Operating and Financial Review and Strategic Report (continued)

Treasury and Liquidity

Treasury management

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

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

Loans and credit structure

Acis Group Limited ('AGL') is the parent company of the Group and the main borrowing vehicle. As at 31 March 2024 the Group had committed facilities of £228.9 million (2023: £208.0 million). Drawn loans as at 31 March 2024 totalled £196.7 million (2023: £186.4 million). Current loan facilities are sourced from the banking sector and from a private placement arranged directly with institutional investors and include a revolving credit facility. A significant amount of debt is repayable over the next ten years and in order to deliver its long-term financial plan, the Group will require additional debt facilities to maintain its future operation.

Interest rate management

The organisation has a risk-averse attitude to interest rate movements, and our treasury strategy requires at least 50 per cent of drawn funds to be held on fixed or hedged rates of interest. As at 31 March 2024, 78 per cent of drawn monies were held on this basis (2023: 81 per cent), comprising a combination of standard fixed rate debt and cancellable fixed rate debt. All such hedges are embedded within loan agreements; the organisation does not enter into free-standing derivatives and so has no mark to market exposure. Interest and related expenses on our loans was £8.5m across the Group during the year (2023: £7.4m). The weighted average cost of funds as at 31 March 2024 was 4.56 per cent (2023: 4.30 per cent)

Covenant compliance

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

Liquidity and cash flow

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

Governing Document

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

Value for Money Statement

Operating and Financial Review and Strategic Report (continued)

Acis Group Limited

Value for Money Statement for the financial year ended 31 March 2024

Introduction

Achieving value for money (VFM) runs through everything we do across the whole group. It's a fundamental part of how we deliver our services – working in the Acis way. It isn't always about getting things done as cheaply as possible. It's about using our resources in the best possible way to achieve the best outcomes for our customers.

We make sure we:

- Deliver the best possible experience for our customers
- Drive value for our communities as often as we can
- Secure external income so we can do more for our communities through our wider education, skills and wellbeing services

VFM has always been embedded in our Housing business unit, but we also make sure that it is a key focus in our Education and Skills business unit too, and we work hard to ensure these Principals are embedded throughout the organisation.

At our core, we put the people we work with first. So what we do is led by what our communities need. And we ensure we deliver value for money by exploring different funding sources to deliver solutions to meet those community needs.

Benchmarking

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

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

In this report, we compare our 2023/24 cost per unit data and regulator metrics to the 2022/23 sector results from the Regulator of Social Housing global accounts – which includes data from 202 providers. Because of the high inflation operating environment, these benchmarks are likely to have increased when the 2023/24 data becomes available. All of our benchmarking sources are identified in the individual tables throughout this report.

Our social housing costs

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

Operating and Financial Review and Strategic Report (continued)

	Headline Social Housing CPU	Management CPU	Service Charge CPU	Maintenance CPU	Major Repairs CPU	Other Social Housing CPU
Acis Group Result 2023/24	**£3,573**	£741	£195	£1,211	£1,279	£147
Acis Group Result 2022/23	**£3,647**	£675	£183	£1,055	£1,579	£154
Acis Group Result 2021/22	**£3,143**	£647	£148	£931	£1,215	£202
Acis Group Result 2020/21	**£2,557**	£584	£148	£937	£720	£168
Acis Group Result 2019/20	**£2,935**	£593	£135	£907	£1,183	£117
Acis Group Result 2018/19	**£2,841**	£538	£137	£921	£1,097	£148
Sector - Top 25%	**£5,516**	£1,532	£879	£1,658	£1,405	£315
Sector - Median	**£4,419**	£1,200	£531	£1,372	£1,103	£122
Sector - Bottom 25%	**£3,994**	£939	£322	£1,140	£825	£35

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

Sector benchmarks are taken from the 2022/23 global accounts published by the regulator of social housing

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

This benchmarking demonstrates that we have consistently performed among the most efficient organisations for our costs. We rank in the top 10 per cent of housing providers for total cost, management cost and service cost. Our maintenance costs are also favorable against our peers.

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

Our performance and areas for improvement

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

Operating and Financial Review and Strategic Report (continued)

KPI	22/23 Result	Difference	23/24 Result	23/24 Target	Position	23/24 Benchmark (Median)	Benchmark Position	Benchmark Source	24/25 Target
% Customers Satisfied With Acis and Its Services (Rolling 12 Months)	76.00%	↑ 2.77%	78.77%	83%	Out of Target	73%	Above Median - Quartile 2	Acuity Clients (Approx 100 Landlords)	80%
% Satisfaction With Repairs in the last 12 Months	80.63%	↑ 0.43%	81.06%	82%	Out of Target	75%	Above Median - Quartile 2	Acuity Clients (Approx 100 Landlords)	82%
% Satisfaction With Repairs (Transactional) - Full Year	94.25%	↑ 1.37%	95.62%	95%	On Target	87.15%	Above Median - Quartile 1	Housemark Monthly Pulse National Peer Group (Approx 200 Landlords) - 12 Month Average	96%
% Satisfaction that the Landlord Makes a Positive Contribution to Neighbourhoods (Rolling 12 Months)	63.85%	↑ 9.03%	72.88%	75%	Out of Target	67%	Above Median - Quartile 1	Acuity Clients (Approx 100 Landlords)	75%
% Satisfaction with the Landlords Approach to Handling Anti-Social Behavior (Rolling 12 Months)	57.01%	↑ 7.53%	64.54%	63%	On Target	59%	Above Median - Quartile 2	Acuity Clients (Approx 100 Landlords)	64%
% Satisfaction Rent Offers Value for Money	85.89%	↓ 3.07%	82.82%	90%	Out of Target	-		No Benchmarking Data Available for this Measure	85%
Void Loss %	0.76%	↓ 0.03%	0.73%	0.80%	On Target	-		No Benchmarking Data Available for this Measure	7%
Void Turnaround Times (Days)	28.12	↓ 0.70	27.42	26	Out of Target	41.26	Below Median - Quartile 2	Housemark Monthly Pulse National Peer Group (Approx 200 Landlords)	25
Tenancy Turnover %	7.26%	↓ 0.16%	7.10%	8%	On Target	6.3%	Above Median - Quartile 3	Housemark Annual Report (Most Recent Data Published for 22/23)	7.5%
% Satisfaction That Home Is Safe (Rolling 12 Months)	84.81%	↑ 2.51%	87.32%	90%	Out of Target	77.00%	Above Median - Quartile 1	Acuity Clients (Approx 100 Landlords)	88%
Repairs Complete In Target Timescale (All)	86.51%	↑ 8.73%	95.24%	95%	On Target	85.57%	Above Median - Quartile 1	Housemark Monthly Pulse National Peer Group (Approx 200 Landlords) - 12 Month Average	100% (Emergency) 98% (Non-Emergency)
Average Time to Complete Responsive Repair (Days)	19.46	↓ 13.71	5.75	10	On Target	22	Below Median - Quartile 1	Housemark Annual Report (Most Recent Data Published for 22/23)	10
% of Homes That Do Not Meet the Decent Homes Standard	0%	⇔ 0.00%	0%	0%	On Target	-		No Benchmarking Data Available for this Measure	0%
% of Homes that Have a Valid Gas Safety Certificate (<= 1 yr.)	100%	⇔ 0.00%	100%	100%	On Target	99.98%	Above Median - Quartile 1	Housemark Monthly Pulse National Peer Group (Approx 200 Landlords)	100%
% of Blocks / Communal Areas That Have a Valid Fire Risk Assessment	100%	⇔ 0.00%	100%	100%	On Target	98.86%	Above Median - Quartile 1	Housemark Annual Report National Peer Group (Most Recent Data Published for 22/23)	100%
% of commercial passenger lifts, hoists etc. with a valid inspection certificate	100%	⇔ 0.00%	100%	100%	On Target	96.65%	Above Median - Quartile 1	Housemark Annual Report National Peer Group (Most Recent Data Published for 22/23)	100%
% of Blocks / Communal Areas With a Valid Asbestos Survey (<= 1 yr.)	100%	⇔ 0.00%	100%	100%	On Target	98.06%	Above Median - Quartile 1	Housemark Annual Report National Peer Group (Most Recent Data Published for 22/23)	100%
% of Blocks / Communal Areas that Have a Valid Electrical Certificate (<= 5 yrs.)	100%	⇔ 0.00%	100%	100%	On Target	-		No Benchmarking Data Available for this Measure	100%
% of Homes That Have a Valid SAP Rating Assessment	97.71%	↑ 1.69%	99.40%	95%	On Target	-		No Benchmarking Data Available for this Measure	98%
% Voluntary Staff Turnover (12 Month Average)	2.24%	↓ 0.43%	1.81%	No Internal Target for This Measure		0.93%	Above Median - Quartile 4	Acuity Clients (Approx 100 Landlords)	-
% Days Lost Due To Sickness Absence	3.90%	↓ 0.81%	3.09%	No Internal Target for This Measure		3.82%	Below Median - Quartile 2	Acuity Clients (Approx 100 Landlords)	-

The foundations that we set last year have allowed us to both stabilise and drive change through the organisation to focus more on customer need – really bringing the 'People first' focus of our new corporate strategy to the fore. We have continued to grow and are delivering some new services to support those changing customer needs.

There are still a number of external pressures which continue to pose a challenge, but they encourage us to think creatively to respond and continue to work in the Acis Way, aligned to our Principals. And we're always committed to delivering a high-quality service, to ensure the best experience for all our people, regardless of who they interact with in our organisation.

And though these pressures and challenges do exist, we have seen some incredible results this year, and some that are bucking industry trends.

Operating and Financial Review and Strategic Report (continued)

Acis Group

This year has seen us work through extensive planning exercises to ensure we are fit for the future.

We've focused specifically on our new areas of work, and this has forced us to challenge the way we work and integrate as an organisation. We've brought key teams together and have plans in place to fully establish these new ways of working in 2024/2025.

Part of this planning has involved the development of our new corporate strategy, 2030 – Getting there together. It brings a central pillar of 'People first' to our new priorities – Home, Support and Quality. The strategy aims to bring our business units together under a new common vision, that we're there to support people when they need us.

We've also signed off our new customer experience and growth strategies, which align to the new priorities set out in the corporate strategy. These strategies ensure we continue to focus on meeting our customers' and communities' needs, while delivering a great experience that's valued by everyone who works with us.

Over the course of the year, we've delivered strong customer impact, which is evidenced by awards we've achieved. Two for our Repairs team, Lincolnshire County Council's Learner of the Year, the national Access Learner of the Year, and our Market Rasen Café.

We've also focused on increasing our quality standards, looking at accreditations in customer excellence, achieving Snug and Anuk Code accreditations for our student housing and being awarded our reaccreditation for Matrix in Education and Skills.

In the year ahead we look to bring our Housing, Education and Skills expertise together, focusing on ways we can meet more customers' needs.

Housing

As the external environment continues to prove challenging, we remain ambitious and hold ourselves to incredibly high standards.
While we may not have achieved some of the ambitious targets we set for ourselves this year, we have still seen some great performance across the board when compared to the sector.

We are beginning to see our improved performance being recognised by our customers through our customer satisfaction metrics, following the significant service model changes that we have made over recent years. These changes have specifically been focused on improvements which allow us to serve our customers better.

Our 2023/24 performance shows improvements across the board and most notably our repairs performance which has been a real focus for us. With repairs completed on time increasing significantly and time taken to complete repairs further reducing. Our repairs satisfaction continues to increase to be well above benchmarks and bucking national trends.

Our home safety compliance performance has remained good with tight controls continuing to be exercised over the key statutory compliance areas.

Education and Skills

Although grant funding challenges exist following the loss of the European Social Fund, we have been able to maintain our size and portfolio in the year for CLIP and Riverside Training. We've also been able to grow our delivery in key areas as we've developed our relationships with key funders and partners.

We have also had to adapt and reposition our Acis Students product in response to the changing external landscape.

Some of our performance levels aren't where we would like them to be, particularly for our adult provision. This is mostly driven by external factors like changing customer needs, a difficult recruitment landscape and a lack of referrals, but we are working hard with our partners to address these, and they are not unique to us.

We have passed all of our contract audits in the year and achieved a five-star food hygiene rating for all of our café provision.

We've also held focus groups in all of our centers to make sure we're capturing our customer voice for Education and Skills, which feeds into our wider Your Voice programme. And we established a Quality and Compliance team to focus on strengthening our provision quality.

We have been able to reach more people with wellbeing support as our services have increased during this financial year, including successfully securing additional funding through Shine and the Lincolnshire integrated care board.

Operating and Financial Review and Strategic Report (continued)

Achievements and challenges in 2023 / 24

Acis Group

Our new corporate strategy aims to drive value for money by bringing group activities together. Resourcing this way reduces duplication and increases efficiency, but also brings more visibility of other business units and builds relationships across the group. We have changed our colleague structures to ensure we're aligned to our new strategy and fit for the future, focusing on long-term consolidation of activity, and changing skills needs.

Where possible, and practical, we use our own subsidiaries to deliver group training, e.g. Mental Health First Aid. We want to expand this approach to do more training and qualifications for colleagues in 24/25, where it's cost-effective to do so.

With People First as one of our core priorities, we're committed to listening to and engaging with our customers. Our goal to 2030 is to see our 'Listen and act' score reach 90% - currently at 68% - so we can ensure we're really listening to our customers, with a laser focus on the services that meet their needs. We also consider in the new strategy that we can't - and shouldn't - be all things to all people. So we'll look to work with partners to deliver in cases where we aren't best placed, or we can't achieve value for money by offering a particular service ourselves.

We have also continued our digital focus this year to deliver our services more efficiently, and in ways that people want to communicate when they need us. And some of this includes expanding our services in a number of areas beyond Monday to Friday, 9am to 5pm, delivering even more value for customers.

Another important consideration is how we can deliver our services more sustainably, with minimal impact on the environment. And delivering differently, particularly increasing our digital interactions with our customers, supports us in this aim.

Housing

In our Housing business unit, we ensure value for money through the way we deliver for our tenants. We look to the future and listen to our people. We make sure our Housing teams are set up to be flexible enough so we can adapt to changing customer needs, so we can meet those needs and stay efficient.

Aligned to this we have implemented some patch changes in our Neighbourhoods team. By moving people around onto different patches, we can be more efficient and respond to the growth we've seen in previous years and are forecasting for the future.

We've revised our Neighbourhood and Estate Management policy too, making sure we log and record visits and inspections between neighbourhood audits so our activity is visible, and we can demonstrate our impact. We're also taking a more personal approach and talking to more customers when we do our inspections and audits.

This year we joined forces with MRI to revolutionise the way our in-house engineers respond to repairs and maintenance tasks. We worked together to develop a technical solution that's achieving remarkable results. It's called 'Operative Autonomy' and is powered by MRI Repairs. Its success has led to Acis and MRI winning the Most Innovative Property Service category at the National Housing Maintenance Federation Awards 2024.

A key outcome of the partnership is the significant improvement in customer satisfaction, achieving an impressive 95% overall job satisfaction rate, reflecting real-time responses from customers participating in a survey via text.

Our focus on digital customer experiences is also going from strength to strength. Over 3,000 people are now signed up to use the MyAcis portal to manage their tenancies online. We have also developed its functionality so we can use the platform to house and complete additional forms. We are also seeing almost 200 Live Chat interactions per month, where people are getting support from us between 5pm and 9pm when our customer contact centre phone lines are closed. And we're receiving almost 600 text messages per month from customers too – so they can get the help they need in a way and at a time that suits them.

Operating and Financial Review and Strategic Report (continued)

Providing more ways for customers to interact with us digitally means we're not only more available and more responsive for the people who want to, and are able to, work with us this way, but it also means we can increase our capacity to support those people who may need more from us too.

We began work on our Your Voice engagement Portal which will launch later in 2024. The new portal will provide an additional route for customers to engage with us in key areas of support. To ensure that it will effectively capture customer opinion and feedback, we brought customers in early to shape the portal.

We also work closely with our supply chain, ensuring that organisations who deliver for us share our values and understand what it means to work in the Acis Way. We always aim to drive a return from suppliers and contractors, to provide even more value and community impact.

This year has seen us change how we deliver planned works in our properties, following a change to investment streams it was more efficient to outsource all of the planned works. We have therefore worked hard to ensure we get best value and the best customer experience from contractors.

Our Supporting Foundations team have dealt with more than 150 new cases this year, which has helped us to maintain strong tenancy sustainment rates at 95.3%. The service has also generated over £1k of external funding to wipe out fuel poverty debt for some of our customers who are experiencing financial difficulty due to rising energy costs.

The Grounds Maintenance contract that we operate in the West has continued to be challenging throughout the year. With operational challenges and a lack of customer satisfaction. We have worked hard to put a sustainable solution in place which will be monitored closely throughout the coming year.

Whilst we continue to have an ambitious development target we have not quite achieved the planned number of handovers that we expected in the year, this is due to slower progress with a number of sites, however many of these properties will still be handed over in the new year.

Education and skills

Our Education and Skills business unit drives value for money by drawing in external funding to support an identified need. This could be to support with filling an identified local skills gap, to improve employability opportunities for our customers or to provide wellbeing support to our communities.
Our wellbeing services have delivered some great results over the past year, offering specialist support to people facing a number of different challenges. In particular, we have run Dementia Cafes in our CLIP centres to support people in our communities who are suffering with Dementia, as well as the people who care for them.

We've also worked on a number of projects across Education and Skills to support young people. Our Flare programme which offers alternative education provision has grown through external funding and we've offered a specialist short-term accommodation model in Acis Students which enables students who wouldn't otherwise be able to afford university, to access higher education.

We started delivering a programme to support people who are economically inactive, and who can be seen as 'hidden' from other statutory services. Our STEPS programme, delivered by our CLIP centres in Gainsborough and Market Rasen, offers careers guidance and access to training, and is funded by West Lindsey District Council through the UK Shared Prosperity Fund.

Our wellbeing provision is gaining momentum, and this year saw us win some significant contracts with Gainsborough NHS Integrated Care Board, which will run for the next three years.

While we have seen some great success, it has been a challenging year. We saw the end of the European Social Fund, which left a significant income gap. We managed to secure more than £1.3 million in new income through bids this year, some of which we have drawn down and some is for future years. Some of this was also grant funding to support capital projects. We were able to draw down more than £1.2 million in the year in external funding to deliver education and wellbeing activities.

Value for Money Metrics

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

Operating and Financial Review and Strategic Report (continued)

Metric	2021/22 Actual	2022/23 Actual	2023/24 Actual	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	Top 25%	Median	Bottom 25%
1) Reinvestment % - Efficiency	6.6%	7.9%	9.0%	11.3%	8.1%	7.3%	7.7%	9.4%	6.7%	4.3%
2a) New supply delivered (social) % - Effectiveness	1.7%	1.3%	1.6%	2.3%	2.8%	1.8%	1.1%	2.2%	1.3%	0.6%
2b) New supply delivered (non-social) % - Effectiveness	0.39%	0.14%	0.19%	0.33%	0.19%	0.11%	0.29%	0.08%	0.00%	0.00%
3) Gearing % - Efficiency	62.0%	63.6%	62.8%	63.3%	63.1%	62.0%	61.6%	33.4%	45.3%	53.7%
4) EBITDA MRI interest cover % - Efficiency	180.9%	134.0%	136.0%	134.2%	143.3%	133.1%	131.4%	169%	128%	89%
5) Headline social housing cost per unit – Economy	£3,143	£3,647	£3,573	£3,654	£3,682	£3,934	£3,988	£4,082	£4,586	£5,847
6a) Operating margin % - Efficiency	26.9%	26.7%	25.9%	23.7%	28.3%	30.2%	29.2%	23.0%	18.2%	12.0%
6b) Operating margin (social housing lettings) % - Efficiency	27.4%	25.2%	27.0%	26.3%	31.0%	30.6%	30.3%	25.5%	19.8%	14.4%
6c) Operating margin (other social housing activity) % - Efficiency	19.4%	24.4%	14.7%	26.0%	18.2%	18.9%	20.1%	24.34%	9.93%	-9.76%
6d) Operating margin (non-social housing activities % - Efficiency	28.4%	29.7%	25.0%	15.5%	21.4%	31.2%	27.3%	54.39%	21.25%	4.90%
7) ROCE % - Efficiency	4.9%	4.0%	3.9%	4.0%	4.4%	5.7%	4.9%	3.6%	2.8%	2.2%

Benchmarks are taken from the 2022/23 global accounts published by the regulator of social housing which includes data from 202 organisations

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

Operating and Financial Review and Strategic Report (continued)

How we performed

Reinvestment and new supply

In the year we invested over £20 million to provide new affordable homes through our development programme. We took handover of 60 homes for rent and 49 for shared ownership. And we started building many more new homes. We also invested almost £7 million in our existing housing stock.

Our VFM metric for reinvestment in the year was 9.0%. This was again an increase on the previous year, due to even more investment in our new homes development programme. Our reinvestment and new supply metrics did, however, fall short of our internal targets. This was due to delays in new build delivery and handovers, with much of this moving back into the following years.

Because of the difficult economic conditions and primarily due to increased interest costs, we have been forced to scale back some of our longer-term development ambitions, after the current programme of committed schemes is complete. Reducing the investment in new supply but maintaining our investment in existing housing stock. This is in recognition of how important this is for our customers and in meeting energy efficiency targets.

Debt

Our year end gearing was marginally better than budget. This is primarily due to lower debt drawdowns as a result of changes in our development programme.

Our EBITDA MRI (interest cover) reduced slightly in the year due to increased interest costs. The sector, however, experienced much more dramatic reductions in this metric, this moved us up into the second quartile and much closer to the sector median.

While we were reasonably well protected against increasing interest costs with relatively high levels of fixed rate debt, these did have an impact this year. These increased interest costs were mitigated to some extent by slightly lower capital spend.

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

Efficiency

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

We fell short of our target for the margin generated from our other social housing activities. This was due to a reduced number of shared ownership sales, with those delayed sales being properties with higher margins.

Our non-social housing activity budget included a large provision for utility costs in our student accommodation, whilst we outperformed this budget, it was partly offset by reduced student occupancy. Plans that we have put in place around future student letting and cost mitigations will see this margin increase over the next few years.

Our return on capital employed continues to perform in the top 25% when compared to the rest of the sector. This reflects our lower cost base following our work in previous years to drive value for money through everything that we do.

Looking Forward

Our approved business plan continues to exhibit the performance levels experienced in previous years, despite these targets including inflation, they still benchmark favorably against the 2022/23 sector benchmarks.

We continue to challenge ourselves to provide improved services for our customers whilst ensuring we deliver value for money throughout our activities.

Report of the Directors

Report of the Directors

Board members and executive directors

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

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

Three long-term board members, that have helped steer the organisation over a number of years retired from the Board at the September 2023 annual general meeting. These were our previous Chair-Mike Kay and previous Vice Chair-Graham Ward along with Nigel Whittaker.

Following a rigorous recruitment exercise, we were pleased to welcome Holly Wilson, John Westby and Sami Mirza to the Board, each bringing with them extensive experience.

The Board is continuing its journey to embrace diversity and inclusion and has continued to work with the Housing Diversity Network throughout the year.

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

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

Service contracts

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

Employees

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

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

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

Donations

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

Financial risk management objectives and policies

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

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

Interest rate risk

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

Liquidity risk

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

Credit risk

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

Report of the Directors (continued)

Emissions and Energy Consumption

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

Acis Group Ltd Energy Use and Associated Greenhouse Gas Emissions	FYE 2024	FYE 2023
Total Energy consumption (kWh)	**4,754,046**	**5,034,917**
Emissions from combustion of gas (Scope 1) (tCO2e)	**75**	**72**
Emissions from transport (Scope 1) (tCO2e)	307	418
Emissions from purchased electricity (Scope 2) (tCO2e)	542	471
Emissions from business travel in employee-owned vehicles where the company is responsible for purchasing the fuel or electricity (Scope 3) (tCO2e)	53	60
Total gross emissions (tCO2e)	**978**	**1,021**
tCO2e per FTE	**3.7**	**3.5**
Renewable Energy generated and then exported (kWh)	279,972	278,998
Emissions avoided by renewable energy generated and then exported (tCO2e)	58	54
Total annual net emissions (tCO2e)	**920**	**967**

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

	Electricity		Renewables	Gas		Company Fleet		Grey Fleet		Total kWh	Total tCO2e
	kWh	tCO2e	kWh	kWh	tCO2e	kWh	tCO2e	kWh	tCO2e		
Acis	2,593,183	537	279,972	406,897	74	1,214,121	307	202,243	47	4,696,416	965
Riverside	8,148	2						17,991	4	26,139	6
Clip	17,671	4		4,899	1			8,922	2	31,492	7
Totals	**2,619,003**	**542**	**279,972**	**411,795**	**75**	**1,214,121**	**307**	**229,156**	**53**	**4,754,046**	**978**

Quantification and Reporting Methodology

The boundaries of this report are based on operational control. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only that come under the operational control boundary. Therefore, energy use and emissions are aligned with financial reporting for the UK subsidiaries and exclude the non-UK based subsidiaries that would not qualify under the 2018 Regulations in their own right. The 2023 UK Government GHG Conversion Factors for Company Reporting published by the Department for Energy Security and Net Zero are used to convert energy use in our operations to emissions of CO2e. Carbon emission factors for purchased electricity calculated according to the 'location-based grid average' method. This reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices and internal systems. For transport data where actual usage data (e.g. litres) was unavailable, conversions were made using average fuel consumption factors to estimate the usage. Where months of data were missing an average has been conducted to estimate consumption. Electricity and Gas data was unavailable for the CLIP subsidiary, as such FY 2023 data has been used for its utilities.

Report of the Directors (continued)

Intensity Ratio

We have chosen to report our gross emissions against Number of Full Time Equivalent's, the value for this was 3.7 tCO2e per employee.

Energy Efficiency Actions

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

- Installed new loft insulation to 256 properties and cavity wall insulation to 59 properties.
- Added air source heat pumps to 8 properties.

Going concern

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

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

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

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

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

The Group held £63,604k (2023: £60,316k) in the Income and Expenditure reserve as at 31 March 2024. Free reserves, i.e. unrestricted funds excluding tangible fixed assets net of grant, were -£199,942k (2023: -£188,334k) at 31 March 2024, as -£311,817k (2023: -£292,561k) is represented by fixed assets and can only be realised by their disposal. The funding facility is secured against the housing property fixed assets.

Post balance sheet events

After the balance sheet date, the Group completed a new £20m loan facility with a bond aggregator.

Other Group companies

Acis Development Services Limited

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

Acis Management Limited

Acis Management Limited was the majority partner in Eione LLP and is now dormant.

Eione LLP

Eione LLP was established in January 2013 as a joint venture to provide facilities management services to the student accommodation properties owned by the Association. In August 2022 the contracts came to an end and these services were transferred back into Acis Group Limited. Eione LLP was dissolved via voluntary strike off on 7 May 2024.

Acis HomePlus Limited

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

Riverside Access and Training Centre CIC

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

Community Learning in Partnership CIC

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

Prime Repairs and Maintenance Limited

Prime Repairs and Maintenance Limited has been dormant throughout the period.

Acis Properties Limited

Acis Properties Limited has been dormant throughout the period.

Report of the Directors (continued)

Internal controls assurance

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

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

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

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

Key elements of the control framework include:

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

A fraud register is maintained and available for review. No fraud has been reported in the year.

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

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

Governance

Governance and Financial Viability Standard

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

- Codifying the role and responsibilities of the Board, Sub-Committees and Officers in relation to RoSH compliance;
- Specifying the regulatory requirement and building the supporting evidence base of compliance;
- Identification of the deadlines for each regulatory cycle with a project plan in place to support completion of the regulatory cycle deadlines. The project plan developed includes clear stage gates / milestones, risk review and specific ownership of items in the plan by officers;
- Appropriate scrutiny at identified points by officers, Board and Committees;
- A programmed approach to compliance designed to ensure visibility of the way that issues are being addressed at stages where remedial action can be taken if required;
- The Group has applied this approach to all elements of the Regulatory Standard, with each element of the Standard and the accompanying code of practice specified along with the associated evidence references and required actions which are tracked using a RAG status.

Report of the Directors (continued)

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

Code of Governance

In accordance with the Governance and Financial Viability Standard as set by the Regulator of Social Housing, Acis Group, adopted the National Housing Federation Code of Governance 2020. These requirements do not apply to the non-registered subsidiary entities of the Group although they do operate within the spirit of the Code.

Compliance with the adopted Code of Governance has predominantly been upheld throughout the year. Acis Group Limited re-adopted the NHF Code of Governance 2020 in January 2024 and has therefore undertaken work to introduce a phased succession plan to enable the board to move from a previously nine year tenure, to a six year tenure without putting the organisation at risk by the substantial loss of a number of members in one year.

The Board has given robust consideration to the effectiveness and conduct of business for all Boards and Committees and is committed to formally reviewing its effectiveness at least every three years. The latest review was undertaken in December 2023 and concluded that governance practice at Acis is to a good standard and effective.

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

Board composition

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

Committee / Group	Membership	Meeting frequency 2023/24	Role
Audit and Risk Committee	Paul Wilkin (Chair from September 23) Bruce Kerr (Chair until September 23) Paul Satchwell (until September 23) Sami Mirza (from September 23) Russell Stone (Independent member)	4	Provides independent scrutiny and challenge to provide the Board with assurance. Ensure that appropriate external audit arrangements are in place and regularly evaluated and monitored. Consideration of audit reports and detailed review of financial statements. Seek assurance that appropriate risk management and assessment techniques are operated within the Group and performs detailed scrutiny and evaluation of risk. Ensures satisfactory internal audit arrangements operate within the Group and seek assurance that appropriate systems of internal control are established and maintained. Ensure an adequate system of internal control is in place.

Report of the Directors (continued)

Committee / Group	Membership	Meeting frequency 2023/24	Role
Remuneration and Review Committee	Paul Satchwell (Chair) Kath Smart Carole Hodson	2	Review and recommend remuneration package of the Chief Executive and executive directors to the Board. Oversight of appraisal of the Chief Executive and executive directors.
Finance and Development Committee	Paul Satchwell (Chair) Graham Ward (until 25/9/23) Nigel Whitaker (until 25/9/23) Paul Wilkin Ronan O'Hara (from 25/9/23) Sami Mirza (from 25/9/23)	5	Maintain an overview of the Group's financial performance including reviewing and commenting upon the Group's management accounts and financial forecasts. Consider financial implications of proposals for areas of major new strategic business development on behalf of AGL and make recommendations to the board. Assist in the development of the Group's Treasury Management Strategy and consider the impact of changes in interest rates on the same. Monitor the Group's existing loan portfolio and determination of the adopted approach in relation to the drawdown of new funds, and the maturity of existing loans. Consider and approve within delegated authorities new development proposals or recommend to Board. Ensure compliance with the Group's Financial regulations in relation to procurement. Review the Group's Business Plan and act as an early warning system to the Board in cases of concern.
Operations Committee	Nigel Whitaker (Chair until 25/9/23) Bruce Kerr (Chair from 25/9/23) Ronan O'Hara (until 25/9/23) Carole Hodson Julie Haywood (from 25/9/23) Holly Wilson (from 25/9/23)	3	Ensure the maintenance of adequate and effective arrangements for internal monitoring of operational action plans and performance management processes. Receive reports and other performance information in relation to the Group's performance on all operational services. Receive reports in relation to the Group's customer communications and feedback. Report any serious delivery or compliance failures or concerns to the Group Board.

Report of the Directors (continued)

Enterprise Committee	Mike Kay (Chair until 25/9/23) Julie Haywood (Chair from 25/9/23) Carole Hodson Ronan O'Hara Chris Duncan (Trainee Until 27/11/23) John Westby (from 25/9/23) Graham Ward (Independent from 25/9/23)	3	Review, monitor and assess the operational and financial performance of the Group's enterprise activities. Report any serious delivery or compliance failures or concerns to the Group Board. Act as a sounding board to the Executive on any areas of potential new business or growth for the Group.

Skills and recruitment

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

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

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

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

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

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

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

Evaluation

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

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

The Board also completed a collective annual review of effectiveness for the year ended 31 March 2024. Committees and the Boards of subsidiary companies also undertook an annual review of effectiveness.

Report of the Directors (continued)

Attendance

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

Acis Group Board

Member	Maximum Possible	Actual Attendance	Comment
Kathryn Smart	9	9	
Carole Hodson	9	7	
Mike Kay	4	2	Retired 25/9/23
Graham Ward	4	4	Retired 25/9/23
Nigel Whitaker	4	4	Retired 25/9/23
Paul Satchwell	9	8	
Ronan O'Hara	9	8	
Bruce Kerr	9	8	
Paul Wilkin	9	8	
Julie Haywood	9	8	
Holly Wilson	5	5	Appointed 25/9/23
John Westby	5	4	Appointed 25/9/23
Sami Mirza	5	5	Appointed 25/9/23
Chris Duncan (Trainee)	6	3	Resigned from Board 27/11/23

Audit and Risk Committee

Member	Maximum Possible	Actual Attendance	Comment
Paul Wilkin	4	3	
Bruce Kerr	4	3	
Paul Satchwell	1	1	Stood down from committee 25/9/23
Sami Mirza	3	1	Appointed 25/9/23
Russell Stone	4	2	

Remuneration and Review Committee

Member	Maximum Possible	Actual Attendance	Comment
Paul Satchwell	2	2	
Kathryn Smart	2	2	
Carole Hodson	2	2	

Operations Committee

Member	Maximum Possible	Actual Attendance	Comment
Bruce Kerr	3	3	
Nigel Whitaker	1	1	Retired 25/9/23
Ronan O'Hara	1	0	Stood down from committee 25/9/23
Carole Hodson	3	3	
Julie Haywood	2	2	Appointed 25/9/23
Holly Wilson	2	1	Appointed 25/9/23

Report of the Directors (continued)

Finance and Development Committee

Member	Maximum Possible	Actual Attendance	Comment
Paul Satchwell	5	5	
Graham Ward	3	3	Retired 25/9/23
Nigel Whitaker	3	3	Retired 25/9/23
Paul Wilkin	5	4	
Sami Mirza	2	1	Appointed 25/9/23
Ronan O'Hara	2	0	Appointed 25/9/23

Enterprise Committee

Member	Maximum Possible	Actual Attendance	Comment
Mike Kay	1	1	Retired 25/9/23
Julie Haywood	3	3	
Carole Hodson	3	3	
Ronan O'Hara	3	2	
Chris Duncan (Trainee)	2	2	Resigned 27/11/23
John Westby	2	2	Appointed 25/9/23
Graham Ward	2	1	Appointed 25/9/23

Eione LLP

Member	Maximum Possible	Actual Attendance	Comment
Graham Ward	1	0	
Greg Bacon	1	1	
Adrian Chamberlain	1	1	
Julie Glumac	1	1	
David Swift	1	1	

Acis Development Services Limited

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

Report of the Directors (continued)

Riverside Access and Training Centre Gainsborough CIC

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

Community Learning in Partnership CIC

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

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

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

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

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

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

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

The Directors confirm that:

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

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

Report of the Directors (continued)

Public Benefit

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

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

Our vision is to be there to support you when you need us. The Association has the following streams in relation to its charitable objects:

- Over 5,800 properties for rent, primarily by families who are unable to rent or buy at open market rates;
- Over 250 sheltered housing properties across nine schemes and assistance for people who need additional housing-related support;
- Over 600 low-cost home ownership properties, primarily shared ownership and the Rent to Own initiative;
- 6 Supported properties where the tenants receive support from other agencies;
- Over 1,100 student bed spaces providing affordable accommodation for students to continue their education;
- Support for tenants and the wider communities in education and gaining access to the workplace;

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

Over 38 per cent of our tenants are aged 60 or over and nearly 28 per cent of our tenants are on full or partial Housing Benefit and over 45 per cent are on Universal Credit. Our tenancies are open to all, subject to Local Authority and local lettings policies which are legitimate, proportionate, rational and justifiable.

Annual general meeting

The Annual General Meeting will be held on 30 September 2024 at Acis House, Bridge Street, Gainsborough.

External auditors

Beever and Struthers were appointed to audit the Group and Association financial statements for the year ended 31 March 2024.

Approval

The Report of the Board, including the strategic report, was approved by the Board on 29 July 2024 and signed on its behalf by:

Kathryn Smart

Chair

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

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

Opinion

We have audited the financial statements of Acis Group Limited (the ‘parent Association’) and its subsidiaries (the ‘Group’) for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Association Statement of Comprehensive Income, the Consolidated and Association Statements of Financial Position, the Consolidated Statement of Changes in Equity (Reserves), the Association Statement of Changes in Equity (Reserves), the Consolidated Statement of Cash Flow and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the parent Association’s affairs as at 31 March 2024 and of the Group’s income and expenditure and the parent Association’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent Association, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent Association financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration s pecified by law are not made; or

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

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

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

Responsibilities of directors

As explained more fully in the Statement of the responsibilities of the Board for the financial statements set out on page 39, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, the NHF Code of Governance 2020, the Regulatory Standards, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed the controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our Report

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

Beever and Struthers.

Maria Hallows BA FCA DChA (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 11.09.24

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover: continuing activities	*3*	**44,370**	40,068
Operating expenditure	*3*	**(32,885)**	(29,645)
Gain on disposal property, plant, equipment	*5*	**515**	885
Gain on acquisition	*5*	**-**	271
Operating surplus	*4*	**12,000**	11,579
Interest receivable	*6*	**41**	16
Interest payable and financing costs	*7*	**(8,090)**	(6,650)
Surplus before taxation		**3,951**	4,945
Taxation	*12*	**(51)**	57
Surplus for the year after taxation		**3,900**	5,002
Other comprehensive income			
Actuarial gain/ (loss) in the year	*9*	**(612)**	(457)
Total comprehensive income for the year		**3,288**	4,545
Total comprehensive income for the year attributable to:			
Non-controlling interests		**-**	29
Owners of the parent company		**3,288**	4,516

The consolidated results relate to continuing activities with the exception of Acis Homeplus Limited which ceased trading on 31 March 2024. These discontinued activities accounted for turnover of £20,715 (2023: £467,120) and profit of £Nil (2023: profit of £332,198).

The notes on pages 52 to 94 form an integral part of these financial statements.

The financial statements on pages 45 to 94 were approved and authorised for issue by the Board on 29 July 2024.

Kathryn Smart
Chair / Trustee

Carole Hodson
Vice Chair / Trustee

Catherine Kelly
Secretary

Acis Group Limited, Company Number 03593345

Association Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	**2024** **£'000**	2023 £'000
Turnover: continuing activities	*3*	**43,400**	38,848
Operating expenditure	*3*	**(32,007)**	(28,229)
Gain on disposal property, plant, equipment	*5*	**515**	885
Operating surplus	*4*	**11,908**	11,504
Interest receivable	*6*	**46**	49
Interest payable and financing costs	*7*	**(8,075)**	(7,202)
Gift aid	*11*	**195**	147
Surplus before taxation		**4,074**	4,498
Taxation	*12*	**(48)**	40
Surplus for the year after taxation		**4,026**	4,538
Other comprehensive income			
Actuarial gain/ (loss) in the year	*9*	**(612)**	(457)
Total comprehensive income for the year		**3,414**	4,081

The results of the association relate wholly to continuing activities and the notes on pages 52 to 94 form an integral part of these financial statements.

The financial statements on pages 45 to 94 were approved and authorised for issue by the Board on 29 July 2024 and were signed on its behalf by:

Kathryn Smart
Chair / Trustee

Carole Hodson
Vice Chair / Trustee

Catherine Kelly
Secretary

Acis Group Limited, Company Number 03593345

Consolidated and Association Statement of Financial Position

As at 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Fixed Assets					
Housing	13	**308,801**	289,496	**310,964**	291,455
Non-housing	14	**3,016**	3,065	**3,087**	2,404
Tangible Fixed Assets		**311,817**	292,561	**314,051**	293,859
Current Assets					
Stock	16	**4,826**	4,475	**4,362**	4,471
Trade and Other Debtors	17	**1,508**	1,822	**2,340**	1,871
Cash and Cash Equivalents	18	**2,620**	2,321	**2,329**	1,749
		8,954	8,618	**9,031**	8,091
Less: Creditors: amounts falling due within one year	19	**(12,570)**	(10,793)	**(13,154)**	(10,376)
Net Current Liabilities		**(3,616)**	(2,175)	**(4,123)**	(2,285)
Total Assets Less Current Liabilities		**308,201**	290,386	**309,928**	291,574
Creditors: amounts falling due after more than one year	20	**(242,977)**	(228,668)	**(242,944)**	(228,220)
Provisions for liabilities		**(2)**	-	**-**	-
Pension - defined benefit liability	9	**(1,618)**	(1,402)	**(1,618)**	(1,402)
Total Net Assets		**63,604**	60,316	**65,366**	61,952
Reserves					
Income and Expenditure Reserve		**63,604**	60,316	**65,366**	61,952

The notes on pages 52 to 94 form an integral part of these financial statements.

The financial statements on pages 45 to 94 were approved and authorised for issue by the Board on 29 July 2024 and were signed on its behalf by:

Kathryn Smart
Chair / Trustee

Carole Hodson
Vice Chair / Trustee

Catherine Kelly
Secretary

Acis Group Limited, Company Number 03593345

Consolidated Statement of Changes in Equity (reserves)

	Income and Expenditure Reserve £'000	Total Excluding Non-controlling Interest £'000	Non-Controlling Interest £'000	Total £'000
Balance as at 31 March 2022	55,800	55,800	55	55,855
Surplus for the year after tax	4,973	4,973	29	5,002
Other comprehensive income for the year after tax	(457)	(457)	-	(457)
Total Comprehensive income for the year	4,516	4,516	29	4,545
Distribution in year	-	-	(84)	(84)
Balance as at 31 March 2023	60,316	60,316	-	60,316
Surplus for the year after tax	3,900	3,900	-	3,900
Other comprehensive income for the year after tax	(612)	(612)	-	(612)
Total Comprehensive income for the year	3,288	3,288	-	3,288
Distribution in year	-	-	-	-
Balance as at 31 March 2024	**63,604**	**63,604**	**-**	**63,604**

The notes on pages 52 to 94 form an integral part of these financial statements.

Association Statement of Changes in Equity (reserves)

	Income and Expenditure Reserve £'000	Total £'000
Balance as at 31 March 2022	57,871	57,871
Surplus for the year after tax	4,538	4,538
Other comprehensive income for the year after tax	(457)	(457)
Total Comprehensive income for the year	4,081	4,081
Balance as at 31 March 2023	61,952	61,952
Surplus for the year after tax	4,026	4,026
Other comprehensive income for the year after tax	(612)	(612)
Total Comprehensive income for the year	3,414	3,414
Balance as at 31 March 2024	**65,366**	**65,366**

The notes on pages 52 to 94 form an integral part of these financial statements.

Consolidated Statement of Cash Flow

	2024	2023
	£'000	£'000
Net cash generated from operating activities	**20,797**	13,943
Cash flow from investing activities		
Purchase of tangible fixed assets	**(28,491)**	(22,924)
Proceeds from sale of tangible fixed assets	**948**	1,754
Grants received	**5,072**	1,531
Interest received	**41**	16
	(22,430)	(19,623)
Cash flow from financing activities		
Interest paid	**(8,301)**	(8,233)
New secured loans (revolver utilisation)	**1,900**	4,500
New secured loan (£35m facility)	**10,000**	25,000
Repayments of borrowings	**(1,667)**	(16,667)
	1,932	4,600
Net change in cash and cash equivalents	**299**	(1,080)
Cash and cash equivalents at beginning of year	**2,321**	3,401
Cash and cash equivalents at end of the year	**2,620**	2,321

The notes on pages 52 to 94 form an integral part of these financial statements.

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

	2024	2023
	£'000	£'000
Cash generated from operating activities		
Surplus for the year	**3,288**	4,516
Adjustment for non-cash items		
Depreciation of tangible fixed assets	**7,887**	7,798
(Increase) / decrease in stock	**(351)**	(2,130)
(Increase) / decrease in trade and other debtors	**314**	(94)
Increase / (decrease) in trade and other creditors	**1,438**	(584)
Pension costs less contributions payable	**(453)**	(411)
Carrying amount of tangible fixed asset disposals	**1,299**	(288)
Share of operating surplus in Eione LLP	**-**	(77)
Gain on acquisition	**-**	(271)
Deferred Government grants utilised in the year	**(771)**	(722)
Actuarial loss / (gain)	**612**	457
Adjustments for investing or financing activities		
(Gain)/loss on disposal of tangible fixed assets	**(515)**	(885)
Interest and financing costs	**8,090**	6,650
Interest receivable	**(41)**	(16)
Net cash generated from operating activities	**20,797**	13,943

The notes on pages 52 to 94 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2024

1. Legal Status

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

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

The group comprises the following entities:

Name	Incorporation	Registered/ Non-Registered
Acis Group Limited	Companies Act 2006	Registered
Acis Management Limited (Dormant)	Companies Act 2006	Non-Registered
Acis Development Services Limited	Companies Act 2006	Non-Registered
Prime Repairs and Maintenance Limited (Dormant)	Companies Act 2006	Non-Registered
Acis HomePlus Limited	Companies Act 2006	Non-Registered
Acis Properties Limited (Dormant)	Companies Act 2006	Non-Registered
Riverside Access and Training Centre Gainsborough Community Interest Company	Companies Act 2006	Non-Registered
Community Learning in Partnership Community Interest Company	Companies Act 2006	Non-Registered
Eione LLP (Dissolved 7 May 2027)	Limited Liability Partnerships Act 2000	Non-Registered

2. Principal Accounting Policies

Basis of accounting

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

The accounts have been prepared on the historical cost basis of accounting and are presented in sterling £’000 for the year ended 31st March 2024.

The Group’s Financial Statements have been prepared in accordance with FRS 102. The Group meets the definition of a Public Benefit Entity (PBE).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

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

Notes to the Financial Statements

For the year ended 31 March 2024
Principal accounting policies (continued)

Basis of consolidation

The consolidated Financial Statements incorporate the results of all of its subsidiary undertakings as at 31 March 2024 using the acquisition method of accounting as required. Where the acquisition method is used the results of the subsidiary undertakings are included from the date of acquisition, being the date the Group obtains control.

Going Concern

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

The Group's activities, its current financial position and factors likely to affect its future development are set out within the Operating and Financial Review. The Group has in place long-term debt facilities, a revolving credit facility, cash reserves, and generates positive cash from core operations. Our net current liability position at 31 March 2024 was expected and is not considered to be a going concern issue. The net liability position was a result of reduced cash balances held at the year-end with undrawn secured loans, of which there were £32m at 31 March 2024, only being drawn when necessary for effective cashflow management.

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

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

a. **Development expenditure –** The Group capitalises development expenditure in accordance with the accounting policy described on page 56. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

b. **Categorisation of Housing Properties** - The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that no current rented properties or student accommodation should be classed as investment properties.

c. **Impairment –** Where it is recognised that there is a permanent diminution in value of any property, the full reduction in value is written off to the Statement of Comprehensive Income in the year in which the diminution is recognised. An impairment review carried out for the year concluded that no assets were to be impaired resulting in no charge in 2023/24 financial statements. In arriving at this conclusion, the Group used numerous indicators including 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.

Notes to the Financial Statements

For the year ended 31 March 2024
Principal accounting policies (continued)

Other key sources of estimation and assumptions:

Tangible fixed assets – Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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

Pension and other post-employment benefits – The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates, inflation and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount 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 9.

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

An impairment review carried out for the year concluded that no assets were to be impaired resulting in no charge in 2023/24 financial statements.

Notes to the Financial Statements

For the year ended 31 March 2024
Principal accounting policies (continued)

Acquisition accounting

Acis Development Services Limited; Acis HomePlus Limited, Riverside Access and Training Centre Gainsborough Community Interest Company and Community Learning in Partnership Community Interest Company have been included in the group financial statements using the purchase method of accounting.

Accordingly, the group statement of comprehensive income and statement of cash flows include the results and cash flows of the above Companies for the current accounting period.

Turnover and revenue recognition

Turnover represents rental income and service charges receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership, and other properties developed for outright sale, and other income and is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group in the main operates variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges are based on the last full financial year costs. 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 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 in the year in which the redemption took place.

Taxation

The parent Association became a registered charity on 1 April 2011 and from this date any surpluses or deficits arising from its charitable activities have been exempt from Corporation tax.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. 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. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

Notes to the Financial Statements

For the year ended 31 March 2024
Principal accounting policies (continued)

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

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

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

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

Value Added Tax

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

Tangible Fixed Assets and Depreciation

Housing properties and Student Accommodation

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 March 2024
Principal accounting policies (continued)

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

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 association 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:

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

The association 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.

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 properties into their intended use.

Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

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

Notes to the Financial Statements

For the year ended 31 March 2024

Principal accounting policies (continued)

Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Stock and properties held for sale

Stock 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.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

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

Stock swaps

Where an agreement is entered into with another PRP to swap housing stock, the outgoing stock is treated as a disposal with a gain/loss recorded in profit or loss. The incoming stock is measured at fair value.

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 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 Homes England. 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.

Non-monetary government grant

On disposal of assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Notes to the Financial Statements

For the year ended 31 March 2024
Principal accounting policies (continued)

Recycling of Capital Grant

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

The voluntary right to buy Midlands Pilot scheme ended during 2019/20, the net receipt from the sales were recycled into a recycled grant fund within creditors. This fund is to be used for a one for one replacement.

Holiday pay accrual

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

Retirement benefits

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

The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the Group has a participating interest.

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

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

Income and Expenditure Reserve

The Group generates reserves:

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

Due to the decline in social housing grant (SHG) and other capital grants available to the sector over recent years, the Group continues to commit more of its reserves to financing investment in new homes and larger maintenance programmes. This approach not only enables greater investment, but it also reduces interest costs as additional loan finance can be kept to a minimum.

Notes to the Financial Statements

For the year ended 31 March 2024
Principal accounting policies (continued)

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In 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.

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.

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

Impairment of Financial Assets

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

The following financial instruments are assessed individually for impairment:

a. All equity instruments regardless of significance, and

b. Other financial assets that are individually significant

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics. An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

Notes to the Financial Statements

For the year ended 31 March 2024

Principal accounting policies (continued)

a. For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

b. For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset 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 profit or loss immediately.

Notes to the Financial Statements

For the year ended 31 March 2024

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

Group — 2024

	Turnover £'000	Cost of Sales £'000	Operating expenditure £'000	Operating Surplus / (Deficit) £'000
Social Housing Lettings	33,292	-	(24,298)	**8,994**
Other social housing activities				
First tranche low cost home ownership sales	2,690	(2,295)	-	395
	2,690	**(2,295)**	**-**	**395**
Non-social housing activities				
Other lettings	246	-	(66)	180
Student accommodation lettings	4,880	-	(3,486)	1,394
Properties for outright sale	1,273	(1,304)	-	(31)
Externally funded support initiatives	192	-	(216)	(24)
Other	1,797	-	(1,220)	577
	8,388	**(1,304)**	**(4,988)**	**2,096**
	44,370	**(3,599)**	**(29,286)**	**11,485**

Group — 2023

	Turnover £'000	Cost of Sales £'000	Operating expenditure £'000	Operating Surplus £'000
Social Housing Lettings	30,472	-	(22,790)	**7,682**
Other social housing activities				
First tranche low cost home ownership sales	2,004	(1,516)	-	488
	2,004	**(1,516)**	**-**	**488**
Non-social housing activities				
Other lettings	243	-	(96)	147
Student accommodation lettings	4,870	-	(3,220)	1,650
Properties for outright sale	173	(137)	-	36
Eione - non group sourced turnover	117	-	-	117
Externally funded support initiatives	358	-	(358)	-
Other	1,831	-	(1,528)	303
	7,592	**(137)**	**(5,202)**	**2,253**
	40,068	**(1,653)**	**(27,992)**	**10,423**

Notes to the Financial Statements

For the year ended 31 March 2024

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

Association	2024			
	Turnover £'000	**Cost of Sales £'000**	**Operating expenditure £'000**	**Operating Surplus / (Deficit) £'000**
Social Housing Lettings	33,292	-	(24,357)	**8,935**
Other social housing activities				
First tranche low cost home ownership sales	2,690	(2,295)	-	395
	2,690	**(2,295)**	**-**	**395**
Non-social housing activities				
Other lettings	256	-	(72)	184
Student accommodation lettings	4,880	-	(3,722)	1,158
Properties for outright sale	1,273	(1,304)	-	(31)
Intra-group service level agreements	161	-	-	161
Externally funded support initiatives	192	-	(216)	(24)
Other	656	-	(41)	615
	7,418	**(1,304)**	**(4,051)**	**2,063**
	43,400	**(3,599)**	**(28,408)**	**11,393**

Association	2023			
	Turnover £'000	**Cost of Sales £'000**	**Operating expenditure £'000**	**Operating Surplus £'000**
Social Housing Lettings	30,472	-	(22,855)	**7,617**
Other social housing activities				
First tranche low cost home ownership sales	2,004	(1,516)	-	488
	2,004	**(1,516)**	**-**	**488**
Non-social housing activities				
Other lettings	243	-	(96)	147
Student accommodation lettings	4,870	-	(3,214)	1,656
Properties for outright sale	173	(137)	-	36
Intra-group service level agreements	226	-	-	226
Externally funded support initiatives	358	-	(358)	-
Other	502	-	(53)	449
	6,372	**(137)**	**(3,721)**	**2,514**
	38,848	**(1,653)**	**(26,576)**	**10,619**

Notes to the Financial Statements

For the year ended 31 March 2024

Particulars of Income and Expenditure from Social Housing Lettings

Group	General Housing £'000	Supported Housing and housing for older people £'000	Shared Ownership £'000	2024 Total £'000	2023 £'000
Turnover from social housing lettings					
Rent receivable net of service charges and voids	28,618	1,215	1,768	**31,601**	28,984
Service charges receivable	411	362	152	**925**	772
Amortised Government Grants	696	-	70	**766**	716
Turnover from Social Housing lettings	29,725	1,577	1,990	**33,292**	30,472
Expenditure on social housing lettings					
Management	(4,374)	(180)	(426)	**(4,980)**	(4,464)
Service charge costs	(583)	(513)	(216)	**(1,312)**	(1,212)
Routine maintenance	(5,925)	(261)	-	**(6,186)**	(5,398)
Planned maintenance	(1,871)	(82)	-	**(1,953)**	(1,574)
Major Repairs	(1,621)	(72)	-	**(1,693)**	(2,183)
Bad Debts	(272)	-	-	**(272)**	(226)
Depreciation of housing properties	(6,356)	(283)	(278)	**(6,917)**	(6,716)
Other Costs	(943)	(42)	-	**(985)**	(1,017)
Operating expenditure on social housing lettings	(21,945)	(1,433)	(920)	**(24,298)**	(22,790)
Operating surplus on social housing	7,780	144	1,070	**8,994**	7,682
Void losses (being rental income lost as a result of property not being let, although it is available for lettings)	(287)	(11)	(38)	(336)	(305)

Expenditure on social housing lettings in the year included £346k relating to operating leases (2023: £262k).

Notes to the Financial Statements

For the year ended 31 March 2024

Particulars of Income and Expenditure from Social Housing Lettings

Association	**General Housing £'000**	**Supported Housing and housing for older people £'000**	**Shared Ownership £'000**	**2024 Total £'000**	**2023 £'000**
Turnover from social housing lettings					
Rent receivable net of service charges and voids	28,618	1,215	1,768	**31,601**	28,984
Service charges receivable	411	362	152	**925**	772
Amortised Government Grants	696	-	70	**766**	716
Turnover from Social Housing lettings	29,725	1,577	1,990	**33,292**	30,472
Expenditure on social housing lettings					
Management	(4,374)	(180)	(426)	**(4,980)**	(4,464)
Service charge costs	(583)	(513)	(216)	**(1,312)**	(1,212)
Routine maintenance	(5,925)	(261)	-	**(6,186)**	(5,398)
Planned maintenance	(1,871)	(82)	-	**(1,953)**	(1,574)
Major Repairs	(1,621)	(72)	-	**(1,693)**	(2,183)
Bad Debts	(272)	-	-	**(272)**	(226)
Depreciation of housing properties	(6,415)	(283)	(278)	**(6,976)**	(6,775)
Other Costs	(943)	(42)	-	**(985)**	(1,023)
Operating expenditure on social housing lettings	(22,004)	(1,433)	(920)	**(24,357)**	(22,855)
Operating surplus on social housing	7,721	144	1,070	**8,935**	7,617
Void losses (being rental income lost as a result of property not being let, although it is available for lettings)	(287)	(11)	(38)	(336)	(305)

Expenditure on social housing lettings in the year included £346k relating to operating leases (2023: £262k).

Notes to the Financial Statements

For the year ended 31 March 2024

Particulars of Turnover from Non-Social Housing Activities

		Group		Association
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Market rented properties	**180**	171	**180**	171
Commercial properties	**8**	13	**18**	13
Private garages	**53**	53	**53**	53
Release of Capital Grants	**5**	6	**5**	6
Student accommodation lettings	**4,880**	4,870	**4,880**	4,870
Properties for outright sale	**1,273**	173	**1,273**	173
Intra-group service level agreements	**-**	-	**161**	226
Eione - non group sourced turnover	**-**	117	**-**	-
Externally funded support initiatives	**192**	358	**192**	358
Other	**1,797**	1,831	**656**	502
	8,388	7,592	**7,418**	6,372

Other turnover from non-social housing activities primarily relates to £1,140k (2023: £1,330k) from subsidiary undertakings, £374k (2023: £247k) photovoltaic income and £107k (2023: 96k) air source heat pump income.

4. Operating Surplus

This is arrived at after charging / (crediting):	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Depreciation of housing properties	**6,917**	6,716	**6,976**	6,775
Depreciation on other owned fixed assets	**655**	625	**661**	631
Depreciation of other tangible fixed assets	**316**	457	**299**	314
Amortised government grants	**(771)**	(722)	**(771)**	(722)
Auditors remuneration (Excluding VAT)				
-Fees payable for the audit of the financial statements	**30**	21	**30**	21
-Audit of the Financial Statements of the company's subsidiaries pursuant to legislations	**22**	27	**22**	27
Total audit services	**52**	48	**52**	48
-Tax compliance services	**5**	8	**5**	8
-All other services	**3**	3	**3**	3
Total non-audit services	**8**	11	**8**	11

Notes to the Financial Statements

For the year ended 31 March 2024

5. Gain on disposal / acquisition

Surplus on Sale of Fixed Assets – Housing Properties

Group — **2024**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Proceeds of sales	**450**	**377**	**121**	**948**
Less: Costs of sales	**(213)**	**(187)**	**(33)**	**(433)**
Surplus	**237**	**190**	**88**	**515**

Group — **2023**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Proceeds of sales	519	1,060	175	1,754
Less: Costs of sales	(305)	(503)	(61)	(869)
Surplus	**214**	**557**	**114**	**885**

Association — **2024**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Proceeds of sales	**450**	**377**	**121**	**948**
Less: Costs of sales	**(213)**	**(187)**	**(33)**	**(433)**
Surplus	**237**	**190**	**88**	**515**

Association — **2023**

	Shared Ownership Fully Staircased sales £'000	Right to acquire and Right to buy sales £'000	Other Property, Plant and Equipment sales £'000	Total £'000
Proceeds of sales	519	1,060	175	1,754
Less: Costs of sales	(305)	(503)	(61)	(869)
Surplus	**214**	**557**	**114**	**885**

Notes to the Financial Statements

For the year ended 31 March 2024

5. Gain on disposal / acquisition (continued)

Gain on acquisition

In the prior year, the group acquired Community Learning in Partnership Community Interest Company on 1 August 2022 which resulted in a gain on acquisition being the entity's reserves at the acquisition date.

There was no consideration, the assets and liabilities of Community Learning in Partnership CIC on the date of transfer have been brought into Acis Group Limited at the net book value of £270,617. The net book value was judged to equal fair value.

6. Interest Receivable and Other Income

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
On financial assets measured at amortised cost:				
Interest Receivable:				
Interest receivable on bank deposits	**41**	16	**40**	16
Loan interest from subsidiary company	**-**	-	**6**	33
	41	16	**46**	49

7. Interest Payable and Financing Costs

		Group		Association	
	Note	**2024**	**2023**	**2024**	**2023**
		£'000	**£'000**	**£'000**	**£'000**
On financial liabilities measured at amortised cost:					
On loans repayable		**8,539**	7,397	**8,524**	7,384
Amortised breakage costs release	10	**-**	(351)	**-**	(351)
Exceptional item - AHP loan write off		**-**	-	**-**	565
Other Interest		**4**	-	**4**	-
Loan Amortisation Fee		**37**	34	**37**	34
On defined benefit pension schemes					
Expected return on plan assets	9	**(345)**	(329)	**(345)**	(329)
Interest on scheme liabilities	9	**402**	360	**402**	360
		8,637	7,111	**8,622**	7,663
Less: Interest capitalised		**(547)**	(461)	**(547)**	(461)
		8,090	6,650	**8,075**	7,202
Capitalisation rate used to determine finance costs capitalised during the period		**4.3%**	4.0%	**4.3%**	4.0%

The aggregate amount of interest and finance costs included in the property additions, the capitalisation rate used was £547k at 4.3% (2023: £461k at 4.0%). £163k capitalised interest related to outright sale properties held within stock.

Notes to the Financial Statements

For the year ended 31 March 2024

8. Key Management Personnel Remuneration

The non-executive and executive directors listed on page 3, are considered to be key management personnel.

The aggregate emoluments paid to or receivable by Executive and Non-Executive Directors and Former Executive and Non-Executive Directors was:

	Basic Salary £'000	Car Allowance £'000	Pension Contributions £'000	Social Security Costs £'000	2024 Total £'000	2023 Total £'000
Executive Directors	458	48	79	63	**648**	605
Board Members						
Kathryn Smart	11	-	-	-	**11**	9
Michael Kay	3	-	-	-	**3**	10
Julie Haywood	7	-	-	-	**7**	2
Graham Ward	4	-	-	-	**4**	6
Bruce Kerr	7	-	-	-	**7**	7
Carole Hodson	8	-	-	-	**8**	7
Nigel Whitaker	3	-	-	-	**3**	8
Suzanne Bolton	-	-	-	-	**-**	4
Ronan O'Hara	5	-	-	-	**5**	5
Paul Satchwell	6	-	-	-	**6**	8
Paul Wilkin	7	-	-	-	**7**	2
Holly Wilson	3	-	-	-	**3**	-
John Westby	3	-	-	-	**3**	-
Sami Mirza	3	-	-	-	**3**	-
	528	**48**	**79**	**63**	**718**	673

Expenses paid during the year to Board members amounted to £465 (2023: £446). The emoluments of the highest paid director, the Chief Executive, excluding pension contributions and social security costs, were £154,765 (2023: £145,645).

The current Chief Executive, Greg Bacon, was appointed in May 2016. Greg Bacon is an ordinary member of the Social Housing Defined Contribution Pension Scheme and no enhanced or special terms apply. The employer contributions for the Chief Executive were £18,146 (2023: £18,180). Acis Group Limited does not make any further contribution to an individual pension arrangement for the Chief Executive.

Notes to the Financial Statements

For the year ended 31 March 2024

9. Employee Information

Average monthly number of employees expressed in full time equivalents:	**Group**		**Association**	
	2024	**2023**	**2024**	**2023**
Administration	**59**	67	**59**	63
Development	**20**	8	**20**	8
Operational	**187**	219	**187**	213
	266	294	**266**	284

The monthly average number of full-time equivalent employees is based on contracted hours of 40-48 hours per week for operatives and student security or 37 hours per week for all other employees

Employee Costs

	Group		**Association**	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Wages and salaries	**8,793**	9,122	**8,793**	8,862
Social security costs	**823**	878	**823**	860
Other pension costs	**902**	627	**902**	623
	10,518	10,627	**10,518**	10,345

Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000

	2024	**2023**
	Number	**Number**
£60,001 - £70,000	**3**	6
£70,001 - £80,000	**6**	7
£80,001 - £90,000	**3**	-
£90,001 - £100,000	**-**	-
£100,001 - £110,000	**-**	-
£110,001 - £120,000	**-**	1
£120,001 - £130,000	**1**	1
£130,001 - £140,000	**1**	1
£140,001 - £150,000	**1**	-
£150,001 - £160,000	**-**	-
£160,001 - £170,000	**-**	1
£170,001 - £180,000	**1**	-

Notes to the Financial Statements

For the year ended 31 March 2024

Pension Obligations

During the year ended 31 March 2024 the employees of the Group participated in the Social Housing Pension Scheme (SHPS).

Contributions are made to SHPS for both defined benefit and defined contribution schemes.

The SHPS scheme is open to all executive officers and employees of the Association.

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

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 March 2024

Principal Actuarial Assumptions

	At 31 March 2024	At 31 March 2023
Inflation assumption (RPI)	**3.09%**	3.16%
Discount rate for scheme liabilities	**4.92%**	4.83%
Inflation assumption (CPI)	**2.79%**	2.81%
Salary growth	**3.79%**	3.81%
Commutation of pensions to lump sums	**75% of maximum allowance**	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

Life expectancy at age 65	At 31 March 2024 Years	At 31 March 2023 Years
Retiring today		
Males	**20.5**	21.0
Females	**23.0**	23.4
Retiring in 20 years		
Males	**21.8**	22.2
Females	**24.4**	24.9

Analysis of the amount recognised in the statement of comprehensive Income

	At 31 March 2024 £'000	At 31 March 2023 £'000
Employer service cost (current)	**60**	79
Expenses	**11**	10
Interest on pension Liabilities	**57**	31
Amount recognised in the statement of comprehensive income	**128**	120

Notes to the Financial Statements

For the year ended 31 March 2024

Analysis of the amount recognised In Other Comprehensive Income

	At 31 March 2024 £'000	At 31 March 2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss) / gain	**(820)**	(5,397)
Experience gains and losses arising on the plan liabilities - gain / (loss)	**(48)**	307
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain / (loss)	**80**	17
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain / (loss)	**176**	4,616
Total amount recognised in other comprehensive income - (loss) / gain	**(612)**	(457)

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

	At 31 March 2024 £'000	At 31 March 2023 £'000
Fair value of plan assets at start of period	**6,936**	11,672
Interest income	**345**	329
Experience on plan assets (excluding amounts included in interest income) - (loss) / gain	**(820)**	(5,397)
Contributions by the employer	**524**	500
Contributions by plan participants	**9**	17
Benefits paid and expenses	**(152)**	(185)
Fair value of plan assets at end of period	**6,842**	6,936

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was -£475k (2023: -£5,068k).

Notes to the Financial Statements

For the year ended 31 March 2024

Reconciliation of opening and closing balances of the defined benefit obligation

	At 31 March 2024 £'000	At 31 March 2023 £'000
Defined benefit obligation at start of period	**8,338**	12,997
Current service cost	**60**	79
Expenses	**11**	10
Interest expense	**402**	360
Contributions by plan participants	**9**	17
Actuarial (gains) / losses due to scheme experience	**48**	(307)
Actuarial (gains) / losses due to changes in demographic assumptions	**(80)**	(17)
Actuarial (gains) / losses due to changes in financial assumptions	**(176)**	(4,616)
Benefits paid and expenses	**(152)**	(185)
Defined benefit obligation at end of period	**8,460**	8,338

Notes to the Financial Statements

For the year ended 31 March 2024

Fair value of plan assets, present value of defined benefit obligation, and defined benefit liability	**At 31 March 2024 £'000**	**At 31 March 2023 £'000**
Fair value of plan assets	**6,842**	6,936
Present value of defined benefit obligation	**(8,460)**	(8,338)
(Deficit) in plan	**(1,618)**	(1,402)
Unrecognised surplus	**-**	-
Defined benefit (liability) to be recognised	**(1,618)**	(1,402)

Assets	**At 31 March 2024 £'000**	**At 31 March 2023 £'000**
Global Equity	**682**	129
Absolute Return	**267**	75
Distressed Opportunities	**241**	210
Credit Relative Value	**224**	262
Alternative Risk Premia	**217**	13
Emerging Markets Debt	**89**	37
Risk Sharing	**401**	511
Insurance-Linked Securities	**35**	175
Property	**275**	299
Infrastructure	**691**	792
Private Equity	**6**	0
Private Debt	**269**	309
Opportunistic Illiquid Credit	**267**	297
High Yield	**1**	24
Cash	**135**	50
Long Lease Property	**44**	209
Secured Income	**204**	318
Liability Driven Investment	**2,785**	3,195
Currency Hedging	**(3)**	13
Net Current Assets	**12**	18
Total assets	**6,842**	6,936

Notes to the Financial Statements

For the year ended 31 March 2024

10. Exceptional Item

Amortised Breakage costs

The Association incurred an Exceptional Item charge of £3.5 million relating to the refinancing of the Association's loan facility on 31 January 2013. The loan portfolio contained a number of fixed loans whose maturity expired after the refinancing date and which led to 'breakage costs' of £3.5 million being levied by the bank as the old facility was terminated. The breakage costs have been rolled up into a new finance facility and will be paid over the ten-year life of the new loan, thus releasing the liability over the term of the new loan. Accounting convention requires these costs to be accrued and charged to the Statement of Consolidated Income in the year, with the creditor to be amortised over the period the cash is paid. This amortisation results in an exceptional credit of £Nil included in interest payable (2023: £350,525).

11. Gift Aid

During the year, the Association was gifted £195,088 (2023: £147,224) from group companies. The receipt of gift aid by the Association from its subsidiaries is based on the subsidiaries taxable surpluses. During the year to 31 March 2019 Acis Group Limited entered into a gift aid deed of covenant with Acis Management Limited and Acis Development Services Limited. During the year to 31 March 2021 Acis Group Limited entered into a gift aid deed of covenant with Riverside Access and Training Centre Gainsborough Community Interest Company. See note 29 for a breakdown of the receipts.

12. Tax on Surplus on Ordinary Activities

The group corporation tax charge for the year is a charge of £50,545 (2023: Recovery of £57,335).

The tax assessed is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Surplus on ordinary activities before tax	**3,951**	4,945	**4,074**	4,498
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the uk of 25% (19%)	**989**	940	**1,019**	855
Effects of:				
Adjustments in respect to previous periods	**-**	(57)	**-**	(40)
- Expenses not deductible for tax	**-**	-	**-**	-
- Tax exempt charitable income	**(940)**	(940)	**(971)**	(855)
- Short term timing differences	**3**	-	**-**	-
- Gift aid (utilised) / not utilised	**-**	-	**-**	-
- Taxation on group activities	**-**	-	**-**	-
	51	(57)	**48**	(40)

Notes to the Financial Statements

For the year ended 31 March 2024

13. Tangible Fixed Assets – Properties

GROUP	Social Housing properties held for letting	Non-Social Housing properties held for letting	Total Housing properties held for letting	Social Housing properties under construction	Non-Social Housing properties under construction	Total Housing properties under construction	Completed Shared Ownership housing properties	Shared Ownership properties under construction	Total
Fixed Assets - Properties	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
COST									
At 31st March 2023	254,601	47,962	302,563	12,681	-	12,681	39,348	6,147	**360,739**
Additions to properties acquired	1,193	-	1,193	14,931	-	14,931	-	4,488	**20,612**
Works to existing properties	6,847	51	6,898	-	-	-	-	-	**6,898**
Interest capitalised	-	-	-	184	-	184	-	200	**384**
Schemes completed in year	8,754	-	8,754	(8,754)	-	(8,754)	5,940	(5,940)	**-**
Disposals	(1,334)	(7)	(1,341)	-	-	-	(892)	-	**(2,233)**
At 31st March 2024	**270,061**	**48,006**	**318,067**	**19,042**	**-**	**19,042**	**44,396**	**4,895**	**386,400**
DEPRECIATION AND IMPAIRMENT									
At 31st March 2023	62,652	6,312	68,964	285	-	285	1,994	-	**71,243**
Depreciation Charged in year	6,639	655	7,294	-	-	-	278	-	**7,572**
Impairment Charged in year	285	-	285	(285)	-	(285)	-	-	**-**
Eliminated on disposals	(1,194)	(7)	(1,201)	-	-	-	(15)	-	**(1,216)**
At 31st March 2024	**68,382**	**6,960**	**75,342**	**-**	**-**	**-**	**2,257**	**-**	**77,599**
NET BOOK VALUE									
At 31st March 2024	**201,679**	**41,046**	**242,725**	**19,042**	**-**	**19,042**	**42,139**	**4,895**	**308,801**
At 31st March 2023	191,949	41,650	233,599	12,396	-	12,396	37,354	6,147	289,496

Notes to the Financial Statements

For the year ended 31 March 2024

13. Tangible Fixed Assets – Properties

ASSOCIATION	Social Housing properties held for letting	Non-Social Housing properties held for letting	Total Housing properties held for letting	Social Housing properties under construction	Non-Social Housing properties under construction	Total Housing properties under construction	Completed Shared Ownership housing properties	Shared Ownership properties under construction	Total
Fixed Assets - Properties	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
COST									
At 31st March 2023	256,271	48,010	304,281	13,496	-	13,496	39,377	6,170	**363,324**
Additions to properties acquired	1,193	-	1,193	15,199	-	15,199	-	4,488	**20,880**
Works to existing properties	6,847	51	6,898	-	-	-	-	-	**6,898**
Interest capitalised	-	-	-	184	-	184	-	200	**384**
Schemes completed in year	8,754	-	8,754	(8,754)	-	(8,754)	5,940	(5,940)	**-**
Disposals	(1,334)	(7)	(1,341)	-	-	-	(892)	-	**(2,233)**
At 31st March 2024	**271,731**	**48,054**	**319,785**	**20,125**	**-**	**20,125**	**44,425**	**4,918**	**389,253**
DEPRECIATION AND IMPAIRMENT									
At 31st March 2023	63,205	6,385	69,590	285	-	285	1,994	-	**71,869**
Depreciation Charged in year	6,698	661	7,359	-	-	-	278	-	**7,637**
Impairment Charged in year	285	-	285	(285)	-	(285)	-	-	**-**
Eliminated on disposals	(1,195)	(7)	(1,202)	-	-	-	(15)	-	**(1,217)**
At 31st March 2024	**68,993**	**7,039**	**76,032**	**-**	**-**	**-**	**2,257**	**-**	**78,289**
NET BOOK VALUE									
At 31st March 2024	**202,738**	**41,015**	**243,753**	**20,125**	**-**	**20,125**	**42,168**	**4,918**	**310,964**
At 31st March 2023	193,066	41,625	234,691	13,211	-	13,211	37,383	6,170	291,455

Notes to the Financial Statements

For the year ended 31 March 2024

13. Tangible Fixed Assets – Properties (continued)

Expenditure to works on existing properties:

		Group		Association
	2024	**2023**	**2024**	**2023**
Improvement works capitalised	**6,898**	8,257	**6,898**	8,290
Major Repairs charged to income and expenditure account	**1,693**	2,183	**1,693**	2,183
	8,591	10,440	**8,591**	10,473

The aggregate amount of interest and finance costs included in the property additions, the capitalisation rate used was £547k at 4.3% (2023: £461k at 4.0%). £163k capitalised interest related to outright sale properties held within stock.

Property additions and works to existing properties include £830k (2023: £508k) for direct administrative costs capitalised during the year.

Housing property fixed assets are secured against loans by specific charges on 6,168 (2023: 6,177) of the Group's housing units.

The net book value of assets pledged as security is £163,726k (2023: £163,864k).

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

		Group		Association
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Freehold land and buildings	**311,044**	291,681	**313,293**	292,999

Impairment

An impairment review carried out for the year concluded that following a management review there was no impairment provision required in the 2023/24 financial statements. In arriving at this conclusion, the Group used numerous indicators including 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.

Notes to the Financial Statements

For the year ended 31 March 2024

14. Tangible Fixed Assets – Other

Group	Freehold Offices £'000	Office Furniture, Fixtures and Fittings £'000	Computers and Office Equipment £'000	Motor Vehicles £'000	Depot Tools & Equipment £'000	Total £'000
COST						
At 31 March 2023	**3,205**	**569**	**2,282**	**391**	**108**	**6,555**
Additions	780	6	194	-	2	982
Disposals	(737)	(22)	(447)	(35)	(4)	(1,245)
At 31 March 2024	3,248	553	2,029	356	106	6,292
DEPRECIATION						
At 31 March 2023	**1,021**	**391**	**1,703**	**269**	**106**	**3,490**
Charged in year	48	41	202	25	-	316
Eliminated on disposals	(64)	(21)	(438)	(5)	(2)	(530)
At 31 March 2024	1,005	411	1,467	289	104	3,276
NET BOOK VALUE						
At 31 March 2024	**2,243**	**142**	**562**	**67**	**2**	**3,016**
At 31 March 2023	2,184	178	579	122	2	3,065

Association	Freehold Offices £'000	Office Furniture, Fixtures and Fittings £'000	Computers and Office Equipment £'000	Motor Vehicles £'000	Depot Tools & Equipment £'000	Total £'000
COST						
At 31 March 2023	**1,714**	**449**	**2,249**	**200**	**102**	**4,714**
Additions	825	-	194	-	2	1,021
Disposals	-	-	(442)	(35)	-	(477)
At 31 March 2024	2,539	449	2,001	165	104	5,258
DEPRECIATION						
At 31 March 2023	**171**	**286**	**1,677**	**76**	**100**	**2,310**
Charged in year	39	34	201	25	-	299
Eliminated on disposals	-	-	(433)	(5)	-	(438)
At 31 March 2024	210	320	1,445	96	100	2,171
NET BOOK VALUE						
At 31 March 2024	**2,329**	**129**	**556**	**69**	**4**	**3,087**
At 31 March 2023	1,543	163	572	124	2	2,404

Notes to the Financial Statements

For the year ended 31 March 2024

15. Investment in Subsidiaries

The Group comprises the following entities all registered in England:

Name	Incorporation and Ownership	Regulated / Non-Regulated	Nature of Business
Acis Group Limited	Company – 100%	Regulated	RHP
Acis Management Limited	Company – 100%	Non-Regulated	Dormant
Acis Development Services Limited	Company – 100%	Non-Regulated	Developer of Social and Non-social Housing
Prime Repairs and Maintenance Limited	Company – 100%	Non-Regulated	Dormant
Acis HomePlus Limited	Company – 100%	Non-Regulated	Disabled Adaptations
Riverside Access and Training Centre Gainsborough Community Interest Company	Company – 100%	Non-Regulated	Training services
Community Learning in Partnership Community Interest Company	Company – 100%	Non-Regulated	Training services
Acis Properties Limited	Company – 100%	Non-Regulated	Dormant
Eione LLP	LLP – 60%	Non-Regulated	Dissolved 7 May 2024

Acis Group Limited has the right to appoint members to the boards of the eight subsidiaries and thereby exercises control over them. Acis Management Limited, Acis Development Services Limited, Prime Repairs and Maintenance Limited, Acis Properties Limited and Acis HomePlus Limited all hold £1 ordinary share capital and are wholly owned by Acis Group Limited and Riverside Access and Training Centre Gainsborough Community Interest Company and Community Learning in Partnership Community Interest Company are private companies limited by guarantee without share capital. Acis Management Limited was the 60% majority partner in Eione LLP.

From the 1 April 2022 the activities of Prime Repairs and Maintenance and from 1 September 2022 the activities of Eione LLP both transferred back into Acis Group Limited. Prime Repairs and Maintenance and Acis Management Limited are now dormant Eione LLP was voluntarily struck off 30 April 2024 and the LLP was dissolved 07 May 2024.

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

Notes to the Financial Statements

For the year ended 31 March 2024

16. Stock

	Group			Association
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Stock of vouchers	**4**	1	**4**	1
Properties held for sale				
Shared Ownership properties:				
Completed	**827**	444	**827**	444
Work in progress	**1,545**	2,057	**1,545**	2,057
Outright Sale Properties:				
Completed	**1,986**	1,310	**1,986**	1,310
Work in progress	**464**	663	**-**	659
	4,826	4,475	**4,362**	4,471

None of the above stock is pledged as security for liabilities.

Notes to the Financial Statements

For the year ended 31 March 2024

17. Trade and Other Debtors

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Due Within One Year				
Social: Rent and Service Charges Receivable	**950**	786	**950**	786
Less: Social Provision for Bad and Doubtful Debts	**(757)**	(700)	**(757)**	(700)
Student: Rent and Service Charges Receivable	**170**	416	**170**	416
Less: Student Provision for Bad and Doubtful Debts	**(120)**	(137)	**(120)**	(137)
	243	365	**243**	365
Amounts due from Group Undertakings	**-**	-	**318**	400
Other Debtors	**480**	834	**274**	413
Prepayments and Accrued Income	**785**	623	**785**	623
	1,508	1,822	**1,620**	1,801
Due After More Than One Year				
Amounts due from Group Undertakings	**-**	-	**720**	70
	1,508	1,822	**2,340**	1,871

18. Cash and Cash Equivalents

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Short Term Investments	**1,789**	1,245	**1,789**	1,245
Cash at bank	**830**	1,075	**540**	504
Cash in hand	**1**	1	**-**	-
	2,620	2,321	**2,329**	1,749

In the above are balances totaling £132,783 (2023: £114,061) which are held in trust for leaseholders

Notes to the Financial Statements

For the year ended 31 March 2024

19. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Loans (Note 21)	**1,446**	1,633	**1,446**	1,633
Trade Creditors	**5,632**	2,547	**3,381**	698
Other grants received in advance	**-**	49	**-**	49
Amounts owed to group undertakings	**-**	-	**2,831**	1,666
Rent and service charges paid in advance	**1,079**	941	**1,079**	941
Corporation tax	**48**	-	**48**	-
Other taxation and social security payable	**232**	247	**232**	247
Accruals and deferred income	**2,782**	3,462	**2,782**	3,462
Deferred capital grant (Note 22)	**720**	720	**720**	720
Recycled capital grant fund (Note 23)	**4**	109	**4**	109
Other Creditors	**627**	1,085	**631**	851
	12,570	10,793	**13,154**	10,376

Housing property fixed assets are secured against loans by specific charges on 6,168 (2023: 6,177) of the Group's housing units and are repayable in instalments as detailed in note 21 below.

The net book value of assets pledged as security is £163,726k (2023: £163,864k).

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

		Group		Association	
		2024	2023	**2024**	2023
		£'000	£'000	**£'000**	£'000
	Note				
Debt	*21*	**194,643**	184,385	**194,643**	184,385
Deferred Capital Grant	*22*	**47,551**	43,191	**47,551**	43,191
Recycled Capital Grant Fund	*23*	**642**	592	**642**	592
Other		**141**	500	**108**	52
		242,977	228,668	**242,944**	228,220

Housing property fixed assets are secured against loans by specific charges on 6,168 (2023: 6,177) of the Group's housing units and are repayable in instalments as detailed in note 21 below.

For the year ended 31 March 2024

21. Debt Analysis

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Loans repayable by instalments				
Within one year	**1,500**	1,667	**1,500**	1,667
In one year or more but less than two years	**1,111**	15,000	**1,111**	15,000
In two years or more and less than five years	**19,123**	12,200	**19,123**	12,200
In five years or more	**47,616**	42,149	**47,616**	42,149
Loans not repayable by instalments				
In two years or more and less than five years	**62,300**	60,400	**62,300**	60,400
In five years or more	**65,000**	55,000	**65,000**	55,000
	196,650	186,416	**196,650**	186,416
Less: Loan arrangement fees	**(561)**	(398)	**(561)**	(398)
	196,089	186,018	**196,089**	186,018

Financial Instruments

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

Housing loans bear fixed rates of interest ranging from 2.25% to 6.66% or variable rates based on a margin above the Sterling Overnight Index Average (SONIA). The final instalments fall to be repaid in the period 2025 to 2045. No standalone derivative transactions have been entered into by the Group.

Bullet Loans

The Group's financing facility includes four bullet loans, two of which are with M&G Investment Management Limited totaling £30,000,000. The bullet loans accrue interest six monthly at a rate of 4.19% and 4.22%. The bullet loans are due for repayment in 2045. The remaining two are with RBS / Natwest totalling £77,500,000. The bullet loans accrue interest quarterly at a rate of between 3.45% and 7.16%. The bullet loans are due for repayment in 2027 and 2042 respectively. These loans are all secured by a charge over the Group's housing properties.

Revolver Loan

The Group has a £29,500,000 Revolver Loan Facility with RBS / Natwest which is drawn to a value of £19,800,000 and forms part of the £107,000,000 Secured Facility Agreement. Non utilisation interest payable is charged at 0.40%.

Other Loans

The Group's financing facility includes 10 (2023: 10) other loans totaling £69,350,000 (2023: £71,016,666) from three lenders, Dexia Bank, Danske Bank and M&G. This portfolio includes both fixed and variable rate loans which accrue interest on a quarterly basis. The variable rate loans bear interest of SONIA + 1.70%. The fixed rate loans bear interest ranging from 2.25% to 5.26% (2023: 2.25% to 5.26%).

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

Notes to the Financial Statements

For the year ended 31 March 2024

The interest rate profile of the Group at 31st March 2024 was:

	Total £'000	Variable Rate £'000	Fixed Rate £'000	Weighted Average Rate %	Weighted Average Term Years
Instalment loans	69,350	8,771	60,579	3.86%	7
Non-instalment loans	127,300	33,650	93,650	4.94%	11
	196,650	**42,421**	**154,229**	**4.56%**	**18**

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

	Total £'000	Variable Rate £'000	Fixed Rate £'000	Weighted Average Rate %	Weighted Average Term Years
Instalment loans	71,016	9,145	61,871	3.69%	8
Non-instalment loans	115,400	26,750	88,650	4.67%	12
	186,416	**35,895**	**150,521**	**4.30%**	**20**

At 31st March 2024 the Group has the following borrowing facilities:

2024	**£'000**
Undrawn secured facility	22,583
Undrawn revolving facility	9,700
Total	**32,283**

At 31st March 2023 the Group has the following borrowing facilities:

2023	**£'000**
Undrawn / unsecured committed facilities	10,000
Undrawn facilities	11,600
Total	**21,600**

Housing property fixed assets are secured against loans by specific charges on 6,168 (2023: 6,177) of the Group's housing units.

Notes to the Financial Statements

For the year ended 31 March 2024

22. Deferred Capital Grant

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
At start of year	**43,911**	43,134	**43,911**	43,134
Grant received in the year	**5,072**	1,531	**5,072**	1,531
Utilisation of Recycled Capital Grants (note 23)	**105**	115	**105**	115
Released to income in the year	**(771)**	(722)	**(771)**	(722)
Recycled in the year (note 23)	**(46)**	(147)	**(46)**	(147)
At the end of the year	**48,271**	43,911	**48,271**	43,911
Analysis				
Amounts to be released within one year	**720**	720	**720**	720
Amounts to be released in more than one year	**47,551**	43,191	**47,551**	43,191
	48,271	43,911	**48,271**	43,911

23. Recycled Capital Grant Fund

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
At the start of the year	**701**	669	**701**	669
Inputs to Fund:				
Grants recycled from deferred capital grants fund	**46**	147	**46**	147
Interest attributable to RCGF	**4**	-	**4**	-
Use of Fund:	**(105)**	(115)	**(105)**	(115)
	646	701	**646**	701
Repayment of grant to Homes England	**-**	-	**-**	-
At the end of the year	**646**	701	**646**	701
Amount three years or older where repayment may be required	**-**	-	**-**	-
Due within one year	**4**	109	**4**	109
Due in more than one year	**642**	592	**642**	592

Acis Group currently holds RCGF grant that it wishes to utilise on an identified development scheme. Discussions are currently being progressed with Homes England to agree proposals.

£46k relates to amounts arisen in the year and are due in more than one year.

Acis Group Limited acquired properties with associated government grant during 2019. In the event of these properties being disposed, Acis Group Limited is liable for the recycling of the associated government grant. At 31 March 2024 the value of this liability is £8,582k (2023 £8,637k).

Notes to the Financial Statements

For the year ended 31 March 2024

24. Share Capital

The Association is limited by Guarantee and does not issue shares.

25. Accommodation in Management and Ownership

	Group		Association	
	2024	2023	2024	2023
	No of Properties	No of Properties	No of Properties	No of Properties
Social housing				
Social rent	**5,055**	5,051	**5,055**	5,051
Affordable rent	**794**	739	**794**	739
Supported housing and housing for older people	**258**	258	**258**	258
Low cost home ownership	**612**	562	**612**	562
Total owned and managed	**6,719**	6,610	**6,719**	6,610
Total managed	**6,716**	6,606	**6,716**	6,606
Non-social housing				
Student accommodation	**1,131**	1,131	**1,131**	1,131
Market rent	**19**	19	**19**	19
Total owned and managed	**7,869**	7,760	**7,869**	7,760
Total managed	**7,863**	7,751	**7,863**	7,751
Accommodation in development at the year end				
Rented units	**208**	223	**208**	223
Low cost home ownership	**81**	108	**81**	108
Outright sale	**13**	25	**-**	-
Total	**302**	356	**289**	331

Residential accommodation owned

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

GROUP	2023 No of Properties	Additions No of Properties	Disposals No of Properties	Movements No of Properties	2024 No of Properties
Social housing					
Social rent	5,051	7	(3)	0	**5,055**
Affordable rent	739	56	(1)	0	**794**
Supported housing and housing for older people	258	0	0	0	**258**
Low cost home ownership	562	54	(4)	0	**612**
Total owned	6,610	117	(8)	0	**6,719**
Non-social housing					
Student accommodation	1,131	0	0	0	**1,131**
Market rent	19	0	0	0	**19**
Total owned	1,150	0	0	0	**1,150**

Notes to the Financial Statements

For the year ended 31 March 2024

ASSOCIATION	2023 No of Properties	Additions No of Properties	Disposals No of Properties	Movements No of Properties	2024 No of Properties
Social housing					
Social rent	5,051	7	(3)	0	**5,055**
Affordable rent	739	56	(1)	0	**794**
Supported housing and housing for older people	258	0	0	0	**258**
Low cost home ownership	562	54	(4)	0	**612**
Total owned	6,610	117	(8)	0	**6,719**
Non-social housing					
Student accommodation	1,131	0	0	0	**1,131**
Market rent	19	0	0	0	**19**
Total owned	1,150	0	0	0	**1,150**

Accommodation managed by others

The Group owns property managed by other bodies:

GROUP	2024 No of Properties	2023 No of Properties
Supported housing and housing for older people	**3**	3
Market rent	**3**	6
Total owned not managed	**6**	9

ASSOCIATION	2024 No of Properties	2023 No of Properties
Supported housing and housing for older people	**3**	3
Market rent	**3**	6
Total owned not managed	**6**	9

Notes to the Financial Statements

For the year ended 31 March 2024

26. Capital Commitments

Tangible Fixed Asset Expenditure Commitments were as follows:

	Group		Association	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**24,155**	41,831	**21,642**	39,933
Capital expenditure that has been authorised by the Board but has not yet been contracted for	**-**	9,620	**-**	9,620
	24,155	51,451	**21,642**	49,553
The Group expects these commitments to be contracted within the next year and financed with:				
Social Housing Grant	**1,747**	8,696	**1,747**	8,696
Cash Reserves	**2,620**	2,428	**2,329**	1,856
Proceeds from the sales of properties	**10,231**	10,664	**7,483**	8,614
Revolving Credit Facility	**9,700**	11,600	**9,700**	11,600
Secured Facility	**22,583**	10,000	**22,583**	10,000
New Facility	**-**	8,063	**-**	8,787
	46,881	51,451	**43,842**	49,553

There are no performance conditions attached to the above commitments

Operating leases

At the reporting date the Group and Association have financial commitments for the lease of a fleet of vehicles, which have an annual lease cost of £174,732 (2023: £303,384).

At the reporting date the Group and Association have financial commitments for the lease of office premises in Sheffield and Gainsborough, which have an annual rental cost of £21,660 (2023: £42,399) both with a lease length of five years.

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

	Group		Association	
Operating Leases 2024	**Vehicles**	**Offices**	**Vehicles**	**Offices**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	175	22	175	22
Later than one year and not later than five years	15	10	15	10
Later than five years	-	-	-	-
	190	**32**	**190**	**32**

	Group		Association	
Operating Leases 2023	**Vehicles**	**Offices**	**Vehicles**	**Offices**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	303	42	303	42
Later than one year and not later than five years	38	41	38	41
Later than five years	-	-	-	-
	341	**83**	**341**	**83**

Notes to the Financial Statements

For the year ended 31 March 2024

27. Other Commitments

The Group and Association had no other commitments at 31 March 2024 (2023: £Nil).

28. Contingent Liabilities

The Group and Association had no contingent liabilities at 31 March 2024 (2023: £Nil).

29. Related Parties

The following are related parties:

- The Board did not have a tenant member during 2023/24, therefore no rent was charged to a Tenant Board member in year (2023: £1,487), therefore, no arrears were outstanding at the reporting period end (2023: £nil).
- Transactions with key management personnel and their close family, (including compensation paid).

Related party balances are not secured.

Transactions with Non-Registered Elements of the Business

The Association provides management services, other services and loans to non-registered subsidiaries. The Association also receives charges from its subsidiaries. The basis of those charges is set out below.

Intra Group Management Fees

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

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

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

Notes to the Financial Statements

For the year ended 31 March 2024

	2024	2023
	£'000	£'000
Income		
Provision of Management Services and Premises		
Acis Development Services Limited	**67**	68
Acis Management Limited	**-**	34
Acis HomePlus Limited	**-**	58
Riverside Access and Training Centre Gainsborough Community Interest Company	**41**	37
Community Learning in Partnership Community Interest Company	**62**	29
Recharge of salaries and overheads		
Acis HomePlus Limited	**-**	296
Riverside Access and Training Centre Gainsborough Community Interest Company	**271**	354
Community Learning in Partnership Community Interest Company	**695**	399
	1,136	1,275

Expenditure	**2024**	2023
	£'000	£'000
Property Development (Capital)		
Acis Development Services Limited	**13,737**	7,127
Property Improvements & Maintenance		
Eione LLP	**-**	391
Prime Repairs and Maintenance Limited	**-**	9
Management and Support Services		
Eione LLP	**-**	780
Riverside Access and Training Centre Gainsborough Community Interest Company	**131**	250
Community Learning in Partnership Community Interest Company	**13**	-
	13,881	8,557

Notes to the Financial Statements

For the year ended 31 March 2024

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

Amounts Owed from Group Companies	**2024 £'000**	2023 £'000
Acis Development Services Limited	**846**	73
Acis HomePlus Limited	**-**	165
Riverside Access and Training Centre Gainsborough Community Interest Company	**100**	112
Community Learning in Partnership Community Interest Company	**92**	120
	1,038	470

Amounts Owed to Group Companies	**2024 £'000**	2023 £'000
Acis Development Services Limited	**2,802**	1,510
Acis HomePlus Limited	**-**	140
Riverside Access and Training Centre Gainsborough Community Interest Company	**13**	16
Community Learning in Partnership Community Interest Company	**16**	-
	2,831	1,666

Other Intra Group Charges

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

Intra Group Interest Charges

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

Gift Aid

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

In March 2024 Acis Development Services Limited declared a gift aid payment to the Association of £195,088 (2023: £66,631).

In March 2024 Acis Management Limited did not declare a gift aid payment to the Association (2023: £80,593).

Notes to the Financial Statements

For the year ended 31 March 2024

30. Analysis of Changes in Net Debt

The Group (and Association) had the following net debt movements:

	Group			
	At Beginning of the year £'000	Cash Flows £'000	Non-cash Movements £'000	At End of Year £'000
Cash and cash equivalents	**2,321**	**299**	**-**	**2,620**
Loans Due in One Year	**(1,633)**	**187**	**-**	**(1,446)**
Loans Due After One Year	**(184,385)**	**(10,204)**	**(54)**	**(194,643)**
	(183,697)	**(9,718)**	**(54)**	**(193,469)**

	Association			
	At Beginning of the year £'000	Cash Flows £'000	Non-cash Movements £'000	At End of Year £'000
Cash and cash equivalents	**1,749**	**580**	**-**	**2,329**
Loans Due in One Year	**(1,633)**	**187**	**-**	**(1,446)**
Loans Due After One Year	**(184,385)**	**(10,204)**	**(54)**	**(194,643)**
	(184,269)	**(9,437)**	**(54)**	**(193,760)**

31. Grant and financial assistance

	Social Housing Grant £'000	GAP Funding £'000	2024 £'000	2023 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March 2024:				
Total gross grant at end of period	46,951	12,176	59,127	53,950
Total cumulative amortisation at start of period	3,702	6,337	10,039	9,170
Recognised as income in statement of Comprehensive Income in the period	325	446	771	722
Recycled in the year	46	-	46	147
Held as deferred capital grant	42,878	5,393	48,271	43,911