Annual report and financial statements for the year ended 31 March 2025

Synergy Housing Limited

Co-operative and Community Benefit Societies Act 2014 number 31447R

Synergy Housing Limited

Contents	Page
Legal and Administrative Details	1
Report of the Board	3
Independent Auditor's report to the members of Synergy Housing Limited	15
Statement of Comprehensive Income	18
Statement of Financial Position	19
Statement of Changes in Reserves	20
Notes to the Financial Statements	21

Synergy Housing Limited

Legal and Administrative Details

Registered office: Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ

Legal status: Synergy Housing Limited ('the association') is incorporated under the Co-operative and Community Benefit Societies Act 2014 number 31447R and is a wholly owned subsidary of Aster Group Limited and a member of the Aster Group ('the group').

The association is registered with the Regulator for Social Housing.

Members of the board: The directors of the association who were in office during the year and up to the date of signing the financial statements, unless otherwise indicated, are set out below.

Non-executive directors

Stephen Trusler	Chair
Mehul Desai	
Clive Barnett	
Mike McCullen	
Tracey Peters	Senior Independent Director
Caroline Wehrle	
Claire Whitaker OBE	

Executive directors

Bjorn Howard	Group Chief Executive Officer
Chris Benn	Chief Financial Officer
Amanda Williams	Chief Investment Officer

Executive Team:

Bjorn Howard	Group Chief Executive Officer
Chris Benn	Chief Financial Officer
Rachel Credidio	Chief Innovation Officer & Enham Lead
Dawn Fowler-Stevens	Chief of Staff (Chief Strategy Officer to 10 March 2025)
Amanda Williams	Chief Investment Officer
Emma O'Shea	Chief Operating & Technology Officer

Company Secretary:

David Betteridge	Resigned - 1 September 2025
Dawn Fowler-Stevens	Appointed - 1 September 2025

Independent Auditor:

KPMG LLP
New Kings Court
Suite 6, Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

Principal Banker:

Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Principal Solicitor:

Trowers and Hamlins
3 Bunhill Row
London
EC1Y 8YZ

Funders:

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

Affordable Housing Finance Plc
3rd Floor, 17 St Swithin's Lane
London
EC4N 8AL

Legal and Administrative Details (continued)

Funders (continued):	National Westminster Bank plc 250 Bishopsgate London EC2M 4AA	MORhomes PLC Future Business Centre Kings Hedges Road Cambridge CB4 2HY
Security Trustee:	Prudential Trustee Company Limited Laurence Pountney Hill London EC4R 0HH	
Valuer:	Jones Lang LaSalle Limited 30 Warwick Street London W1B 5NH	
Financial Adviser:	Chatham Financial Europe Limited 12 St. James Square London SW1Y 4LB	

Synergy Housing Limited

Report of the Board

The board presents its report and the audited financial statements for the year ended 31 March 2025.

Principal activities

The association's principal activity is to provide affordable homes and associated services as a Registered Provider.

The board does not anticipate any significant changes in the association's activities in the foreseeable future.

Results for the year

The loss for the year was £1.5 million (2024: £19.7 million profit).

The Board

The members of the board are listed on page 1. No members of the board held, at any time during the year, any beneficial interest in the shares of the association.

Directors' indemnities

The association is a member of the Aster Group which has made qualifying third party indemnity provisions for the benefits of its directors and officers (which extend to the performance of any duties as a director or officer of an associated company or subsidiary). The provisions have been in place throughout the year and remain in force at the date of this report.

Going concern

The directors, after reviewing the association's budgets for 2025/26 and the group's medium term financial position as detailed in the 30-year business plan, taking account of severe but plausible downsides, are of the opinion that, the association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Reduced reporting disclosures

Section 1.12 of FRS 102 allows subsidiaries to take advantage of certain disclosure exemptions in their financial statements. The following exemptions have been taken:

a) A Statement of Cash Flows as outlined in section 7 of FRS 102; and
b) The requirement to disclose key management personnel compensation outlined in paragraph 33.7 of FRS 102.

The association has taken advantage of some of these exemptions this year as set out in note 3. A full set of disclosures are included in the group's consolidated financial statements.

Paragraph 4.4 of the Housing SORP 2018 allows registered providers that are subsidiaries of a group to opt out of providing a Strategic Report. The association has taken this exemption and not produced a Strategic Report. The group's strategic report, including Synergy Housing Limited, is accordingly represented in the financial statements of Aster Group Limited.

Report of the Board (continued)

Review of the association's business

The association owns approximately 11,000 homes and is a developer of new affordable housing. The association is a 50% partner in Aster Solar Limited, a joint venture with a fellow group subsidiary of Aster Group, Aster Communities, which provides green electricity to the association's tenants using photovoltaic panels.

Operational performance

Turnover remained the same at £87.0 million. Lettings income increased by £5.6 million to £76.6 million, and first tranche shared ownership income decreased by £5.4 million to £8.0 million during the year. The association made a profit on disposal of housing property, plant, and equipment of £7.1 million, an increase of £1.7 million on the prior year, driven by 25 void disposal programme sales (2024: 21).

Operating costs increased by £3.2 million to £66.0 million. This was mainly due to an increase of £4.6 million for maintenance works carried out within our schemes; and £0.6 million increase in depreciation.
Other movements include a £2.6 million increase in management costs which include employment costs and group overheads; offset by a decrease in service charge costs of £0.5 million and a decrease of £4.0 million in first tranche shared ownership cost of sales reflecting the related decrease in revenue.

Operating profit for the year is £28.5 million (2024: £30.0 million).

The organisation made a charitable cash donation of £197,000 to Aster Foundation to further the charitable aims of the group.

On 1 April 2024, the association exited the LGPS and ceased to have any active members triggering a cessation event. The resulting impact to the association is a settlement cost of £17.4 million to operating profit, partially offset by an actuarial gain of £11.9 million to OCI and a net cash outflow of £5.6 million.

The association, alongside Aster Property Limited providing asset management and maintenance services, is committed to embedding Value For Money (VFM) within the Customers Services Strategy by delivering efficient and value for money services, without compromising on health and safety.

The following table sets out the association's key performance indicators (KPIs) in relation to the lettings side of its business:

	2024/25 Target	2024/25 Actual	2023/24 Actual
% rent loss through vacant properties	1.00%	0.87%	0.76%
Average number of days to re-let	21	28	27
Current tenant arrears %	2.50%	1.79%	2.06%
Overall satisfaction %	80.00%	74.00%	76.00%
New homes delivered	282	208	301

The association's average re-let time of 28 days was a decline on the prior year (2024: 27 days) and underperformed against the target of 21 days. Rent losses through vacant properties in the association's general needs and supported housing properties were 0.87% (2024: 0.76%) against a target of 1.00%.

The association's arrears percentage was a reduction against the prior year at 1.79% (2024: 2.06%) and has continued to perform better than the target of 2.5%, which given current economic climate, is a good achievement.

A key priority of the group is customer focus, therefore it's disappointing that overall customer satisfaction has decreased when compared to last year with a 74% satisfaction rate (2024: 76%). The group's customers are at the heart of the business and providing a safe and reliable service is a key priority for the group, one which the customer services directorate is charged with continuously improving.

Report of the Board (continued)

Value for Money (VfM) Statement - Aster Group

Value for Money is recorded, and accordingly disclosures below, are on a group basis of which Synergy Housing Limited is part of.

Our operating environment remained highly challenging, with economic uncertainty enduring throughout and likely to persist in the year ahead. The UK economy continues to experience declining business and consumer confidence in response to government policy, while the wider global economy remains changeable following the commencement of a second Trump administration. At the same time, challenges specific to the housing sector continue unabated; including, for example, the increased cost of investing in our stock to ensure our customers live in safe and suitable homes, now and in the long term. The housing market has also remained weaker than in previous years, which has impacted our development and disposal programmes this year, where we saw a slower sales rate being achieved.

The need to deliver value for money (VFM) in all that we do remains paramount. Whilst the rent settlement returned to CPI+1% this year, we continue to feel the substantial impact of previous rent caps. This coupled with the aforementioned investment pressures, means we finish the year more financially constrained than in previous years. However, with plans to continue delivering our ambitious customer services modernisation programme with a sharpened focus on technology, we're confident that we will drive increased efficiency and effectiveness; build back our financial strength while also ensuring we continue to meet the needs of our customers, colleagues and communities.

It is imperative that we seek ways to drive increased VFM as we continue to prioritise quality, safety and good customer service. We believe VFM is about delivering social, financial, and environmental value across everything we do, underpinned by being effective in how we plan, manage and operate our business. One of the key enablers of this is how we make evidence-based decisions, ensuring that we have increasingly accessible data and insight for everything that we do and this year we have started to implement a new data operating model that will strengthen our approach.

Corporate Strategy

VFM forms a central part of our business and organisational culture. We believe our Corporate Strategy reflects this and continues to be fit for purpose. This year we introduced our five long-term Strategic Priorities that are core to the delivery of our strategy over the coming years, ensuring we prioritise activities that deliver against a central tenet of our strategy: to provide safety and security through a range of housing and services. With our resources more stretched than ever, VFM considerations are baked into each priority – not just in terms of delivering our services more efficiently, but also delivering better outcomes for our customers and their communities.

Through our treasury and business planning processes, which have been strengthened in the past 12 months, we understand our future funding requirements, and are making sure they can be effectively put in place to allow us to deliver our Corporate Strategy and Strategic Priorities. The Group looks to make best use of its capacity – analysing risks through scenario testing – by maximising borrowing and effectively utilising security whilst also maintaining credit strength. Achieving VFM is embedded in our capital and treasury structure, augmented by appropriate funding structures such as the Group's bonds, to achieve interest cost savings which are re-invested in maintenance and new developments.

Progress against our Strategic Priorities is monitored quarterly by our Executive and Overlap Boards. Meanwhile, our corporate performance framework continues to provide a complementary view of the business's financial health and performance against our health and safety obligations, legal, contractual and regulatory requirements. This is where we monitor the Regulator's Value for Money metrics. We will continue to benchmark our performance against a limited number of peer organisations that, collectively, we believe provide us with the most suitable barometer against which to assess and challenge how we are doing.

Procurement

Maintaining the financial health of our business requires colleagues to make sound, commercially driven decisions: procuring the right things, at the right time, in the right way. Over the last 12 months we have worked towards successfully embedding new procurement policies and procedures into our ways of working. Our focus remains on maintaining compliance with the Procurement Act 2023, while proactively preparing for and adapting to the evolving requirements being introduced throughout the next couple of years.

By evolving our procurement governance and controls, we continue to empower our colleagues while positioning procurement activities to maximise opportunities and VFM for both the business and our customers.

VFM remains a core principle, not just about cost savings at the expense of quality, but about optimising the use of our resources and assets to drive efficiencies and achieve the best possible outcomes. These principles are deeply embedded in our procurement policy and procedures, ensuring VFM is considered and gained at all stages of the procurement process.

Linked to our wider transformation and customer services modernisation projects, we have increased our focus on realising the benefits of technology to support transparency, VFM, and gaining benefits for our customers and communities. We are implementing management and culture changes in response to the findings of a contract management internal audit, driving benefits from greater visibility, control, and commercialism. This seeks to elevate Aster as a client within third-party relationships and underpin the development of a well-rounded and standardised approach to entire contract life cycle management, ensuring it is embedded in Group-wide practices with measurable and reportable outcomes.

Additionally, we have started to develop a Strategic Alliance contract model to support collaborating with supply chain contractors on long-term partnerships. This model seeks to incentivise participating organisations to deliver better outcomes collectively.

Report of the Board (continued)

Value for Money (VfM) Statement - Aster Group (continued)

Efficiency

Over the last 12 months we have taken action to unlock annually recurring savings of £3.6m and have plans in place to increase this by a further £5m over the next three years as our customer services modernisation and technology programmes progress. Our efficiencies are being driven from a range of sources: including but not limited to the further integration of our operational teams following recent acquisitions, initial outputs of our customer service modernisation programme, the roll out of service reviews across many areas of the business, and procurement. Our efficiency programme is also seeking to streamline the provision of our central services; for example, maximising the opportunities provided by the rollout of Microsoft Dynamics in Finance and Dayforce for HR and Payroll.

Governance

Our G1 rating (reaffirmed following a stability check in November 2024) indicates that our governance processes are sound, and we are getting VFM from the investment we make in our governance, risk and assurance frameworks. Our internal governance framework provides assurance through various mechanisms:

- Our VFM measures and targets are monitored and scrutinised by our Operational Scrutiny and Assurance Panel (OSAP) and are also presente regularly to the Overlap Boards.
- The delivery of our efficiency programme is reported through our Corporate Performance Framework, and reported into our Executive Board, Grou Treasury and Finance Committee, and Overlap Boards.
- OSAP also monitors and tracks projects and initiatives which deliver savings, efficiency improvements and additional benefits.
- Our Group Investment and Assets Panel (GIAP) considers VFM in all decisions relating to our strategic asset, investment and developmer programmes. We recognise the challenging economic environment and ensure that contractor performance and viability are key considerations in that decision making.
- We track our social value through the work of the Aster Foundation, and through our wider activity across Aster Group, including within Enham Trust.

For the most part, we have fully implemented the outcomes of the organisation wide governance review conducted in 2023, ensuring our structures and processes remain appropriate for our enlarged Group. Only two elements are ongoing and will be further progressed in the coming year: refining our approach to hearing our customer voice (our new Customer Voice Committee will meet for the first time in June 2025) and commencing, on a phased basis, a streamlining of our corporate structure to ensure it remains fit for the future and offers the right balance between flexibility and VFM.

Report of the Board (continued)

Value for Money performance - Aster Group

2024/25 VFM Performance

The Group's performance in 2024/25 provides strong evidence of the commitment set out in the approach to VFM.

Performance against the VFM key metrics

Set out below is the Group's sector scorecard comparison showing the median and upper quartile positions as well as the Group's target for 2026.

Performance against the VFM key metrics

Performance is in the upper quartile
Performance is median
Performance is in the lower quartile

	Aster Performance				Scorecard 2024		Target
	2025	2024 (Restated)	2024	2023	Median	Upper Quartile Threshold	2026
REINVESTMENT							
Reflects the investment in social housing properties (existing stock and new supply) as a percentage of the total value of social housing properties held (Aster measure the total value of social housing propertes at deemed cost).	10.2%	11.2%	11.2%	11.5%	7.7%	11.0%	Upper Quartile
NEW SUPPLY DELIVERED - SOCIAL HOUSING							
Sets out the number of new social housing units, excluding those homes delivered through the group's joint venture, that have been acquired or developed as a proportion of total social housing units owned at the period end.	2.3%	2.5%	2.5%	3.3%	1.4%	2.2%	Upper Quartile
NEW SUPPLY DELIVERED - NON SOCIAL HOUSING							
Sets out the number of new non social housing units, including those homes delivered through the group's joint venture, that have been acquired or developed as a proportion of total non social housing units owned at the period end.	60.2%	35.5%	35.5%	38.3%	-	-	
NEW SUPPLY DELIVERED - COMBINED							
Sets out the total number of new housing units, including those homes delivered through the group's joint venture, that have been acquired or developed as a proportion of total housing units owned at the period end.	2.6%	2.7%	2.7%	3.6%	-	-	
GEARING							
Calculated as net debt (loans less cash) as a proportion of social housing assets. Shows how much of the social housing assets are made up of debt, and the degree of dependence on debt finance. It also sets out the potential capacity for further borrowing which can be used to fund the future development of new housing.	52.1%	52.2%	52.2%	51.0%	45.6%	54.3%	Upper Quartile
EBITDA MRI[1] INTEREST COVER							
Seeks to measure the level of surplus generated compared to interest payable. It is a key indicator for liquidity and investment capacity.	69.0%	117.6%	125.9%	164.7%	122.0%	153.0%	Median
HEADLINE SOCIAL HOUSING COST PER UNIT (CPU)							
Assesses the headline social housing cost per unit as defined by the regulator. Costs include management costs, service charges, maintenance, major repairs, other social housing costs and other operating costs on housing lettings, but excludes depreciation.	£5,721	£5,461	£5,461	£4,836	£5,136	£6,350	Median
OPERATING MARGIN - OVERALL							
Demonstrates the profitability of operating assets before exceptional expenses. Defined as operating profit, excluding surplus on sale of property, plant and equipment, as a percentage of total turnover.	6.0%	14.1%	15.5%	15.4%	18.5%	23.4%	Median
OPERATING MARGIN - SOCIAL HOUSING ONLY							
Demonstrates the profitability of social housing operating assets before exceptional expenses. Defined as operating profit derived from social housing activities, excluding surplus on sale of property, plant and equipment, as a percentage ofsocial housing turnover.	21.5%	21.4%	21.4%	20.4%	20.4%	25.8%	Median
RETURN ON CAPITAL EMPLOYED (ROCE)							
Compares the operating profit[2] to total assets less current liabilities.	1.7%	2.6%	2.8%	2.8%	2.8%	3.4%	Median

[1] EBITDA MRI is Earning before interest, tax, depreciation, amortisation, excluding profit on disposal of property, plant and equipment, but including the cost of capitalised major repairs (major repairs included). Interest includes the group's interest payable plus interest capitalised during the year but excluding interest on the net pension liability.

[2] Operating profit includes the group's operating profit inclusive of profit from disposal of property, plant and equipment, and the share of profit in joint ventures.

Report of the Board (continued)

Value for Money performance - Aster Group (continued)

The Group is committed to being a leader in the sector for both reinvestment and new supply delivered. This continues to be a priority of the Group as we look to achieve our vision that every one has a home. The business model is worked hard to develop as many new homes as possible within the Group's financial capacity and in 2025 we built 984 homes (of which 863 were affordable), closing the year with 37,608 homes owned (37,407 of which were affordable).

The Reinvestment metric is measured as a proportion of the value of the Group's properties. We delivered slightly fewer homes, compared to 997 units in the prior year, and have spent £227.9 million on development with a higher value of units under construction at 31 March 2025. We have also invested £31.2 million in capital work on existing stock being £1.5 million less than 2024, resulting in the decrease in reinvestment to 10.2% from 11.2% in the prior year, seeing us fall to just below the upper quartile threshold of 11.0%.

Despite delivering slightly less homes than in the prior year, the New supply delivered metric has remained in the upper quartile at 2.3%, reaffirming our belief that the greatest role to play in tackling the housing crisis is "building as many homes as we can" and is a key strategic theme for the Group.

Our ambition is also highlighted by the level of gearing which has remained consistent with the previous years. This underlines the strength of the Group's balance sheet and provides capacity for the Group to borrow further to support its development program. The growth in the Group's housing properties of £157.2 million and increase in net debt of £78.2 million, reflects a consistent risk appetite.

EBITDA MRI interest cover has decreased to 69.0%, primarily due to two one-off costs included in operating costs, being the pension cessation cost of £29.0 million and impairment charge on joint venture loan of £1.6 million, which if excluded would bring the metric to 126.8%, being broadly in line with previous years, reflecting a strong underlying position. The operating costs also includes impairment on housing assets of £2.8 million, which if excluded would result in an EBITDA MRI interest cover metric of 132.0%. Following the restatement of the 2024 operating profit (see note 3), the EBITDA MRI interest cover has decreased from 125.9%, as previously reported to 117.6%. The Group continues to progress with its development programme despite the challenges the sector is facing, including, persistent inflationary pressures and the broader economic environment.

The social housing cost per unit has increased by £260 compared to the prior year, primarily driven by higher spend on major repairs (£167) and routine and planned maintenance (£138), net of a reduction in capitalised major repairs (£52). Our approach to value for money (VFM) is not focused solely on minimising cost, but on delivering excellent value by providing safe, high-quality homes and reliable services for our customers.

While operating margins provide a useful measure of overall profitability, they should be considered in the context of all business activities across the Group. Aster's underlying operating margin was 15.3%, however for statutory purposes decreased to 6.0%, due to the two one-off items totalling £30.6 million, as detailed above. The prior year underlying operating margin of 15.5% has been restated to 14.1% following the recognition of an impairment charge on the Boorley Green loan. Although the Group's overall operating margin continues to perform below the sector median, we are focused on cost and ensuring business operations are as efficient as possible. During the year we achieved annualised recurring savings of over £3.6m, almost double the £2m target set at the beginning of the year. The Group has identified further annualised recurring cost savings of c£5m over the next three years.

Social housing operating margins remain consistent with the prior years and continue to perform slightly above the sector median. This reflects the Group's operational efficiency in delivering high-quality social housing services.

While return on capital employed (ROCE) provides an overall indication of how effectively the Group's assets generate financial returns, our asset management strategy is equally focused on enhancing asset performance and improving the quality of our homes. ROCE declined by 0.9 percentage points to 1.7%, which, includes the two one-off costs, as detailed above; excluding this the ROCE would be 2.9%, being consistent with prior years. This was partially offset by the reduction in the Group's share of joint venture losses and an increase in the Group's asset base. The prior year ROCE of 2.8% has been restated to 2.6% following the recognition of an impairment charge on the Boorley Green loan in 2024.

Full details of the Group's VFM statement are included in the Aster Group's Consolidated Financial Statements.

Report of the Board (continued)

Principal risks

During 2024/25, the Board regularly reviewed the ten strategic risk themes which it believes could adversely impact on the achievement of objectives or impact on the delivery of good services to customers. The Board also focused on the uncertainties which could present opportunity to further deliver the Group's vision and purpose. The following list provides an overview of those principal risks to the Group at the end of March 2025.

Customer Satisfaction and wider perception - Our service delivery doesn't meet customers' needs and expectations, or significant events erode stakeholder trust

Our response:
Through defined strategic priorities, work continues to challenge and improve our repairs service, invest in our customer's homes and focus on our customer contact experience offering a consistent and modern omni-channel approach, known collectively as our Modernisation Programme.
Aster Group is a member of the Institute of Customer Service and conduct customer and colleague surveys. This benchmarking information works alongside wider insight from Tenant Satisfaction Measures, operational performance data and transactional satisfaction data to inform priority setting within the programme. Customer voice comes through consultation forums and involved customer groups, with the overall aim of focusing the Group's change programme on areas that will improve customer satisfaction, reduce complaints and ensure the quality of customer's homes.
Service levels and delivery are monitored by management through a range of Operational Performance Indicators (OPIs) and dashboards with monthly KPI reporting. This data is used to identify and prioritise improvement areas.

Delivery of new homes - External factors restrict the ability to deliver the planned developer led or land led new build programmes

Our response:
The Group takes a proactive approach to building and maintaining stakeholder relations including developers and local authorities.
The Group Investment and Asset Panel (GIAP) monitor delivery and forward forecast. This panel oversight is complemented by a range of management controls, such as development review meetings, tracking of KPIs and OPIs and programme forecasting and monitoring.
The Living Business Plan reflects changes in the forward programme and forecasted handovers.
The Groups land led development programme is delivered under a mini-framework agreement. To manage counterparty risk, all build contracts are financially scrutinised and financial checks undertaken with additional securities implemented proportionate to the risk of the contract.

Investment in Homes and Sustainability - Investing in homes to meet current and future decent home and building fabric requirements, carbon reduction milestones

Our response:
A key part of the Group's assurance about the condition of customers' homes is provided by stock condition survey data. This stock data has been used to update the living business plan, reflecting an increased programme of investment works for the coming years alongside disposal of homes that perform least well for customers and will cost more to improve.
The programming of works includes allowing for the alignment of different workstreams into linked delivery phases where enhanced values for money and minimised customer disruption can be achieved by doing so.

Property Market - The property market experiences a slowdown and/or a reduction in property values

Our response:
The Marketing and Sales intelligence reporting submitted to GIAP quarterly, whilst retrospective, offers assurance on the market environment and acts as an early warning indicator of changing risk profile.
Sales and market performance trends are monitored at GIAP and by the development leadership team monthly which includes analysis on % sales unsold, average first tranche % shares, off plan sales rates, unsold stock and market valuation trends.
The Group conducts continuous stress testing on a wide range of scenarios including a property market downturn. In addition, a property market downturn is modelled at the same time as other significant factors like high borrowing costs.

Financial Performance and Resilience - Below acceptable operating and profit margins and /or challenges accessing viable funding and re-financing options

Our response:
Budgets are rigorously set and re-forecast through the year, flowing into a Living Business Plan. Through KPIs and OPIs, performance is continuously reviewed against budget and against key metrics and golden rules set out in the Group's Treasury Management policy.
Stress testing through multi-variant scenarios covers a range of different potential economic scenarios to ensure the Group can mitigate against potential economic risks. Other relevant scenarios are tested as and when appropriate.
The Group operates a mixed funding strategy and as a result this minimises exposure to a single source of funding.

Report of the Board (continued)

Principal risks (continued)

Regulatory Standing - Our governance, service delivery or an incident result in a decline in our relationship and reputation with a regulator

Our response:
While the priority focus is on prevention of any incident that may result in non-compliance with any regulatory regime, the Group does recognise the value in maintaining transparent and effective relationships with key regulators.
Oversight comes from a comprehensive compliance framework that encompasses all legal and regulatory responsibilities. The Group regularly reviews services and internal controls against regulatory standards, recognising the breakdown in trust that could occur because of a failure and are committed to providing good quality and compliant services.
Strong governance and robust probity arrangements minimise the potential for a corporate crisis event.

Health and Safety - A health & safety issue leads to serious injury or ill health

Our response:
The Group's Health & Safety Policy, arrangements and management system set the framework for a consistent safety culture.
Property safety activity is controlled by a set of system driven programmes. Cyclical inspection and servicing, and remedial works arising from those programmes are similarly captured and fulfilment monitored via KPIs and OPIs, reported monthly. The measures have a defined tolerance reflective of the critical nature and potential consequences.

Technology and change management - Our technology infrastructure is unable to support our current or future needs, and/or our change activity and investment is unsustainable, uncoordinated or misdirected

Our response:
Change programmes are aligned to the identified strategic priorities, key enabling activity or to regulatory driven change. This ensures collective focus on and investment in, the activity most critical to the delivery our strategic aims and core services.
Delivery of the change programme is monitored by the Operational Scrutiny and Assurance Panel (OSAP), supported by focused groups overseeing integration or specific linked projects.
A new Technology Plan, approved during 2024/25 will ensure continued evolution of our technology infrastructure to meet the Group's needs.

People and culture - We don't have the culture, people, diversity of thought or skills we need to realise our potential into the future

Our response:
Colleague voice has shaped a new people and culture plan to be delivered from 2025/26. Through a range of insights this plan focuses on an employment offer that enables everyone to deliver their best work and for the Group to attract and retain a diverse range of talent.
Through a strategic approach to workforce planning the Group can ensure the right skills are identified and developed to meet future needs and operational delivery.
We use our apprentice programme and access to the apprenticeship levy to enable colleagues to develop new skills and have access to professional qualifications. This enables us to provide opportunity for development and to grow our own talent through upskilling and reskilling and to retain top talent and colleagues with potential.

Data Security, Quality and Integrity - A lack of quality data or a breakdown in data integrity control frameworks, or an IT security breach causing data loss and/or system compromise/failure

Our response:
A new Data Plan, data quality framework and records management framework were approved in 2024/25 and alongside establishment of a new data operating model will modernise how the Group governs data. Initiatives were informed and prioritised following a data management maturity assessment during the year.
The Group holds Cyber Essentials accreditation and is continuing to further strength a security rating that already benchmarks higher than peers. There is proactive security monitoring, with disaster recovery and cyber response plans tested regularly.

Treasury policy

The Group operates a centralised Treasury Management function whose primary purpose is to manage liquidity, funding, investment and the Group's financial risk, including risk from volatility in interest rates and liquidity. The Group Treasury and Finance Committee reviews and approves the Group Treasury Policy before recommending it to the Group Board. Details of the policy are included in the Aster Group's consolidated financial statements.

Report of the Board (continued)

Corporate and Social Responsibility

People & Culture

As part of the group Synergy Housing Limited continues to embed the diversity and inclusion principles to support an inclusive culture.

Employee experience
We are serious about creating the best possible environment for our people to thrive and feel at home doing their best work. Right at the heart of that is a belief that a person's ability to do their job is what is important, not their gender, age, sexuality, or any other personal factor.
We are determined that this will be reflected at all points in the colleague journey at Aster. This year, we have continued our commitment to using colleague insight to continually improve our ways of working, recognising that our diverse workforce has a range of different needs and priorities, when it comes to our colleague offer.

This year, we conducted two colleague engagement surveys, in June and December, with digital, paper and Easy Read options to ensure inclusivity. We were pleased to see an increased response rate with nearly 3,100 comments from 1,079 colleagues in our December survey, providing a valuable view into how our colleagues are feeling. Key themes included a continued appreciation for the flexibility that many colleagues benefit from, and the high standard of support provided by line managers and peers. Decision-making and investment in our colleague offer were raised as opportunities to improve, and this insight has been used to inform our people strategy going forward.

In addition to our engagement surveys, we've spent time talking to colleagues to understand their needs when it comes to evolving our approach to workspaces, making sure the way we work in a more digital world helps create the best conditions for our colleagues to connect and collaborate in the ways that work for them. We have continued to offer access to co-working spaces in addition to Aster-specific workspaces, to give colleagues as much choice as possible in finding the best spaces for them and the work they need to do on any given day.

We've brought all our colleagues together each quarter in collaborative calls. One of our most popular engagement channels, these calls have provided a great opportunity to share progress against our strategy and to create a space for open and honest communication, with Q&A sessions allowing colleagues the chance to ask our Executive Board questions directly. We have enhanced our colleague communication approach to be more inclusive by introducing weekly printed news updates to make sure our colleagues who aren't digitally active can easily access key messages. We have also introduced a regular leader cascade, ensuring that all leaders can effectively share key messages with their teams. To help build connections across the business, we have introduced a regular 'Spotlight On' podcast, showcasing the work of different individuals and teams.

Diversity and Inclusion (D&I)
Our D&I learning and awareness offer has continued to develop. This includes our popular 'Active Inclusion' session which covers unconscious bias, micro-behaviours, and inclusive language, along with bespoke Disability Awareness session and e-learning. This year, we have added content to promote understanding of Active Inclusion and Allyship and developed the skills within the team to deliver Inclusive Leadership training to all leaders.

Our colleague networks provide safe spaces for colleagues to come together to share experiences, celebrate key events and help shape key guidance for colleagues and leaders. In January, our Disability Confident Network helped to launch our D&I EnAble magazine, dedicated to celebrating the diverse experiences and talents of individuals with disabilities and those who are neurodivergent, shining a light on the challenges they face while emphasising their invaluable contributions.

We continued to promote the importance of inclusivity by participating in our fifth annual National Inclusion Week, which focused on a week-long programme of sessions and content focused on the theme of 'Impact Matters'.

Our progress in this area has been recognised again this year through our silver Talent Inclusion and Diversity Evaluation (TIDE) award, awarded by the Employers' Network for Equality and Inclusion (Enei). We have continued to work with Enei to measure our D&I approach and outcomes and are delighted that this year our overall score increased by 26% from our first benchmarking submission in 2021, which means we are operating at Enei's highest level of 'sustain'.

Environmental and Social - Energy efficiency action

As part of the Group, Synergy Housing Limited, is acutely aware of the responsibility we have, to work in a conscious way to reduce the impact on our natural environment.

With nearly 38,000 properties across the south of England and London, the Group knows we have a part to play in helping the UK meet its climate change targets. We know there are a raft of ways we can achieve this with energy performance of our homes being one key metric to address. During 2024/25 we:
* Maintained our commitment to energy efficiency in the way we work, by rationalising our office space, using leased space where appropriate, and continuing to facilitate home working. This approach gives us the flexibility to adapt to the evolving needs of our colleagues and the business, and ensure offices are modern, appropriately sized and utilise resources effectively.
* Achieved an Energy Performance Certificate (EPC) rating of B or higher for 99.1% of the new homes we built, with the remainder achieving EPC C. All of our new homes achieved an Environmental Impact Rating (EIR) of C or better. We continue to deliver a high standard of energy efficiency while balancing this with the need to deliver affordable homes in a challenging market.
* Delivered over 150 homes with the benefit of air source heat pumps, PV or solar panels.

Report of the Board (continued)

Corporate and Social Responsibility (continued)

Environmental and Social - Energy efficiency action (continued)

During 2024/25 we (continued):

* Through our strategic partnership with Homes England, we have secured uplift funding through the Affordable Homes Programme to deliver 34 homes which meet the Government's Modern Methods of Construction Criteria of Cat 2a. This not only reduces waste and the embodied carbon emissions associated with these homes, but will help us develop our approach to MMC in the future,
* Successfully received over £1.2m from the government's Warm Homes: Social Housing Fund Wave 3 to retrofit around 750 homes across our portfolio, helping to progress towards all properties achieving a minimum EPC rating of 'C' by 2030. Additional funding was also acquired through our membership of the West of England Combined Authority. We have procured a partner to deliver this programme, ensuring work can start in 2026.
* Upgraded 91 homes through our Social Housing Decarbonisation Fund Wave 2 funding, taking the project total to 103 homes and taking us closer to ensuring customer's homes are net zero by 2050.
* Continued to gather feedback from customers on our NextGen and Comfortframe retrofit pilot projects to understand how easy these technologies are to use, as well as how effective they have been.
* Through our planned maintenance programme, improved the loft insulation in 441 individual homes and a further 8 blocks, upgrading almost 500 homes. We also added cavity wall insulation to 66 properties plus 10 blocks and upgraded the windows in 659 properties and 8 blocks.
* Carried out 1241 domestic boiler upgrades, and plant upgrades in 16 blocks, covering more than 400 further households. We also installed 20 air source heat pumps for customers that wanted them, and upgraded 268 storage heaters, with four of these fuel swaps from solid to electric. A further 19 homes had fireplaces removed/ made redundant.
* Took delivery of 111 new vehicles, replacing almost a quarter of our fleet with more efficient, lower emission models.
* Launched a salary sacrifice car scheme in May 2024, offering colleagues a more affordable route to hybrid and electric vehicle ownership. Eight colleagues have signed up so far, with five selecting fully electric vehicles.

Streamlined Energy and Carbon Reporting (SECR) for period 1 April 2024 to 31 March 2025

		Current reporting year 2024/25	2023/24	2022/23	2021/2022
Energy consumption					
1	Mains gas (MWh)	28,862	28,570	27,031	17,137
2	Transport fuel – company fleet (MWh)	6,195	7,093	6,775	6,702
3	Transport fuel – business travel in employee-owned vehicles (MWh)	2,131	2,094	1,579	1,096
4	Fuel used in plant and equipment) (MWh)	583	577	570	877
5	Purchased electricity (MWh)	8,760	8,857	8,875	7,472
6	Electricity provided by landlord at corporate sites (MWh)	682	392	371	352
7	Energy consumed by staff working from home (MWh)	2,916	2,800	3,343	3,125
8	**Total energy consumption (items 1-7) (MWh)**	**50,130**	**50,385**	**48,544**	**36,761**
Greenhouse gas emissions - mandatory (SECR) reporting					
9	Combustion of gas (Scope 1) (tCO_{2e})	5,279	5,143	4,866	3,139
10	Combustion of fuel for transport (Scopes 1 - owned fleet & Scope 3 - leased fleet) (tCO_{2e})	1,481	1,693	1,635	1,587
11	Combustion of fuel for transport (Scope 3 – business travel in employee-owned vehicles) (tCO_{2e})	510	511	391	270
12	Purchased electricity (Scope 2, location-based) (tCO_{2e})	1,814	1,834	1,716	1,586
13	**Total gross emissions for which SECR reporting required (items 9-12) (tCO_{2e})**	**9,084**	**9,180**	**8,608**	**6,582**
Intensity ratio – mandatory (SECR) reporting					
14	**Total gross emissions per property managed (tCO_{2e}/property)**	**0.252**	**0.259**	**0.255**	**0.209**
Methodology					
15	**Greenhouse Gas Reporting Protocol – Corporate Standard**				
Other emissions - non-mandatory reporting					
16	Emissions from combustion of fuel for transport (Outside of Scopes - owned & leased fleet)	94	Not reported	Not reported	Not reported
17	Emissions from fuel used in plant & equipment (Scopes 1&3 + Outside of Scopes) (tCO_{2e})	155	148	156	173
18	Emissions from electricity used in rented offices & yards (Scope 3, location-based) (tCO2e)	141	81	72	75
19	Emissions from electricity (purchased and landlord-provided) (Scopes 2&3, market-based) (tCO_{2e})	1,467	1,215	1,118	414
20	Emissions from electricity consumed in transmission & distribution (Scope 3) (tCO_{2e})	173	166	164	147
21	Emissions from staff home working (Scope 3) (tCO_{2e})	541	502	623	580
22	Emissions from business travel - hotel stays (Scope 3) (tCO2e)	5	5	5	Not reported
23	Fugitive emissions (Scope 1)	82	5	38	Not reported
Total gross emissions – SECR-mandatory plus non-mandatory reporting					
24	Total of all emissions (location-based electricity) (tCO_{2e}) (sum of items 13, 16, 17, 18, 20, 21, 22, 23)	**10,276**	**10,088**	**9,666**	**7,557**
25	Total of all emissions (market-based electricity) (tCO_{2e}) (sum of items 9, 10, 11, 16, 17, 19, 20, 21,22, 23)	**9,788**	**9,388**	**8,996**	**6,310**
Intensity ratios – SECR-mandatory plus non-mandatory reporting					
26	Total gross emissions (item 24) per property owned & managed (location-based electricity) (tCO_{2e}/property)	**0.285**	**0.284**	**0.287**	**0.240**
27	Total gross emissions (item 25) per property owned & managed (market-based electricity) (tCO_{2e}/property)	**0.272**	**0.265**	**0.267**	**0.200**

Report of the Board (continued)

Corporate and Social Responsibility (continued)

Environmental and Social - Energy efficiency action (continued)

Actions planned for 2025-26 include:
* Starting construction of a 39-unit scheme in Totnes in partnership with Transition Homes Community Land Trust, where all units will meet EPC A. This will deliver the long-term benefit for the local community of efficient, warm and affordable homes.
* Refurbishing our Enham Hub, exploring how we can incorporate sustainable technology to improve energy efficiency.
* Preparing for our 3-year retrofit programme, which will begin in 2026-27 and use the funding from our successful Warm Homes: Social Housing bid to upgrade homes across our portfolio.
* Through our planned maintenance programme and other ongoing projects, upgrading the loft insulation on 259 homes, insulate the cavity walls of 98 homes, and replace the windows on 836 homes. We will also carry out heating upgrades to 1,240 properties and replace the night storage heaters in 350 homes.
* Replacing 94 vehicles with lower emission models, at least 15 of which will be Electric Vehicles. This order will also include mild hybrid vehicles as part of our transition to a low and zero emission fleet.
* Consulting on and publishing our Sustainability Strategy, which will include targets to reduce our emissions and procure materials and services that have a lower carbon impact.

Full details of the Group's Streamlined Energy and Carbon Reporting (SECR) are included in the Aster Group's Consolidated Financial Statements.

Viability Statement

In accordance with principle C and provision one of the 2018 Corporate Governance Code, the directors have assessed the viability of the Group and have selected a period of seven years for the assessment. The Group has a property development programme that runs for a rolling seven-year period. This programme forms the basis of the Group's financial plan that covers the seven-year period and is then extrapolated over a further 23 years, resulting in a 30-year plan. For these reasons the Group uses a seven-year strategic planning cycle and the directors have determined that seven years is also an appropriate period over which to provide its viability statement.

The financial plan considers the Group's future financial stability, property development and investment strategies and the viability of future expense reduction programmes by measuring a broad range of financial metrics and other key metrics such as exposure to the property market. In addition, the Group closely monitors its financial covenants being primarily asset cover, interest cover and net worth over the seven-year period together forming the Group's financial plan tolerances.

Based on the results of this analysis, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next seven years.

Throughout the year the Group has complied with the RSH's Governance and Financial Viability Standard in full and has maintained its G1/V1 rating, with the ratings being reaffirmed by the RSH during the year.

Full details of the Group's viability statement are included in the Aster Group's Consolidated Financial Statements.

Report of the Board (continued)

Statement of Directors' responsibilities in respect of the Report of the Board and the financial statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure 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 applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with 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 2022. It is responsible 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, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Attendance at board meetings

	Aster Group Limited		
Non-executive directors	**Total**	**Possible***	**%**
Clive Barnett	8	8	100%
Mike McCullen	8	8	100%
Tracey Peters	5	8	63%
Caroline Wehrle	8	8	100%
Claire Whitaker CBE	8	8	100%
Stephen Trusler	8	8	100%
Mehul Desai	7	8	88%
Executive directors			
Bjorn Howard	8	8	100%
Chris Benn	8	8	100%
Amanda Williams	7	8	88%

*Possible attendance may be lower than the total number of meetings held due to the director only holding office for part of the year.

Disclosure of information to auditor
So far as the board is aware, there is no relevant information of which the association's auditor is unaware. The board has taken all reasonable steps that ought to have been taken to make itself aware of any relevant audit information, and to establish that the association's auditor is aware of that information.



Dawn Fowler-Stevens
Company Secretary
9 September 2025

Independent Auditor's report to the members of Synergy Housing Limited

Opinion

We have audited the financial statements of Synergy Housing Limited ("the Association") for the year ended 31 March 2025 which comprise the association's the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2025 and of its income and expenditure for the year then ended;

- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and

- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of board, the audit committee and internal audit as to the Association's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Association's channel for "whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board and audit committee minutes.

- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition due to limited scope for manual interventions and the homogeneous nature of the majority of the revenue streams. In addition, property sales are recognised on receipt of a legal completion statement and cash and therefore the opportunity to manipulate revenue from sales is remote.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation of the Association wide fraud risk management controls.

We also performed procedures including:

- pre-screening all journal entries in the year and made inquiries with management based on the screening results with consideration of seldom used accounts, users activities and specific key words.

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

- assessing whether the judgements made in the accounting estimates are indicative of potential bias including assessing the assumptions used in the value of properties developed for sale held in current assets and in the valuation of the defined benefit obligation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Board (as required by auditing standards), and from inspection of the Association's regulatory and legal correspondence and discussed with the Board the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), pensions legislation, specific disclosures required by housing legislation, and requirements imposed by the Regulator for Social Housing and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Association is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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

non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

Other information

The Association's Board is responsible for the other information, which comprises the Board's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

We have nothing to report in these respects.

Independent Auditor's report to the members of Synergy Housing Limited

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:
- the Association has not kept proper books of account; or - the Association has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 14, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; 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; assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

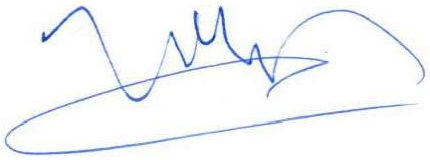
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Harry Mears (Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Suite 6 New Kings Court
Tollgate Chandler's Ford
Eastleigh SO53 3LG
Date: 22 September 2025

Synergy Housing Limited

Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Turnover	5a	87,001	87,047
Operating expenditure	5a	(58,876)	(51,434)
Cost of sales	5a	(7,108)	(11,077)
Profit on disposal of housing property, plant and equipment	6	7,101	5,496
Change in fair value of investment properties	5a	350	336
Operating profit before impairment		28,468	30,368
Pension cessation	5a	(17,428)	-
Operating profit	7	11,040	30,368
Loss on disposal of other property, plant and equipment	10	-	(72)
Charitable donations made	11	(197)	(195)
Profit before interest and taxation		10,843	30,101
Interest receivable and similar income	12	777	2,291
Interest payable and similar charges	12	(13,086)	(13,123)
Interest on net pension liability	12	(10)	421
Net finance expense		(12,319)	(10,411)
(Loss) / profit before taxation		(1,476)	19,690
Tax on loss / profit	13	-	-
(Loss) / profit for the year		(1,476)	19,690
Other comprehensive income			
Actuarial gains in respect of pension schemes	30	11,904	201
Other comprehensive income for the year		11,904	201
Total comprehensive income for the year		10,428	19,891

The accompanying notes form part of these financial statements.

Synergy Housing Limited

Statement of Financial Position

as at 31 March 2025

	Note	2025 £000	2024 £000
Fixed assets			
Intangible assets	14	-	3
Property, plant and equipment (social housing)	15	783,241	738,363
Property, plant and equipment (other assets)	16	4,985	4,463
Investment properties	17	17,826	17,662
Investments	18	50	50
Investments in subsidiaries	19	-	-
Investments in joint ventures	20	1,500	1,500
		807,602	762,041
Non-Current assets			
Debtors: amounts falling due after more than one year	21	2,412	4,682
Current assets			
Debtors: amounts falling due within one year	22	9,032	12,649
Shared ownership properties held for sale	23	15,152	13,139
Cash and cash equivalents	24	7,108	22,275
		31,292	48,063
Creditors: amounts falling due within one year	25	(61,369)	(53,085)
Net current liabilities		(30,077)	(5,022)
Total assets less current liabilities		779,937	761,701
Non current liabilities			
Creditors: amounts falling due after more than one year	26	(392,276)	(384,336)
Pension liability - Social Housing Pension Scheme	30	(147)	(230)
Other provisions	31	-	(49)
Net assets		387,514	377,086
Capital and reserves			
Called up share capital	32	-	-
Profit and loss reserve		232,168	220,360
Revaluation reserve	33	154,541	155,921
Restricted reserve	34	805	805
Total capital and reserves		387,514	377,086

The accompanying notes form part of these financial statements.

The financial statements on pages 18 to 54 were approved and authorised for issue by the board on 9 September 2025 and were signed on its behalf by:

Stephen Trusler
Chairperson

Bjorn Howard
Group Chief Executive Officer

Dawn Fowler-Stevens
Company Secretary

Synergy Housing Limited

Statement of Changes in Reserves

for the year ended 31 March 2025

	2025			
	Profit and loss reserve £000	**Revaluation reserve £000**	**Restricted reserve £000**	**Total reserves £000**
Balance at 1 April 2024	**220,360**	**155,921**	**805**	**377,086**
Loss for the year	**(1,476)**	**-**	**-**	**(1,476)**
Other comprehensive income for the year	**11,904**	**-**	**-**	**11,904**
Transfer to revaluation reserve from profit and loss reserve	**1,380**	**(1,380)**	**-**	**-**
Balance at 31 March 2025	**232,168**	**154,541**	**805**	**387,514**

	2024			
	Profit and loss reserve £000	Revaluation reserve £000	Restricted reserve £000	Total reserves £000
Balance at 1 April 2023	198,720	157,670	805	357,195
Profit for the year	19,690	-	-	19,690
Other comprehensive income for the year	201	-	-	201
Transfer to revaluation reserve from profit and loss reserve	1,749	(1,749)	-	-
Balance at 31 March 2024	220,360	155,921	805	377,086

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 Legal status

Synergy Housing Limited is registered under the Cooperative and Community Benefit Societies Act 2014, and is registered with the Regulator for Social Housing ('RSH') as a Registered Provider as defined by the Housing Act 2004.

2 Basis of preparation

The financial statements of the association have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers, and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The association is classified as a Public Benefit Entity under FRS 102.

The financial statements are presented in Sterling (£).

Application of accounting policies

The group's accounting policies have been applied consistently throughout the year.

Going Concern

The directors, after reviewing the association's budgets for 2025/26 and the group's medium term financial position as detailed in the 30-year business plan, taking account of severe but plausible downsides including changes arising from the cost of living crisis, are of the opinion that, the association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Presentation

The association has elected not to produce a strategic report, statement of cash flows and disclosure relating to key management compensation within the individual subsidiary financial statements in line with exemptions available within FRS 102 and the Housing SORP 2018.

These disclosures are included in the group's consolidated financial statements.

The association has not prepared consolidated financial statements as it is a wholly owned subsidiary of Aster Group Limited and its results are included within the consolidated financial statements of the group.

Notes to the Financial Statements (continued)

3 Accounting policies

Turnover

Turnover represents:

Rental, service charge income and garage lettings - recognised from the point at which the properties under development reach practical completion or otherwise become available for letting.

Service charge income - an amalgamation of the budgeted charge for the year and the under or over recovery from the pre-previous year.

Revenue fees and grants from local authorities and the RSH - recognised over the period the related costs are incurred.

Asset related fees and grants from local authorities and the RSH - recognised over the life of the related asset. For grants relating to completed properties the grant is amortised through turnover over the effective useful life of the property's structure.

Income from first tranche sales of New Build HomeBuy and housing properties developed for sale - recognised at the legal completion of the sale.

Other income, such as domiciliary care and sewerage services - recognised when the performance of a service is completed, or when the requirements of an agreement with a third party or other group subsidiary are met.

Operating Profit

The association has chosen to show operating profit on the face of the Statement of Comprehensive Income. This figure represents income, less the costs and expenses incurred to generate it, from the association's principal activities that are not investing or financing activities.

Property managed by agents

The association has a small number of properties that it owns but are managed by agents on its behalf. Where the association carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income for the year. Where the agency carries the financial risk, the profit or loss for the year includes only that income and expenditure which relates solely to the group.

Value added tax (VAT)

The association is registered for VAT and, while turnover is stated excluding VAT, a large portion of its income, including its rents, is exempt for VAT purposes. The majority of its expenditure is subject to VAT which cannot be reclaimed and therefore expenditure is shown inclusive of irrecoverable VAT. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Right to buy

The gain or loss on disposal of housing properties under the right to buy arrangement is calculated as being the difference between the proceeds of sale of a property and the carrying value of that property. The gain or loss on disposal is recognised in the Statement of Comprehensive Income for the year at the date of transfer after adjusting for any local authority claw back agreement in operation. The relevant local authority clawback is recognised as a liability until it is repaid to the authority.

Right to acquire

The gain or loss on the disposal of housing properties under the right to acquire arrangement is calculated as being the difference between the proceeds of sale of a property and the carrying value of that property. Any gain or loss on disposal is recognised in the Statement of Comprehensive Income for the period at the date of transfer.

New build shared ownership properties

The cost of developing new build shared ownership properties is split between current assets for that part of the property which is expected to be sold by way of a first tranche sale and property, plant and equipment for the remaining part of the property which is expected to be retained.

First tranche sales on new build shared ownership properties are recognised in turnover, with an appropriate proportion of development build costs being expensed through cost of sales.

Subsequent tranches sold (staircasing) are reflected in the Statement of Comprehensive Income on sale of property, plant and equipment. Such staircasing sales may result in social housing grant being deferred or abated until it can be recycled or repaid. Cost includes the acquisition of land and buildings, the cost of developing properties, plus expenditure incurred in respect of improvements.

3 Accounting policies (continued)

Intangible assets and amortisation – computer software

Intangible assets are identifiable non-monetary assets without physical substance such as computer software. Intangible assets are stated at cost less accumulated amortisation. Cost includes the original purchase price of the asset and any directly attributable costs of preparing the asset for its intended use. Amortisation is charged on a straight line basis over the expected remaining useful economic life (UEL) of the assets as follows:

Asset	UEL (years)
Computer software	3
Main computer systems software	10

Social housing properties and depreciation

Properties rented for social benefit are classified as property, plant and equipment and referred to as social housing. These properties are rented at below market rate to people put forward by the relevant local authorities from their housing lists. Social housing properties under construction are stated at cost and are not depreciated. These are reclassified as social housing properties on practical completion of construction with cost apportioned by key components.

Freehold land is not depreciated. Freehold properties are depreciated by component on a straight line basis over the estimated useful economic lives of the component categories.

Social housing properties are split between the structure and those major components which require periodic replacement. Capitalised major components are depreciated over the following UEL:

Component	UEL (years)
Structure (see below)	30-100
Roof	60
Heating Distribution Systems	15-30
Boiler	15
Bathroom	30
Windows/Doors	30
Kitchen	20
Electrical wiring	30

Impairment reviews are carried out at each reporting date. If an impairment trigger is present the asset's carrying value is reduced to its depreciated replacement cost, as outlined in the impairment policy, unless it is being demolished or remodelled when the carrying value is reduced to that of the remaining components.

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

New build shared ownership properties are split proportionately between property, plant and equipment and current assets based on the proportion of the share of equity sold in the first tranche. The element of a property anticipated to be sold as a first tranche sale is recognised as a current asset, whereas the element relating to second and subsequent tranche sales is treated as property, plant and equipment. If the profit on sale of the first tranche is expected to exceed the total overall profit on sale of all tranches of that property the proportionate value of the first tranche current asset is increased to limit the profit earned to the overall profit

Depreciation on freehold properties and long leasehold social housing properties is provided to write off the cost less the estimated residual value of social housing properties by equal instalments over their remaining estimated UEL. Any additions and improvements are depreciated over the remaining life of the premises. The UEL used are:

Structure	UEL (years)
Pre-fabricated reinforced concrete construction (PRC)	30
Bedsits	30
All other	100

Freehold land is not depreciated.

It was elected to take the transitional exemption laid out in paragraph 35.10(d) of FRS 102 and use the 31 March 2014 valuation as the deemed cost of social housing properties at that date. All social housing properties completed after that date are recognised at cost.

3 Accounting policies (continued)

Donated land and social housing properties

Land donated by local authorities and others is added to the cost of the development scheme at the market value of the land at the time of the donation. If the land is donated by a local authority the market value is recognised as a government grant and accounted for using the accruals method. If the land is donated by a non-government party the market value is recognised as turnover in the Statement of Comprehensive Income for the year.

Where social housing properties are donated by one group member to another the transfer is made at the properties net book value with the resulting expense or income being recognised as a donation.

Property, plant and equipment and depreciation, non-social housing

Property, plant and equipment, is stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Subsequent expenditure is capitalised where it increases the value of the asset or extends its life. Completed social housing properties are covered by a separate policy. Depreciation is charged on a straight line basis over the expected remaining UEL of the assets as follows:

Asset	UEL (years)
Office premises	50
Leasehold office improvements	50
Photovoltaic panels	25
Motor vehicles	4 - 5
Office, estate equipment and furniture	3 - 15

Office premises (non-social housing properties) depreciation is provided to write off the cost less estimated residual value over the UEL of the property. Any additions and improvements are depreciated over the remaining life of the premises.

Assets under construction are stated at cost (as defined above). They are presented separately in the note to the financial statements and not depreciated until they are completed and brought into use. The UEL of all property, plant and equipment is reviewed annually.

Capitalisation of internal staff costs

a) Housing development schemes

Internal staff costs that are directly related to the development of housing assets are capitalised to the schemes under construction where the outcome of the scheme is certain. Where the outcome of the scheme is uncertain or aborted, the direct development administration costs are charged to the Statement of Comprehensive Income for the year.

b) Development of internally created assets

Internal staffing costs relating to internally created other tangible or intangible assets are capitalised to the extent that they are additional costs incurred due to the development of the asset.

An internally generated intangible asset is only recognised if all the following conditions are met:

- The asset created can be identified (such as software or a website);

- It is expected that the asset created will generate future economic benefits; and

- The development cost of the asset can be measured reliably.

Internally generated intangible assets are recognised at cost and amortised on a straight-line basis over the useful lives from the date the asset becomes usable.

Capitalisation of interest costs

Interest costs relating to the construction and acquisition of housing assets are charged to the cost of the development scheme, over the period of its development. The amount capitalised represents either:

- Interest costs incurred specifically for financing the development programme after the deduction of social housing grant in advance; or

- Interest costs of the group as a whole after the deduction of interest on social housing grant in advance to the extent that they are funding the development programme.

Other interest costs are recognised in the Statement of Comprehensive Income for the period to which they relate.

3 Accounting policies (continued)

Interest receivable and payable

Interest is recognised on an accruals basis, using the effective interest rate method recognised in the Statement of Comprehensive Income over the life of the financial instrument.

Leased assets

Where assets are financed by leasing agreements that transfers substantially all the risks and rewards of ownership, they are treated as if they had been purchased outright. The amount capitalised is the lower of the present value of the minimum lease payments payable during the lease term or the fair value of the leased asset. The corresponding leasing commitments are shown as the present value of the obligations to the lessor. Lease payments are treated as consisting of a finance charge and a reduction in the liability. The finance charge is charged to the Statement of Comprehensive Income for the period using the effective interest method.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income for the period on a straight line basis over the period of the lease.

Investment properties

Investment properties are properties held for capital appreciation, rented at a market rate where there are no restrictions on who can be a tenant, or both.

Investment properties are re-valued each year to their fair or market value. Any changes in value are recognised in the Statement of Comprehensive Income in the year they occur.

Inventories

a) General inventories
Inventories are valued at the lower of cost and net realisable value, after making allowances for any obsolete and/or slow moving items. Net realisable value is the price which inventories can be sold for in the normal course of business after allowing for the costs of realisation. Inventories are valued using a first-in-first-out methodology.

b) Properties developed for market sale
Properties that have been developed for market sale are recognised at cost less cost to sell. Cost comprises materials, direct labour, direct development overheads and attributable interest. Sales proceeds are included in turnover.

Impairment

a) Other tangible and intangible assets
Other tangible and intangible assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, the affected assets are written down to the recoverable amount. Any such write down is charged to the Statement of Comprehensive Income for the year.

b) Social Housing
Social Housing properties are subject to impairment trigger reviews on completion and then annually thereafter. If there is a trigger and evidence of impairment is found the carrying value of the property is compared to its depreciated replacement cost. This represents the amount it would cost the group to replace the property. For properties built or acquired prior to 1 April 2014 this replacement cost is depreciated from 1 April 2014. For properties built or acquired after 1 April 2014 depreciation starts from the build or acquisition date. If the property's carrying value is higher than its depreciated replacement cost the carrying value must be reduced to the depreciated replacement cost, the write down is charged to the Statement of Comprehensive Income for the year.

In the portfolio there are some pre-fabricated reinforced concrete construction properties and bedsits. Where an impairment review indicates that their useful economic life is likely to be less than the standard policy they have been re-lifed to 10 years.

c) Unsold first tranche current assets
On practical completion shared ownership property assets are spilt between current assets for the unsold first tranche portion and property, plant and equipment for the rental portion.

First tranche current assets are reviewed for impairment if there are indications that the market value of the property has dropped below that included in the investment appraisal. If any current assets are found to be impaired the carrying value is reduced to the selling price less costs to complete and sell.

The rental portion is treated as social housing for impairment purposes.

3 Accounting policies (continued)

Accrued income

When, as a result of performing a service or otherwise meeting the requirements of an agreement with a third party, income falls due but has not been invoiced in the period, an accrual is made for this income.

Deferred income

Where payment has been received for goods or services not yet delivered, the amount is initially recorded as a liability in the Statement of Financial Position and recognised as turnover once the delivery has been made.

Service Concession Arrangements

The association has a Service Concession Arrangement, previously known as a Private Finance Initiative scheme, with Wiltshire Council which was entered into before 1 April 2014. The association is taking advantage of the transitional arrangement outlined in section 35.10 (l) of FRS 102 and will continue accounting for the scheme using the accounting policies in place prior to that date.

Costs incurred on the Service Concession Arrangement in respect of development, design, construction and finance costs during the period prior to availability of the social housing properties are accumulated within stocks as amounts recoverable on long term contracts.

Once completed housing units are made available for occupation, the accumulated amounts recoverable on long term contracts are transferred to finance debtors receivable and recovered over the contract period on an annuity basis.

Service charge sinking funds

The association owns a number of schemes which require it to manage sinking funds in order to maintain the upkeep of the properties. These funds are held separately by the association, and may only be used for the benefit of the relevant schemes. These funds are held in creditors on the Statement of Financial Position.

Financial instruments

Section 11 Basic Financial Instruments of FRS 102 permits an accounting policy choice for financial instruments. The group has chosen to adopt sections 11 and 12 of FRS 102 as permitted by this section.

a) Rent arrears and other debts

Rent arrears, other amounts due from tenants and other miscellaneous debts are recognised and carried at original amount of the charge, less provision for impairment. A provision is made and charged to the Statement of Comprehensive Income for the year when there is objective evidence that the group will not be able to collect all amounts due in accordance to the original terms.

Any tenants or miscellaneous debtors who have a payment arrangement to pay their debts over a period of longer than the normal terms of business are treated as having a financing transaction. These transactions are recognised at their present value rather than transaction value. The discount rate used for the present value calculation is based upon an estimate of the rate the debtor could obtain in their own right.

b) Cash and cash equivalents

Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of twelve months or less.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

d) Trade creditors

Trade creditors are not interest-bearing and are stated at their transaction value.

3 Accounting policies (continued)

Financial instruments (continued)

e) Committed borrowings and bank overdrafts

Interest-bearing loans and overdrafts are recorded at the amounts received, net of direct issue costs, using the effective interest method. Direct issue costs are amortised over the period of the loans and overdrafts to which they relate. Finance charges, including premiums payable on settlement or redemption, are charged to the profit or loss for the period as incurred using the effective interest rate method and are added to the carrying value of the borrowings or overdraft to the extent they are not settled in the period in which they arise.

When a loan facility agreement is entered into, any associated costs are capitalised, discounted at the prevailing market rate of interest amortised over the life of the related loans.

Social housing and other grants

Social housing grant (SHG) is receivable from the RSH. It is accounted for under section 24 of FRS 102 'Government Grants' using the accrual model. Once properties have been completed the grant is classified as a long-term creditor and amortised to the Statement of Comprehensive Income for the year over the life of the properties' structure. Where grants are paid in advance, they are included in creditors until performance is completed.

If a property which received a grant is subsequently sold, or another relevant event takes place the SHG appears as a creditor due in less than one year. It can be recycled for use in a project approved by the RSH or repaid to the RSH if it is not used within the agreed timescale.

Prior to transition to FRS 102 the association held its social housing properties at valuation. On transition this became the deemed cost. All SHG received prior to transition on 1 April 2014 was transferred to the profit and loss reserve. It is recycled from this reserve if a relevant event occurs.

Government grants received after 1 April 2014 are recognised in income over periods in which the related costs are recognised for which the grant is intended to compensate, over the useful economic life of the property's structure.

Other Government grants received are also accounted for under section 24 of FRS 102 using the accrual model.

When part of the government grant is deferred, it is recognised as deferred income within creditors and allocated between due within one year and due after more than one year as appropriate.

Pension Costs

The cost of providing retirement pensions and related benefits is accounted for in accordance with Section 28 of FRS 102 'Employee Benefits'.

Synergy Housing Limited actively participates in three pension schemes. There are two separate schemes with the Social Housing Pension Scheme ('SHPS') and one defined contribution ('stakeholder') scheme with Aegon.
The accounting treatment for each scheme is described below.

a) Defined benefit scheme
The SHPS defined benefit scheme based on final salary and the SHPS defined benefit CARE 1/60th scheme closed on 31 March 2020 and members were automatically transferred to the SHPS defined benefit CARE 120th scheme. Employees could opt to be transferred to the SHPS defined contribution scheme. The SHPS defined benefit CARE 120th scheme was closed to new applicants on 30 June 2019 with the exception of employees transferring from the defined benefit schemes.

The scheme is accounted for as a defined benefit scheme, the assets for these schemes are held separately from those of the group in independently administered funds. Pension scheme assets are measured in accordance with the FRS 102 fair value hierarchy. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability.

The increase in the present value of the liabilities of the group's defined benefit pension schemes expected to arise from employee service in the year is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in operating expenditure. Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the Consolidated Statement of Financial Position net of the related deferred tax. Actuarial gains and losses which arise from the difference between actual and expected performance of the scheme are recognised in Other Comprehensive Income.

3 Accounting policies (continued)

Pension costs (continued)

b) Defined contribution schemes
Employees have a choice of joining the SHPS defined contribution ('stakeholder') scheme, or the Aegon defined contribution scheme. Defined contribution scheme costs are charged to the Consolidated Statement of Comprehensive Income as they fall due.

Provisions

a) General provisions
A provision is recognised in the Statement of Financial Position where the association has an obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. The amount of provision is re-assessed each year in the light of estimated future income and costs as appropriate.

4 Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates, which are shown below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the association's accounting policies

Multi-employer defined benefit pension plan

The group participates in a multi-employer defined benefit pension plan based on a career average of earnings, provided by the Social Housing Pension Scheme.

The cost of defined benefit pension schemes and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Assumptions used are informed by actuarial advice and through the use of pension advisors.

Social Housing Pension Scheme

We have been notified by the Trustee of the scheme that is has performed a review of changes made to the scheme's benefits over the years and the result is that there is uncertainty surrounding some of those changes. The Trustee has been advised to seek clarification from the court on these items. The process is ongoing and the matter is unlikely to be resolved before the summer of 2025. It is recognised that this could potentially impact the value of the scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Fair value

The directors have made the following judgements regarding fair value:

- If land is donated at below market cost it is recognised at its fair value. The directors judge this to be its market value at the time of the donation.

- Investment properties are recognised each year at their fair value. The directors judge this to be their market value at the end of the reporting period.

- Convertible financial instruments are recognised at their fair value. The directors judge this to be the face value of the third-party equity they could be converted into at the end of the reporting period.

Cash generating units

When reviewing social housing properties for impairment the directors are required to consider the level of cash generating unit. For impairment purposes, the directors consider that each individual property constitutes a cash generating unit as it generates cash flows that are largely independent of the cash flows generated by other assets.

Impairment triggers for housing properties

On completion each development scheme is reviewed for impairment triggers using the group's property impairment flow chart. If it is judged that there is evidence that the scheme has activated one of the triggers in the flow chart an impairment review is undertaken. Where impairment is found the carrying value of the properties in the scheme is reduced to their depreciated replacement cost. This process is also applied to completed properties annually.

4 Critical accounting judgements and estimation uncertainty (continued)

Critical judgements in applying the association's accounting policies (continued)

Useful lives of social housing property assets

Social housing property assets are split into their component parts, with each component being depreciated over a separate estimated useful economic life. The annual depreciation charge for social housing property assets in total is sensitive to changes in these estimated useful economic lives. The useful economic lives of individual components are re-assessed as part of a rolling stock condition survey, examining approximately 20% of the stock annually, and amended where necessary. See note 3 for the useful economic lives for each class of component.

Critical accounting estimates and assumptions

The association 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Rebalancing surpluses from first tranche shared ownership sales

Where social housing development schemes consist of social rental and shared ownership properties the cost of development is split between the individual properties by property classification. As these costs cannot be accurately assigned to individual properties management assumes that they are evenly spread by floor area.

The shared ownership property costs are then further split between the percentage of the property to remain as property, plant and equipment and the current asset based on the percentage to be sold as the first tranche sale.

The exception to this treatment is where the overall surplus on first tranche shared ownership sales on mixed tenure developments is restricted to the net present value of future cash flows on shared ownership properties.

Notes to the Financial Statements (continued)

5 Turnover, operating expenditure and profit
5a

	Note	2025 Turnover	2025 Operating expenditure/ cost of sales	2025 Operating profit /(loss)
		£000	£000	£000
Income and expenditure from lettings				
Housing accommodation	5b	76,627	(56,877)	19,750
Other income and expenditure				
Social Housing				
Housing services provided to third parties		14	-	14
Properties managed by agents		411	-	411
Community involvement		-	(149)	(149)
Development costs not capitalised		-	(710)	(710)
		425	(859)	(434)
Non Social Housing				
Garage lettings		675	(460)	215
Sewerage services		137	(112)	25
Market rented property rental		1,103	(568)	535
Other		51	-	51
		1,966	(1,140)	826
Total income and expenditure		79,018	(58,876)	20,142
Other income and cost of sales				
Social Housing				
First tranche shared ownership		7,983	(7,108)	875
Total other income and cost of sales		7,983	(7,108)	875
Total		87,001	(65,984)	21,017
Surplus on sale of housing property, plant and equipment	6	12,411	(5,310)	7,101
Increase in fair value of investment properties				350
Pension cessation	30a			(17,428)
Operating profit				11,040

Notes to the Financial Statements (continued)

5 Turnover, operating expenditure and profit
5a

	Note	2024 Turnover	Operating expenditure/ cost of sales	Operating profit /(loss)
		£000	£000	£000
Income and expenditure from lettings				
Housing accommodation	5b	71,077	(49,264)	21,813
Other income and expenditure				
Social Housing				
Housing services provided to third parties		13	-	13
Properties managed by agents		394	-	394
Community involvement		-	(146)	(146)
Development costs not capitalised		-	(551)	(551)
		407	(697)	(290)
Non Social Housing				
Garage lettings		649	(347)	302
Sewerage services		373	(423)	(50)
Market rented property rental		1,017	(703)	314
Other		93	-	93
		2,132	(1,473)	659
Total income and expenditure		73,616	(51,434)	22,182
Other income and cost of sales				
Social Housing				
First tranche shared ownership		13,431	(11,077)	2,354
Total other income and cost of sales		13,431	(11,077)	2,354
Total		87,047	(62,511)	24,536
Surplus on sale of housing property, plant and equipment	6	9,292	(3,796)	5,496
Increase in fair value of investment properties				336
Operating profit				30,368

Notes to the Financial Statements (continued)

5 Income and expenditure from lettings

5b

	2025				
	General Needs Housing £000	Supported Housing £000	Shared Ownership £000	Other £000	Total £000
Income					
Rents	53,434	9,932	5,448	7	68,821
Service charges	1,950	4,204	136	939	7,229
Amortisation of government grants	74	-	21	-	95
Other revenue grants	354	120	8	-	482
Total net rents from lettings	55,812	14,256	5,613	946	76,627
Expenditure					
Management	(10,157)	(2,254)	(508)	-	(12,919)
Services	(2,097)	(4,510)	(1,350)	(94)	(8,051)
Routine maintenance	(7,732)	(2,187)	(28)	-	(9,947)
Planned maintenance	(4,338)	(826)	-	-	(5,164)
Major improvements and repairs	(7,192)	(2,175)	-	(3)	(9,370)
Bad debts	(384)	(87)	(7)	-	(478)
Depreciation of housing properties	(8,482)	(1,312)	(768)	-	(10,562)
Loss on component disposals	(364)	(22)	-	-	(386)
Operating costs on lettings	(40,746)	(13,373)	(2,661)	(97)	(56,877)
Operating profit on lettings activities	15,066	883	2,952	849	19,750
Rental income is stated net of void losses as set out below:					
Void losses	391	451	36	-	878

Notes to the Financial Statements (continued)

5 Income and expenditure from lettings

5b

	2024				
	General Needs Housing £000	Supported Housing £000	Shared Ownership £000	Other £000	Total £000
Income					
Rents	48,632	9,309	4,659	12	62,612
Service charges	2,422	4,440	144	1,073	8,079
Amortisation of government grants	71	-	20	-	91
Other revenue grants	277	17	1	-	295
Total net rents from lettings	51,402	13,766	4,824	1,085	71,077
Expenditure					
Management	(8,273)	(1,460)	(425)	-	(10,158)
Services	(2,401)	(4,498)	(1,550)	(99)	(8,548)
Routine maintenance	(6,237)	(1,986)	(17)	-	(8,240)
Planned maintenance	(3,909)	(489)	-	-	(4,398)
Major improvements and repairs	(5,060)	(2,186)	-	(3)	(7,249)
Bad debts	(320)	(66)	(1)	-	(387)
Depreciation of housing properties	(7,905)	(1,322)	(697)	-	(9,924)
Loss on component disposals	(328)	(32)	-	-	(360)
Operating costs on lettings	(34,433)	(12,039)	(2,690)	(102)	(49,264)
Operating profit on lettings activities	16,969	1,727	2,134	983	21,813
Rental income is stated net of void losses as set out below:					
Void losses	300	318	29	-	647

Notes to the Financial Statements (continued)

6 Profit on disposal of housing property, plant and equipment

	2025			2024		
	Proceeds £000	**Cost of Sales £000**	**Profit / (loss) £000**	Proceeds £000	Cost of Sales £000	Profit / (loss) £000
Right to buy	**722**	**(848)**	**(126)**	174	(267)	(93)
Right to acquire	**254**	**(49)**	**205**	337	(94)	243
Shared ownership staircasing	**4,238**	**(2,442)**	**1,796**	1,801	(971)	830
Void property disposals	**6,476**	**(1,758)**	**4,718**	6,878	(2,386)	4,492
Market rented properties	**255**	**(193)**	**62**	-	-	-
Others	**466**	**(20)**	**446**	102	(78)	24
	12,411	**(5,310)**	**7,101**	9,292	(3,796)	5,496

Local authority clawback payments, legal and other related costs are included in cost of disposal.

7 Operating profit

	2025 £000	2024 £000
Operating profit is stated after charging:		
Auditor's remuneration (excluding irrecoverable VAT)		
In their capacity as auditors:		
Financial statements audit	**55**	49
Depreciation:		
Property, plant and equipment - (social housing)	**10,526**	9,924
Loss on component disposals	**386**	360
Property, plant and equipment - (other assets)	**315**	385
Amortisation of intangible assets	**3**	2
Operating lease payments		
Land and buildings	**6**	6
Office premises	**44**	178

8 Directors' emoluments

Members of the executive board and executive management team
The association employed one member of the Executive Board and executive management team during the year, this was recharged to Aster Group Limited so that their services could be recharged out along with other members via the group overheads. This recharge included £200,000 (2024: £154,000) for the executive team's services. These amounts are included in the association's profit for the year.

The highest paid director was Amanda Williams, Chief Investment Officer. The Group Chief Executive Officer received cash in lieu of pension payment of £26,030 (2024: £23,989). The Group does not make any further contribution to an individual pension arrangement for the Group Chief Executive Officer.

Non-executive directors
The association operates as part of the group Overlap Boards. The non-executive directors are paid by Aster Group Limited. A charge of £56,000 (2024: £47,000) was made for their services via the group overheads recharge to the association. This amount is included in the profit for the year.

9 Employee information

	2025	2024
	No.	No.
The average number of persons employed during the year (full time equivalents 'FTE') based on 37 hours per week	**106**	121

FTE by salary bands:

Salary includes salary, car allowance, any acting up allowances, bonuses and pension contributions made by the group.

	2025	2024
	No.	No.
£59,999 or less	**92**	105
£60,000 to £69,999	**9**	8
£70,000 to £79,999	**1**	3
£80,000 to £89,999	**2**	1
£100,000 to £109,999	**-**	1
£110,000 to £119,999	**-**	1
£120,000 to £129,999	**1**	-
£230,000 to £239,999	**-**	1
£240,000 to £249,999	**1**	-
£250,000 to £259,999	**-**	1
	106	121

None of the above employees received any enhanced pension payments during the year (2024: nil).

		2025	2024
		£000	£000
Staff costs:			
Wages and salaries		**5,067**	5,412
Social security costs		**516**	561
Other pension costs	**30**	**17,630**	1,363
		23,213	7,336

Other pension costs include pension cessation costs of £17.4 million (2024: nil).

Employee information reflects the cost of staff that hold employment contracts with the association. Some of the above costs are then recharged to other parts of the group.

10 Loss on disposal of other property, plant and equipment

	2025			2024		
	Proceeds £000	**Cost of disposal £000**	**Loss £000**	Proceeds £000	Cost of disposal £000	Profit £000
Office premises	**-**	**-**	**-**	-	(72)	(72)

11 Charitable donations made

	2025	2024
	£000	£000
Aster Foundation	**197**	195
Total	**197**	195

The association donated £197,000 to Aster Foundation (2024: £195.000).

12 Finance income and expense

	Note	2025	2024
		£000	£000
Interest receivable and similar income			
Interest on short term deposits		**542**	1,922
Interest receivable from other group companies		**197**	330
Total interest income on financial assets not measured at fair value through profit or loss		**739**	2,252
Unwinding of trade debtor discounting		**38**	39
		777	2,291
Interest payable and similar charges			
Fixed rate loans		**(4,222)**	(3,863)
Variable rate loans		**(709)**	(1,278)
Loans with other group companies		**(9,788)**	(9,775)
Less interest capitalised		**2,459**	2,406
		(12,260)	(12,510)
Recycled capital grant fund interest		**(93)**	(39)
Amortisation of arrangement fees		**(123)**	(106)
Administration charge		**(582)**	(424)
Total interest payable on financial liabilities not measured at fair value through profit or loss		**(13,058)**	(13,079)
Trade debtor discounting		**(28)**	(44)
		(13,086)	(13,123)
Interest on net pension liability			
Local government pension schemes	**30**	**-**	430
SHPS pension schemes	**30**	**(10)**	(9)
Net finance expense		**(12,319)**	(10,411)

13 Taxation

The association has charitable rules registered under the Co-operative and Community Benefit Societies Act 2014 and is therefore not liable to Corporation Tax on its charitable activities.

14 Intangible assets

	Computer software
	£000
Cost	
At 1 April 2024	**1,708**
Additions	**-**
Disposals	**(1,683)**
At 31 March 2025	**25**
Accumulated amortisation	
At 1 April 2024	**1,705**
Charge for year	**3**
Disposals	**(1,683)**
At 31 March 2025	**25**
Net book value as at 31 March 2025	**-**
Net book value as at 31 March 2024	3

Notes to the Financial Statements (continued)

15 Property, plant and equipment (social housing)

On transition to FRS 102 Aster Group has elected to take the transitional exemption laid out in paragraph 35.10(d) of FRS 102 and is using the 31 March 2014 valuation as the deemed cost of social housing properties held at that date. All social housing properties completed or acquired after that date are recognised at cost.

	Housing properties under construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Cost					
At 1 April 2024	**32,726**	**656,513**	**16,039**	**107,039**	**812,317**
Additions	33,426	-	17,091	-	**50,517**
Components	-	9,257	-	-	**9,257**
Disposal of components	-	(1,510)	-	-	**(1,510)**
Completions	(27,317)	27,317	(14,682)	14,682	**-**
Disposals	-	(1,866)	-	(2,489)	**(4,355)**
At 31 March 2025	**38,835**	**689,711**	**18,448**	**119,232**	**866,226**
Accumulated depreciation					
At 1 April 2024	**-**	**70,766**	**-**	**3,188**	**73,954**
Charge for year	-	9,758	-	768	**10,526**
Disposal of components	-	(1,124)	-	-	**(1,124)**
Disposals	-	(271)	-	(100)	**(371)**
At 31 March 2025	**-**	**79,129**	**-**	**3,856**	**82,985**
Net book value at 31 March 2025	**38,835**	**610,582**	**18,448**	**115,376**	**783,241**
Net book value at 31 March 2024	32,726	585,747	16,039	103,851	738,363

The cost of completed properties during the year includes £2.5 million (2024: £2.4 million) of capitalised borrowing costs at an average cost of borrowing of 3.5% (2024: 3.1%).

Net book value of property, plant and equipment - social housing by tenure

	2025 £000	2024 £000
Freehold	**782,795**	737,924
Long leasehold	**446**	439
Net book value	**783,241**	738,363

Current value of completed social housing properties

The below valuation was carried out by Jones Lang LaSalle Limited Chartered Surveyors on 31 March 2025, on the basis of Existing Use Value - Social Housing. The valuations were carried out in accordance with RICS Appraisal and Valuation Manual effective from 1 January 1996 (as amended).

	Housing properties under construction £000	Completed housing properties £000	Shared ownership under construction £000	Shared ownership completed £000	Total £000
Existing Use Valuation - Social Housing					
Valuation at 31 March 2025	**-**	**886,760**	**-**	**130,970**	**1,017,730**

Notes to the Financial Statements (continued)

16 Property, plant and equipment (other assets)

	Leasehold office improvements £000	Office premises £000	Motor vehicles £000	Office & estate equipment £000	Computer equipment £000	Total £000
Cost						
At 1 April 2024	**849**	**-**	**23**	**7,073**	**612**	**8,557**
Additions	-	-	-	440	-	440
Transfers to group company	-	-	-	397	-	397
Disposals	-	-	-	(1,730)	(612)	(2,342)
At 31 March 2025	**849**	**-**	**23**	**6,180**	**-**	**7,052**
Accumulated depreciation						
At 1 April 2024	**264**	**-**	**23**	**3,195**	**612**	**4,094**
Charge for year	18	-	-	297	-	315
Eliminated on disposal		-	-	(1,730)	(612)	(2,342)
At 31 March 2025	**282**	**-**	**23**	**1,762**	**-**	**2,067**
Net book value at 31 March 2025	**567**	**-**	**-**	**4,418**	**-**	**4,985**
Net book value at 31 March 2024	585	-	-	3,878	-	4,463

17 Investment properties

	Market rented properties £000	Freehold £000	Total investment properties £000
Fair value			
At 1 April 2024	**17,476**	**186**	**17,662**
Fair value adjustment	350	-	**350**
Disposals	(186)	-	**(186)**
At 31 March 2025	**17,640**	**186**	**17,826**

The above valuation was carried out by Jones Lang LaSalle Limited Chartered Surveyors on the basis of Market Value at 31 March 2025.

Market value is defined by the Royal Institution of Chartered Surveyors (RICS) as 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'. The valuations were carried out in accordance with RICS Appraisal and Valuation Manual effective from 1 January 1996 (as amended).

18 Investments

	2025 £000	2024 £000
MORhomes PLC	**50**	50

The association owns 100,000 £0.10 ordinary shares with a premium of £0.40 in MORhomes PLC whose primary activity is to act as a borrowing vehicle for the social housing sector.

19 Investments in subsidaries

	2025	2024
	£	£
Zebra Property Solutions Limited	**100**	100

The association owns 100 unpaid £1 shares in Zebra Property Solutions Limited, who ceased trading on 1 April 2018 following the transfer of its market rent portfolio of assets to the association.

20 Investments in joint ventures

	2025	2024
	£000	£000
Aster Solar Limited - Class A shares	**1,500**	1,500

The association owns 1.5 million £1 Class A shares in Aster Solar Limited, company number 9476337, whose principle activity is the supply of photovoltaic panels.

21 Debtors: amounts falling due after more than one year

	2025	2024
	£000	£000
Amounts owing by group undertakings	**-**	2,270
MORhomes convertible financial instruments	**965**	965
European Investment Bank liquidity reserve funds	**1,447**	1,447
	2,412	4,682

The European Investment Bank (EIB) loans, require Aster Group to hold an amount of at least twelve months interest payments in liquidity reserve funds as security against default on interest payments. These funds are controlled by the EIB and the Aster Group can only access the funds when the principal of the loans are repaid.

Under certain circumstances the MORhomes PLC fixed rate unsecured convertible financial instruments ('CoCo Loan Notes') can be converted to equity.

Amounts owing by group undertakings represent a loan with Aster Homes Limited which is secured by a floating charge over the assets of Aster Homes Limited. The loan is due for repayment on 15 June 2028 and bears interest at 6% over SONIA (2024: 6%).

22 Debtors: amounts falling due within one year

	2025	2024
	£000	£000
Trade debtors	**1,973**	392
Rent arrears	**2,090**	3,728
Service charge under-recovery	**3,812**	4,646
Less discounting of debts payable over more than 12 months	**(134)**	(144)
Less provision for bad debts - rent arrears and service charges	**(1,548)**	(1,583)
	6,193	7,039
Amounts owing by group undertakings	**185**	11
Other debtors	**106**	99
Prepayments and accrued income	**2,548**	5,500
	9,032	12,649

23 Shared ownership properties held for sale

	Under construction	Completed	Total
	£000	£000	£000
1 April 2024	**10,692**	**2,447**	**13,139**
Additions	8,754	**-**	**8,754**
Completions	(7,147)	7,147	**-**
Disposals	**-**	(6,741)	**(6,741)**
31 March 2025	**12,299**	**2,853**	**15,152**

24 Cash and cash equivalents

	2025	2024
	£000	£000
Short term deposits	**484**	20,933
Cash at bank and in hand	**6,624**	1,342
	7,108	22,275

25 Creditors: amounts falling due within one year

	Note	2025	2024
		£000	£000
Trade creditors		**972**	609
Taxation and social security payable		**-**	166
Pension contributions		**-**	24
VAT payable		**19**	25
Rent paid in advance		**1,719**	1,247
Service charge over-recovery		**693**	799
Amounts due under right to buy sharing agreement		**570**	149
Amounts owed to group undertakings		**25,764**	29,462
Social housing grant	**27**	**17,889**	11,433
Recycled capital grant fund	**28**	**312**	227
Other creditors		**3,127**	874
Accruals and deferred income		**8,784**	6,550
Loan repayable (within 1 year)		**1,520**	1,520
		61,369	53,085

Amounts owed to group undertakings are trading balances payable on demand and non interest bearing.

26 Creditors: amounts falling due after more than one year

	Note	2025	2024
		£000	£000
Loans repayable			
In 1 to 2 years		**1,520**	1,520
In 2 to 5 years		**4,560**	4,560
In five years or more		**125,473**	113,537
Less deferred arrangement fees		**(1,204)**	(1,328)
Plus unamortised premium on issue		**-**	-
		130,349	118,289
Amounts owed to other group undertakings		**246,267**	256,039
Social housing grant	**27**	**10,235**	8,345
Recycled capital grant fund	**28**	**1,716**	1,662
Other grant creditors		**33**	1
Other creditors		**3,676**	-
		392,276	384,336

Interest is payable on housing loans at varying commercial rates. Loans are secured by fixed charges on individual properties. Interest rates ranged from 2.7% to 6.0% (2024: 2.7% to 6.0%) for fixed/hedged loans and from 4.7% to 5.8% (2024: 4.4% to 5.4%) for variable loans.

At 31 March 2025, the association has a loan facility with Santander of £130.0 million (2024: £130.0 million) and a £27.4 million (2024: £28.9 million) loan facility with the Royal Bank of Scotland Plc. Each facility has its own designated pool of security held with a Security Trustee.

The association at 31 March 2025 also has undrawn loan facilities of £86.8 million (2024: £100.3 million) with Santander and £20.0 million (2024: £20.0 million) with Barclays to finance future operating cashflows and investments. The loan facility with Royal Bank of Scotland is fully drawn.

Amounts owed to other group undertakings represent loans that have been received from fellow group undertakings as part of a long-term financing relationship with Aster Treasury plc. Amounts owed to group undertakings are carried at amortised cost and secured over specific housing assets of the original borrowers. The amounts are non-instalment debts due for repayment in December 2032, January 2036 and December 2043.

Under the terms of an arrangement with Aster Treasury Plc, Synergy Housing Limited has guaranteed the repayment of all amounts due by Aster Communities, Aster 3 Limited, East Boro Housing Trust and Aster Group Limited to Aster Treasury plc. In the case of Aster Communities, Aster 3 Limited, East Boro Housing Trust or Aster Group Limited not making any repayments of the loan, Synergy Housing Limited will become liable to settle the amount due. The total amount payable by Synergy Housing Limited as at 31 March 2025 is £nil (2024: £nil).

27 Social housing grant

	2025	2024
	£000	£000
Balance as at 1 April	**19,778**	14,216
Additions	**8,441**	5,667
Disposals	**-**	(14)
Amortised within Statement of Comprehensive Income	**(95)**	(91)
Balance as at 31 March	**28,124**	19,778
Recognised in:		
Creditors: amounts falling due within one year	**17,889**	11,433
Creditors: amounts falling due after one year	**10,235**	8,345
	28,124	19,778

SHG is receivable from the RSH. Grant received for properties under construction is classified as a creditor due in less than one year as the grant would be repayable should the delivery of properties not be completed. Once properties have been completed the grant is classified as a long-term creditor and amortised to the profit or loss for the period over the life structure of the property.

Cumulative government grants received

	2025	2024
	£000	£000
Social housing grant	**117,373**	108,932
Recognised in:		
Profit and loss reserve	**89,249**	89,154
Creditors: amounts falling due within one year	**17,889**	11,433
Creditors: amounts falling due after more than one year	**10,235**	8,345
	117,373	108,932

The total accumulated amount of social housing grant relates to properties owned at the balance sheet date.

28 Recycled capital grant fund

	2025	2024
	£000	£000
Balance as at 1 April	**1,889**	312
Additions:		
Grants recycled	**46**	1,538
Interest	**93**	39
Balance as at 31 March	**2,028**	1,889
Analysis of Maturity:		
- in less than one year	**312**	227
- in one to two years	**1,578**	85
- in more than two years	**138**	1,577
	2,028	1,889

The recycled capital grant fund relates to social housing or housing association grant previously received on social housing properties that have been disposed off. The RSH permits grants to be reinvested within a three year period and requires funds which have not been reinvested within three years to be repaid. A waiver was granted for elapsed balances which are all committed.

29 Financial instruments

29a Financial instruments' descriptions

The association holds several different types of financial instrument which it uses to fund its activities and manage its interest rate risk. The characteristics of the main classes of financial instrument held are given below:

Fixed rated loans

The association's fixed rated loans have a base fixed interest rate plus a margin that varies over the life of the borrowing. Due to this variation these loans are recognised using the effective interest method which averages the interest rate over the life of the loan. Interest charged to profit and loss is the effective interest and not the amount actually paid. During the year, the effective interest charged to profit and loss was £0.4 million lower (2024: £43,000 lower) than the actual interest paid.

At the end of the year the association had drawn £108.3 million (2024: £109.7 million) of fixed rated loans which incurred an effective interest charge during the year of between 2.7% and 6% (2024: 2.7% and 6%). These loans have a carrying value of £109.5 million (2024: £110.9 million) giving a cumulative effective interest adjustment of £1.2 million (2024: £1.2 million).

Floating rate loans

The interest on these loans varies or floats as the Sterling Overnight Interbank Average Rate (SONIA) changes. In addition to SONIA, a margin is also charged which makes up the total interest rate. Within the total amount the group can borrow from its lenders there is a set amount designed as floating loans. Once this limit is reached the group cannot draw down any more floating rate loans. At the end of the year, the association had drawn £22.4 million (2024: £8.9 million) of floating rate loans and was charged interest rates of between 4.7% and 5.8% (2024: 4.4% and 5.4%).

Recycled capital grant fund

The group receives social housing grant from the Regulator of Social Housing to build social housing. When the tenant of a New Build HomeBuy property purchases a further tranche of the property, if there are sufficient sales proceeds, the associated grant will be recycled via the RCGF. Like the DPF a notional amount of interest is added to the fund each year depending on the value of the fund. The balance in the association's RCGF at the end of the year was £2.0 million (2024: £1.9 million), this includes £91,539 (2024: £38,403) of interest added during the year.

Loan commitments measured at cost less impairment

The association has various borrowing facilities available to it. The undrawn committed facilities are valued at cost less impairment. The amount of undrawn borrowings at 31 March 2025 was £106.8 million (2024: £120.3 million), and the cost of the undrawn facility is £535,000 (2024: £407,000), is not considered to be impaired.

Convertible financial instruments

Convertible financial instruments can be converted into third-party equity under certain circumstances. These instruments are recognised at the face value of the third-party equity they could be converted into at the end of each reporting year. Any changes in value are taken through profit or loss.

At 31 March 2025 the association held £115,000 (2024: £115,000) of convertible financial instruments with £nil (2024: £nil) of fair value gains/(losses) being recognised in profit or loss.

29b Financial instruments' classifications

Amortised cost
Basic financial instruments such as loans are measured at amortised cost. This is calculated using the effective interest rate method. For floating rate loans and fixed rate loans with no interest rate changes, the effective interest will equal the amount of interest paid. For fixed rated loans which have changes in interest rate over the life of the loan, the effective interest rate will average the different interest rates over the life of the loan. The effective interest is the amount that is recognised in profit and loss.

Equity
Equity is the difference between an entities total assets and total liabilities. Where an association has joint or a controlling interest in another company its share of the equity in that company is recognised in its financial statements.

Notes to the Financial Statements (continued)

29 Financial instruments (continued)

29c Financial instrument carrying values

	2025 £000	2024 £000
Financial assets that are debt instruments measured at amortised cost		
Trade and rent debtors	**7,875**	8,766
Intercompany loans	**-**	2,270
Liquidity funds	**1,447**	1,447
Other debtors	**106**	99
	9,428	12,582
Financial liabilities measured at amortised cost		
Fixed rate loans	**(109,394)**	(110,929)
Floating rated loans	**(22,360)**	(8,880)
Convertible financial instruments	**(115)**	(115)
Intercompany loans	**(246,267)**	(256,039)
Intercompany loans - repayable on demand	**(18,000)**	(20,000)
Other grant	**(33)**	(1)
Recycled capital grant fund	**(2,028)**	(1,889)
Trade creditors	**(972)**	(609)
Intercompany trade creditors	**(7,764)**	(9,462)
Accruals	**(8,784)**	(6,550)
Other creditors	**(6,803)**	(874)
	(422,520)	(415,348)

29d Interest rate profile of borrowings

	2025 £000	2024 £000
Association's borrowings comprise:		
Intercompany loan - fixed rate loan	**256,500**	265,000
Convertible financial instruments	**115**	115
MORhomes fixed rate loans	**9,885**	9,885
Affordable Housing Finance fixed rated loans	**50,000**	50,000
Fixed rate loans	**48,250**	49,688
Floating rate loans	**22,360**	8,880
Recycled capital grant fund	**2,028**	1,889
Other grant	**33**	1
	389,171	385,458

The above values are the loan principal repayable not the loan's carrying value.

	2025 Weighted average interest rate %	2025 Weighted average for which rate is fixed Years	2024 Weighted average interest rate %	2024 Weighted average for which rate is fixed Years
At 31 March				
Intercompany loans	**3.86**	**13.43**	3.87	14.12
Convertible financial instruments	**3.70**	**12.90**	3.70	13.90
Fixed rated loans	**3.42**	**12.04**	3.42	12.87

29 Financial instruments (continued)

29e Maturity of borrowings

The maturity profile of the principal value of the association's loans, as shown in note 29d, is:

	2025 Repayment			2024 Repayment		
	By instalments £000	**Not by instalments £000**	**Total £000**	By instalments £000	Not by instalments £000	Total £000
0 -1 years	**1,520**	**18,312**	**19,832**	1,520	20,227	21,747
1 - 2 years	**1,520**	**1,611**	**3,131**	1,520	85	1,605
2 - 5 years	**4,560**	**138**	**4,698**	4,560	1,578	6,138
Over 5 years	**19,760**	**341,750**	**361,510**	21,280	334,688	355,968
	27,360	**361,811**	**389,171**	28,880	356,578	385,458

The repayment profile is based on loan documentation and considering the impact of undrawn facilities.

The above borrowings are secured against the association's social housing properties. The value of the secured properties is £782 million (2024: £742 million). At 31 March 2025 properties valuing £274 million (2024: £230 million) were unsecured and available to be secured.

30 Pension Obligations

Synergy Housing Limited pension schemes

The cost of providing retirement pensions and related benefits is accounted for in accordance with FRS 102 section 28 – 'Employee Benefits'. The group participates in four pension schemes.

There are two defined benefit schemes:
- Dorset County Council Pension Scheme (closed on 1 April 2024),
- SHPS career average of earnings scheme (CARE) (closed to new members).

and two defined contribution ('stakeholder') schemes:
- SHPS defined contribution scheme,
- Aegon defined contribution scheme (from 1 April 2022).

The accounting treatments for each of the schemes are described below.

The pension cost to the company for the year ended 31 March 2025 was £17.6 million (2024: £1.4 million) in respect of 103 (2024: 122) employees.

The association makes scheduled contribution payments throughout the year to reduce the SHPS pension liability deficit.

On 1 April 2024 Synergy Housing Limited ceased to participate in the Dorset County Council pension fund which triggered a cessation event.

		2025			
	Note	Total cost by scheme £000	Total interest on net pension liability by scheme £000	Actuarial gains / (losses) in pension scheme £000	Pension deficit £000
Local government pension schemes					
Dorset	**30a**	**17,428**	**-**	**-**	**-**
Dorset - asset ceiling	**30a**	**-**	**-**	**11,858**	**-**
SHPS					
Defined benefit schemes	**30b**	**3**	**10**	**46**	**(147)**
Defined contribution scheme	**30b**	**187**	**-**	**-**	**-**
Aegon defined contribution scheme	**30c**	**12**	**-**	**-**	**-**
		17,630	**10**	**11,904**	**(147)**

		2024			
	Note	Total cost by scheme £000	Total interest on net pension liability by scheme £000	Actuarial gains / (losses) in pension scheme £000	Pension deficit £000
Local government pension schemes					
Dorset	30a	1,133	(430)	2,782	2,511
Dorset - asset ceiling	30a	-	-	(2,511)	(2,511)
SHPS					
Defined benefit schemes	30b	14	9	(70)	(230)
Defined contribution scheme	30b	205	-	-	-
Aegon defined contribution scheme	30c	11	-	-	-
		1,363	(421)	201	(230)

Notes to the Financial Statements (continued)

30 Pension Obligations (continued)

30a Local government pension funds

The association participates in one fund as an admitted body under the Local Government Superannuation Regulations 1995, funded jointly by employer and employee contributions. The funds are a defined benefit final salary multi-employer scheme, and are contracted out.

As at the balance sheet date active members of the scheme employed by Synergy Housing Limited and the annual pensionable payroll in respect of these members was:

	2025		2024	
	Active Members No.	**Annual pensionable payroll £000**	Active Members No.	Annual pensionable payroll £000
Dorset County Council Pension Fund	**-**	**-**	22	1,099

The funds are subject to an actuarial valuation of the scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to address the level of future contributions required so that the scheme can meet its pension obligations as they fall due.

Each scheme actuary has prepared a final cessation actuarial report as at 1 April 2024 and the results were incorporated into the financial statements for 2025. The principal assumptions used by the independent qualified actuaries in updating the latest valuation in order to provide the disclosures required by Financial Reporting Standard No. 102 section 28 – Employee Benefits are stated below. The actuary has used the projected unit credit method of valuation.

The last triennial valuation was performed on 31 March 2022 and the results have been incorporated into the financial statements for 2025.

The information in the financial statements relating to the valuation of the pensions scheme's assets and liabilities has been prepared by the scheme's actuaries;

Pension Fund:	**Actuary:**
Dorset County Council Pension Fund	Barnett Waddingham

On 1 April 2024 Synergy Housing Limited ceased to participate in the Dorset County Council pension fund which triggered a cessation event. FRS102 valuations prepared at this cessation date showed a £5.57 million deficit. The operating cost of £17.43 million has been separately disclosed on the Statement of Comprehensive Income. The actuarial gain of £11.86 million due to the unwinding of the asset ceiling has been shown in Other Comprehensive Income. As at the balance sheet date the deficit of £5.57 million had not been paid and is included in Other Creditors. The deficit will be repaid in three instalments, £1.89 million due on 30 June 2025, £1.89 million due on 30 June 2026 and £1.79 million due on 30 June 2027.

Notes to the Financial Statements (continued)

30 Pension Obligations (continued)

30a Local government pension funds (continued)

	Dorset County Council	Dorset County Council
Financial assumptions	**31 March 2025**	31 March 2024
	%p.a.	%p.a.
Pension increases	**N/A**	2.9
Salary increases	**N/A**	3.9
Discount rate	**N/A**	4.9
Mortality	**2025**	2024
	years	years
Current pensioners		
Females	**N/A**	23.9
Males	**N/A**	21.8
Future pensioners		
Females	**N/A**	25.4
Males	**N/A**	23.1

Fair value of plan assets	**31 March 2025**	31 March 2024
	£000	£000
Equities	**-**	29,057
Gilts	**-**	-
Infrastructure	**-**	3,442
Bonds	**-**	3,038
Diversified Growth Fund	**-**	6,269
Property	**-**	3,640
Cash	**-**	979
	-	46,425
Less asset ceiling	**-**	(11,858)
	-	34,567

Cost recognised as an expense	**31 March 2025**	31 March 2024
	£000	£000
Current service cost	**-**	1,133
Cessation cost	**17,428**	-
Interest costs	**-**	1,634
Expected return on assets employed	**-**	(2,064)
Administration expenses	**-**	36
	17,428	739

Return on plan assets	**-**	4,159

Notes to the Financial Statements (continued)

30 Pension Obligations (continued)

30a Local government pension funds (continued)

	Dorset County Council	Dorset County Council
Reconciliation of scheme liabilities	**31 March 2025**	31 March 2024
	£000	£000
Opening defined benefit obligation	**34,567**	34,328
Settlement cost arising from cessation of scheme	**(34,567)**	-
Current service cost	**-**	240
Past service cost	**-**	893
Interest cost	**-**	1,634
Contributions by members	**-**	76
Actuarial gains	**-**	(687)
Estimated benefits paid	**-**	(1,909)
Estimated unfunded benefits paid	**-**	(8)
Closing defined benefit obligation	**-**	34,567

Reconciliation of scheme assets	**31 March 2025**	31 March 2024
	£000	£000
Opening fair value of employer assets	**34,567**	34,328
Decrease in pension surplus assets in excess of obligation - not recoverable	**11,858**	-
Settlement cost arising from cessation of scheme	**(51,995)**	-
Payment made to scheme on cessation	**5,570**	-
Expected return on assets	**-**	2,064
Contributions by members	**-**	76
Contributions by employers	**-**	468
Administration expenses	**-**	(36)
Return on assets less interest	**-**	2,095
Actuarial (losses)/gains	**-**	-
Benefits paid	**-**	(1,917)
Closing fair value of employer assets	**-**	37,078
Less asset ceiling	**-**	(2,511)
Closing fair value of employer assets	**-**	34,567
Net Pension deficit	**-**	-

30 Pension Obligations (continued)

30b The Social Housing Pension Scheme

As part of the Aster group, Synergy Housing Limited participates in the Social Housing Pension Scheme ("the scheme").

SHPS is a multi-employer defined benefit scheme. Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'.

The scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. From April 2007 three defined benefit structures have been available, namely:

- Final salary with a 1/60th accrual rate
- Final salary with a 1/70th accrual rate
- Career average revalued earnings (CARE) with a 1/60th accrual rate

A defined contribution benefit structure was made available from 1 October 2010.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can only operate one open defined benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

In February 2014, Aster Group introduced a career average revalued earnings (CARE) with a 1/120th accrual rate which closed to new starters in June 2019.

The SHPS defined benefit final salary scheme and SHPS defined benefit CARE 1/60th scheme were closed on 31 March 2020. Members were automatically transferred to the SHPS defined benefit CARE 120th scheme but could opt to be transferred to the SHPS defined contribution scheme.

In April 2024 the SHPS defined benefit scheme was closed to future accrual with all affected employees ceasing to be members of those schemes with members being offered a choice of membership in either the Social Housing Pension Scheme or Aegon defined contribution pension schemes.

We have been notified by the Trustee of the scheme that it has perfomed a review of changed made to the scheme's benefits over the years and the result is that there is uncertainty surrounding some of those changes. The Trustee has been advised to seek clarification from the court on these items. The process is ongoing and the matter is unlikely to be resolved before the summer of 2025. It is recognised that this could potentially impact the value of the scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

SHPS defined benefit scheme

Synergy Housing Limited participates in 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 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 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.

SHPS defined benefit pension plan

In October 2018 the High Court published its judgement on the case of Lloyds Banking Group and the equalisation of Guaranteed Minimum Pensions ('GMP'). This has consequently been assessed against the group's defined benefit schemes. The impact of GMP Equalisation in respect of the SHPS Pension Scheme have been recognised in the year. A further High Court ruling in November 2020 has resulted in additional allowance being included in the defined benefit obligation as at 31 March 2024 to account for all members transferred out of the Scheme since 17 May 1990.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. Synergy Housing Limited are currently considering the implications of the case for the Social Housing Pension Scheme. In addition, the association has been informed by the scheme's trustee that this will be affected by questions which are being put to the High Court in the case of Verity Trustees Limited v Wood and others, which commenced on 12 February 2025. An outcome is expected no earlier than the summer of 2025. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

As at the balance sheet date there were 2 (2024: 4) active members of the scheme employed by Synergy Housing Limited. The annual pensionable payroll in respect of these members was £nil (2024: £140,000).

The fund is subject to an actuarial valuation of the scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to address the level of future contributions required so that the scheme can meet its pension obligations as they fall due.

The scheme actuary has prepared an actuarial report that provides an approximate update on the funding position of the scheme as at 31 March 2025. The principal assumptions used by the independent qualified actuaries in updating the latest valuation in order to provide the disclosures required by Financial Reporting Standard No. 102 section 28 – Employee Benefits are stated below. The actuary has used the projected unit credit method of valuation.

The last triennial valuation was carried out on 30 September 2023 and the results for this have been incorporated into the financial statements for 2025.

The information in the financial statement relating to the valuation of the pensions scheme's assets and liabilities has been prepared by the scheme's actuaries, Mercer.

The Social Housing Pension Scheme defined contribution scheme

The scheme is administered by the Pensions Trust. It is open to all members of staff and is the pension scheme for auto-enrolment. The company paid contributions between 4% and 10% (2024: 4% and 10%) and employees paid contributions from 3% (2024: from 3%). On retirement, funds or units earned can be converted into a pension with the Trust, or used to secure a pension with another provider. At 31 March 2025 there were 79 (2024: 80) active members of the scheme.

Notes to the Financial Statements (continued)

30 Pension Obligations (continued)

30b The Social Housing Pension Scheme (continued)

Financial assumptions	31 March 2025	31 March 2024
	%p.a.	%p.a.
Price increases - RPI	3.1	3.1
Price increases - CPI	2.8	2.8
Salary increases	3.8	3.8
Discount rate	5.9	4.9

Mortality	2025	2024
	years	years
Current pensioners		
Females	23.0	23.0
Males	20.5	20.5
Future pensioners		
Females	24.5	24.4
Males	21.7	21.8

Fair value of plan assets	31 March 2025	31 March 2024
	£000	£000
Absolute Returns	-	37
Global Equity	105	96
Liability Driven Investment	283	390
Property and Infrastructure	47	142
Investments	19	34
Sharing & Alterative Premia Risk	-	86
Emerging Market and Private debt	-	50
Liquid Alternatives	173	-
Private Credit	114	-
Real Assets	112	-
Cash	13	19
Other	69	105
	935	959

Cost recognised as an expense	31 March 2025	31 March 2024
	£000	£000
Current service cost	-	11
Interest costs	10	9
Administration expenses	3	3
	13	23

Return on plan assets	(46)	(41)

Reconciliation of defined benefit obligation	2025	2024
	£000	£000
Opening defined benefit obligation	1,189	1,166
Current service cost	-	11
Contributions by scheme participants	-	-
Expenses	3	3
Interest expense	58	56
Actuarial gains	(140)	(18)
Benefits paid and expenses	(28)	(29)
Closing defined benefit obligation	1,082	1,189

Reconciliation of fair value of scheme assets	2025	2024
	£000	£000
Opening fair value of scheme assets	959	953
Interest income	48	47
Actuarial (losses) / gains	(94)	(88)
Contributions by the employer	50	76
Contributions by scheme participants	-	-
Benefits paid and expenses	(28)	(29)
Closing fair value of scheme assets	935	959

Net pension liability	147	230

30c Aegon defined contribution scheme

The scheme is administered by the Aegon UK and is open to all employees of Synergy Housing Limited. The assets of the scheme are held separately from those of the association in an independently administered fund. The company paid contributions between 4% and 10% (2024: 4% and 10%) and employees paid contributions from 3% (2024: from 3%). At 31 March 2025 there were 15 (2024: 3) active members of the scheme. The pension charge represents contributions payable by the group to the fund and amounted to £11,708 (2024: £11,275).

Notes to the Financial Statements (continued)

31 Other provisions

	2025	2024
	£	£
At 1 April	**49**	365
Additions	**-**	-
Release during the year	**(49)**	(316)
At 31 March	**-**	49

Other provisions as at 31 March 2025 relates to unused office space rented by the association under an operating lease.

32 Called up share capital

	2025	2024
Ordinary shares allotted, issued and fully paid of £1 each	£	£
At 1 April	**19**	19
Issued during the year	**-**	2
Cancelled during the year	**(4)**	(2)
At 31 March	**15**	19

33 Other reserves

	Revaluation reserve £000	Restricted reserve £000	Total £000
At 1 April 2024	**155,921**	**805**	**156,726**
Revaluation surplus realised on disposals	(1,380)	-	**(1,380)**
At 31 March 2025	**154,541**	**805**	**155,346**

Revaluation reserve
Prior to transition to FRS 102, on 1 April 2014, the association's social housing properties were revalued each year. The revaluation reserve represents the increases in value of properties held at this date. On transition to FRS 102 the association moved to recognising its social housing at deemed cost and no longer recorded increases in social housing property valuation.

Restricted reserve
The additions to restricted reserve represents the clawback reinvested as part of the disposal of properties in the Purbeck area. In accordance with the agreement made, the reserve can only be used to fund investments in properties in the Purbeck area.

34 Capital commitments

	2025	2024
	£000	£000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**100,214**	118,024
Capital expenditure that has been authorised by the board but has not yet been contracted	**33,706**	22,083
	133,920	140,107

These commitments will be funded through a mixture of cash and committed borrowings. The association's available committed borrowings are set out in note 29c.

35 Operating leases

The association has total commitments under non-cancellable operating leases due to expire as follows:

	2025	2024
	£000	£000
Land and buildings		
Not later than one year	**6**	6
Later than one but not later than five years	**22**	22
Later than five years	**336**	341
Office premises		
Not later than one year	**22**	44
Later than one but not later than five years	**66**	71
Later than five years	**1,290**	1,306
	1,742	1,790

36 Homes and bed spaces in management and in development

	2025 No.	2024 No.
Under development at end of year:		
Housing accommodation	**338**	376
Shared ownership	**302**	309
Open market sale	**-**	2
	640	687
Under management at end of year:		
Owned and managed by Synergy Housing Limited:		
Housing accommodation		
Social rent	**-**	5,365
Affordable rent	**-**	610
Supported housing		
Social rent	**-**	1,703
Affordable rent	**-**	4
Shared ownership	**-**	304
Leasehold	**-**	494
Market rented	**-**	11
Temporary social housing	**-**	23
	-	8,514
Not owned but managed by the association:		
Housing accommodation		
Social rent	**-**	523
Affordable rent	**-**	165
Supported housing		
Social rent	**-**	23
Shared ownership	**-**	228
Leasehold	**-**	24
Private sector leasing	**-**	2
	-	965
Owned but managed by others at the end of the year:		
Housing accommodation		
Social rent	**5,833**	453
Affordable rent	**1,837**	1,112
Supported housing		
Social rent	**1,297**	78
Affordable rent	**482**	-
Shared ownership	**1,100**	740
Leasehold	**518**	15
Market rented	**87**	77
	11,154	2,475
	11,154	11,954

All of Synergy Housing's units are now managed by Aster Communities. The risk and rewards remain unchanged and still lie with the ownership of the relevant Registered Provider, hence there is no impact on the income or expense recognition of the Registered Providers.

37 Contingent liabilities

In 2018 the association entered into a stock transaction with another social landlord. Housing properties with a fair value of £1,256,675 were recevied in exchange for a cash payment of £1,256,675. This value includes original government grant funding of £430,823 which has an obligation to be recycled in accordance with the original grant funding terms and conditions. The association is responsible for the recycling of the grant in the event of the housing properties being disposed. The grant funding is not included as a liability on the group's balance sheet.

Notes to the Financial Statements (continued)

38 Related party transactions

The association receives management and other services from its holding company, Aster Group Limited, and property services from Aster Property Limited and Aster Solar Limited, both fellow group companies under the terms of documented Service Level Agreements.

The association has taken advantage of the exemption allowed under FRS 102 Section 33 'Related Party Disclosures' not to disclose related party transactions within the group. This exemption is available providing the transactions are entered into between two or more members of a group, so long as any subsidiary which is party to the transaction is wholly owned.

The association has a number of pension schemes for the benefit of its employees and all these schemes and any transactions and outstanding balances are detailed in note 31.

The Accounting Direction for Private Registered Providers of Social Housing requires disclosure of the material recharges for services between non-regulated and regulated entities during the year and the balance outstanding as at the year end. The recharges for services in the year are:

		Annual recharges		Balance as at 31 March	
		2025	2024	**2025**	2024
From non-regulated entity	**Nature of supply**	**£000**	£000	**£000**	£000
Aster Property Limited	Property maintenance services	**39,595**	35,171	**4,729**	3,699
Aster Homes Limited	Property development services	**41,483**	37,503	**353**	578
Aster Living	Site management services	**1,116**	1,031	**185**	77

Recharges from Aster Property Limited and Aster Homes Limited are at cost plus a profit margin. All other recharges are at cost.

39 Ultimate parent company

Synergy Housing Limited is a wholly owned subsidiary of Aster Group Limited, the ultimate parent entity and controlling party, and whose consolidated financial statements may be obtained from the following address:

The Company Secretary, Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ.

Aster Group Limited is the only group entity to consolidate the association's financial statements.