Elim HOUSING

Homes that change people's lives

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2024

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ENTITY INFORMATION

Board of management	S Mason (chair) M Williams BSc ACMA MCT (resigned September 2023) J Darbyshire BSc MRICS D Heyes MCIM D Stollard CEng, MBA, MAPM M Barber (resigned September 2023) S Furzland K Pennington S Palmer I McLeod BA (Hons), ACMA, ACT P Smith M Sharma J Hall (appointed November 2023) S Smith (appointed November 2023) S Davison (co-optee) (appointed March 2024)
Chief Executive	P Smith
Company Secretary	L Martin
Registration Numbers	Co-operative and Community Benefit Society 16402R Regulator of Social Housing LH0977
Registered Office	Units 3 & 4 Pinkers Court Briarlands Office Park Gloucester Road Rudgeway Bristol BS35 3QH
Solicitor	Clarke Willmott LLP 1 Georges Square Bath Street Bristol BS1 6BA
Internal auditors	Beever and Struthers St George's House 215-219 Chester Road Manchester M15 4JE
External auditor	Bishop Fleming LLP 10 Temple Back Redcliffe Bristol BS1 6FL

CHAIR'S STATEMENT

In 2023 Elim celebrated its 60th anniversary. It was an opportunity to reflect with pride on our history and growth into an organisation that provides a wide range of housing and support services across the South West and Wales. We are also proud to be a national leader in the provision of services for Gypsy, Roma and Travellers.

We reach the end of the 2023 financial year in a better position than the previous year but the operating environment remains challenging and uncertain. Continuing pressures caused by high interest rates and high costs particularly in property maintenance have impacted our overall financial performance. The team have worked hard on controlling expenditure without losing focus on the need to create safe and decent homes for our customers.

Our strong partnerships with a range of different organisations have delivered real benefits, including a new agreement with Bristol City Council for temporary accommodation. We have new management contracts and have been working closely with the NHS and other partners to provide tailored accommodation for individuals with special needs. These properties in Bristol and South Gloucestershire are tangible examples of our values and vision in practice which really change lives.

We have taken a number of steps to improve our customer satisfaction and the Board have agreed a new Customer Experience Strategy. In line with the new Consumer Standards introduced by the Social Housing Regulator, we have appointed Meenakshi Sharma as our Board Member with responsibility for Complaints. This is a key role in pulling together all our information on performance and ensuring we use the data pro-actively to identify and improve overall satisfaction.

Our property pipeline is strong and during the year we exceeded our target for new build homes, delivering both affordable housing and shared ownership homes. Work also started on long term projects. There is also an active plan of disposals in line with our new Asset Strategy, including some of our outlying property in Wales.

We have been disappointed with the performance of our maintenance supplier this year, which has impacted on overall customer satisfaction but we have taken the necessary steps to address the issue. Like many housing associations last year, we have analysed the risks of mould and damp in our properties and put in place robust processes to manage and report on the impact on our customers.

I am delighted that our team at Taylor House were nominated as team of the year in the Housing Heroes awards for 2023. Our colleagues work hard and are committed to delivering excellent service for our customers and I thank them all. We work with them continuously to improve the work environment and provide opportunities for career progression and personal development.

Towards the end of the year, the Board went through a robust evaluation of our collective and individual effectiveness conducted by an independent consultant. Whilst there are always areas for improvement, overall results were positive and also helped us recruit new Board members to fill any gaps in knowledge and experience. To that end we welcome Joanne Hall and Shawn Smith to the Board and are delighted that Stewart Davison has joined us as a co-opted Board member.

Elim have also launched a Board Development programme as part of my commitment to the Chairs Challenge from the National Housing Federation to improve diversity on Boards in our sector. We also welcome Lucy

Zarrabi and Funke Babatunde as Independent Committee Members for our Finance, Risk and Audit Committee and Richard James as an Independent Committee Member for our Development and Asset Committee.

We were sad to say goodbye to Mark Williams and Melissa Barber who had both reached the end of their terms of tenure with us and thank them both for their service.

We have a strong and committed team of Board and Committee Members and I thank them all for their guidance and support. Working together with our excellent team of colleagues, I am confident we will continue to deliver our vision to meet housing need and deliver homes that change people's lives.

Sally Mason
Chair

CHIEF EXECUTIVE'S STATEMENT

The last year has been a year of financial recovery and organisational growth and diversification.

It has also been a time for reflection and planning. July 2023 represented the 60th anniversary of the formal founding of Elim Housing by the Elim Church as it looked for a practical way to help tackle homelessness. We held stakeholder and customer events across our core geography and used the anniversary as an opportunity to discuss our Corporate Plan and our future while celebrating the work of those who came before us. A timeline of the organisation's history can be found on our website elim-housing-history-final.pdf (elimhousing.co.uk).

For Elim, as for many in the sector, the impact of wider global and domestic issues has had a profound impact upon how the business operates. Since the pandemic we have seen costs rise dramatically, an unstable government which led to an unrelenting increase in interest rates (housing is a debt business) and the rise in fuel costs.

Against this backdrop there is a completely reasonable requirement for social landlords to invest more money in improving, repairing, and ensuring the safety of our existing properties. During the year we have worked on a strategic approach which will see our geography reduce as we seek to become more efficient and locally significant. We have also earmarked an increasing number of our homes for disposal over the medium term, ensuring that we can invest in the majority of our homes. Despite these rationalisation and quality inspired disposals we have a programme of growth and development which ensures that the organisation will experience net growth, indeed over this medium term we expect to pass the 1,000 homes threshold for a greater intensity of regulation. Given this we are also ensuring that we ensure the organisation has the systems and processes in place to ensure a successful future. This included initiating a structure review to align our departmental structure to the new regulatory framework. A new customer services directorate has been created under the leadership of my Deputy Rachel Pinchin bringing together housing services with asset management and the all-important repairs service.

In the beginning of this year, we opened our first home for someone requiring Specialist Supported Accommodation with 24 hour care. The property is a three-bedroom bungalow in Bristol which was adapted to the very high standards required to provide a safe and supportive environment for the resident. Elim's vision is to meet housing needs and deliver homes that change people's lives. In this case the new resident lived in care from the age of three until they were 18 and then for a further 20 years in hospital. To provide a homely setting in the community is vital for their wellbeing and we were so pleased to make this home available for them. This was achieved by working closely with Bristol City Council on a rental and service agreement which we believe is groundbreaking and is being considered as a model nationally.

Talking of groundbreaking we started on site to build six bungalows for people with complex needs on a site in South Gloucestershire. This project is the result of incredible levels of partnership working, with South Gloucestershire making the housing available for referrals from Bristol and the scheme (which has 100% capital funding) coming from both the NHS (England) and Homes England – another first. Another project for people leaving hospital was completed at the end of the year in Gloucestershire providing two more adapted homes.

During the year we were also successful in developing our presence in Stroud District, buying a total of 12 homes for rent and shared ownership in Cam and Dursley as part of section 106 agreements.

To demonstrate our diversity, we also took on a shared ownership home this year in Bristol. This might seem run of the mill, however, the house is a single shared ownership property within a co-housing community. This did present some hurdles over the lease arrangements which meant it couldn't be funded via Homes England but again working with Bristol City Council and the purchaser we found a way through and the resident moved in for Christmas.

There has been a strong emphasis on governance this year and the importance of the Board and Committees has become more significant as the economic times have become more difficult. A recruitment for Board members produced over 30 applications and we have brought new members into both the Board and Committees and have 'promoted' two committee members to the Board. Board renewal always gives us an opportunity to both refresh the Board and to bring new required skills into our structure as the operating environment changes and develops. We brought in an independent expert to spend time with the Board assessing effectiveness and this has led to some change in year with more planned for the future.

Coming back to the pressures on the sector we have looked more forensically at building safety compliance. There is little more important than keeping our residents safe and we felt that relying on excel workbooks and manual processes left too many margins for error. This year we have evaluated a number of systems and have opted to implement a new dedicated automated system called 'True Compliance'. The implementation started this year and will be completed next. We have also dedicated a larger proportion of our resources to building safety and rectifying issues such as damp, mould and condensation.

In summary, this year has been both difficult and exciting. It has been a year of recovery and growth. Elim has put in train a range of projects and plans which will both improve our homes and services and sustain our longer-term financial future.

Paul Smith
Chief Executive

STRATEGIC REPORT

The Board of Elim Housing is pleased to present its report together with the audited financial statements of Elim Housing Association Limited (the Association) and Elim Housing Group (the group) for the year ended 31 March 2024.

About us

Elim provides homes and housing services to over 850 households across 11 local authority areas in England and Wales. Our customers include individuals and families in social rented or shared ownership homes, people with experience of homelessness who are living in our supported housing and Gypsies and Travellers living on specially developed sites that Elim have built or manage on behalf of another Local Authority.

Our vision is to meet housing need and deliver homes that change people's lives

People

Customers

Our homelessness support services continue to provide a valuable service to those in the most acute housing need. In the course of the year, 326 service users moved on from our support services to more secure and appropriate accommodation. We are also pleased to commence delivery of a new support service for rough sleepers in Bristol in partnership with St Mungos in April 2023. In the last twelve months we have also worked with over 150 Gloucestershire hospital inpatients in housing need, helping them to find appropriate accommodation on discharge.

In March 2024, the Elim Group Board approved the new Customer Experience Strategy which will aim to continuously improve our customers' experience and satisfaction with Elim's service. To achieve this, we will focus on the delivery of three main aims including the better use of data and systems to improve our customer service, more opportunities for customers to give their views and influence our services, and the sharing of a wider range of good quality and accurate performance information.

Over the last two years, our customers have told us that they can still feel frustrated when they access our services, and we are working closely with all our operational teams to ensure Elim's customers receive a consistently good quality service.

Overall satisfaction with our service is currently 71%, within the third quartile against national Housemark data, and we are seeking to improve this. Our customers are more satisfied that Elim is easy to deal with (78%) and that we treat our customers fairly and with respect (82%), but we would like to see further improvement in this area. The lowest levels of satisfaction are with our handling of complaints and ASB. Our approach to both these areas of service will be reviewed in the first year of our Customer Experience Strategy. Satisfaction with our maintenance service has also significantly dropped over the last year, and we have taken direct action to address this as a result of feedback from our customers and colleagues.

Over the last year there has been an increased focus on the expectations of the social housing sector and this is reflected in best practice, new legislation and the updated Regulatory Framework for Social Housing. Importantly, the commitments we set out in our new Customer Experience Strategy take us beyond our statutory obligations. Elim is pleased to be taking part in the Regulator for Social Housing smaller providers Tenant Satisfaction Measures (TSM) pilot, and we are aiming to submit our first set of results in June 2024.

We appointed a Board Member Responsible for Complaints in March 2024. The Member Responsible for Complaints will make sure that the customer voice is heard through complaints at Board level and they will work with our colleagues to ensure that there is a positive complaint handling culture at Elim, and to demonstrate the value that our organisation places in complaints and the insights that complaints offer.

Colleagues

Throughout the year, our colleagues have delivered excellent services in often challenging circumstances. There have been many national economic and social challenges this year, and we do not underestimate the impact this has on customers, colleagues and front-line service delivery particularly.

Our people and culture action plan for 2023/2024 focused on colleague wellbeing, learning and development and inclusion and there has been positive activity across each of these areas.

Elim's CARES values are demonstrated daily by our colleagues, delivering customer services and making a positive difference to people's lives. As over 30% of our current colleague team have joined us since the CARES values were launched, one of our goals for next year is a programme to strengthen and embed the CARES values for every member of the team.

Last year we invested over £35,000 in learning and development including leadership and skills training. We welcome the increased focus on professionalism in the housing sector and have supported our housing and support colleagues to gain professional qualifications to develop their careers.

Our focus on good mental health continues and an additional three colleagues have become Mental Health First Aiders to deliver mental health support, mindfulness and organisation-wide awareness sessions. Our wider leadership team continues to meet quarterly, building on learning from an accredited development programme, and a shared focus on Elim's values, annual plan and aims for service improvements.

We carry out the Elim Pulse Survey twice a year to ask all our colleagues for their views and comments and to rate Elim in a number of key areas. We ask about our colleagues engagement, satisfaction and whether they feel recognised and valued by our Chief Executive. In the last survey of the year, February 2024, 81% of our respondents told us they feel proud to work for Elim, and that they feel a sense of accomplishment for the work they do.

Equality, Diversity and Inclusion (EDI)

The focus on Equality, Diversity and Inclusion has continued over the year and with the support of colleagues and board members, we have been able to make good progress against the aims set out in the second year of our EDI Strategy. This has included the roll-out of phase two of Elim's bespoke EDI training and education programme, with the delivery of at least four organisation-wide targeted sessions to support service delivery to customers and the continuous improvement of an inclusive and welcoming workplace culture. As part of our action to build a diverse and inclusive workplace we have created a new apprentice role in year and launched two colleague network groups respectively focusing on supporting the professional development of Neurodiverse and Black, Asian and Minority Ethnic colleagues.

We are pleased to be recognised as an EDI committed organisation by valued partners in the local community, and developed a formal SLA with SARI (Stand Against Racism and Inequality) in 2023 who have worked with Elim to develop our colleagues awareness of hate crime and racism, and provided support and help reporting for customers who have experienced hate crime or racism.

On a national level we have worked to meet objectives as a Disability Confident Employer and as a signatory of the Race at Work Charter. Elim's Chair is also a committed participant of the National Housing Federation EDI Chair's Challenge.

Looking ahead, we are carrying forward our aim to engage more customers in our approach to EDI and to better understand and improve the household and property data we hold so that we can consistently respond to individual needs and improve the services we offer all our customers.

disability confident COMMITTED

Property

Building and customer safety

During the year, the compliance related (Building Safety) policies relating to the 'Big 6' (Gas, Electricity, Lifts, Asbestos, Legionella and Fire) have been reviewed and updated, working closely with ARK Consultancy. The new documents are shorter and more concise. The overall Elim Health and Safety Policy has also been updated.

All gas check appointments in the year were forward planned to ensure that we remain compliant and that we have time to deal with any access problem related households.

In 2023/2024, we concluded the procurement of a new compliance system, True Compliance. We are currently implementing the new system and will transferring the big 6 information and data from our existing spreadsheet system by the end of September 2024. This system will enable us to record, report and monitor all required remediation work in a holistic way. We have employed a dedicated colleague to undertake the implementation tasks, including the testing of the new system, required data reformatting and process mapping.

We are now actively monitoring instances of reported Damp, Mould and Condensation separately from all other compliance related tasks. During the year, we have spent £65,000 on rectifying these issues.

416 Safety Certificates and servicing to gas boilers

13 Properties now have confirmed weekly fire alarm tests

171 Asbestos management reviews

6 (Out of 6) lifts inspected and serviced

67 Fire risk assesments

103 Unvented cylinders tested

729 EICR certificates tested

Decarbonisation

We had seven properties in the Wave 1 Social Housing Decarbonisation Fund (SHDF) bid. We have successfully completed improvements to six of the seven homes. A lifting access issue has meant that the seventh property was not able to be completed within the required timescale. Each of the completed homes attracts £10,000 of grant. To date we have spent £247,000 on these retrofit works. These works will improve the energy efficiency of the homes and make them better environments for our customers.

Investment in new development

Elim continued to grow and invest in affordable homes delivery in 2023/2024 with the purchasing and delivery of quality, sustainable new homes via Section 106 purchases and purchases of existing homes for adaptation for specialist supported housing.

During the year, 12 new, quality affordable homes were delivered in Stroud District, also 2 in Bristol and 2 in Tewkesbury Borough local authorities. These homes deliver a variety of accommodation type, tenure and support requirements to help meet the diverse affordable housing need within Elim's geographical operating area.

Elim continues to invest in EPC A and B rated new homes only, any new developments contracted by Elim are built to EPC A rating.

During 2023/2024 a new development site and Section 106 opportunities have also been secured by Elim to contribute to the continuous affordable new homes delivery programme into future years.

Specialist Supported Housing

The development and delivery of projects for the provision of specialist supported homes for individuals with complex care needs successfully commenced at Elim in 2023/2024. This type of accommodation requires live in care and support in the home. Elim successfully delivered in 2023/2024, two SSH projects in Bristol and Tewkesbury Borough for individuals to move out of hospital into the community with the required care and support provided on site.

These homes were delivered to an extremely high specification with each home fitted out with the required elements for the property to function as a home for the bespoke, specific needs of each individual resident. The SSH homes are owned and managed by Elim with the care and support commissioned by an appropriate care provider. The SSH projects involve collaboration with many external stakeholders and commissioners including NHS England and Local Authorities Adult Social Care.

Elim also purchased a site for the development of 6 new, bespoke SSH homes plus care and support accommodation in South Gloucestershire. Planning consent has been secured for a single storey, EPC A rated development completely specified for each residents individual needs. This projects progression is due to the collaboration of many stakeholders and commissioners engaged at an early stage, the project is funded by NHSE, Homes England and Bristol City Council. Handover and practical completion of the development is programmed for January 2025.

LPV

Lime Property Ventures (LPV) is the wholly owned commercial subsidiary of the Elim Group which has been trading since 2016. Lime Property Ventures contributes towards the achievement of Elim's vision through the supply of new housing, and by covenanting profits to the Housing Association. This contributes to its affordable development plans and helps protect the long-term charitable interests of the Elim Group.

LPV has the scope to think and work creatively to ensure that is it using all land, development and asset management opportunities in the best interests of the whole Elim Group.

Within the 2023/2024 financial year, LPV has submitted an application to achieve planning permission for the delivery of two new family homes on an under-utilised residential site in South Gloucester. A satisfactory outcome is anticipated in Summer 2024.

Contractual arrangements are also underway to develop four new starter homes in Somerset. Arrangements for this land involve close working with both a private landowner and local Housing Association, and this is testament to Lime Property Ventures' unique position in the market and its offer as a flexible partner to smaller builders, developers and social housing sector organisations.

Within the financial year the Elim Board instructed a detailed review of LPV as part of the Elim Group, ensuring that there are sufficient plans in place to manage subsidiary risk and deliver a minimum agreed return for the Elim Group. Updated arrangements were approved to further strengthen the group structure, and there was unanimous consensus that LPV is appropriately structured and beneficial to Elim Housing.

For the financial benefit of the Elim Group, Lime Property Ventures is focussed on achieving a more even pace of delivery and a consistent level of development out-turn and profit by 2025/2026.

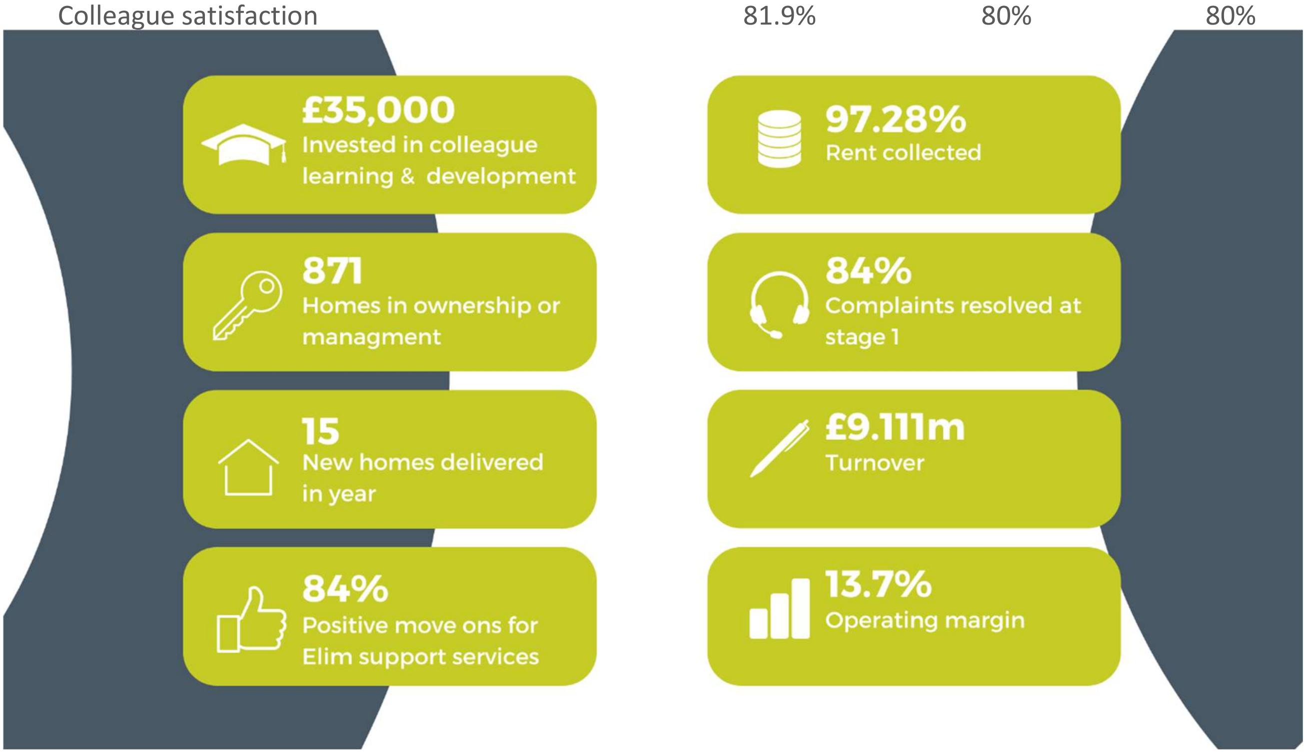
Alongside its development activity, LPV managed 22 units of student accommodation in the centre of Bristol. Letting activity has been consistently successful and this has generated a rental income of £228,000 in the year.

Lastly, the balances as at 31 March 2022 has been restated to reflect the valuation of the investment properties. In the prior years, the properties were reflected at cost. However, they should have been reflected at valuation. Further details are provided in Note 15.

Performance

Operational review
KPI's

	2023/2024 Actual	2023/2024 Target	2022/2023 Actual
Current rent arrears	5.8%	5.0%	5.9%
Overall customer satisfaction	71%	80%	73%
Positive housing outcomes	84%	85%	83%
Customer satisfaction with repairs	66%	80%	82%
Void rent loss	3.4%	2.7%	2.8%
Colleague satisfaction	81.9%	80%	80%



Financial review

Summary: Statement of comprehensive income

	2024 £'000	2023 £'000	2022* £'000	2021* £'000	2020* £'000
Turnover					
Social housing	7,322	6,573	6,017	6,015	5,791
Non-social housing	360	217	850	1,091	688
First tranche shared ownership	1,429	285	557	3	519
	9,111	7,075	7,399	7,167	7,273
Surplus/(deficit) on disposal of housing properties	182	357	(25)	58	275
Operating costs					
Social housing	(6,905)	(6,058)	(5,709)	(5,247)	(4,898)
Non-social housing	(274)	(135)	(722)	(617)	(461)
First tranche shared ownership	(849)	(166)	(270)	-	(322)
Impairment	-	-	(330)	(460)	-
	(8,028)	(6,359)	(7,031)	(6,324)	(5,681)
Operating profit	1,265	1,073	368	843	1,592
Net interest charges	(1,334)	(1,039)	(660)	(693)	(700)
Profit on ordinary activities before tax	(69)	34	(292)	150	892

**Reflects the values prior to the prior period adjustment of Hathaway House as an investment property.*

The Group had an achieved turnover of £9,111,000 and, due to the increase in interest payable, the Group incurred a deficit before tax and pension costs of £69,000.

Our core business remains social housing income accounting for 80.3% of total turnover. Our social housing delivered an operating surplus of £417,000 and the operating margin for social housing is 5.7%. This is lower than peers due to the level of supported housing that we provide that has higher costs attributed to this business stream. However, this is funded by a support grant of £864,000 in the year.

There have been 10 first tranche shared ownership sales in the year accounting for a surplus of £580,000.

Net interest charges for the year have increased to £1,334,000 reflecting a new loan facility entered into during the year at a higher fixed rate due to the increase in interest rates in the year. There has also been an impact on the variable rate debt.

Summary: Statement of financial position

	2024 £'000	2023 £'000	2022* £'000	2021* £'000	2020* £'000
Fixed assets	52,191	50,471	47,505	44,980	45,873
Current assets					
Inventory	625	1,171	868	1,113	1,174
Debtors	1,648	1,418	1,180	1,036	1,039
Cash and cash equivalents	483	395	875	2,230	1,547
Creditors: amounts falling due within one year	(2,509)	(23,935)	(13,902)	(1,790)	(1,809)
Net current assets	247	(20,951)	(10,979)	2,589	1,951
Creditors: amounts falling due after one year	(43,681)	(20,581)	(28,581)	(39,244)	(39,519)
Pension liability	(452)	(433)	(458)	(653)	(356)
Provisions	(127)	(127)			
Net assets	8,178	8,379	7,487	7,672	7,949
Reserves	8,178	8,379	7,487	7,672	7,949

**Reflects the values prior to the prior period adjustment of Hathaway House as an investment property.*

As at the end of March 2024, the Group is reporting reserves of £8,301,000. This include a fair value reserve of £372,000. This reflects a measured approach to investment decisions and a focus on ensuring that the Group maintains a strong liquidity position to finance our planned maintenance. The carrying amount of our properties at net historic cost is £50,342,000. The gross cost has increased in the year due to new properties being developed or purchased and investment in our existing stock.

Summary: Statement of cash flows

	2024 £'000	2023 £'000	2022* £'000	2021* £'000	2020* £'000
Net cash generated from operating activities	2,268	1,318	1,272	1,625	851
Cash flow from investing activities	(2,595)	(2,812)	(2,696)	(193)	(1,940)
Cash flow from financing activities	415	1,014	69	(749)	1,731
Cash and cash equivalents at the beginning of the year	395	875	2,230	1,547	905
Cash and cash equivalents at the end of the year	483	395	875	2,230	1,547

**Reflects the values prior to the prior period adjustment of Hathaway House as an investment property.*

The Group held £483,000 of cash and cash equivalents at the end of the financial year. The level of cash balance is now at a lower level due to the increase of repairs costs and the loan servicing costs.

Value for Money (VfM)

At Elim, we are committed to delivering and demonstrating Value for Money (VfM) in everything that we do for our customers. This commitment is led by the Board but is shared across the whole organisation and is embedded in our five-year strategy. Our approach is delivered by our people through strong leadership, training, and rigorous financial management.

The use of benchmarking information is an important way for us to challenge and understand our performance and costs. However, there are limitations within the benchmarking information as we have a diverse portfolio of properties spread across a wide area within 11 local authorities. Our figures also include our support services which has a more intensive management service and this contributes towards higher headline management costs and a lower operating margin.

Value for Money Metric	Elim 2023/24	Elim 2022/23	LSEBM Median quartile
1. Reinvestment (%)	**7.0**	8.5	3.79
2. New supply delivered (%) A. Social Housing Units B. Non-Social Housing Units	**1.80** **0.0**	1.99 0.0	0.0 0.0
3. Gearing (%)	**39.5**	39.7	20.5
4. EBITDA MRI (excluding impairment) Interest cover (%)	**114%**	95%	212.97%
5. Headline social housing cost per unit (£)	**7,097**	6,332	6,175
6. Operating margin (%) A. Social Housing Lettings only B. Overall	**13.4** **13.4**	10.7 10.7	15.2 20.1
7. Return on Capital Employed (ROCE) (%)	**2.3**	2.0	2.2
8. Management cost per unit	**3,440**	2,986	n/a
9. Maintenance cost per unit	**2,119**	1,681	n/a
10. Customer satisfaction (%)	**71.0**	76.0	75.0
11. Satisfaction with repairs (%)	**66.0**	92.0	80.0
12. Positive move-ons (%)	**84.0**	83.0	n/a

Environmental, Social and Governance (ESG)

Elim will issue a full ESG report later in the 2024/2025 financial year which will be the first one. We have not been early adopters of the SRS Reporting Standard but have been collating the data required and assessing the organisation on the core assessment criteria contained in the reporting standards.

Theme	Criteria	Response
T1 C1	For properties that are subject to the rent regulation regime, report against one or more affordability metric: 1) Rent compared to median private rental sector across the local authority 2) Rent compared to Local Housing Allowance (LHA)	On average the rent compared to Local Housing Allowance (LHA) is 41.6% lower
T1 C2	Share, and number, of existing homes allocated to General Needs (social rent), intermediate rent, affordable rent, supported housing, housing for older people, low-cost home ownership, care homes, private rented sector	General needs – 452 Intermediate rent – 17 Affordable rent – 26 Supported housing – 241 Low-cost home ownership – 58
T1 C3	Share, and number, of new homes allocated to General Needs (social rent), intermediate rent, affordable rent, supported housing, housing for older people, low-cost home ownership, care homes, private rented sector	General needs – 6 Low-cost home ownership - 7
T1 C4	How is the Housing Provider trying to reduce the effect of fuel poverty on its residents?	We are concentrating on retrofitting our homes to improve them. This will help to reduce costs for residents.
T2 C6	What % of homes with a gas appliance have an in-date, accredited gas safety check?	100%
T2 C7	What % of homes meet the national housing quality standard	2.6%
T2 C8	What % of buildings have an in-date and compliant Fire Risk Assessment	100%
T3 C9	What arrangements are in place to enable the residents to hold management to account for provision of services?	Following approval of Elim's Customer Experience Strategy 2024-2027, we are due to re-introduce and launch a formal customer scrutiny structure in 2024.
T3 C10	How does the Housing Provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	We have a comprehensive resident satisfaction survey, in line with the requirements of our regulator. Performance is reported to the regulator annually, to our residents annually and to our board on a quarterly basis.
T4 C12	What support services does the Housing Provider offer to its resident. How successful are these services in providing outcomes?	We deliver 12 housing related support services for those in housing need across 4 local authorities. These services seek to equip service users to secure more appropriate, long term accommodation and maximise their independent living skills. In 2023/2024 85% of our

		departures from our services were planned.
T6 C14	Distribution of EPC ratings of existing homes	B – 34.5% C – 47.7% D – 12.8% E – 2.8% G – 0.3% Unknown – 1.9%
T6 C15	Distribution of EPC ratings of new homes	B – 100%
T9 C25	Is the Housing Provider registered with a regulator of social housing?	Yes, the Regulator of Social Housing
T9 C27	Which Code of Governance does the Housing Provider follow, if any?	National Housing Federation Code of Conduct 2022
T9 C28	Is the Housing Provider Not-For-Profit?	Yes
T9 C29	Explain how the Housing Provider's board manages organisational risk	There is a Risk Management Framework of which the Board reporting is part of. The Board are presented with the top 10 risks quarterly with the full strategic risk register reported annually. The Finance, Risk and Audit Committee reviews the organisational risk register quarterly.
T10 C31	What are the demographics of the Board? And how does this compare to the demographics of the Housing Provider's residents, and the area that they operate in?	50% of the Board are women, 17% are BME. Average tenure is 4 years and 5 months.
T10 C32	What percentage of the board AND management team have turned over in the last two years.	Board turnover is 25%, the management team turnover is 28%.
T10 C33	Is there a maximum tenure for a board member? If so, what is it?	The maximum tenure for a board member is 6 years, with the option to extend up to 9 years.
T10 C34	What % of the board are non-executive directors?	93% (12 out of 13)
T10 C35	Number of board members on the Audit Committee with recent and relevant financial experience	2 members, one is working in the sector and the other has worked at high level finance in a variety of industries and has recently retired
T10 C36	Are there any current executives on the Remuneration Committee?	No
T10 C38	For how many years has the Housing Provider's current external audit partner been responsible for auditing the accounts?	This is the first year for the current audit partner. Prior to that, the audit partner was responsible for 7 years.
T10 C39	When was the last independently-run board effectiveness review?	December 2023
T10 C40	Are the roles of the chair of the board and CEO held by two different people	Yes
T11 C42	Does the Housing Provider pay the Real Living Wage?	Yes

Risk management

The Group is committed to effective risk management. We ensure that the operating environment is monitored so that risks and their drivers are continuously assessed and that we respond accordingly. Risk oversight is the responsibility of the Board with the Finance, Risk and Audit Committee undertaking a more detailed review of risks.

The Group has undertaken scenario testing to analyse the effects of economic and risk scenarios. We have used HousingBrixx to model these identified scenarios and assessed the impact on the financial covenants and viability. A financial recovery plan is in place in order that the Group can recover from the impact of any adverse scenarios.

The Group's risk management framework sets out the approach to risk management including the risk appetite set by the Board. Risk appetite sets out the amount and type of risk that the Group is willing to take in achieving our strategic objectives. The appetite also sets out any risks that should not be taken in any circumstances.

All our risks are assessed in terms of their impact and likelihood. Risks are reviewed monthly and reported to the Finance, Risk and Audit Committee and the Board quarterly.

The current top risks facing the Group are:

Risk: Financial issues leading to inability to meet covenants
Financial issues causing a breach in lenders loan covenants resulting in an inability to satisfy the Governance and Financial Viability Standard.

- Budgets, management accounts, covenant performance and liquidity monitored on a monthly basis by the leadership team and on a quarterly basis by the Finance, Risk and Audit Committee and Board.
- Golden rules are in place and monitored against as part of the key performance indicator reporting.
- Stress testing undertaken annually with reviews through the Board reports.

Risk: Levels of investment required for meeting the Building Safety Bill and Fire Safety Bill exceeds the levels within the financial plan.
Changes to building safety legislation have increased the level of investment required in our homes and additional costs associated to be included in the financial plan.

- Ensure that there is sufficient provision for our properties to meet EPC C by 2030.
- Additional investment to be included in future refinancing requirements.
- The investment required to achieve zero carbon by 2050 is difficult to estimate and as requirements become clearer this will be included in financial planning.

Risk: Colleague recruitment and retention
Loss of key colleagues leading to a lack of consistency and information retention. Changes in the recruitment market lead to loss of key skills or the inability to recruit the right colleagues.

- People and Culture Strategy that supports the development of colleagues.
- Benchmarked and periodically reviewed salaries.
- Real Living Wage Employer.
- Elim values are owned and developed by colleagues and embedded into all our policies, procedures, processes and ways of working.

Risk: Health and safety compliance failure
Non-compliance with health and safety regulations leads to serious injury or death of a customer or employee.

- New comprehensive compliance workbook to ensure that all health and safety compliance checks are completed when required.
- A Health and Safety Compliance Group has been set up to review all compliance matters.
- Reports are prepared for the Development and Assets Committee at each meeting.
- Robust policies and procedures for all areas of compliance.

Risk: **Cybersecurity**
An IT security breach leading to a loss of data and/or system compromise or failure.

- Cyber Essentials + accreditation achieved in year
- We have in place network security, malware protection and email scanning which is monitored and updated when necessary.
- Data protection and security policies are in place.
- Processes are in place to recognise phishing attempts.

Regulation and Governance

Elim volunteered to take part in the pilot scheme for Smaller Providers under the new Tenant Satisfaction Measures (TSMs). The first set of statistics will be submitted by the end of June. Our customer satisfaction surveys were adapted in the financial year to the new TSM framework.

We have ensured that we have stayed up to date with the changing regulations relating to building safety and this is reflected in the compliance information referenced above. We have been actively monitoring the consultation on Awaab's Law and have responded to the consultation through the National Housing Federation. As a result of the previous year's focus on damp, mould and condensation, this category of health and safety is now being monitored with the other health and safety compliance categories and quarterly reports are presented to the Development and Assets Committee.

In March, we appointed a Board Member responsible for Complaints, Meenakshi Sharma, under the new Housing Ombudsman Complaints Code. We will also be self-assessing against this code for submission in June and a customer annual report will be produced in July.

The Board and committees

	Board	LPV Board	Development and assets committee	Finance, risk and audit committee	People and culture committee
S Mason (chair)	✓				
J Darbyshire	✓	✓			
D Heyes	✓				✓
D Stollard	✓		✓		
S Furzland	✓		✓		
K Pennington	✓		✓		
S Palmer	✓			✓	
I McLeod	✓			✓	
M Sharma	✓				✓
J Hall	✓				✓
S Smith	✓			✓	
S Davison	✓				✓
P Smith	✓	✓			

During the year, Mark Williams and Mellissa Barber reached the end of their tenures. Joanne Hall and Shawn Smith were appointed as Board Members and Stewart Davison has joined as a co-opted Board Member.

The present board members and those who served during the year are set out on page two. The Board is drawn from a wide background bringing together professional, commercial and other relevant experience. Our plans for 2024/25 include the recruitment of more Committee members for all three Committees.

The Finance, Risk and Audit committee comprises five members, three of whom are Group board members. The committee meets four times per year and covers three main areas of work:

- monitoring and scrutiny of financial performance, KPIs, and relevant policies,
- approving the risk management strategy including the risk activity, the health and safety management plan and internal controls,
- internal and external audit work.

Data quality and insurance are also covered by this committee.

The People and Culture Committee has a proactive role in directing and scrutinising the organisation's culture and people. The committee is responsible for overseeing the organisational development strategy, the customer strategy, and the digital strategy. It also influences how Elim's people, both staff and the Board, contribute to the organisation. The committee meets four times a year with a membership of five including three Group directors.

The Development and Assets Committee has a membership of five, including three Group directors. The work of the committee is a valuable part of the new governance arrangements, and its main purpose is to oversee the development and asset management strategy and operational plans and to ensure regulatory compliance in these areas.

The strategic leadership team comprising the Chief Executive, Deputy Chief Executive and Director of Resources attend all the committee meetings.

The Board receives regular reports from each of the committees summarising activity and any new emergent risks.

The executive officers hold no interest in the association's shares and have no legal status as directors, although they act as executives within the delegated authority of the Board.

The group has insurance policies which indemnify its board members and executive officers against liability when acting for the group.

Internal controls

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

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

Following on from the breach of interest cover in the previous financial years, a review of our internal controls, both internally and externally has led to several procedures being put in place to ensure that the circumstances leading to the breach are not replicated. The golden rules were reviewed and agreed by the board and financial reporting has also changed to ensure that information is presented to the Committees and Board will highlight any potential issues early.

The process for identifying, evaluating and managing the significant risks faced by the association is ongoing, and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the annual report and financial statements. The finance, risk and audit committee receives and considers reports from management on these risk management and control arrangements at each meeting during the year.
Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for finance, risk and audit committee, people and culture committee and development and assets committee,
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks,
- Robust strategic and business planning processes,
- Quarterly review of the association's risk register by the finance, risk and audit committee and an annual review by the Board,
- Detailed financial budgets and forecasts for the current year,
- Formal recruitment, retention, training and development policies for staff and the Board,
- Established authorisation and appraisal procedures for all significant new initiatives and commitments,
- A considered approach to treasury management and financing that is subject to review on an annual basis,
- Regular reporting to senior management and the appropriate committee of key business objectives, targets and outcomes,
- Board approved whistle-blowing policy, and
- Detailed policies and procedures in each area of the association's work.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the finance, risk and audit committee to review the system of internal control. The Board receives quarterly reports from the three committees.

The means by which the finance, risk and audit committee reviews the effectiveness of the system of internal control includes considering risk reports, internal audit reports, management assurances, the external audit management letter and specialist reviews.

Compliance with the Regulator of Social Housing governance and financial viability standard

The Regulator was informed of the interest cover covenant breach that occurred in the prior year, as detailed in the previous section, as soon as it was apparent and the events leading up to it. This has led to monthly monitoring of the cashflow by the Regulator to ensure that the financial viability standard is being adhered to.

Provision of information to auditor

The Board confirms that:

- so far as each Board Member is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the Board have taken all the 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.

Statement of Board's responsibilities

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

Co-operative and Community Benefit Society legislation 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 (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Society legislation, 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 Board is required to:

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

In assessing going concern, consideration has been given to the economic environment that the country is working in. High inflation, increasing interest rates and the uncertainty around the housing market has led to detailed scrutiny of forecasts, budgets and financial plans. CPI is continually monitored in relation to rent increases and the increase in the costs of materials and services. The sector is experiencing a difficult period with the rents being capped, increasing costs in maintenance, building safety works, decarbonisation and issues around the quality of homes provided. In recognising the turbulence in the economy, stress testing is continually undertaken and a mitigation plan is in place for any risks that may potentially materialise.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and the group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014. It is also responsible for safeguarding the assets of the association and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 25th September 2024 and signed on its behalf by:

P Smith
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELIM HOUSING ASSOCIATION GROUP

Opinion

We have audited the financial statements of Elim Housing Association Limited (the 'parent association') and its subsidiary ('the group') for the year ended 31 March 2024 which comprise the Consolidated and Association's Statements of Comprehensive Income, the Consolidated and Association's Statements of Financial Position, the Consolidated and Association's Statements of Changes in Reserves, the Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 and the parent association's affairs as at 31 March 2024, and of the income and expenditure of the group for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

Basis of 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 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 and 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 are 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Act 2014 requires us to report to you if, in our opinion:

- the group and the parent association have not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts in which our report relates, and the balance sheet are not in agreement with the group and the parent association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the board

As explained more fully in the Statement of Board's responsibilities, 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 it 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 and the parent association's ability to continue as a going concern, disclosing, as applicable matters related to 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 to do so.

Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and directors in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;

- Any matters identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
    - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Co-operative and Community Benefit Societies Act 2014, FRS 102, and UK tax legislation.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These include, data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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.

Bishop Fleming LLP

Charles Martin
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Bristol

Date: 1 October 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Note	2024 £'000	Restated 2023 £'000
Turnover	3	9,111	7,075
Operating costs	3	(8,028)	(6,359)
Surplus on disposal of property, plant and equipment	8	182	357
Operating surplus	7	1,265	1,073
Interest receivable	9	8	5
Interest and financing costs	10	(1,342)	(1,044)
Surplus/(deficit) for the year before taxation		(69)	34
Taxation	11	(4)	-
Surplus/(deficit) for the year after taxation		(73)	34
Actuarial (losses)/gains in respect of pension schemes	5	(128)	(89)
Total comprehensive income for the year		(201)	(55)

Further details regarding the prior period adjustment are included in Note 15.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	3	8,788	6,869
Operating costs	3	(7,791)	(6,235)
Surplus on disposal of property, plant and equipment	8	182	357
Operating surplus	7	1,179	991
Interest receivable	9	94	45
Interest and financing costs	10	(1,342)	(1,021)
(Deficit) / surplus for the year		(69)	15
Actuarial (losses)/gains in respect of pension schemes	5	(128)	(89)
Total comprehensive expense for the year		(197)	(74)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2024

	Note	2024 £'000	Restated 2023 £'000
Fixed assets			
Housing properties at cost	12	59,315	57,010
Less: Depreciation	12	(8,973)	(8,388)
		50,342	48,622
Other property, plant and equipment	14	49	49
Investment property	15	1,800	1,800
		52,191	50,471
Current assets			
Inventories	17	625	1,171
Debtors	18	1,648	1,418
Cash and cash equivalents		483	395
		2,756	2,984
Creditors amounts falling due within one year	19	(2,509)	(23,935)
Net current assets / liabilities		247	(20,951)
Total assets less current liabilities		52,438	29,520
Creditors: Amounts falling due after one year	20	(43,681)	(20,581)
Provision for liabilities and charges	21	(127)	(127)
Pension – defined benefit liability	5	(452)	(433)
Net assets		8,178	8,379
Capital and Reserves			
Non equity share capital	28	-	-
Revenue reserves		7,806	8,007
Fair value reserve		372	372
		8,178	8,379

Further details regarding the prior period adjustment are included in Note 15.
Approved by the Board and signed on its behalf by:

S Mason	P Smith	L Martin
Chair	Chief Executive	Company Secretary

ASSOCIATION STATEMENT OF FINANCIAL POSITION
At 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Housing properties at cost	12	59,315	57,009
Less: Depreciation	12	(8,973)	(8,388)
		50,342	48,621
Other property, plant and equipment	14	49	49
		50,391	48,670
Current assets			
Inventories	16	79	573
Debtors	17	2,781	2,696
Cash and cash equivalents		438	273
		3,298	3,542
Creditors: amounts falling due within one year	18	(2,403)	(23,848)
Net current assets / liabilities		895	(20,306)
Total assets less current liabilities		51,286	28,364
Creditors: amounts falling due after one year	19	(43,681)	(20,581)
Pension – defined benefit liability	5	(452)	(433)
Net assets		7,153	7,350
Capital and reserves			
Non-equity share capital	27	-	-
Revenue reserves		7,153	7,350
		7,153	7,350

Approved by the Board and signed on its behalf by:

L. Martin.

S Mason
Chair

P Smith
Chief Executive

L Martin
Company Secretary

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES TO RESERVES
For the year ended 31 March 2024

	Revenue reserve		Fair value reserve	
	2024 £'000	Restated 2023 £'000	2024 £'000	Restated 2023 £'000
At beginning of the year – as originally presented	8,007	8,062	372	-
Effect of the prior year adjustment	-		-	372
At the beginning of the year – as restated			372	372
Total comprehensive income for the year	(201)	(55)	-	-
At end of the year – as restated	7,806	8,007	372	372

Further details regarding the prior period adjustment are included in Note 15.

ASSOCIATION STATEMENT OF CHANGES TO RESERVES
For the year ended 31 March 2024

	Revenue reserve	
	2024 £'000	2023 £'000
At beginning of the year	7,350	7,424
Total comprehensive income for the year	(197)	(74)
At end of the year	7,153	7,350

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Note	2024 £'000	Restated 2023 £'000
Net cash generated from operating activities	A	2,268	1,318
Cash flows from investing activities			
Acquisition and construction of properties		(3,098)	(3,349)
Purchase of other plant and equipment		(32)	-
Proceeds from sale of housing properties		527	502
Interest received		8	35
Net cash flows from investing activities		(2,595)	(2,812)
Cash flows from financing activities			
New loans		2,000	14,150
Repayment of borrowings		(243)	(12,062)
Interest and borrowing costs		(1,342)	(1,074)
Net cash flows from financing activities		415	1,014
Net increase/ (decrease) in cash and cash equivalents		88	(480)
Cash and cash equivalents at beginning of year		395	875
Cash and cash equivalents at end of year		483	395

Note A Cash flows from operating activities	**2024** **£'000**	**2023** **£'000**
Surplus for the year	(201)	(55)
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	698	647
Decrease/ (increase) in debtors	(230)	(241)
Increase / (decrease) in creditors	310	196
Decrease/ (increase) in inventories	546	(303)
Increase/ (decrease) in provisions	19	21
Pension costs	(128)	(89)
Adjustments for investing or financing activities:		
Proceeds from the sale of property, plant & equipment	182	357
Social housing grants utilised in the year	(266)	(255)
Interest payable	1,342	1,074
Interest received	(8)	(35)
Taxation paid	4	1
Net cash generated from operating activities	2,268	1,318

Further details regarding the prior period adjustment are included in Note 15.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

1. Legal status

Elim Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing. The group comprises Elim Housing Association as the parent, Lime Property Ventures, a commercial subsidiary registered at Companies House and 53C Severn Road, a management company for a property in Weston-Super-Mare wholly owned by Elim.

2. Accounting Policies

The principal accounting policies of the group are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. Elim Housing Association is a Public benefit entity, as defined in FRS102 and applies the relevant paragraph prefixed 'PBE' in FRS 102.

Basis of consolidation

The group financial statements consolidate the financial statements of the association and its subsidiary undertakings drawn up to 31 March each year. Business combinations which are considered to be acquisitions are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The group's business activities and its current financial position is set out in the strategic report. The group has a five-year business plan which shows that it can service its long-term debt facilities while continuing to comply with lenders' covenants. Robust risk based stress testing shows that the group should be able to operate within the level of its current facilities. For this reason, the Board has a reasonable expectation that the group will continue in operation for the foreseeable future, being at least twelve months after the date on which the financial statements are signed and it continues to adopt the going concern basis in the financial statements.

Property, plant and equipment - housing properties

Housing properties are stated at cost less depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

2. Accounting Policies - continued

Structure	**90 years**
Roofs	**70 years**
Kitchens	**10-20 years**
Bathrooms	**15-25 years**
Windows and doors	**30 years**
Boilers	**20 years**
Lifts	**25 years**
Fire Alarm systems	**15 years**

Freehold land is not depreciated.

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Investment properties

Hathaway House has been reclassified in year as an investment property following a change in accounting policy. The company holds properties for the purpose of investment gains with a view to a future sale or in order to receive market rates of return and categorises these as investment properties. Investment properties are initially recognised at cost and subsequently held at valuation. Valuations are performed annually by a professional valuer and are at open market value. Any gains or losses arising from changes in the fair value are recognised in the statement of comprehensive income in the period in which they arise. Depreciation is not provided in respect of investment properties.

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the group are recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

2. Accounting Policies - continued

The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Furniture, fixtures & fittings	**4 years**
Computer equipment	**4 years**

Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

2. Accounting Policies - continued

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.
Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Service charge sinking funds and service costs

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not recognised as a provision. On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to
this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

2. Accounting Policies – continued

Social Housing Grant and other Government grants

Where grants are received from government agencies such as the Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and the Homes England and charitable fees and donations. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Shared ownership property sales

Shared ownership properties, including those under construction, are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property plant and equipment. Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or noncurrent assets.

Proceeds from first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income of the period in which the disposal occurred and the cost of sale is transferred from current assets to operating costs. Proceeds from subsequent tranche sales are treated as disposals of fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

2. Accounting Policies – continued

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Pensions

The group 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 completed triennial valuation of the scheme for funding purposes was carried out as at 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 group 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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

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

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and is carried forward to future periods.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

2. Accounting Policies – continued

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The group have to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

Capitalisation of property development costs

The group capitalises development expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue.

Estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provisions

Provisions are made to recognise certain liabilities and for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

2. Accounting Policies – continued

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Group considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

3a. Consolidated turnover, operating costs and operating surplus

	2024			2023		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	5,874	5,853	21	5,085	4,781	304
Other social housing activities						
Supporting people	864	756	108	878	853	25
Management services	53	105	(52)	102	184	(82)
First tranche shared ownership sales	1,429	849	580	285	166	119
Other	531	191	340	508	240	268
	8,751	7,754	997	6,858	6,224	634
Activities other than social housing						
Properties developed for outright sale	132	135	(3)	-	-	-
Student letting	228	139	89	217	135	82
	360	274	86	217	135	82
	9,111	8,028	1,083	7,075	6,359	716

3b. Association turnover, operating costs and operating surplus

	2024			2023		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	5,874	5,853	21	5,085	4,781	304
Other social housing activities						
Supporting people	864	756	108	878	853	25
Management services	53	105	(52)	102	184	(82)
First tranche shared ownership sales	1,429	849	580	285	166	119
Other	568	228	340	519	251	268
	8,788	7,791	997	6,869	6,235	634

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. Particulars of income and expenditure from social housing lettings (Group)

	2024 General Needs Housing £'000	2024 Supported housing & housing for older people £'000	2024 Total £'000	2023 General Needs Housing £'000	2023 Supported housing & housing for older people £'000	2023 Total £'000
Income						
Rent receivable net of identifiable service charges	2,924	1,095	4,019	2,700	989	3,689
Service charges receivable	329	1,260	1,589	304	837	1,141
Amortised social housing grant	207	59	266	196	59	255
	3,460	2,414	5,874	3,200	1,885	5,085
Turnover from social housing lettings						
Expenditure						
Management	1,213	840	2,053	950	595	1,545
Service charge costs	380	824	1,204	308	570	878
Routine maintenance	513	268	781	588	291	879
Planned maintenance	351	186	537	329	126	455
Major repairs expenditure	247	61	308	132	17	149
Bad debts	50	117	167	62	33	95
Property lease charges	-	106	106	(9)	91	82
Depreciation of housing properties and loss on disposal of property components	566	131	697	567	131	698
Impairment charge	-	-	-	-	-	-
Operating costs	3,320	2,533	5,853	2,927	1,854	4,781
Operating surplus on social housing lettings	140	(119)	21	273	31	304
Void losses	44	157	201	51	100	151

NOTES TO THE FINANCIAL STATEMENTS8
For the year ended 31 March 2024

5. Employees

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Employee costs:				
Wages and salaries	1,901	1,901	1,772	1,772
Social security costs	170	170	153	153
Pension costs	68	68	57	57
	2,139	2,139	1,982	1,982

	Number	Number	Number	Number
The average number of employees, including part-time employees expressed as full-time equivalents:	58	58	56	56

The number of full time equivalents in each salary band:

£10,001 - £20,000	7
£20,001 - £30,000	31
£30,001 - £40,000	11
£40,001 - £50,000	2
£50,001 - £60,000	3
£60,001 - £70,000	1
£70,001 - £80,000	1
£80,001 - £90,000	1

The basis of calculation of the full-time equivalents was based on a 37 hour week.

Social housing pension scheme

The company 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 issues by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed 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 company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

5. Employees – continued

Social housing pension scheme – continued

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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 29 February 2025 inclusive.

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

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	31 March 2024 (£000s)	31 March 2023 (£000s)
Fair value of plan assets	1,947	1,916
Present value of defined benefit obligation	2,399	2,350
Surplus (deficit) in plan	(452)	(434)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(452)	(434)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(452)	(434)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2024 (£000s)
Defined benefit obligation at start of period	2,350
Current service cost	-
Expenses	5
Interest expense	113
Member contributions	-
Actuarial losses (gains) due to scheme experience	28
Actuarial losses (gains) due to changes in demographic assumptions	(23)
Actuarial losses (gains) due to changes in financial assumptions	(18)
Benefits paid and expenses	(56)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	2,399

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

5. Employees – continued

Social housing pension scheme - continued

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

	31 March 2024 (£000s)
Fair value of plan assets at start of period	1,916
Interest income	95
Experience on plan assets (excluding amounts included in interest income – gain (loss)	(141)
Employer contributions	133
Member contributions	-
Benefits paid and expenses	(56)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	1,947

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	-
Expenses	5
Net interest expense	18
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SOCI)	23

Defined benefit costs recognised in other comprehensive income

	Period from 31 March 2023 to 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(141)
Experience gains and losses arising on the plan liabilities – gain (loss)	(28)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	23
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	18
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	(128)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	(128)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

5. Employees – continued

Social housing pension scheme - continued

Assets

	31 March 2024 (£000s)	31 March 2023 (£000s)
Global equity	194	36
Absolute return	76	21
Distressed opportunities	69	58
Credit relative value	64	72
Alternative risk premia	62	4
Emerging market debts	25	10
Risk sharing	114	141
Insurance-linked securities	10	48
Property	78	82
Infrastructure	197	219
Private equity	2	-
Private debt	77	85
Opportunistic illiquid credit	76	82
High Yield	-	7
Opportunistic Credit	-	-
Cash	38	14
Corporate bond fund	-	-
Liquid credit	-	-
Long lease property	13	58
Secured income	58	88
Liability driven investment	792	882
Currency hedging	(1)	4
Net current assets	3	5
Total assets	1,947	1,916

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	31 March 2024 % per annum	31 March 2023 % per annum
Discount rate	4.91	4.86
Inflation (RPI)	3.14	3.19
Inflation (CPI)	2.78	2.77
Salary growth	3.78	3.77
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

5. Employees – continued

Social housing pension scheme - continued

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

	Life expectancy at age 65 (years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

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 the 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 respects of this potential issue.

6. Board members and executive directors

	2024	2023
Average weekly number of executive directors (full time equivalents):	3	3
	£'000	£'000
Emoluments of the above executive directors including the chief executive but excluding pension contributions	248	235
Pension contributions on behalf of the above executive directors	26	28

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £95,949 (2023: £93,392).

The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The group does not make any further contribution to an individual pension arrangement for the Chief Executive.

During the year, the non-executive directors were paid the following:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

		£
Chair	Sally Mason	4,750
Vice Chair	Mark Williams	1,293
Chair of Finance, Risk and Audit	Ian McLeod	2,292
Chair of People and Culture Committee	David Heyes	2,250
Non-executive	Joanne Hall	1,875
Non-executive	Meenakshi Sharma	1,875
Non-executive	Stuart Palmer	1,875
Non-executive	Kathryn Pennington	1,875
Non-executive	Jacqueline Darbyshire	1,875
Non-executive	Sonia Furzland	1,875
Non-executive	Shawn Smith	842

7. Operating surplus

This is stated after charging/(crediting):	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
External auditors' remuneration				
- for the audit of the accounts	61	55	34	29
Depreciation of housing properties	687	687	647	647
Depreciation of other property, plant and equipment	33	33	19	19
Amortisation of social housing grant	266	266	255	255
Impairment charge	-	-	-	-
Operating lease rentals				
- land and buildings	161	161	161	161
- office and other equipment	20	20	20	20

8. Surplus on disposal of property, plant and equipment

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Proceeds from sale of property, plant and equipment	527	527	502	502
Carrying value of property, plant and equipment	(345)	(345)	(145)	(145)
	182	182	357	357

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

9. Interest receivable

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Bank interest receivable	8	94	5	45

10. Interest and financing costs

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Bank loan, interest and finance costs	1,342	1,342	1,044	1,021

Interest costs of £71,428 have been capitalised during the year using an average rate of 7.0% (2023: £13,383).

11. Taxation

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
United Kingdom corporation tax at 25% (2023: 19%)	4	-	-	-

The current tax charge for the year is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Loss on ordinary activities before tax	(69)	(69)	34	15
Current tax charge for the year	4	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

12. Tangible fixed assets – housing properties (Group and Association)

	Social housing properties held for letting	Social housing properties under construction	Low cost home ownership	Shared Ownership housing under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2023	50,860	2,350	3,799	-	57,009
Purchases	104	1,169	-	662	1,935
Works to existing properties	552	-	-	-	552
Disposals	(181)	-	-	-	(181)
Transfer to work in progress	-	-	-	-	-
Schemes completed	1,075	(1,075)	662	(662)	-
Impairment	-	-	-	-	-
At 31 March 2024	52,410	2,444	4,461	-	59,315
Depreciation and impairment					
At 1 April 2023	8,388	-	-	-	8,388
Depreciation charged in year	687	-	-	-	687
Released on disposal	(102)	-	-	-	(102)
Transfer to work in progress	-	-	-	-	-
At 31 March 2024	8,973	-	-	-	8,973
Net book value					
At 31 March 2024	43,437	2,444	4,461	-	50,342
At 31 March 2023	42,472	2,350	3,799	-	48,621

There were £97,809 of direct development labour costs capitalised in this year (2023: £113,323) and £71,428 of interest capitalised in this year (2023: £13,383).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

13.Tangible fixed assets – housing properties (Group and Association) – other analysis

Expenditure on works to existing properties	2024 £'000	2023 £'000
Improvement works and components capitalised	552	531
Amounts charged to the statement of comprehensive income	94	67

Housing properties book value, net of depreciation comprises:

	2024 £'000	2023 £'000
Freehold land and buildings	42,437	40,716
Long leasehold land and buildings	7,743	7,743
Short leasehold land and buildings	162	162
	50,342	48,621

14. Property, plant and equipment – Other

Office equipment, furniture and fittings

	Group £'000	Association £'000
Cost		
At 1 April 2023	681	681
Additions	32	32
At 31 March 2024	713	713
Depreciation		
At 1 April 2023	632	632
Charged in the year	32	32
At 31 March 2024	664	664
Net book value		
At 31 March 2024	49	49
At 31 March 2023	49	49

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

15. Investment property

	Total
	£'000
At 1 April 2023 (restated)	1,800
Fair value increase	-
At 31 March 2024	1,800

The balance as at 31 March 2022 has been restated to reflect the valuation of the investment properties. In the prior years, the properties were reflected at cost. However, they should have been reflected at valuation.

Investment properties, which comprise of a block of student flats, were valued by Sanderson Weatherall at open market value on 29 January 2024. The valuation was undertaken in accordance with the RICS Appraisal and Valuation Standards. Management have assessed that there has been no movement in fair value since 2022, meaning the current professional valuation has been considered as appropriate for 2022. Deferred tax has been updated accordingly.

16. Investment in subsidiaries

As required by statute, the financial statements consolidate the results of Lime Property Ventures Limited which was a subsidiary of the association throughout the year.

53c Severn Road is a non-trading wholly owned subsidiary so is not included in the results.

Elim Housing Association Limited is the ultimate parent undertaking.

17. Inventories

	Group 2024	Association 2024	Group & Association 2023
	£'000	£'000	£'000
Completed properties for sale	625	79	1,171

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

18. Debtors

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Rent and service charges receivable	826	826	624	624
Less: provision for bad and doubtful debts	(508)	(508)	(336)	(336)
	318	318	288	288
Trade debtors	432	432	476	476
Other debtors	486	468	260	242
Prepayments and accrued income	412	401	394	385
Amounts due from subsidiary undertaking	-	1,162	-	1,305
	1,648	2,781	1,418	2,696

19. Creditors: amounts falling due within one year

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Loans (note 24)	142	142	21,751	21,751
Trade creditors	646	614	272	265
Other taxation and social security	49	49	50	50
Corporation tax	-	-	-	-
Other creditors	430	406	358	335
Accruals and deferred income	548	529	762	730
Social housing grants (note 22)	266	266	266	266
Sinking funds	-	-	74	74
Rent received in advance	401	370	354	329
Other grants	27	27	48	48
	2,509	2,403	23,935	23,848

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

20. Creditors: amounts falling due after one year

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Social housing grants (note 22)	19,438	19,438	19,704	19,704
Recycled capital grant fund (note 23)	356	356	356	356
Loans (note 24)	23,887	23,887	521	521
	43,681	43,681	20,581	20,581

21. Provision for liabilities and charges

Deferred tax – Fixed asset timing differences

	Group 2024 £'000	Association 2024 £'000	Restated Group 2023 £'000	Association 2023 £'000
At the start of the year	(127)	-	(127)	-
Charge for the year	-	-	-	-
	(127)	-	(127)	-

Further details regarding the prior period adjustment are included in Note 15.

22. Social housing grants

	Group & Association 2024 £'000	Group & Association 2023 £'000
At beginning of year	19,970	20,298
Released to income in the year	(266)	(255)
Relating to disposals	-	(73)
At end of year	19,704	19,970
Due to be released in less than one year	266	266
Due to be released after more than one year	19,438	19,704

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

22. Social housing grants – continued

Total accumulated amount of social housing grant received or receivable at the year-end is £24,223,117 (2023- £24,223,117).

23. Recycled capital grant fund

	Group & Association 2024 £'000	Group & Association 2023 £'000
At beginning of year	356	284
Inputs – Grants recycled	-	72
Recycling – New build	-	-
At end of year	356	356

24. Loan analysis

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Due within one year				
Orchardbrook Limited	9	9	8	8
Triodos	133	133	9,907	9,907
Barclays	-	-	11,836	11,836
Due after more than one year				
Orchardbrook Limited	517	517	521	521
Barclays	13,870	13,870	-	-
Triodos	9,500	9,500	-	-
	23,887	23,887	521	521

Loans are repayable as follows:

	Group 2024 £'000	Association 2024 £'000	Group 2023 £'000	Association 2023 £'000
Due within one year	142	142	114	114
Between one and two years	150	150	145	145
Between two and five years	14,521	14,521	495	495
After five years	9,484	9,484	21,827	21,827
Less: loan issue costs	(268)	(268)	(309)	(309)
	24,029	24,029	22,272	22,272

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

24. Loan analysis - continued

The above analysis reflects in 2023 the underlying repayment details prior to the loan covenant breach, resulting in them being reclassified as current creditors..

The bank loans are secured by fixed charges on individual properties.

The loan from Orchardbrook Limited is repayable in six monthly instalments until the loan matures in 2043. Interest is charged at a fixed rate of 10.9%.

The Barclays loans are used to finance the development of housing properties. The current facilities total £17,000,000 and are provided in 2 tranches. The first tranche is £12,000,000 at a fixed rate of 6.19% which was used to repay the Lloyds facility on maturity in September 2023. The remaining £5,000,000 is a revolving credit facility on variable rates.

The Triodos loan of £10,050,000 million is repayable in monthly instalments until the loan matures in 2042. Interest is charged at a fixed rate on £5,400,000 of 2.99% until 5 October 2026 and the remainder is at a variable rate based on the bank base rate. The loan is an interest only loan until May 2023 when it reverts to a capital repayment facility.

At 31 March 2024 the group had undrawn loan facilities of £5,231,000 (2023: £8,951,000).

25. Analysis of changes in net debt (Group)

	At 1 April 2023	Cash flows	New loan facility	Other non-cash movements	At 31 March 2024
	£’000	£’000	£’000	£’000	£’000
Cash	395	88			483
Bank loans due within one year	21,751	25		(21,634)	142
Bank loans due greater than one year	521	-	2,000	21,634	24,155
Total	22,667	113	2,000	-	24,780

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

26. Capital and other financial commitments

The group and association had the following capital expenditure commitments.

	Group & Association 2024 £'000	Group & Association 2023 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	-	-
Expenditure authorised but not contracted for	1,321	2,228

The above commitments will be financed through the use of own funds held and our loan facilities.

As at 31 March 2024, the group and association had future minimum lease payments under non–cancellable operating leases as follows:

	Group & Association 2024 £'000	Group & Association 2023 £'000
Payments due:-		
Less than one year	181	181
Two to five years	475	637
After five years	1,774	1,902
	2,430	2,720

27. Contingent liability

A possible contingent liability has arisen in the financial year relating to the cost of replacing cladding at a building in Bristol. The amount of any liability is yet to be determined and are dependent on the outcome of a legal claim.

As a result of an administrative error, there may have been non-compliance of a legal requirement under the Renting Homes (Wales) Act 2016 at the year end. Remedial action has been taken to ensure that we now comply with the requirements of the act. There is a current legal case ongoing with the RSL's in Wales liaising with Welsh Government. The sector has taken legal advice and have assessed that the likelihood of an outflow of resources to settle this potential liability following the court case is less than probable but (acknowledging the inherent uncertainty in any legal dispute) is more than remote.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

28. Share capital

The issued share capital entitles the holder to voting rights at the Annual General Meeting. It does not convey any rights to a dividend, any provision for redemption or for a distribution upon winding up.

	2024	2023
	£	£
Allotted, called up and fully paid		
At beginning of year	28	28
Issued during the year	-	-
Cancelled during the year	-	-
At end of year	28	28

29. Housing stock

	2024	Restated 2023
	Number	Number
General needs	452	445
Gypsy & Traveller	59	59
Shared ownership	58	49
Specialist supported housing	3	-
Supported housing	241	241
Student lets	22	22
Managed properties	36	55
Number of units in management	871	871

Number of units in development at 31 March 2024: 6 (2023: 1)

The prior year unit numbers have been updated to reflect corrections to the consistent categorisation of properties.

30. Related parties

Elim received management fees of £36,650 (2023: £13,000) and received interest of £86,017 (2023: £40,893) from Lime Property Ventures Limited. At 31 March 2024, the company was owed £1,162,212 (2023: £1,305,000) by Lime Property Ventures Limited.

Elim's Director of Resources is also a director of 53c Severn Road Management Company, a non-trading company for a property now wholly owned by Elim. There have been no transactions through the Management Company during 2023/2024.