

Annual Report & Financial Statements

This report covers the period
1 April 2022 to 31 March 2023





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Welcome to Our Review of 2022/23



Foreword by the Chair and Chief Executive Officer

This report sets out our performance over the past year and our plans for the future.

Last year was the first of our Inspiring Saffron Strategy. We achieved some good progress, experienced some deep sadness, and the world around us became more challenging.

Our first priority remains to keep tenants and colleagues safe, and we were delighted to have been awarded a Royal Society for the Prevention of Accidents (RoSPA) Gold Award for our Health & Safety performance for a second year in a row. The prestigious award recognises organisations as being world-leaders for demonstrating high health and safety standards.

Over the past year we achieved 7 of our 12 strategic Vital Signs goals (4 out of 6 were Value for Money objectives). The Vital Signs achievements included reaching our SAP (Standard Assessment Process) rating reinforcing our commitment to providing energy efficient homes for all tenants. We completed our target number of new homes, and our satisfaction with complaints handling was 10% higher compared to the previous year.

Although, we are pleased to have made progress in many areas, there are also areas where we need to continue to improve. We have introduced new methods for how we ask tenants about our services which has led to greater engagement but a small reduction in tenant satisfaction. We will continue to work alongside tenants and colleagues to improve satisfaction with the homes and services we provide. We did not meet our electrical testing target (we set ourselves a 5-year policy compliance, rather than the 10-year statutory requirement). The reason for the decrease is due to challenges to recruit into this business area. Skills shortages is something not only being felt by Saffron and the sector, but a trend seen nationally. We continue to look at different ways to attract the right skills to fill vacancies.

To provide a great foundation for this desire to continuously improve, last year we launched our new exciting tenant led community engagement structure. Our work to build on our Saffron Community Membership has continued over the past year, with 353 members at the time of writing. We were delighted to be shortlisted for the Tenant of the Year category at the national Housing Heroes Awards. On the

night of the awards, we received a special mention of 'highly commended' for our tenant engagement work with the Chairs and Deputy Chair of our two new tenant groups – Tenant Scrutiny and Tenant Communication & Support.

We were pleased to launch our new website in March. The new site is one of the ways we are demonstrating our commitment to improving our communication and increase our digital engagement enabling tenants to access the information and services they need more effectively.

In November, we marked the formal completion of our new Independent Community Living Plus scheme in Acle – Swallowtail Place. The scheme is something we are immensely proud of consisting of 58 apartments to people over 55 with the offer of care should they need it enabling them to live independently. Over the next 50 years it will provide over one million days and nights of independent community living.

We have been successful in securing funding from the government's Social Housing Decarbonisation Fund. Last year we were awarded £1.9m from the first wave of the fund. That money has been spent on improving 126 of our lowest energy 'E rated' properties. Alongside partners from Independent East, we secured over £4.7m in the second wave to improve the standard of 434 'D' rated homes over the next two years, making them more energy efficient and cheaper to heat. At the beginning of the financial year, we made the decision to re-finance and successfully secured a new loan agreement. This has strengthened our borrowing position enabling us to save more in interest each year, so we have more money to invest in our homes.

In addition to listening to tenants, we understand how valuable it is to provide opportunities to gain feedback from colleagues. A new 'Staff Forum' engagement group has been set up. The group members will be involved in decision making,

debating and sharing ideas to our Senior Leadership Team playing an instrumental role in making meaningful change and service improvement.

We had more colleagues complete this year's Best Companies b-Heard survey, providing their views on what it is like to work at Saffron. The results meant we made it into three of the Best Companies' lists including the 7th best housing association to work for.

Since our last Annual Report, Saffron has had much to be proud of, but equally, we have experienced some terribly sad times as we lost three colleagues considered as dear friends. In September, Lewis Calver who was a multi-skilled apprentice passed away. In Lewis' memory we have formally named the driveway into our office in Long Stratton 'Lewis Calver Place'. In February, Former Board Member and tenant Duncan Scott passed away, and most recently we were saddened by the news of Saffron and Crocus Board Member Barry Duffin passing away. Barry and Duncan were great champions of the work that Saffron did for the benefit of the community.

We offer our thanks to all of our colleagues who have worked hard to help us remain a resilient and stable business for the long term. A special mention must be given to former Chair Bob Walder who announced his retirement in November and left Saffron at the end of March. Bob worked tirelessly and enthusiastically for five years and we thank him for his contribution.

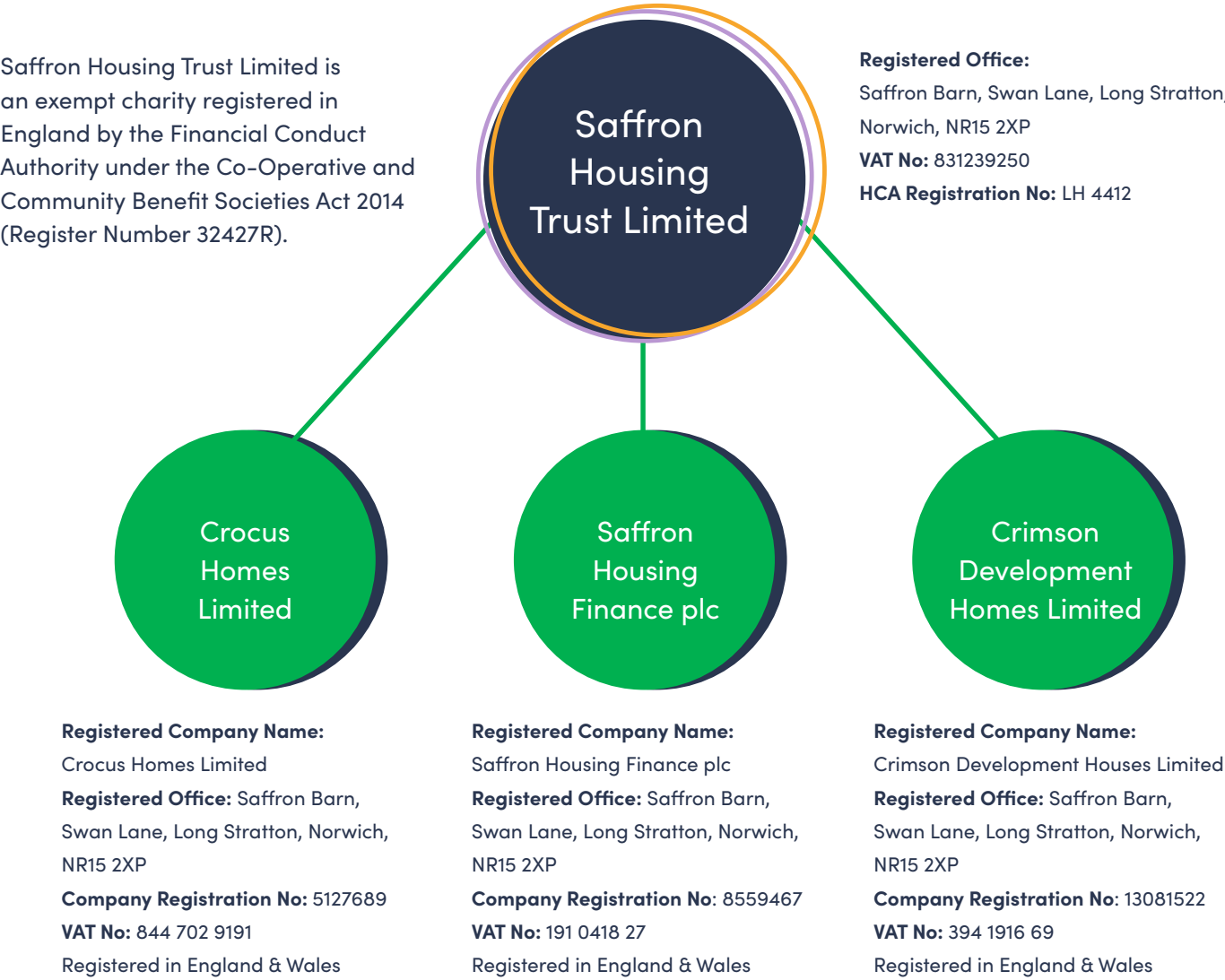
As we update our objectives for 2023/24, our focus will be on maintaining investment on our existing stock and supporting tenants. Against the current challenge of costs rising faster than income for tenants, colleagues and for Saffron, we will need to become even better and do more for less. We are committed to embracing this reality and staying true to our purpose.

We hope you enjoy reading the report.

Kim Newman and James Francis

Group Structure

The image below shows our company structure. If you would like further information, please contact us.



Our registered office address will be updated in 2023/24 to include the addition of Lewis Calver Place.

Board Members and Officers

Saffron has 11 Shareholders, who are all Members of the Saffron Housing Trust Board. The Chief Executive Officer is not a Shareholder.



Bob Walder
(former) Chair of Saffron Housing Trust Ltd (retired 31st March 2023)
Former Board Member of Saffron Housing Trust and Chair of Saffron Housing Finance plc.
Skills were gained during a distinguished career in Housing: working initially in Moss Side, Manchester; then the Potteries and finally across the Midlands where he was Chief Executive of the Longhurst Group for 26 years. NED skills gained through several Board memberships, most recently on the Board and Chair of the ONGO Partnership in Scunthorpe, Director of ONGO Homes and ONGO commercial, and Chair of LACE Housing in Lincoln. Bob is Chair of the Council of Bishop Grosseteste University, a TEF Gold rated University based in Lincoln.



Barry Duffin
(former) Chair of Crocus Homes (to 11th April 2023, deceased)
Former Board Member of Saffron Housing Trust and Chair of Crimson Homes Development Ltd.
Barry's skills were gained working in the house building industry for over 50 years, for both local and national developers, delivering up to 500 dwellings per year. He always maintained a strong focus on the quality of new homes.
Barry was a District Councillor with South Norfolk Council (SNC), was Vice Chair from May 2016 to May 2017 and Chairman of SNC from May 2017 until May 2018. He also served on Ashwellthorpe and Fundenhall Parish Council for over 25 years. Barry was a Director of Director of Hethel Innovation Ltd, Norse Group Ltd and Ashwellthorpe Fuel Charity.
Barry was a Member of the Saffron Housing Trust Board from January 2018 and will be missed and fondly remembered by his colleagues and peers at Saffron, Crocus and Crimson.



Michael Jolly
Chair of Audit and Risk Committee
Board Member of Saffron Housing Trust and of Crocus Contractors Ltd.
Skills gained within the banking sector, Mike held a Senior Relationship Manager role with The Royal Bank of Scotland and his extensive experience lies within Risk Management and comprehensive appraisal in a business environment. Mike is also a Non-Executive Director of Brighter Futures Housing Association Ltd and of Sustain UK Limited and is a Trustee of 8th Norwich Sea Scouts.



Thomas Fadden
Board Member
Senior Independent Director and Chair of the People, Nominations & Remuneration Committee.
Commercial skills gained as a disability equality trainer and consultant based in Norfolk. Tom has worked in the third sector for a number of years, focusing on disability rights and community inclusion. He is an occasional speaker for the National Housing Federation, Housing Diversity Network and various Housing Associations. Tom has also undertaken voluntary work, helping to set up and run independent living groups across Norfolk which are peer support groups for disabled people, their families and personal assistants. Tom is self-employed through Purple Reach Disability Consultancy and an ad hoc Tutor for UEA School of Social Work.
Alongside this work, Tom read Business Management and an MSc in Brand Leadership at the University of East Anglia. He has been a Saffron tenant since 2013 and was nominated to Board by our customers.



James Francis
Chief Executive Officer and Board Member
Skills gained in the Housing Sector, for the 9 years before joining Saffron, James held Board-level Finance Director roles at g15 Housing Groups.
Appointed CEO in Spring 2019, James is responsible for the reputation and direction of Saffron and has worked with tenants and community leaders to create our Inspiring Saffron Strategy and Saffron Community Membership.
James is Chair of BuildEast, a partnership of 15 housing associations across the East of England and is a Trustee and Vice Chair of the Benjamin Foundation.



Alison Inman
Board Member
Chair of Service Quality Committee
Skills gained in the Housing sector and non-executive roles. Alison is a former President of the Chartered Institute of Housing. She is a Board Member of Tpas, the tenant engagement experts, and of the Housing Diversity Network. Alison is a co-founder of SHOUT, the social housing campaign and a previous Chair of Colchester Borough Homes and the National Housing Federation. Alison undertakes freelance facilitation and speaking roles and is also a Trustee of Balcerne Gardens Trust.



Neil Watts
Board Member

Neil was nominated to Board by our customers, bringing a Service User’s Experience and Perspective. Neil’s son has been a Saffron tenant since 2014 and lives in a shared house in Suffolk.

Skills gained as a secondary school headteacher in Suffolk for 21 years and in advertising regulation at the Advertising Standards Authority, and press regulation at Independent Press Standards Organisation. Neil was a founder member of the board of Ofqual and a lay member of the Architects Registration Board. Neil is currently a Member of the Advisory Council of the Alpha Plus Group and is engaged on a self-employed basis by IPSO.



Asha Cleavelly
Board Member

Skilled in Strategy, Business Management, People & Culture, Operations, Technology and Regulation. Asha has worked closely with the Group Executive Committee members of Lloyds Banking Group PLC and HSBC Group PLC and has a strong understanding of the role of Boards, including governance requirements. He has an understanding of regulatory matters in the social housing sector and is focussed on customer-first cultures and increasing efficiency. As a BAME (Black, Asian and Minority Ethnic) leader in Global Financial Services, Asha is passionate about enabling organisations to achieve their strategic vision, avoiding ‘group think’ and is mindful of unconscious biases. He collaborates with management teams and fellow Board members in the pursuit of shared objectives. He also has professional experience of leading private sector Ambassadorial programmes to achieve results for local areas, including liaising with the Offices of UK Members of Parliament.



Jayne Sharma
Board Member

Skilled in the business areas of Technology and Transformation, since 1994. Jayne has over 6 years’ experience of operating at Board level, in a complex, regulated organisation. As a technology and transformation leader, Jayne has successfully delivered against major strategies and has extensive experience working with risk, finance, and regulatory bodies, leadership and contracting. In her current full-time employment of Director at Aviva, Jayne is responsible for £143m of IT Change for UK and international markets, delivering communication technologies. Jayne’s employment also involves membership of several Programme Steering Groups, Market Executive meetings, Risk and Audit Boards. Jayne is a former Director of Computel Systems Limited.



Tallia Langston
Board Member

Skills gained through NED and Trustee roles, Tallia is currently a School Governor and a Governor of Norfolk and Suffolk NHS Foundation Trust. She also sits on the User Voice Council, the Charity connected to Project ADDER (Addiction, Diversion, Disruption, Enforcement and Recovery) and associated organisations, such as Change Grow Live. Tallia sits on the Council of Making It Real, a Co-Production for Social Care Services.

Tallia is passionate about supporting people through recovery of physical illness, mental illness, drug & alcohol and substance misuse disorder; and supporting people living in the community with disabilities, autism and/or learning difficulties. Tallia also volunteers at her local dementia support group, which provides social support.

Tallia is a Saffron tenant and was nominated to Board by our customers in September 2021, bringing a Service User’s Experience and Perspective.



Kim Newman
Chair of Saffron Housing Trust Ltd (from 1st April 2023)

Skills gained through background as a surveyor, and in procurement, commercial management, change, business strategy, continuous improvement and partnerships, working mainly within the Social Housing, public sector, and commercial property sector.

Kim is now the founder and Managing Director of PML, a specialist Business Change and Property Services Consultancy. Prior to setting up PML in 1995, Kim spent a number of years at national consultancy practices including Capita and Turner & Townsend in various leadership roles and was seconded to a variety of public sector clients to develop and implement their business strategies.

Having grown up living in social housing and experienced first-hand the security, community, and life chances that this provided to her family, Kim was clear that her purpose was to give back to the social housing sector through both her business and work and as a Board Member. Kim was a Board Member of Orwell Housing Association from 2015 and was Chair of their Board from 2019 to March 2023. She is also a Director of two residential management companies for the Fellowes Plain Development in Norwich.

Date	Ethnicity	Gender	Disabled People	Lived Service Experience
31.03.23	White (English / Scottish / Northern Irish / British): 91.7% White & Black Caribbean: 8.3%	Female: 25% Male: 75%	Yes: 17% No: 58% Not disclosed: 25%	Customer nominated: 25%
01.04.23	White (English / Scottish / Northern Irish / British): 91.7% White & Black Caribbean: 8.3%	Female 33.3% Male 66.7%	Yes: 17% No: 58% Not disclosed: 25%	Customer nominated: 25%

The table above shows the make up of the Board which includes ethnicity, gender, disabled people and lived service experience. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Governance Team.

The Board’s approach for increasing Equality, Diversity and Inclusion of Board composition is to target a broad diversity profile, including perspective, style and experience to provoke different and new thinking. In addition to protected characteristics such as LGBT, Young People and People with Disabilities, members should consider socio-economic circumstances, locality, background, viewpoints and lived experiences, specifically encouraging Board applicants from a range of different groups to ensure inclusion.

The setting of specific numerical targets is unlikely to deliver immediate results, and statistics should instead be considered and monitored within the broader diversity of perspective, style and professional experience of a diverse Board.

This approach is already supplemented by the reserved positions for three Members of the Board to be nominated by Residents, through the Tenant Group Chairs, in respect of their lived experience of Saffron’s services.

Independent Committee Members and Subsidiary Board Members

- **Anna Bennett**
Independent Audit and Risk Committee Member
 - **Ian Pinches**
Independent Audit and Risk Committee Member
 - **Michelle Baker**
Independent Service Quality Committee Member
 - **Kate Slack**
Independent Service Quality Committee Member
- **Stephen Brightwell**
Independent Service Quality Committee Member
 - **Jodie Cunnington-Brock**
Independent Service Quality Committee Member
 - **Trevor Conway**
Independent Director of Crocus Contractors Ltd
 - **Andrew Speed**
Independent Director of Crocus Contractors Ltd

Senior Leadership Team

Chief Officers:



James Francis
Chief Executive Officer

Appointed CEO of Saffron in Spring 2019, James is responsible for the reputation and direction of Saffron and has worked with tenants and community leaders to create our Inspiring Saffron Strategy and Saffron Community Membership.

For the 9 years before joining Saffron, James held Board-level Finance Director roles at g15 Housing Groups. James is Chair of BuildEast, a partnership of 15 housing associations across the East of England and a Trustee at The Benjamin Foundation.

James is a Member of Saffron’s subsidiary Board, Saffron Housing Finance Plc.



Iain Innes
Chief Financial and Sustainability Officer

Iain joined Saffron in 2018. He is responsible for Saffron’s Finance, Asset Management and Development. Iain qualified as a Chartered Accountant in 2004 with Deloitte’s London office, before gaining international experience in Toronto. He has worked at Director level in plcs, private companies and private equity backed businesses across a variety of industries.

Iain is a Member of Saffron’s subsidiary Boards, Crimson Development Homes Ltd and Saffron Housing Finance Plc.



Hannah Harvey
Chief Operating Officer

Hannah joined Saffron in 2018 and is responsible for the operational management of Saffron which includes Housing Operations, Asset Management, IT and Change, the Customer Contact Centre, and our community alarm service company Contact Care.

Skills gained through 19 years’ experience across the public sector including positions in the police, social services, and housing, undertaking roles such as a director at Hanover, a national housing association, as well as working for other locally based housing associations. Hannah is a Governing Board member for the Chartered Institute of Housing (CIH).

Hannah is a Member of Saffron’s subsidiary Board, Crimson Development Homes Ltd.

Company Secretary:



Amanda Ashley-Smith
Director of Governance

Further Directors:



Jason MacCormick
Director of Sustainability



Paula Tuck
Director of Engagement & Involvement



Lynne Riddoch
Director of Tenant Services



Jamie Crick
Director of Finance



Matt Davidson
Managing Director of Crocus

Inspiring Saffron Strategy

As we enter year two of our Inspiring Saffron Strategy, Inspiring Trust is our highest priority. Our strategy for 2023 and beyond remains to be known for inspiring trust and inspiring community, by being an inspiring organisation to work for and with.

Our Strategy has been refreshed to reflect the challenges of the operating environment in which we work and introduces our new objectives for the year 2023/24. The Board’s risk appetite is that, in delivering our Inspiring Saffron Strategy, we will not compromise the health and safety of tenants and colleagues, compliance with legal and regulatory requirements, our financial golden rules and our G1 regulatory grade; whilst actively seeking new opportunities and partnerships.

Inspiring Trust Purpose

Tenants have told us earning their trust is vital. Through our Saffron Community Membership we are committed to both understand and transform the way tenants and their communities feel about Saffron.

We intend to do this by continuing to build on the work of our Service Quality Committee and Saffron Community Members. We will work together with tenants and stakeholders to ensure that our structures and approach create a positive tenant experience of our services.

Inspiring Community Purpose

Saffron was founded in 2004 for the benefit of the community. We are committed to tackling living costs and conditions and before 2030 we will double our annual investment in improving homes compared to 2021/22. By 2035 all tenants will live in homes that are at least EPC category C and the average SAP rating of their homes will be higher than 80. We intend to be carbon neutral by 2050.

Inspiring Organisation Purpose

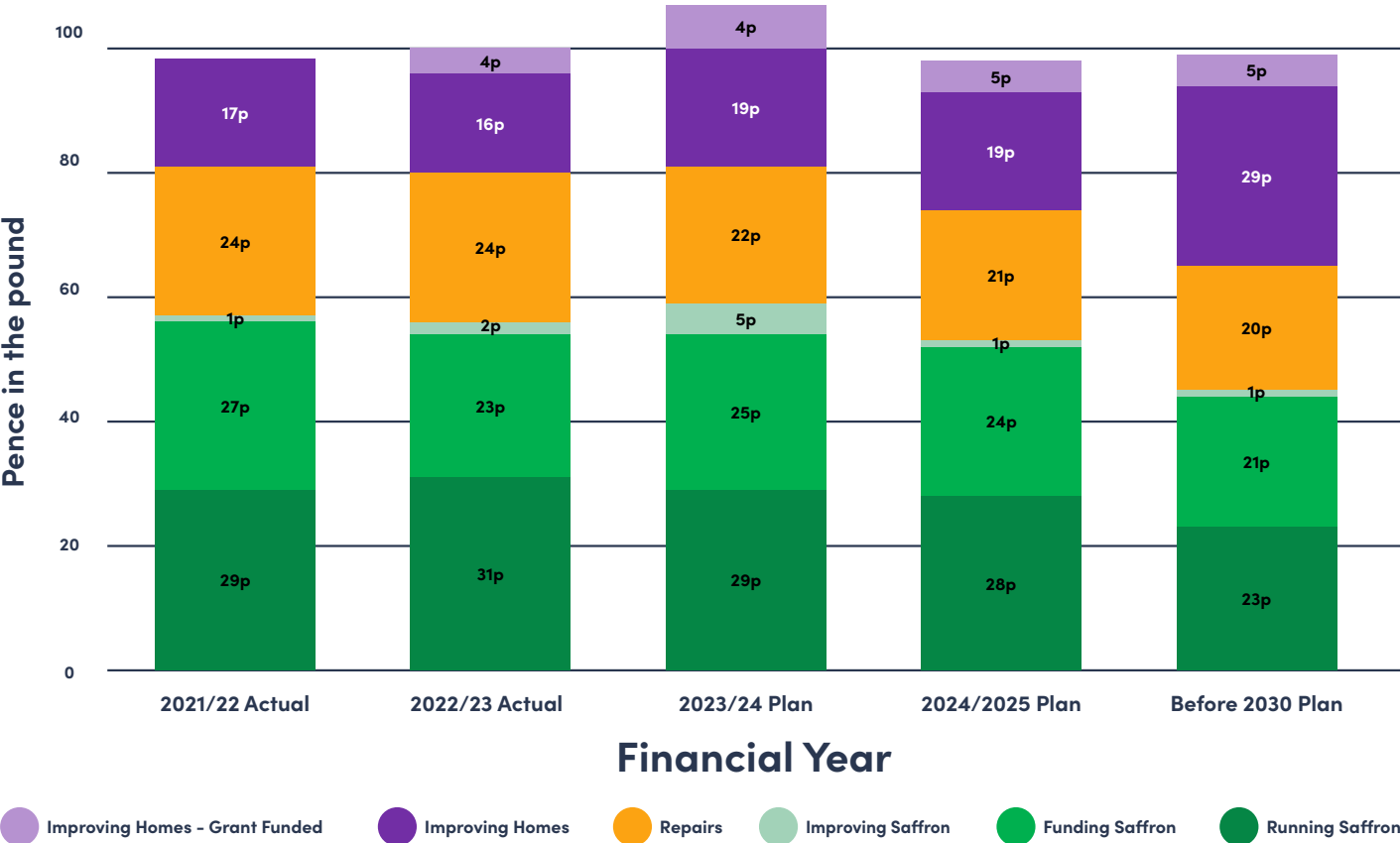
A place where people want to work and can flourish. The external environment challenges us to be better with less. To inspire trust, we need to run Saffron in a way that rewards colleagues fairly, gives tenants a

positive experience and frees up at least 4p in every rent pound by 2026/27 to invest more in their homes. As an inclusive and attractive organisation to work with and work for, we will remain one of the best 10 housing associations to work for and demonstrate behaviours in line with our PACE values.

The Board’s Value for Money objectives have been incorporated through financial targets derived from our Business Plan, which will deliver the Board’s Purpose and Objectives set out in Inspiring Saffron. A chart illustrating this is embedded in our Inspiring Saffron Strategy, ‘How every rent £ is invested’. Value for Money Strategic Objectives have been set as follows:

- Set aside 1% of rent to help tenants access the support they need to maintain their tenancies including Money Skills Workshops and access to 24/7 support and wellbeing advice. We will allocate £332.5k to supporting tenants in these areas during 2023/24. These funds are included within the 29p per rent £ that will be spent on running Saffron in 2023/24.
- Before 2030 we will double our annual investment in improving homes and communities compared to 2021/22. The dark purple block increases from 17p in 2021/22 to 34p (subject to successfully bidding for government grants) before 2030. 27/28 is currently the year identified within our plans where this is achieved, before 2030.
- Maintain our investment in improving homes at 23p of every rent pound, a 6p increase compared to 2021/22. This can be seen by the dark purple block in 0 creasing to 19p in 2023/24, with grant funding of 4p shown in light purple. As we invest more pence from every rent pound proactively in improving homes, and implement the findings of our repairs review, the amount spent on repairs reduces.
- To inspire trust, we need to run Saffron in a way that rewards colleagues fairly, gives tenants a positive experience and frees up at least 4p in every rent pound by 2026/27 to invest more in their homes. Our 4p target is shown by the dark green block decreasing from 29p in 21/22 to 28p in 24/25 and we will reduce this to 24p by 26/27.

How Every Rent £ is Invested



The graph above shows how every rent pound is spent from 2021/22 to how it will be spent by 2030. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

Please note that investment will not always add up to exactly the rent pound because Saffron has to take care to operate within parameters agreed with lenders and investors generating sufficient surplus to cover its interest payments (these are the financial golden rules and gateways referred to in our ‘risk appetite’ statement).

The Value for Money section of this report, Pages 15 and 24, looks back on our achievements during 2022/23.

Our full Inspiring Saffron Strategy, including the full suite of our Objectives for 2023/24, can be viewed by [clicking here](#) and our Inspiring Saffron Strategy video by [clicking here](#).

Vital Signs 2022/23

The table below shows our 12 Vital Signs relating to our values – Professional, Accountable, Collaborative, Evolving and our Inspiring Strategy elements – Inspiring Community, Inspiring Trust and Inspiring Organisation. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Governance Team.

	Professional	Accountable	Collaborative	Evolving
	<div>For Tenants</div> <div><input type="checkbox"/> Average SAP 72</div> <div>Q4 22/23: 72.31 Q3 22/23: 72.32 Goal: 72.00</div> <div>↓</div>	<div>For Tenants</div> <div><input type="checkbox"/> Full compliance with building safety standards</div> <div>Q4 22/23: 99.17% Q3 22/23: 99.29% Goal: 100.00%</div> <div>↓</div>	<div>For Tenants</div> <div><input type="checkbox"/> Complete 119 new homes</div> <div>Q4 22/23: 124 homes Q3 22/23: 99 homes Goal: 119 homes</div> <div>↑</div>	<div>For Tenants</div> <div><input type="checkbox"/> Invest at least 1p in every rent pound more than last year in improving tenants' homes and communities</div> <div>Q4 22/23: -0.20 Pence Q3 22/23: -3.20 Pence Goal: +1p in every rent £</div> <div>↑</div>
	<div>For Tenants</div> <div><input type="checkbox"/> Tenant Satisfaction 3% higher than last year</div> <div>Q4 22/23: 80.94% Q3 22/23: 80.12% Goal: 83.10%</div> <div>↑</div>	<div>For Tenants</div> <div><input type="checkbox"/> Reduce tenancy failures by 1 per month</div> <div>Q4 22/23: 11 Q3 22/23: 8 Goal: -6</div> <div>↓</div>	<div>For Tenants</div> <div><input type="checkbox"/> Tenant engagement 5% higher than last year</div> <div>Q4 22/23: 7245 Q3 22/23: 5859 Goal: 3179</div> <div>↑</div>	<div>For Tenants</div> <div><input type="checkbox"/> Satisfaction with complaints process 10% higher than last year</div> <div>Q4 22/23: 71.63% Q3 22/23: 66.20% Goal: 61.55%</div> <div>↑</div>
	<div>For Funders/Regulators</div> <div><input type="checkbox"/> Maintain G1</div> <div>Q4 22/23: G1 Q3 22/23: G1 Goal: G1</div> <div>←</div>	<div>For Funders/Regulators</div> <div><input type="checkbox"/> Deliver budget, maintaining arrears within 3%</div> <div>Q4 22/23: 2.52% Q3 22/23: 3.30% Goal: 3.00%</div> <div>↑</div>	<div>For Colleagues</div> <div><input type="checkbox"/> Increase Best Companies survey engagement from 62% to over 70%</div> <div>Q4 22/23: 71.00% Q4 21/22: 62.00% Goal: 70.00%</div> <div>←</div>	<div>For Colleagues</div> <div><input type="checkbox"/> Increase Best Companies engagement score from 663 to over 680</div> <div>Q4 22/23: 657 Q4 21/22: 663 Goal: 680</div> <div>←</div>

Goal is green if performance has met our goal, or red if it has not. Q4 performance is green if it has improved since Q3, or red if it has deteriorated.

Upwards arrows signify improvement, downwards signify deterioration, sideways signify static performance. Arrows are also coloured green or red to indicate whether goal was met.

*Measures marked by an asterisk are our 2022/23 Value for Money (VfM) Strategic Objective Metrics. These measures focus on the value for money our tenants receive for their rent and the government receives for its grant funding. Increases in rent and the overall cost of living make it more important than ever that Saffron is fully committed to increasing the proportion of every pound of rent that is invested in the things that will make the greatest difference to our tenants and their communities.

VfM Strategic Objectives:

We met four of our six strategic VfM objectives in 2022/23:

- Average SAP rating of **72**: We achieved **72.31**
- Complete **119** New Homes: We developed **124** New Homes
- Satisfaction with Complaints Handling **10% higher** than last year: We achieved an increase of **10.08%** in this area
- Deliver Budget maintaining Arrears **within 3%**: We delivered a surplus **£1.5m** in excess of our budget and rent arrears of **2.52%**

The two areas where our VfM Strategic Objectives were not met, were as follows:

- Inspiring Community: Investing at least 1p in the rent pound more than last year in improving tenants' homes and communities:** Rather than achieving an increase of 1p in the rent pound in this area, performance reduced by 0.2p in the rent pound, compared to 2021/22. This was partly attributed to the Asset Management Capital programme being delayed by mobilisation of Government's Social Housing Decarbonisation Funding. Saffron is obligated to 'match fund' these works and was therefore required to pause expenditure of these funds until the programme was initialised. This timing resulted in an underspend against our capital budget by £270k.
- Inspiring Trust: Tenant Satisfaction 3% higher than last year:** At 80.94%, we achieved a slight improvement on 2021/22, but were 2.16% below our goal. A change of survey methodology has resulted in a 7.6% increase in the response rate for repairs satisfaction and these additional responses have reduced the overall percentage of satisfaction reported. The comments received have been addressed and additional resources have been introduced in April to further improve repair timescales.

Overall Performance: We achieved seven of our twelve Vital Signs goals in 2022/23. In addition to the two VfM areas mentioned above, we were unable to meet our goals in the following three areas:

Inspiring Community: Full Compliance with Building Safety Standards: Performance in this area was 99.14% at 31st March 2023. This figure includes Gas, Electrical, Fire Risk Assessments, Asbestos, HHSRS, Decent Homes, and Legionella safety compliance. Damp and Mould cases are monitored through a weekly email update to Board Members. The electrical testing component of performance was 94.36%. This figure is against our 5-year policy compliance for electrical testing, rather than the 10-year statutory requirement. In addition, we were not fully compliant with the Decent Homes Standard as at 31st March 2023. 21 of our homes did not achieve this standard, resulting in 99.66% compliance with the Decent Homes Standard. All other areas in this Vital Sign achieved 100%.

Inspiring Trust: Reduce Tenancy Failures by 1 per month: The goal was initially set before baseline data was available for the previous year 2021/22. Work was undertaken to gain a further level of detail for tenancies that ended in 2021/22, which showed that there were only 6 tenancies that met the 'failure' criteria. This low number was in part due to a mandatory Covid-19 ban on evictions for the first two months of that year, followed by lengthy timescales once proceedings were able to recommence. As it was technically impossible to reduce a starting position of 6 by 12 (one per month), the goal was amended from -12 to - 6 (the equivalent of achieving zero tenancy failures in 2022/23). Performance during 2022/23 was 11 tenancy failures, which included four necessary evictions.

Inspiring Organisation: Increase Best Companies engagement score from 663 to over 680: Whilst we missed this goal by 23 points (3.4%) Saffron did meet the goal of increasing Best Companies Survey Engagement from 62% to over 70%, achieving 71% engagement. This assessment is via an annual survey provided by Best Companies. We also achieved 7th place in their sector list of ‘Top 10 Housing Associations to work for’. The Board’s Strategy for 2023/24 is to remain within the Top 10 Housing Associations to work for.

Vital Signs Performance during the final quarter of the year reduced in three areas (Average SAP, Compliance with Building Safety Standards, and Reducing Tenancy Failures) whilst performance improved in six areas (New Homes, Investment in Tenants’ Homes, Tenant Satisfaction, Tenant Engagement, Satisfaction with Complaints Handling, and Arrears/Budget). Three areas, relating to our G1 rating and two colleague Engagement Indicators, remained static during the final quarter, two of these three goals had been met.

Objectives and Key Results (OKRs) 23/24

As we move into 2023/24, the Board have opted to move away from Vital Signs, which provided a succinct summary of performance aligned to the strands of our strategy and values, to Objectives and Key Results. Objectives and Key Results provide Board with detailed oversight of performance, including all building safety compliance areas, the number of total property management surveys undertaken and the new regulatory Tenant Satisfaction Measures. Objectives and Key Results are each aligned to one of the three strands of our Inspiring Saffron Strategy. Going forwards, Board will actively monitor operational delivery to a greater degree, in addition to delivery of Saffron’s strategic objectives. The 15 Objectives are those contained in Inspiring Saffron. These are supported by 78 Key Results which measure performance. The Board believes

this approach supports an increased focus on operational delivery areas such as damp and mould, complaints and other key performance matters that are important to our Customers, the Sector and the general public.

The Board has also defined and allocated segments of these Objectives and Key Results for monitoring by three of its standing Committees, bringing additional scrutiny and oversight.

Report of the Board

This is the Board’s report and audited financial statements for the year ended 31st March 2023. Details of the Board members that served during the year can be found in the Financial Statements on page 58.

Saffron has a Board who are recruited on the basis of the skills they have. The Chief Executive Officer is also a Member of the Board. The Board is responsible for the strategic management of Saffron and operates in accordance with Saffron’s Rules and other governance documents. Saffron has a comprehensive skills matrix with clear criteria for the level of skills needed for each area of the matrix. Saffron’s Rules and Standing Orders identify that up to 25 per cent of the Board should have the skill ‘Service User Experience and Perspective’, tenant representative groups nominate these Board members.

During 2022/23, the Board experienced the retirement of the Chair of the Board on 31st March 2023 and a new Chair was appointed from 1st April 2023.

Internal Controls

Saffron’s Board recognises that it is ultimately responsible for the system of internal controls and for reviewing its effectiveness, the management of risk within the organisation, compliance with the appropriate regulatory standards and the adopted Code of Governance.

The Board has reviewed the Trust’s Framework of Business Planning, Risk and Control and has certified its effectiveness in achieving the required outcomes for 2022/23.

The Key Controls available within Saffron are:

- Rules and Standing Orders establishing key operating principles and clear delegations.
- Financial Regulations detailing responsibilities for expenditure and authorisation of payments.
- Gateways and Golden Rules.
- Written policies and procedures.
- Risk management framework includes Board’s clearly articulated Risk Appetite.
- Job descriptions, Role descriptions, Terms of Reference, and appraisal system.
- Board composition, succession, and development plans, to ensure that the Board is able to fulfil its function effectively.
- Regular programme of internal audit reports agreed with the Audit and Risk Committee and Board.
- External audit reports.
- Monitoring implementation and audit recommendations via Audit and Risk Committee.
- An annual report provided to the Audit and Risk Committee by internal and external auditors and regular progress updates.
- Annual budget agreed before commencement of the financial year.
- Stress tested business plan demonstrating to the Board the ability to withstand a wide range of adverse scenarios.
- Credible mitigating actions and clear triggers for implementation based upon financial Gateways and Golden Rules.
- Monthly management information to budget holders and Quarterly Reports to Board.
- Quarterly Reports to Board on performance and compliance.
- Reports to the Board on any fraudulent activity.

- Code of Conduct and Registers for hospitality and declarations of interests.
- Treasury management policy and regular reports on performance.
- Minutes of Committees considered by the Board.
- Policy Pathway establishing responsibility and review dates for Trust Policies.
- Development schemes require a costed appraisal against criterion agreed by the Board, prior to final approval.
- Board receive annual Compliance reports relating to the Code of Governance; Regulatory Framework; Framework of Business Planning, Risk and Control; and Board Effectiveness.
- Compliance Planner, identifying required checks and second sign-off of data submissions.

The Board has reviewed the Trust’s Framework of Business Planning, Risk and Control and has certified its effectiveness in achieving the required outcomes for 2022/23.

Although Saffron has a number of control mechanisms in place, the system of internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is committed to making appropriate improvements to controls in order to balance control with efficiency.

Internal Audits Undertaken in 2022/23

Saffron makes use of external advisers to conduct its internal audit. Internal audit differs from other sources of assurance in that it can provide independent and objective assurance across the whole range of an organisation’s activities. The 2022/23 annual report from Saffron’s internal auditors sets out the following internal audits and advisory reports:

The table below shows our internal audits and the assurance rating for those audits.
If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Governance Team.

INTERNAL AUDITS 22/23	ASSURANCE RATING
Counter Fraud, Bribery and Corruption Review	Reasonable assurance
Crocus Contractors	Substantial assurance
Income Management	Reasonable assurance
Property Sales, Help to Buy and Shared Ownership	Reasonable assurance
HR (Absence Management)	Reasonable assurance
Risk Management	Substantial assurance
Performance Management	Substantial assurance

Quarterly Control Validation is also undertaken. This is an audit where ongoing assurance is provided, and the results are not therefore included in the Internal Audit Annual Report and Opinion:

Saffron’s Audit and Risk Committee is responsible for receiving reports on risk and internal audit on behalf of the Board. The Committee challenges and scrutinises the reports to ensure that management responses to recommended actions are appropriate and implemented. The Audit and Risk Committee reports to the Board on its work after each meeting.

Risk Management

Saffron’s Board has a well-developed risk management framework for assessing and managing strategic and operational risks, which continues to evolve as the Board considers the changing external environment. The Board reviewed its Risk Management Framework in November 2022 and transitioned to a revised Strategic Risk Register.

Our Strategic Risk Register is reported to the Board on a minimum quarterly basis and has been reported more frequently since the pandemic. The Board’s Audit and Risk Committee also review Strategic and Operational risks and actions being taken to mitigate these, at every meeting.

The Framework and Strategic Risk Register were enhanced during 2022/23 following the Board’s review and we have undertaken work which will introduce Risk Management Software during 2023/24, providing real-time access to Risk Registers for Members of the Board and Audit and Risk Committee, as well as colleagues in the Leadership Team and Senior Leadership Team.

The Board’s risk appetite statement in 2022/23 was as follows:

“In delivering our Inspiring Saffron Strategy we will proactively seek new opportunities and partnerships but will not compromise the health and safety of our tenants and colleagues, compliance with legal and regulatory requirements, our financial golden rules and our G1 regulatory grade.”

This statement was reviewed and updated by the Board on 27th March 2023, to:

“In delivering our Inspiring Saffron Strategy we will not compromise the health and safety of our tenants and colleagues, compliance with legal and regulatory requirements, our financial golden rules and our G1 regulatory grade; whilst actively seeking new opportunities and partnerships.”

Saffron’s Approach to Risk Management Includes:

- Identifying strategic risks based upon the ‘Sector Risk Profile’ (document published by the Regulator) and Saffron’s specific operating environment.
 - Discussions with Audit and Risk Committee to establish the inherent (unmitigated) and residual (mitigated) risks including consideration of the speed at which a risk may take effect based upon an assessment of controls in place.
 - Identification of the Board’s tolerance and appetite threshold for each risk (target score band). This enables appropriate and proportionate actions to be undertaken to bring exposure closer to appetite
- Risk scores considering both likelihood and severity.
 - The principal risks identified by Saffron during the year are set out opposite.
- The Board and Audit & Risk Committee receive assurance of the key controls and mitigations that are in place, and that appropriate actions are taken to move residual Risk Scores closer to their appetite threshold. Progress of completed actions is monitored by the Audit and Risk Committee and reported to Board. Risk Scoring is provided in the following table, as at the year-end:

The table below shows a summary of our Strategic Risk Register at 31st March 2023. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Governance Team.

Inspiring Saffron	Risk No	Title	Residual Risk Score at 31/03/23	Appetite/ Target risk score	Key Controls and Mitigations	Actions Where Beyond Appetite Threshold
Inspiring Organisation	1	Failure to maximise opportunities through partnership working	9	Cautious 13-18	Risk Appetite Statement supports partnerships NHF Merger and Partnership Code adopted and Position Statement Homes England Investment Partner Status Delivery Partner is a Homes England Strategic Partner – HESP2 Agreement	
Inspiring Organisation	2	Failure to comply with legal, regulatory and health and safety obligations, G1 rating and golden rules	15	Averse 01-06	Compliance Calendar for returns –double sign-off for quality & timeliness H&S Committee Specialist assurance reviews Area of rents & service charges moved to Finance	<ul style="list-style-type: none"> Replace our existing Data strategy with a new Data strategy from 2023/24 Changing cycle of property surveys Consult residents on maintaining communal areas Seek specialist assurance as necessary Respond to requirements of new Consumer Standards and Social Housing Regulation Act as they become available
Inspiring Organisation	3	Failure to proactively develop resilience throughout all business strategies	8	Minimal 07-12	Business Plan includes stress testing Business Continuity & Disaster Recovery Plan Fixed interest on majority of funding Crocus golden rules limiting exposure Supplier assurance on material availability and costs	
Inspiring Organisation	4	Changes in the external environment or government policy direction	12	Cautious 13-18	Stress Testing & Golden Rules Strong information routes for changes to external environment	
Inspiring Community	5	Failure to become a net zero carbon organisation	8	Minimal 07-12	Funding in place until 2025 Business Plan enables net zero carbon by 2050 Committee and Senior Leadership Team structure enables delivery	
Inspiring Community	6	Ineffective management and control in the development of new homes in Saffron and its subsidiaries.	4	Averse 01-06	Sustainability Committee provides oversight and scrutiny Stress testing of Crocus business plan and understanding of MAE impacts Intra-group agreements Financial Golden Rules & Appraisals	
Inspiring Community	7	Inability to re-finance and create sufficient capacity and liquidity	16	Minimal 07-12	Prudent assumptions in Business Plan and Multivariate stress-testing Gateways and Golden Rules; Treasury Strategy Assets & Liabilities register Quarterly Financial Management reports inc cashflow; fully funded BP	<ul style="list-style-type: none"> Work together with tenants and stakeholders to ensure that our structures and approach create a positive tenant experience of our services Consult residents on maintaining communal areas Proactively bid in partnership for further decarbonisation funding Set aside 1% of rent to help tenants access the support they need to maintain their tenancies including Money Skills Workshops and access to 24/7 support and wellbeing advice Embed new F365 finance system
Inspiring Trust	8	Lack of trust and confidence in Saffron	15	Cautious 13-18	Customer satisfaction monitoring Monitoring external regulatory reports to maintain learning from examples Moody's credit rating Community Foundation work SCM engagement	
Inspiring Trust	9	Failure to effectively manage, protect and control Saffron Housing data	12	Averse 01-06	Quality Assurance Technology & Data Projects Assurance Reports GDPR compliant policies Training Assessment of legitimate interest & basis for processing Cyber security measures Cyber T&F Group review	<ul style="list-style-type: none"> Replace our existing Data strategy with a new Data strategy from 2023/24 Work with colleagues, data, and tenants to continuously improve service quality Reset our future approach to technology and data as enablers of the Inspiring Saffron Strategy Seek specialist assurance as necessary Procure new SAP software
Inspiring Trust	10	Failure to recruit and retain the right staff / management	9	Cautious 13-18	Top Ten Best Companies in Sector Optimised environment for agile and collaborative working Embedded Values and Employee Assistance Programme	
Inspiring Trust	11	Failure to continuously improve across all Saffron activities	9	Cautious 13-18	Inspiring Saffron Strategy, Priorities and Vital Signs in Place Programme Board delivers scrutiny SLT responsible for delivery of action plans Audit & Risk Committee oversight of system changes	

Delegations

During 2022/23 the Board implemented a new Committee Structure. This work and the recruitment of four Independent Committee Members was initiated during the previous financial year.

The Board delegates certain governance responsibilities to committees, which have their own Terms of Reference. The committees that were in operation as of 31st March 2023 were:

- Audit and Risk Committee
- People, Nominations and Remuneration Committee
- Service Quality Committee
- Sustainability Committee

Saffron Board may also establish working groups or task and finish groups charged with examining specific areas of Saffron’s work. As at 31st March 2023, the Board had three Working Groups.

- Pensions Working Group
- Treasury Working Group
- Cyber Security Task and Finish Group

Day to day management is delegated to an experienced Senior Leadership Team, including three Chief Officers, to ensure:

- Adherence to relevant legislation.
- The interest of taxpayers and the reputation of the sector are protected.
- Saffron operates in accordance with its Rules, Intra-group Agreement, Standing Orders, Financial Regulations and other governance documentation.

Consultancy expertise and support is sourced when appropriate, by Board and Chief Officers.

Compliance

Saffron’s Board has assessed its compliance with the Regulatory Standards. Following a review of this assessment, the Board is reporting a deviation in compliance with the Governance and Financial Viability Standard due to 21 homes which did not meet the Decent Homes Standard as at 31st March 2023 and one social rent which did not meet the Rent Standard as at 31st March 2023.

Saffron has adopted the NHF’s Code of Governance 2020. Saffron has assessed its position in relation to the code and is compliant with all aspects of the Code, and this was reported to the regulator of social housing in the year.

Voluntary Code: Mergers, Group Structures and Partnerships

In December 2018 Saffron adopted a merger strategy setting out its approach and criteria for considering merger and partnership opportunities. This sets out clearly Saffron’s strategic objectives and presents an ‘open-minded’ approach to possible mergers subject to meeting specified criteria. There was no merger activity during the financial year covered by these accounts.

Directors’ and Officers’ Liability Insurance

Directors and staff are insured to indemnify Saffron against liability when acting for Saffron.

Statement of Board Responsibilities for the Financial Statements

The Co-Operative and Community Benefit Societies Act 2014 and legislation and regulations governing the operation of Saffron require the production of financial statements for each financial year. These must give a true and balanced view of the financial affairs of Saffron and of the Income and Expenditure for that period.

In preparing its financial statements the Board must:

- Choose and apply consistently suitable policies
- Make reasonable and sensible judgements and estimates
- State that the applicable accounting standards have been followed, subject to any material departures identified and explained in the financial statements
- Prepare the statements on the basis Saffron is a going concern, assuming it is not inappropriate to do so.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Saffron in order to comply with:

- The Co-operative and Community Benefit Societies Act 2014
- The Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969
- The Housing and Regeneration Act 2008
- The Accounting Direction for Private Registered Providers of Social Housing 2022.

The Board has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

Statement as to Disclosure of Information to the Auditor

The Board members appointed and in office at the date of approval of this Report confirm that, as far as each is aware, there is no relevant audit information that Saffron’s auditor is unaware of.

Each Board member has taken all reasonable and appropriate steps they should have as Board members to be aware of any relevant audit information and to establish the Association’s auditor is aware of that information.

Auditor

Crowe U.K. LLP are Saffron’s appointed auditors as at 31 March 2023.

Inspiring Community Value for Money (VfM)



As part of the 2nd year of the Inspiring Saffron strategy discussed on page 12, the board have set the strategic objectives for 2023/24. The performance against last year’s strategic objectives is shown on pages 15 to 16.

In addition to our own VfM metrics, Saffron participates in ‘Sector Scorecard’ benchmarking, within our Board approved peer group. The table below shows our VfM performance in these areas set out as a comparison. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Governance Team.

Housemark 21/22 data							
Sector Scorecard	2022/23 actual	2022/23 target	2021/22 Actual	2023/24 target	Top quartile	Median	Bottom quartile
Social housing units - new supply delivered (absolute)	124	110	82	133	185	135	93
Non-social housing units - new supply delivered (absolute)	23	9	10	9	0	0	0
% of respondents very or fairly satisfied with overall service (GN & HfOP)	75.9%	88.0%	80.1%	88%	84%	82%	79%
Occupancy	99.33%	99.56%	99.3%	99.4%	99.8%	99.7%	99.6%
Ratio of responsive repairs to planned maintenance	0.32	0.3	0.34	0.35	0.49	0.67	0.76
Management cost per unit	£824	£779	£854	£816	£903	£1,046	£1,360
Service charge cost per unit	£241	£239	£207	£393	£255	£402	£496
Maintenance cost per unit	£1,206	£1,289	£1,176	£1,353	£1,210	£1,283	£1,184
Major repairs cost per unit	£1,052	£895	£822	£1,036	£842	£1,018	£1,184
Other social housing costs cost per unit	£743	£433	£587	£548	£24	£146	£229
Rent collected current & former tenants as % rent due (inc arrears b/f)	98.8%	100%	99.78%	100%	97.8%	97.38%	97.86%
Overheads as a percentage of adjusted Turnover	9.9%	10.1%	10.8%	12.6%	11.97%	13.12%	14.22%

Green = met or exceeded target, Amber = narrowly missed target, Red = improvement required.

The Regulator of Social Housing requires us to publish evidence to enable stakeholders to understand our performance against our own VfM targets, metrics set out by the Regulator and how our performance compares to our peers. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Governance Team.

Housemark 21/22 data								
	VfM Metrics	2022/23 actual	2022/23 target	2021/22 Actual	2023/24 target	Top quartile	Median	Bottom quartile
1	Reinvestment	11.9%	14.9%	7.8%	10.3%	9.09%	7.26%	5.75%
2a	New Supply Delivered % (Social Housing Units)	1.6%	1.66%	1.2%	1.94%	2.45%	2.25%	1.33%
2b	New Supply Delivered % (Non-Social Housing Units)	0.3%	0.14%	0.2%	0.13%	0.12%	0%	0%
3	Gearing	62.8% (58.20%)*	64.02% (54.78%) #	58.0% (51.82%)*	70.63% (60.14%)	39.70%	55.94%	61.99%
4	Interest Cover** EBITDA MRI	109.0% (119.3%)*	123.0%	106.3% (119.5%)*	138.2%	172.60%	150.00%	118.00%
5	Headline Social Housing Cost per unit	£4,069 (£3,930)*	£3,635	£3,650 (£3,454)*	£4,146	£3,740	£4,225	£4,431
6a	Social Housing Lettings Operating Margin	26.1% (28.8%)*	31.57%	28.1%* (31.9%)*	29.03%	41.00%	33.30%	28.32%
6b	Overall Operating Margin	27.1% (29.5%)*	30.0%	27.4% (31.0%)*	29.79%	28.40%	25.13%	20.39%
7	ROCE	3.7% (4.0%)*	4.28%	4.2% (4.6%)*	4.58%	4.06%	3.43%	2.72%

Green = met or exceeded target, Amber = narrowly missed target, Red = improvement required.

* VfM targets for 2022/23 were calculated excluding the pension adjustment as this is unknown when the budget is set. The VfM metrics calculations are calculated from the Financial Viability Assessment (FVA) return and include the pension adjustment of £0.9m at operating surplus level. The table above also shows the metrics calculated in line with the target, in brackets, for comparison.

Saffron’s gearing covenant is based on historical cost of assets. The Regulator of Social Housing VfM metric is based on net book value.

** The interest cover calculation excludes the one-off impact of the £12.633m mark to market that was payable as a result of refinancing the Barclay’s loan, as shown in note 11.

Commentary on VfM Metrics where Improvement is Required

Reinvestment – Target 14.9%, Actual 11.9%

The reinvestment metric measures the level of spend in the year as a % of the net book value (historical cost less accumulated depreciation) of the fixed assets (Housing). This target wasn’t achieved due to an underspend vs budget on development spend. The spend on new properties was lower than anticipated due to delays in projects commencing on site through the year.

Interest Cover – Target 123.0%, Actual 109.0% (RSH), Actual RSH Excluding Pension Adjustment 119.3%, Actual 129.4% (same assumptions as target)

The target for the financial year is based on the 2022/23 budget for the year and is calculated on the same basis as our least favourable covenant for EBITDAMRI. On a like for like basis the target was achieved during the financial year. However, during the year this financial covenant has been renegotiated with carve-outs in place for Decarbonisation, Fire Safety and Aids & Adaptations works.

Headline Social Housing Cost per Unit – Target £3,635, Actual £4,069, Actual Excluding Pension Adjustment £3,930, Actual £3,720 (same assumptions as target)

The target for the financial year was based on the 2022/23 budget for the year. For Major Repairs, the total cost was based on the net spend (after grant), therefore when comparing on a like for like basis, the actual was £3,720 per unit vs £3,635 target. In relation to the increased cost vs target this is due to increased costs in relation to Routine Repairs, some of which is associated with increased spend in relation damp and mould vs budget, and increased costs in management cost per unit vs target.

Social Housing Lettings (SHL) and Overall Operating Margin – SHL Target 31.6%, Actual 26.1%, Actual excluding pension adjustment 28.8%. Overall Operating Margin – Target 30.0%, Actual 27.1%, Actual excluding pension adjustment 29.5%

Both the overall operating margin and SHL margin were both below target. However, the overall operating margin excluding pension adjustment was 29.5% vs a target of 30.0%. During the financial

year there were some unexpected increases in costs vs budget particularly in relation to Utilities costs and increased costs in relation to Routine Repairs in relation to the increase spend on our damp and mould contracts. Importantly, Saffron has once again achieved its budgeted surplus for the year (excluding the one-off mark to market cost) and maintained a group operating margin in excess of 25%.

% of respondents very or fairly satisfied with overall service (GN & HfOP) – Target 88.0%, Actual 75.9%

Our biannual perception survey follows the Housemark STAR framework and allows us to measure tenants’ views, impressions, and options about Saffron as their landlord and the service we deliver. It also allows peer to peer and sector wide benchmarking against other participating Housing Associations.

Customer satisfaction measured by our golden thread question ‘Taking everything into account, how satisfied or dissatisfied are you with the service provided by Saffron’, via our perception STAR surveys has decreased from 83.7% in 2019 to 75.9% in 2023. This follows Housemarks findings published 2023 that overall customer satisfaction has decreased by around 5% since 2020 to 79% today.

Major repairs cost per unit – Target £895, Actual £1,052, Actual £842 (same assumptions as target)

The target was based on the 2022/23 budget. The target was calculated after grant received in relation to Social Housing Decarbonisation Fund (SHDF). The actual of £842 is calculated after grant vs target of £895. The reason for the underspend on major repairs is due to the delay in mobilisation of contracts associated with SHDF. The actual of £1,052 vs £822 in 2021/22 is linked to the Inspiring Saffron strategy and the objective of doubling investment in our existing homes by 2030.

Other social housing cost per unit – Target £433, Actual £743, Actual excluding pension adjustment £604

The increase in other social housing costs is largely associated with increases in costs associated with operational costs, such as Utilities, Insurance and Pension Strain costs vs budget. The budget has been increased for 2023/24 to reflect the known increases to £548 per unit.

Return on Assets

The table below shows our return on assets including and excluding pension adjustment in 2021, 2022 and 2023. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

	Including Pension Adjustment			Excluding Pension Adjustment		
Asset Type	2023	2022	2021	2023	2022	2021
Social and Affordable Rented	27%	26%	32%	29%	30%	33%
Housing for Older Persons	19%	39%	38%	22%	42%	38%
Shared Equity / Shared Ownership	60%	66%	68%	63%	70%	69%

Our return on assets is defined as our operating surplus on social housing lettings as a percentage of Turnover, for each asset class. Our return on Capital employed can be seen within our VfM metrics on page 25.

Our Shared Equity and Shared Ownership homes provide a high rate of return, as we do not currently incur costs in relation to repairing obligations. This class of assets provides access to the market in an affordable way, allowing those on lower incomes to purchase their home. This aspiration would otherwise remain out of reach for many of these residents.

Supported and Housing for Older Persons. This asset type has seen a reduction year on year in terms of return on assets. The level of void loss still remains high through the year as a result of the impact of COVID-19, however, the level of voids reduced through the financial year with lower void levels at March 23, than April 22. The other area that has impacted the return on assets is associated with an increase in expenditure for routine maintenance. Per note 5 of the financial statements, this expense

is £819k in 2022/23 vs £368k in 2021/22. Some of this increase year on year is associated with a backlog of routine works, which we were not able to complete due to local lockdowns at schemes due to Covid-19.

Our principle activity is providing rented accommodation at social and affordable rents. As shown in the table above the return on assets in this segment has seen a small reduction year on year. The reason for the reduction in social and affordable rented return on assets is associated with the increase of other costs as per note 5 of the financial statements (page 71) and depreciation. The increase in other costs is predominately associated with increased Utility costs and Insurance.



Homes

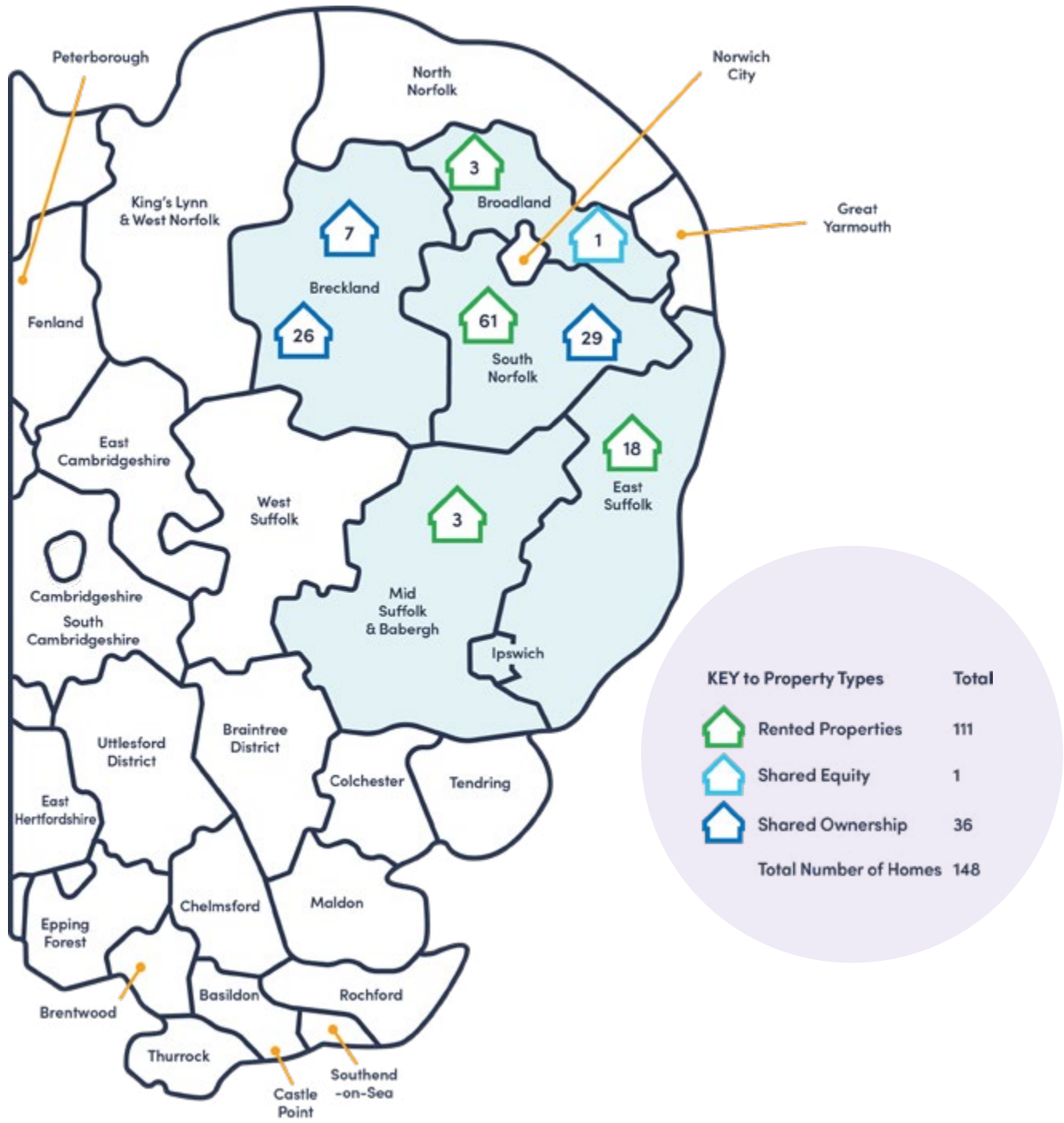
Location of Our Homes

At March 2023, the following are the number of homes we own and type of home:

General needs socially rented – 3,122	Independent Community Living – 135
General needs affordably rented – 2,151	Shared Equity – 191
Housing for older people – 616	Intermediate rented – 178
Shared Ownership – 156	
Home Ownership for People with Long-Term Disabilities (HOLD) – 77	

Total – 6,626

The map below shows the new homes in under construction as at March 2023. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Development Team.



Development of New Homes

We completed a total of 124 new homes in 2022/23, consisting of 41 homes for Social Rent, 38 Affordable Rent, 17 Older Persons Shared Ownership, 7 Shared Equity and 21 market homes through our subsidiary, Crocus Homes against a business plan target of 119.

Despite the well documented rises in interest rates and build costs as well as the scaling back by many private developers, we were able to meet our corporate targets for the year. The delivery of Swallowtail Place, our Independent Community Living Plus scheme located in Acle, saw the culmination of 5 years hard work to deliver 58 flats for over 55s, which also includes a café and hairdressers.

We continued to grow our land-led development programme supported by grants from Homes England and local authorities. The year saw us acquire land with planning permission for a total of 236 affordable homes, including 161 general needs and 75 Independent Community Living Plus at Mendham Lane, Harleston. Development of our 90-home scheme at the former rugby club site in Wymondham continues with our first handovers due summer 2023.

The year also saw us continue our relationship with Orbit Homes, joining their second Homes England Strategic Partnership to provide grant funding for 177 new homes by 2028.



Crocus Contractors Limited

Performance for 2022/2023 has been strong, achieving a turnover for the year of £10.14m, £3.9m above forecast, highlighting a good recovery post pandemic. The Crocus performance, brand and reputation continue to place the business in a strong commercial position securing protection from any potential downturn in the housing market, and the strong pipeline and planned business growth provides security for years to come.



Key Highlights:

- Exceeded annual operating margin target of 17.6%, ending the year at 22.2% for their non-charitable activities.
- Income for 2022/23 of £10.2m vs £6.2m Budget and Operating profit for 2022/23 was £2.2m, £1.16m above budget, individual development sites continue to meet or exceed target profit levels. The original budget for 2022/23 was based on the sale of 9 homes, however, some of the overperformance vs budget is attributable to delays from Acle Phase 1 into 2022/23.
- Achieved target of completing 20 private homes on Phase 1 in Acle, 11 private homes on Phase 2 in Acle, and 9 homes on their Bawdsey site. These will create 14 new affordable homes for Saffron.
- Pipeline consists of 518 private homes with further acquisitions planned across the next 12-18 months. Crocus continue to work across more sites simultaneously to maximise productivity.

Crocus continue to achieve exceptional customer satisfaction, which is measured via an annual year-end survey, with 2022/23 at 90% (92% in 2021/22). No RIDDOR reportable health and safety accidents occurred during the year. Crocus continue to support local communities through their charitable donations which has included support to a girl's football team, an adult mental health charity, a Scouts and Rainbow Brownies Group, and a junior school.

Looking ahead, the intragroup loan facility continues to support the 2023-28 Business Plan for 40 private homes to be sold annually. (The intra-group loan facility agreement allows Crocus to borrow money from Saffron Housing Trust to fund development projects, subject to clearly defined limits).

Responsive Repairs

Our website sets out our responsibilities for repairs and publishes our service standards for each priority of repair. The table below shows the percentage of jobs we completed on time for emergency repairs, urgent repairs, routine repairs and planned maintenance. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Responsive Repairs Team.

Repair Type	Service Standard	No. of Repairs 22/23	2022/23 (on time)	No. of Repairs 20/21	2021/22 (on time)
Emergency	24 Hours	3,665	67.8%	2,989	92.7%
Urgent Repair	5 Working Days	2,506	81.5%	1,429	86.2%
Routine Repair	20 Working Days	2,680	83.6%	4,551	94.3%
Planned Maintenance	6 months	8,257	99.3%	7,106	99.9%

Total
17,098

Total
16,075

During the year we have continued to carry out an extensive review of the repairs service. This has allowed us to strip back the provision, gather the views of tenants and staff through rigorous and thorough feedback sessions and identify where we could improve the repairs function. This information allowed us to evolve our working processes, systems and data in order to provide an improved service that fits the needs of our tenants. The review has been delivered precisely and incrementally, with improvements to systems such as repairs diagnostics and our scheduling system providing notable increases to repairs satisfaction and repairs carried out on the first visit.

2022/23 has seen continuous challenges with increased material and contractor costs, as well as sickness, resourcing and supply chain issues seen throughout the sector. We have also faced a considerable increase in work relating to damp and mould. Our approach has been very proactive with all frontline staff asking each tenant whether they have experienced damp, mould or condensation problems alongside the reported cases by the tenant.

This is followed up with a survey, implementation plan and follow up after each reported case.

From April 2023 Saffron will be reporting repairs completed within timescale using the Regulator of Social Housing's new Tenant Satisfaction Measures. The table below shows the current performance for 2022/23 data against the new measure. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Responsive Repairs Team.

RP02 – Repairs completed within target timescales	Emergency: 66.7 % Non-emergency: 92.8%
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Sustainability

- The average rating across Saffron’s homes is category ‘C’ with a SAP (energy performance) rating of 72.31 (1=worst, 100=best).
- 61.77% (3833 homes) of our housing stock holds a minimum sustainability standard of Category ‘C’ or above SAP rating. This compares to 59.60% or 3681 homes in 2021/22. As we move forward with our decarbonisation work, we will be looking to have all homes to a minimum EPC category of ‘C’ by 2035, as set out in Inspiring Saffron 23/24.

During 2022/23 we Installed the Following:

- **185 heat pumps**, including 100 via the Social Housing Development Fund (SHDF).
- **121 properties had high performing, low U-Value, windows** installed with 85 properties being installed via the SHDF.
- **181 condensing boilers** installed, mainly planned installs replacing poor efficiency boilers.
- **100 properties** had their ventilation assessed via the SHDF.
- **205 high performance external doors** have been installed, with 104 installed via the SHDF.
- **80 fire doors** have been upgraded.
- **225 properties have had their insulation improved**, with 100 being completed via the SHDF.

We also carried out three pilot properties, two with the support of the local authorities and attracted commuted sums funding. The three properties were taken from ‘E’ or ‘D’ ratings with two of the properties becoming ‘A’ rated and the ‘E’ rated property moving to a high ‘B’ rating.

The Works to These Properties Included:

- 2 suspended floor insulation
- Solid floor insulation
- Upgraded windows and doors
- New roofing with loft insulation upgrades
- Upgraded heating (1 new condensing boiler and 1 Air Source Heat Pump)
- 2 PV and battery systems
- Ventilation improvements



Investment in Existing Homes

During 2022/23, we invested £6.97m in our existing homes, with £1.38m coming back into the business via grant funding agreements. The table below shows the number of jobs completed for tenants.

- We were awarded a ‘Gold’ SHIFT Accreditation, with an improved score on the Gold we received the year before for our sustainability performance. The Sustainable Homes Index for Tomorrow (SHIFT) rates our performance by considering a large range of environmental criteria and uses these to provide independent assessment and accreditation.
- Saffron improved the SAP rating of 116 existing properties from ‘E’ ratings to ‘C’ ratings, with several reaching ‘B’ Ratings and one reaching an ‘A’ rating. Saffron have now actively signed up with HACT, a charitable housing trust, to responsibly sell our carbon credits to generate social value and bring in additional funding for the next 21 years through their Retrofit Credits scheme. Retrofit Credits, developed by HACT and Arctica Partners, is a carbon credits scheme that unlocks additional funding into social housing retrofit by verifying the emission reductions and social value of retrofit projects – combining the Net Zero Goal with an intrinsic part of the sectors DNA.

The Retrofit Credits Scheme is:

- UK-based, only the second verified scheme to be.
- The only project in the world originating carbon credits for the decarbonisation of housing stock.
- Incorporates social value, measuring the positive impact retrofit has on residents’ lives.

Companies will be excluded from buying Retrofit Credits if they:

- Produce land mines, cluster bombs or chemical / biological weapons or any weapons.
- Produce tobacco products.

Budget Area	Completed works 2021/22	Completed works 2022/23
Electrical Re-wires	99	50
Kitchen Improvements	181	106
Bathroom Improvements	67	82
Window Replacements	18	121
Roof Replacements	103	76
Door Replacements	191	285
Central Heating Replacements	331	366
New Oil Tanks	13	23

The table above shows the number of works we completed in 2022/23 in comparison to 2021/22. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Sustainability Team.

- Have significant (>10%) turnover relating to online gambling or the production of pornography.
- Fail on issues including:
 - The Modern Slavery Act 2015.
 - UN Guiding Principles on Business and Human Rights.
 - Biodiversity and toxic waste.

For the first cycle of Credits for July 2022 – December 2022 Saffron achieved the following:

- (Achieved Credits for period): **45.72 (112.2 annually)**
- Social Value (Achieved): **£31,825.88**
- £ generated from credits: **£2,800 for period (£6,900 annually)**

Inspiring Trust Health & Safety/ Compliance

Some key events, successes and projects completed during the financial year include:

- Retention of the Royal Society for the Prevention of Accidents Gold award in 2022 and the intention is to retain of the award in the summer of 2023.
- Internal audit reports have given us significant assurance regarding the robustness of the health and safety management system.
- Our staff climate survey provided evidence of staff engagement and confidence in the management of health and safety. We ended the year with the following figures show in the table on the right.

Our Decent Homes Standard compliance fell below 100% at year end, with 21 homes requiring work to meet the standard.

Customer service Customer Contact Centre

The Customer Contact Team is a dedicated service for our tenants and other customers. Our contact centre agents help our tenants and customers who want to tell us something. They may want to report a repair, make a payment, or tell us about something that is happening in their communal area.

The team work collaboratively with other service areas to manage the enquires that come into the business.

21/22	Number	22/23	Number
Calls	58,781	Calls	51,123
Emails	19,552	Emails	27,361
Portal enquiries	546	Portal enquiries	1,064

The table above shows the number of enquiries our Customer Contact Team received via calls, emails and tenant portal enquiries. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Customer Contact Team.



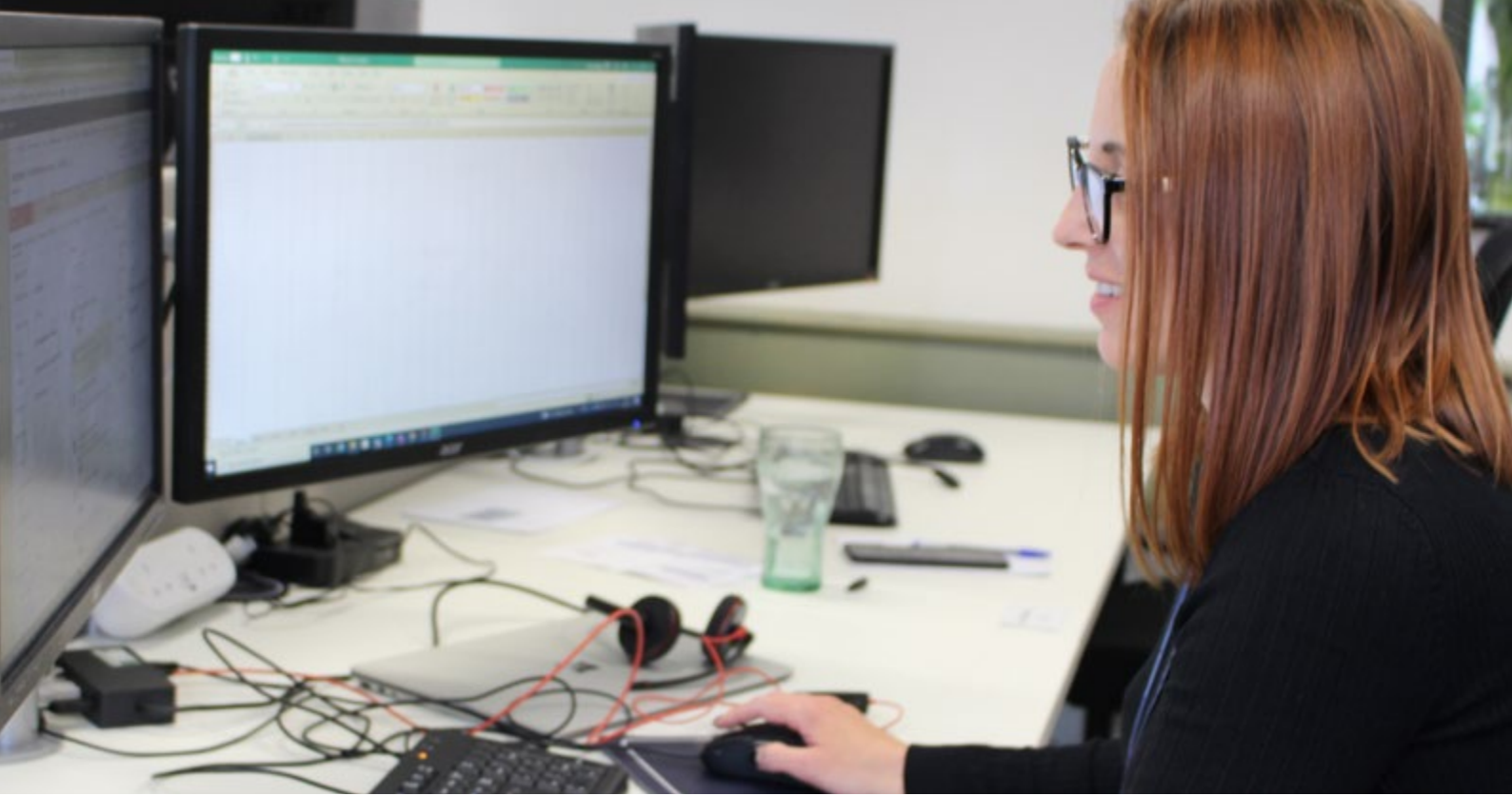
The table below shows our compliance with a number of building safety (policy) standards. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Health & Safety Team.

H&S/Compliance Area	%
Gas Safety	100.00%
Electrical Testing ¹	94.36%
Fire Risk Assessments	100.00%
Legionella Testing	100.00%
Asbestos ²	100.00%
Decent Homes	99.66 %

¹ This programme fell behind during the pandemic (testing was stopped) – our internal target was to have every electrical test certificate less than five years old. The legal requirement is for 100% testing within 10 years, which we have met. ² All properties/buildings that are known to have presumed or actual asbestos containing materials have had a survey.

During the last year we have seen a shift in the way that people contact us, a drop of 7500 in telephone contact, but by comparison a significant increase in digital engagement with email and portal enquiries up by 8300 on the previous year.

During 2022/2023 our Customer Contact Team handled 82% of number of enquiries received at first point of contact. This is comparable to 2021/2022 when it was 82.6% vs a target of 80%.



Tenant Portal

Our tenant portal 'My Saffron' continues to grow.

Email and portal enquiries have increased during the last year, and this continues to demonstrate our tenants' appetite for digital engagement. We continue to see an increase in users and as at the end of 2022/23 there were 1391 subscribers signed up. We now receive approximately 2300 emails and portal enquiries per month.

Compliments & Complaints

The total number of complaints received this financial year was 485 (345 in 2021/22). We have seen an increase this financial year due to the regulatory changes from the governments white paper making tenants more aware of their right to access an organisations complaints process and making it easier for tenants to raise a complaint.

Satisfaction with complaint handling has increased significantly from 55.96% (FY2021/22) to 71.63% for the entire year 2022/23. This was achieved by the improved communication between the complaints team and our tenants and keeping them updated on the progress of their complaint. This year our total average response time for all complaints fell to 7.3 calendar days and can be attributed to the complaints team taking over responsibility for producing and sending out the stage 1 response letters.

The table below shows our complaints performance for 2022/23 compared to 2021/22. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Complaints Team.

Complaints Performance	2021/22	2022/23
Total complaints received	345	485
Average number of days to respond	12.7	7.3
Total expressions of dissatisfaction	60	203
Average number of days to respond	1.0	1.3
Total stage 1 complaints	289	283
Average number of days to respond	15	11.6
Total stage 2 complaints	38	24
Average number of days to respond	14	22.9
Total complaints escalated to Ombudsman	4	2
Average days to respond to all complaints and expressions of dissatisfaction	12.7	7.3

Compliments have risen significantly from 203 in 21/22 to 299 in 22/23 and is starting to reflect the improvements been made to tenant services, including how tenants complaint have been handled.

You Said, We Did

The table below shows examples of feedback from tenants and communities from the past year and the action we have taken. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Complaints Team.

1	You said: You would like Saffron to have of more presence in your neighbourhood.	We did: We have held Community Triangles in a number of locations including in Bunwell, Geldeston and Wymondham. A Community Clear Up Day and Community Triangle has also taken place in Loddon with representatives from Saffron, the police and parish council attending.
2	You said: When repair appointments are cancelled by Saffron or follow on works are needed, tenants do not believe they are prioritised and therefore have to wait months for their issues to be fixed. Similarly, Tenants said follow ups for jobs are not quick and completed.	We did: A new follow on process has been implemented, as part of repairs review. This means tenants who require further works should get called within 24 hours of initial appointment with new appointment date.
3	You said: Shorter wait time.	We did: Throughout the year our Customer Contact Team have reduced their call waits by 5 minutes 27 seconds with the average call wait to speak to an advisor being 2 minutes 17 seconds.
4	You said: I feel the solution to stop Anti-Social Behaviour from happening again, in the flat block I live in, was not good enough.	We did: A letter has been sent to all tenants and our Health & Safety Team have reviewed the entrance of the doors. A visit is being arranged with Police and Early Help Hub to consider security of block.
5	You said: We have found some tenants do not check the 'My Saffron' tenant portal for a response to an enquiry they might have.	We did: We have a 'how to' video on our website, which you can view by clicking here. We will also work with our Communications Team to discuss putting the video on our social media channels for tenants, as a reminder.
6	You said: I have recently had a kitchen upgrade and the workers are brilliant, but I don't feel however, that Saffron informed us of some of the things to expect when they were in my home. For example the smell of the latex or how long I was going to be without a cooker or washing machine.	We did: We have reviewed the letters that are being sent to tenants and made sure they include everything that could be expected when we attend a repair in their home.
7	You said: The gap between a home inspection and when the job has then been completed seems a long time.	We did: We have reviewed the letters sent to tenants and we will now include potential timescales of when they can expect jobs to be completed after they've had an inspection.

Customer Satisfaction

During 2022/23 2069 tenants provided feedback from our customer satisfaction surveys and of those 1651 responded positively, 177 were neutral and 241 had a negative response. This gave satisfaction scores of 79.80% positive, 8.55% neutral, and 11.65% negative. This is slightly down on 2021/2022 which was 80.12% positive.

Overall customer satisfaction for income related enquiries saw an increase from 73.66 % by end of 2021/22 to 80% at end of 2022/23.

Overall customer satisfaction with repairs saw an increase from 77.60 % by the end of 2021/22 to 82.18% at end of 2022/23.

Service Standards

The Saffron Standards have been refreshed as an interim position, incorporating initial feedback from our tenant groups. A full review will be undertaken by our Service Quality Committee in October and final proposals for new Service Standards will be formed in December 2023.

Accessibility

Alternative Formats

We offer alternative formats to tenants when we communicate with them, such as letter, email, our newsletter and if they require any information from our website. We are a member of INTRAN, a translation and interpretation service. This is available to any tenant or customer who may need additional support, for example, if they are hard of hearing or English is not their first language. This service ensures we provide communication for all.

Website

We commissioned an accessibility review with accessibility and disability inclusive experts, Purple,



during the new website project, reviewing our former site. This identified areas we needed to improve on to ensure these required changes were implemented.

Our new website which launched in March, meets the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines 2.1 at AA level. This level is deemed as acceptable, and the standard many organisations strive to meet. We have functionality offering visitors to the site the ability to read aloud text, change the language, simplify a page, and increase font size. We provide alternative text descriptions for non-text elements such as images and we took a mobile first approach when designing the new site to ensure both mobile and desktop version have accessibility options and are easy to navigate.

The website has been an opportunity for us to set the bar in terms of accessible communication across the organisation and we are taking steps to introduce new ways of working to make this happen.

Board Reports

During the year we drafted new internal guidance for staff as part of our commitment to provide accessible analytical and statistical data in board reporting, including text and visual content. The new guidance will apply to all Board and Committee reports from July 2023, when we will also introduce a new Report template.

Tenant Engagement & Support

Tenancy Sustainment Fund

Saffron has a Tenancy Sustainment Fund to offer financial help to tenants who get little or no Housing Benefit/Universal Credit Housing Element towards their rent and find themselves facing difficulties. During the 2022/23 financial year, we awarded 302 of our tenants, who met the fund criteria, an average sum £223. The funds provided were to support tenants sustain their tenancy. The total amount awarded was **£67,401.18** during the year.

Saffron Community Membership

Last year we launched our new engagement structure and since that time we have been increasing our Saffron Community Members (SCMs) – we now have 353 members. In November, we closed ‘Your Voice’ and gave all members the opportunity to become SCMs.

This year we have held Community Triangles in different locations including Geldeston, Bunwell and Wymondham. These were attended by Saffron staff, Saffron Community Members and Community Leaders, including the local police and councillors. The triangles are a great opportunity for tenants to discuss issues within their communities and can access funds from our Community Foundation to make improvements to the local area. Some of the improvements already made have included new bin stores, a summer house for an independent community living scheme and domestic violence safety kits, including door braces and alarms.

If you would like to sign up to be a Saffron Community Member and receive surveys, invites to events, and attend Chief Officer meetings visit the ‘Become a Saffron Community Member’ page on our website by clicking here.

Saffron Community Members have also had the opportunity to meet with our Chief Officers to find what is happening at Saffron and ask questions, eight tenants attended.

Tenants have also been involved in our Repairs Review drawing on their personal experiences and giving feedback on areas where we could improve. They attended meetings to receive updates on where positive change had been made and explanations were provided where changes were not possible.

Tenants played a crucial role in helping us to redesign our website. They attended a session where they gave feedback on the former site and highlighted features they found useful on other websites. The tenants were also invited back to test the website before it went live, the feedback they provided throughout the project was invaluable.

Digital Engagement

We emailed a number of surveys to tenants throughout the year and had a high number of responses. The surveys include:

- Affordability survey
- Chatbot survey
- Tenant Engagement survey
- Neighbourhood Officer survey

The feedback we have received has been invaluable and we have made changes as a result of the findings. This includes the Tenant Engagement survey which helped to shape the latest recruitment campaign to attract more members for our tenant groups. It also helped to inform the new Community Foundation Strategy by highlighting a need to focus more on helping our tenants.

Tenant Communications & Support Group and Tenant Scrutiny Group

Our two tenant groups have had a busy year working closely with Saffron colleagues.

One particular focus has been on recruiting new members which included working with tenant engagement experts TPAS on a recruitment campaign. The result was the recruitment of three new members to the groups.

The group members attended a fire safety seminar to gain knowledge and understanding of the legal requirements for Saffron with regards to the safety of tenants and their homes.

They nominated the Resident Board Member, carrying out the paper sift and interviews.

Members of the groups sat on the panel for our Community Foundation project grants and improvement grants helping to decide which projects and improvements are awarded funds.

Throughout the year the Tenant Scrutiny Group have reviewed the feedback from our Customer Satisfaction surveys and STAR survey (Survey of Tenants and Residents). From the survey feedback the Tenant Scrutiny Group agreed the areas they would like to focus on over the coming year.

They have reviewed letter templates in our heating and electrical departments, and these will be in circulation in due course.

The Tenant Communication & Support Group continue to manage the Saffron Tenant Facebook Group, offering support and guidance to tenants and where necessary raising reoccurring issues to Saffron such as guttering and blown windows.



Access & Support Grants

We have provided funding to tenants who have found the current economic climate challenging and are unable to purchase or replace an item vital to their emotional and physical wellbeing. Items such as beds or kitchen appliances are often taken for granted but to families who cannot afford them the hardship caused is often underestimated.

Our frontline services make recommendations when they see a family in need. The outcomes truly demonstrate the difference that these grants have made to those concerned.

A total of £15,121.52 has been distributed to tenants via 67 grants. Of the grants awarded, the items most needed were flooring, beds, skips, dining sets, cookers, washer and fridge freezers.

Access and Support Grants Survey

We surveyed all grant funding recipients. The following results are the outcomes that tenants reported as a direct result of the funding provided:

- 75% reported an increase in their confidence levels
- 95% reported an improvement to their mental health (stress/anxiety/depression)
- 55% reported improvement to their physical health
- 92.5% felt more in control of their lives
- 20% stated the funding helped them retain work or employment
- 10% stated the funding helped them gain work or employment
- 17.5% felt that the funding had helped them to access training
- 90% reported that their house was made to feel more like a home
- 95% reported improved their day to day living conditions

Some of the comments we received from the surveys included:

“ This grant has improved mine and my children's lives hugely. We went from cold concrete floors to a lovely vinyl that is not cold. Thank you! ”

“ My grant was for a stair carpet. I hadn't been able to afford one and having a carpet on my stairs has made such a difference it mine and my kids' lives. It feels like a proper home and I'm not ashamed if I have visitors anymore. Also has reduced the draught from the uncovered stairs. ”

“ We are now able to sit down to eat our meals like a family! It's improved my day-to-day life. ”

“ It really helped when I was struggling already with the rise in cost of living, I would have never been able to find the extra to finish making my home liveable. ”

Community Foundation Decorating Scheme & Gardening Scheme

Our schemes are designed to help the most isolated and vulnerable tenants. The aim is to help tenants who have no close friends or family to call upon when they find it difficult to maintain their property due to changes in circumstances, since taking on their tenancy.

We assisted 51 tenants, the services we offered were:

- Maintaining shrubs
- Lawn cutting
- Hedge cutting
- Tree works
- Applications of weedkiller

The rooms we have decorated are:

- Kitchen/dining room
- Stairs and landing
- Bathroom
- Bedroom
- Entrance hallway
- Lounge

Community Improvements Grants

We have held two Community Improvement Panels, one in July 2022 and the other in December 2022. Our Panel consists of our staff from different departments and tenants from our Tenant Groups.

A communal bin store area has been created to reduce nuisance, and one has been cleaned. We have improved the outdoor space at three of our Community Living Schemes and one has received improvements to the kitchen making it more accessible. Home safety equipment has been purchased so that we have a small selection of items available for victims of domestic violence. We have improved access to a block of flats and provided additional storage for another to improve safety.



The table below shows the projects our Improvement Grants have funded and the location. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Tenants and Communities Team.

Project	Location
Patio	Glemsford Rd, Stowmarket
Gazebo area	Weavers Court, Diss
Clean bin store	Sprowston
Create bin store	Skelton Rd, Diss
Paths	Churchill Place, Loddon
Kitchen	Depwade Court, North Walsham
Clean/paint garages	Poringland
Home safety equipment	Norfolk & Suffolk
Sheds	Teal Close, Reydon
Communal door	Palladium Court, Lowestoft
Patio	Ogden Court, Wymondham

Community Project Grants

12 communities benefited from our Community Project Grants funding totalling £44,985.18. The projects ranged from play areas and sporting improvements to equipment for Men’s Sheds (community spaces for men to connect, converse and create).

We funded an accessible changing facility within a Church in Aylsham serving the community with a safe, clean, and accessible facility which was lacking in the area, and we made accessibility improvements to the entrance to a village hall.

The table on this page shows the projects our Community Project Grants have funded and the location. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Tenants and Communities Team.

Project	Location
To update Hempnall playpark - this will purchase zip wire to complete first phase.	Hempnall
To purchase equipment to develop a learning café within a school.	Wymondham
To assist in a project to resurface an area to allow disabled/scooter access to the village hall.	Thurlton
Tools for Men’s Shed to protect the environment by reusing unwanted pallets.	Long Stratton
To install adequate lighting and heating. The Men’s Shed space currently has no heating.	Brundall and Blofield
To purchase 2 new goals to extend this project to help expand into senior football.	Poringland
Upgrade play equipment.	Long Stratton
Upgrade play equipment by fitting a wheelchair accessible roundabout.	Coltishall
Improvement of lighting in the Community Room.	Rockland St Mary
Install specialist accessible changing facilities which can be accessed using a radar key.	Aylsham
Website design and marketing.	Loddon
To install a comprehensive play area for children along with benches and picnic tables.	Ashwellthorpe and Fundenhall

Partnership Working

During the year our Governance Team worked in a consortium with Members of Independent East to procure an Internal Audit Services Framework, to enable continued value for money and shared learning of best practice from internal audit recommendations.

We also host a virtual Governance East Forum, where members of Independent East meet three times per year to discuss best practice and share insight regarding evolving legislative and regulatory requirements. This type of engagement encourages continuous improvement and adds value to every member organisation.

Your Own Place

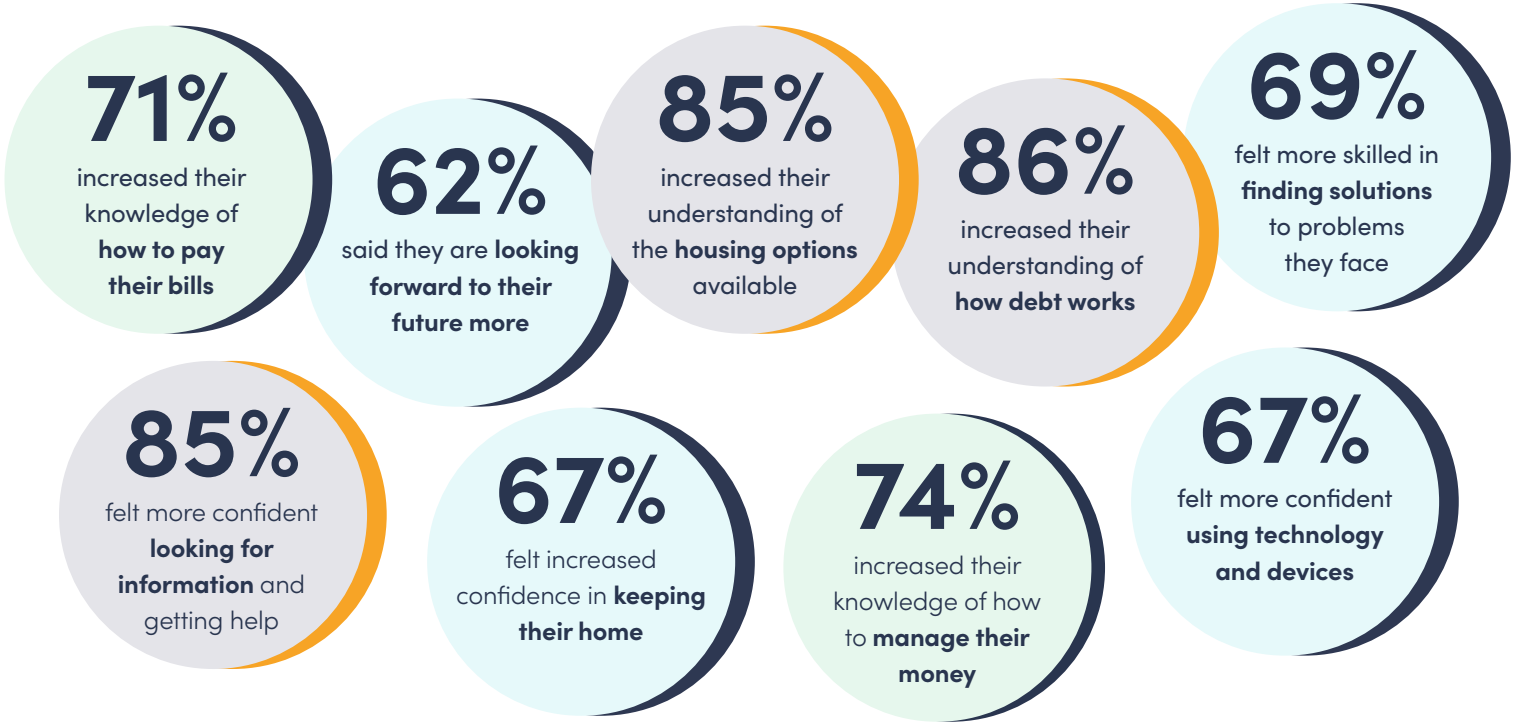
We began our partnership with Your Own Place in 2021. They are a social enterprise, whose mission is to prevent homelessness and have a vision that everyone has a safe and secure home. They empower people to sustain their tenancy by drawing out their knowledge, skills, and resilience, as the experts in their own lives and sharing these with other tenants.

We are part of a group of an independently minded, and individually sustainable, housing associations known as Independent East: Broadland Housing Association, Freebridge Community Housing,

Havebury Housing Partnership and Orwell Housing, all based in Norfolk and Suffolk. We share similar values, business objectives, knowledge, and experience; to support each other in the delivery of our individual corporate strategies. In January 2022, Independent East undertook a joint venture with Your Own Place to deliver more group face-to-face, online, and one-to-one workshops, for tenants from all of the housing associations.

As a result:

- 360 tenants were referred.
- 208 people were positively impacted by attending workshops or from having contact with the YOP team who listened to the concerns and challenges they were facing, and used a restorative approach to support their next steps, which included:
 - Signposting to outside organisations.
 - Keeping the door open to attend a workshop at a time and venue that worked for them.
 - Organising sending them a device, even if ultimately unable to attend online.
 - Encouraging them, building their confidence, and reinforcing their positive choices.





Tenant Support & Wellbeing Service

We committed to continue to fund the Tenant Support & Wellbeing Service which is a completely free service provided by Life and Progress. One of the biggest benefits is the ‘in the moment’ telephone counselling by qualified staff which is available 24/7.

Every Saffron tenant can use the service which can be accessed by telephone or by visiting the Life and Progress website. Life and Progress also provides specialist advice, guidance, and signposting around legal and financial matters as well as debt counselling, family care, and a health and wellbeing service.

The table below shows the services the Tenant Support & Wellbeing Service offers. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Tenants and Communities Team.

Stress, Anxiety & Depression	Improving Mental Health	In the Moment Counselling	Health & Wellbeing Advice
Debt Advice & Budgeting	Practical Information & Guidance	Domestic Abuse	Relationship Difficulties
Childcare & Parenting Challenges	Bereavement & Loss	Sleeping Problems	Alcohol & Drug Awareness
Everyday Coping Methods	Controlling Feelings of Anger	Elderly & Disability Care	Life Changing Events

Inspiring Organisation People & Culture

Engagement

Our employees’ views and perspectives are important to us and involving them more closely in the things that directly affect them has been a key part of our focus this year. Building on our successful performance in the best companies lists in 2021/22, we used the b-Heard survey again in December 2022 to gauge engagement and were accredited with a ‘one to watch’ rating.

Our new Staff Forum group includes 10 representatives from across various business areas within Saffron and is Chaired by our Chief Operating Officer, Hannah Harvey. The purpose of the forum is to provide communication across all Saffron colleagues, in all locations and all functional areas. It will provide a forum to raise, share, shape, influence, exchange and debate matters. This forum will share the feedback of the b-Heard survey with colleagues and gain ideas and suggestions for improvements creating an inclusive culture where staff are listened to.

The group are working towards turning ideas and feedback into tangible actions to further bolster our commitment to continuous improvement, accountability and empowerment.



Inclusion

We want our workplaces to be totally inclusive, accepting everyone for who they are with no judgement and providing the environment to allow growth and development. One of our key ambitions is to build a place where colleagues can flourish.

Our commitment to equality, diversity and inclusion is portrayed through our Equality, Diversity, and Inclusion (EDI) Statement of Intent promoting our commitment to EDI, promoting a positive culture of valuing, and celebrating diversity, accepting and including people regardless of their personal characteristics or circumstances. Whoever you are, you can expect to be treated fairly, with respect and free from discrimination. Our work environment will be welcoming, friendly, accessible and a place where all colleagues can flourish.

To educate our staff further we will be running bite sized training sessions on EDI in the near future.

We are a disability confident employer encouraging applications from those with a disability as well as being committed to interviewing one person from an under-represented group and one female for any senior positions within Saffron.

We continue to partner with a wide group of people to extend and broaden inclusion in a way that fits what we are trying to achieve, building links with the charities, networks, the Royal National Institute for Deaf People, Inclusive Employers, Housing Diversity Network, Harry’s Pledge and Your Own Place. We are also building links with local schools and the Local Enterprise Partnership.

Gender Pay Gap

Median Hourly rate:



There is a 15.21% difference expressed as a percentage of male pay.
All employees nationally 14.9%
(2022, Source ONS Gender pay gap in the UK: 2022)



Volunteering

This year Saffron colleagues have been encouraged to use their volunteer day and get out into our communities. A total of 29 staff used their volunteer day this year doing many things from supporting Wheatfen Nature Reserve as well as gardening, weeding and maintenance in our Independent Community Living homes.

In December, eight members of staff took part in the Norwich Sleep Out in aid of The Benjamin Foundation raising £608 by sleeping out and braving the cold for the night. The total raised for the Norwich and Ipswich Sleep Outs is £18,321.

The money will help local vulnerable young people in Norfolk and Suffolk, who may not have had the best start in life, to feel hopeful of a better future.

Members of staff can also organise their own volunteer days and these included taking the 44th Norwich Scouts to Denmark for a Jamboree Week International Camp and supporting an autistic person to access what they need in the community.

Investment in Technology & Process Reviews

Microsoft Dynamics F365 System

Recognising the need to update our current finance system, we identified it as an opportunity to align all our core systems with the Microsoft Dynamics solution. Our assessment focused on understanding the impact of extending Microsoft Dynamics 365's capabilities to our finance department. The benefits included increased automation and the potential to establish better connected operational business processes.



Cybersecurity Assessment

Ensuring the resistance of our infrastructure against evolving cyber threats remains a top priority. We allocated significant resources to conduct comprehensive cybersecurity assessments. These assessments involved penetration testing, vulnerability scanning, risk assessments, and compliance audits. By conducting regular assessments, we aimed to identify vulnerabilities, strengthen our security posture, and ensure the protection of our sensitive data and systems.

Sophos MTR Solution

To enhance our incident response capabilities and threat detection, we invested in the Sophos Managed Threat Response (MTR) solution. MTR solution provides us with 24/7 real time monitoring, proactive threat hunting, and rapid incident response capabilities. The Sophos MTR solution enables our IT Team to identify and respond to potential threats more effectively, minimising the impact of cyber incidents and improving our overall security posture.



Financial Review

The parent company has three wholly owned, non-charitable subsidiary companies, Crocus Contractors Limited (Crocus), Saffron Housing Finance plc (SHF) and Crimson Development Homes Limited.

Crocus was formed to carry out non-charitable activities, SHF was formed to issue a bond on behalf of the Saffron Group, and Crimson was formed to undertake Saffron’s land-led developments, the financial statements of the subsidiary companies are included within these consolidated financial statements for the full year, and can be found on the Saffron website, as well as Companies House.

Income and Expenditure

The 2022/23 financial year has seen another strong financial year for Saffron and its subsidiaries, excluding the impact of the £12.633m mark to market as a result of the refinancing that was undertaken in May 22, Saffron and its subsidiaries achieved their respective budgeted surpluses.

The repayment of the Barclays loan allows Saffron to reduce its interest liability, as well as free up additional monies to invest in new and existing homes due to less restrictive covenants.

The 2022/23 financial year saw a significant increase in turnover, with a £6.9m increase year on year, this is predominately due to market sales within Crocus (£4.9m) due to the bulk of remaining sales at the Acle site for both Phase 1 and Phase 2, having been completed and sales for the Bawdsey site commencing at the end of the financial year.

There is an increase of £2m in Saffron, the increase is associated with rent increases in line with the rent standard, as well additional revenue associated with the development of new properties that completed during the financial year. The remaining increase in turnover is associated with increases 1st tranche shared ownership sales.

The increase in operating costs of £5.1m above the previous financial year is predominately due to the increased cost of sales associated with Crocus cost of sales £3.6m, as well as increases in cost associated with depreciation, and other costs namely utilities and insurance cost increases. The increase in depreciation is in part due to a change in accounting policy with loft insulation now considered as a component causing a one off cost to the Statement of Comprehensive Income.

Year on Year Financials Table

The information below shows the group’s financials from 2017/18 to 2022/23. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

	Group	Group	Group	Group	Group	Group
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
	£000	£000	£000	£000	£000	£000
Turnover	47,505	40,613	35,622	37,887	36,062	35,646
Operating expenditure	(34,979)	(29,992)	(23,639)	(28,165)	(24,864)	(23,190)
Gain on disposal of property, plant and equipment	1,697	1,966	1,239	1,037	453	1,320
Operating Surplus	14,223	12,587	13,222	10,759	11,651	13,776
Interest receivable	73	-	1	81	122	185
Interest payable and similar charges	(21,516)	(9,646)	(9,385)	(9,313)	(9,067)	(9,064)
Surplus before tax	(7,220)	2,941	3,838	1,527	2,706	4,897
Taxation	(316)	17	(61)	(79)	(85)	(105)
Surplus for the year	(7,536)	2,958	3,777	1,448	2,621	4,792
Actuarial (loss)/gain in respect of pension schemes	14,219	8,511	(8,508)	5,426	(3,179)	1,091
Total comprehensive income for the year	6,683	11,469	(4,731)	6,874	(558)	5,883
Operating Margin (excl gain on disposal of PPE)	26.37%	26.15%	33.64%	25.66%	31.05%	34.94%
Pension Adjustment Operating Expenditure	924	1,289	279	1,592	811	624
Operating Surplus Excluding Pension Adjustment	15,147	13,876	13,501	12,351	12,462	14,400
Operating Margin (excl gain on disposal and pension adjustment)	28.31%	29.33%	34.42%	29.86%	33.30%	36.69%
Pension Adjustment Interest	361	412	252	376	283	271
Surplus/(deficit) for the year excluding Pension Adjustments	(6,251)	4,659	4,308	3,416	3,715	5,687

Included in the interest payable amount and the subsequent figures is the one-off mark to market cost due to the refinancing exercise undertaken in May 22, at a cost of £12.633m.

The results for the financial year produced a deficit of £7.536m (£5.097m surplus excluding mark to market £12.633m cost) for the group after interest, corporation tax, pension costs and before any pension adjustments based on the valuation provided by the actuary (2022, £2.958m).

The effects of accounting for pension liabilities are shown in note 29 of the financial statements and the group retained surplus of £78.151m (2022, £71.468m), is net of a movement from a liability of £13.050m to £nil liability

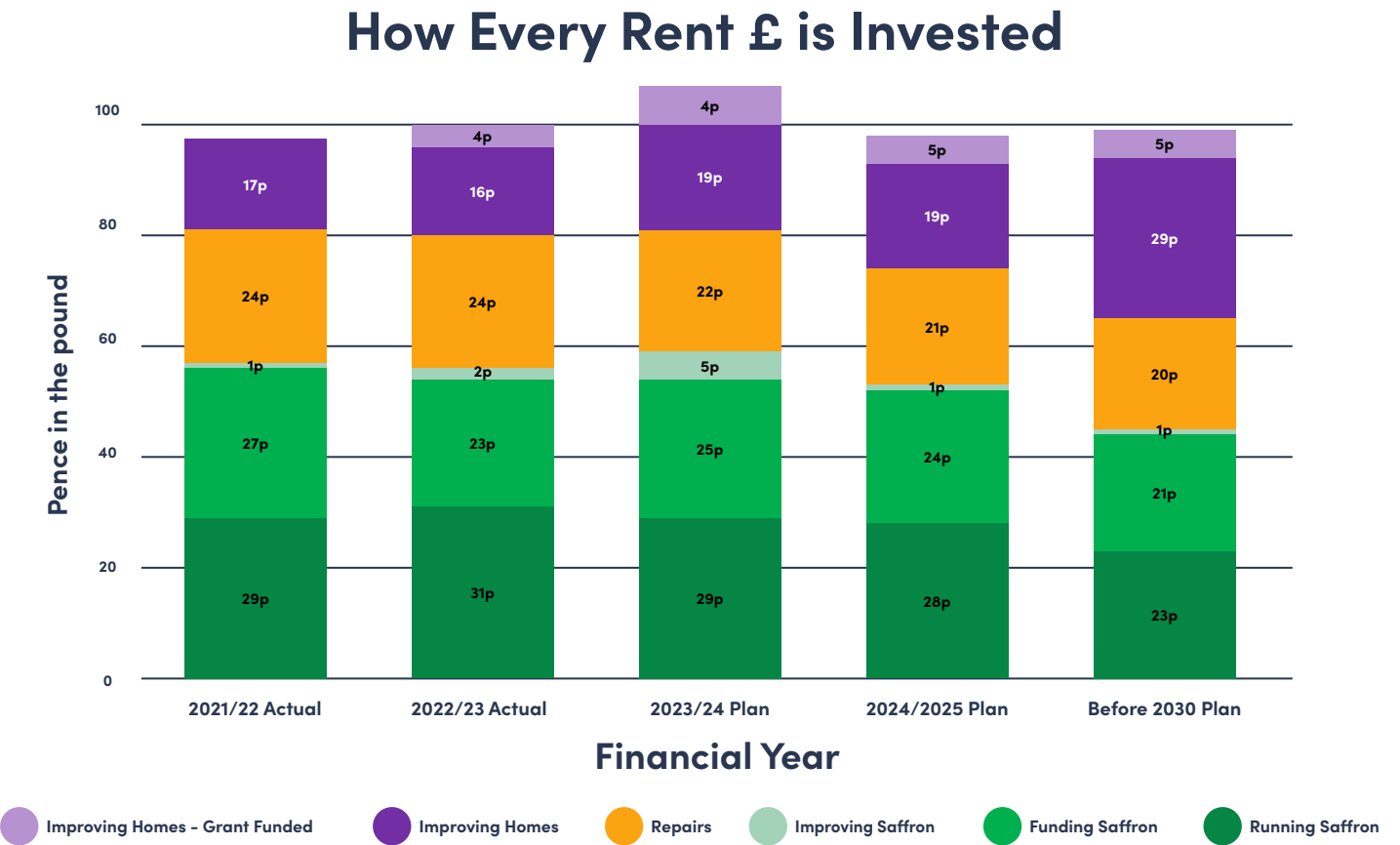
How We Spend Your Rent

As introduced in the inspiring Saffron Strategy for 2022/23, it is important that we are open and transparent about how we spend tenants’ rent.

The graph below shows how each rent pound received by tenants has been spent in 2022/23. When you add together all of the rent pounds that Saffron receives, 3p equals £1m.

As detailed in the Inspiring Saffron Strategy ([Click Here](#)), we our committed to increase investment in improving homes to 34p in the rent pound before 2030.

The graph below shows how every rent pound is spent from 2021/22 to how it will be spent by 2030. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.



Pension Costs

Most of Saffron’s staff are members of the Local Government Pension Scheme (LGPS) which is a defined benefit scheme, full details of which are provided in note 29 in the Financial Statements. The scheme was closed to new members during 2018/19. There are two members of the Social Housing Pension Scheme (SHPS), one member in the defined contribution scheme and one member in the defined benefit scheme. The Guaranteed Minimum Pension (GMP) assumptions have been considered and are in line with expectations.

Financial Risk Management

Saffron maintains a stress tested and externally validated business plan demonstrating to the Board the ability to withstand a wide range of adverse scenarios. Alongside this, the organisation has credible mitigating actions and clear triggers for implementation based upon Golden Rules, which ensure compliance with funding covenants and Saffron’s Liquidity Policy set out within its Treasury Management Policy.

Cash Flows

Cash inflows and outflows during the year are shown in the consolidated cash flow statement on page 61.

Going Concern

The main considerations as part of management’s review of applying the going concern basis are associated with the impacts of inflation, the rent cap for 2023/24 and open market sales risk.

The impact of inflation as well as the rent cap has been modelled through the business plan and stress tested. The rent cap provides an estimated £1.5m shortfall in our 30 year business plan. The Inspiring Saffron strategy aims to recover this shortfall by reviewing the way Saffron is run. However, the impact of not achieving those targets has been stress tested and there is no breach of our golden rule.

During 2022/23 Saffron refinanced its loan facility with Barclay’s raising cheaper debt through a private placement generating interest savings. The Revolving Credit Facility was also renegotiated in September 2022, for a further five years to September 2027, therefore there is no risk in the next 12 months from signing of the accounts that Saffron will be in a position whereby it cannot refinance its existing debt arrangements.

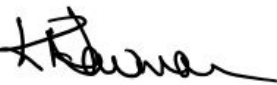
Furthermore, Saffron has continued to deliver surplus in line with budgets, over successive years, and has significant liquidity (£38.5m undrawn revolving credit facility and £4.9m cash in bank at May 23) and headroom against its financial covenants. Whilst there is

an exposure to market sales risk through Low Cost Home Ownership and Market Sales in Crocus the budget and business plans do not rely on these sales. Crocus is able to meet its on-going obligations to Saffron without any income from open market sales, through the cash it generates on its feed-in-tariff contract with E-on. Comprehensive stress testing has also been completed as part of the business plan on Crocus.

There are no forecast breaches in any of Saffron’s covenants and detailed cash flow forecasting is completed quarterly, based on the current development programme and operating cash flows. Stress testing is also undertaken on these forecasts which remove the cash flows that are out of the control of management, i.e. sales income, grant income, active asset sales and the loan repayment from Crocus to Saffron to ensure that Saffron is not reliant on these cash flows in order to not breach its covenants. There are no current forecast breach in covenants.

The committee of management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The report of the Board was approved on 24th July 2023, and signed on its behalf by:



Kim Newman

Chair of the Board

Independent Auditor’s Report to the Members of Saffron Housing Trust Limited

Opinion

We have audited the financial statements of Saffron Housing Company Limited (the “Company”) and

its subsidiaries (the “Group”) for the year ended 31 March 2023 which comprise the consolidated and Company Statement of Comprehensive Income, the consolidated and Company Balance Sheets, the consolidated and Company Statement of Changes in Reserves, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for Opinion

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

we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Matters on Which we are Required to Report by Exception

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

- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board’s responsibilities statement set out on page 23, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England

together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of Our Report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

Date:27th July 2023

Financial Statements

The table below shows the Consolidated & Company Statement of Comprehensive Income. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

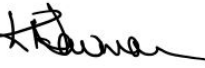
Consolidated & Company Statement of Comprehensive Income

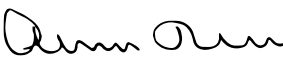
For the year ended 31st March 2023


	Note	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Turnover	4,5	47,505	40,613	38,260	36,228
Operating Expenditure	4,5	(34,979)	(29,992)	(28,036)	(26,583)
Other Income – Gift Aid		0	0	207	411
Gain on Disposal of Property, Plant and Equipment	9	1,697	1,966	1,697	1,966
Operating Surplus		14,223	12,587	12,128	12,022
Interest Receivable	10	73	0	681	631
Interest Payable and Similar Charges	11	(21,516)	(9,646)	(21,643)	(9,774)
Surplus Before Tax		(7,220)	2,941	(8,834)	2,879
Taxation	12	(316)	17	0	0
Surplus for the Year		(7,536)	2,958	(8,834)	2,879
Actuarial (Loss)/Gain in Respect of Pension Schemes	29	14,219	8,511	14,219	8,511
Total Comprehensive Income for the Year		6,683	11,469	5,385	11,390

The results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements on pages 58 to 95 were approved by the Board and authorised for issue on 25th July 2023 and are signed on its behalf by:


Kim Newman
Chair of Board


Alison Inman
Board Member


Amanda Ashley-Smith
Company Secretary


The table below shows the Consolidated & Company Balance Sheet. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

Consolidated & Company Balance Sheet


For the year ended 31st March 2023

	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed Assets					
Housing Properties	13,14	303,844	273,637	304,956	274,805
Other Fixed Assets	15	7,087	6,738	4,622	4,068
Investments	16	0	0	50	50
		310,931	280,375	309,628	278,923
Current Assets					
Properties Held for Sale	17	5,791	2,100	5,791	2,100
Stock and Work in Progress	18	10,003	6,670	281	280
Trade and Other Debtors	19	5,134	2,871	4,846	3,554
Long Term Debtors with Subsidiaries	34	0	0	9,944	8,144
Investments		0	0	0	0
Cash and Cash Equivalents		13,506	9,527	9,953	6,444
		34,434	21,168	30,815	20,522
Current Liabilities					
Creditors: Amounts Falling Due Within One Year	20	(15,986)	(10,227)	(14,789)	(10,568)
Net Current Assets		18,448	10,941	16,026	9,954
Total Assets Less Current Liabilities		329,379	291,316	325,654	288,877
Creditors: Amounts Falling Due After More Than One Year	21	(250,935)	(206,617)	(250,966)	(206,648)
Provision For Liabilities					
Other Provisions	26	(177)	(181)	(131)	(123)
Pension Provision	29	(116)	(13,050)	(116)	(13,050)
Total Net Assets		78,151	71,468	74,441	69,056
Income and Expenditure Reserve		78,151	71,468	74,441	69,056

The financial statements on pages 58 to 95 were approved by the Board and authorised for issue on 25th July 2023 and are signed on its behalf by:


Kim Newman
Chair of Board


Alison Inman
Board Member


Amanda Ashley-Smith
Company Secretary

The table below shows the Consolidated & Company Statement of Changes in Reserves. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

Consolidated & Company Statement of Changes in Reserves

For the year ended 31st March 2023

	Note	Group £'000	Company £'000
Balance as at 31st March 2021		59,999	57,666
Surplus for Period		2,958	2,879
Other Comprehensive Income Actuarial Loss	29	8,511	8,511
Balance as at 31st March 2022		71,468	69,056
Surplus for Period		(7,536)	(8,834)
Other Comprehensive Income Actuarial Gain	29	14,219	14,219
Balance as at 31st March 2023		78,151	74,441

The table below shows the Consolidated Statement of Cash Flows. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

Consolidated Statement of Cash Flows

For the year ended 31st March 2023

	Note	Year Ended 31st March 2023		Year Ended 31st March 2022	
		£'000	£'000	£'000	£'000
Net Cash Generated from Operating Activities	32		10,615		15,611
Cash Flow from Investing Activities					
Purchase of Tangible Fixed Assets		(34,173)		(19,941)	
Proceeds from Sale of Tangible Fixed Assets		5,001		3,654	
Sale of Housing Properties Receipts Paid to South Norfolk District Council		(640)		(299)	
Grants Received		8,985		4,226	
Interest Received		73		0	
			(20,754)		(12,360)
Cash Flow from Financing Activities					
Interest Paid		(8,790)		(9,514)	
Loan Drawdown		76,000			
Repayment of Loan		(40,000)		0	
Mark to Market on Barclays Loan Repayment		(12,633)			
Payment of Deferred Borrowing Costs		(419)		(49)	
			14,158		(9,563)
Corporation Tax			(40)		(61)
Net Change in Increase/(Decrease) in Cash and Cash Equivalents			3,979		(6,373)
Cash and Cash Equivalents at Beginning of the Year			9,527		15,900
Cash and Cash Equivalents at End of the Year			13,506		9,527

Notes Forming Part of the Financial Statements for the Year Ended 31st March 2023

1. Legal Status

Saffron Housing Trust Ltd (Saffron) is a Co-operative & Community Benefit Society and is an English registered social housing provider.

The address of Saffron’s registered office and principal place of business is Saffron Barn, Swan Lane, Long Stratton, Norfolk NR15 2XP.

Saffron’s principal activity is the provision of social housing. The nature of Saffron’s operations are to provide social housing. It is a public benefit entity with charitable status for corporation tax purposes.

2. Accounting Policies

Basis of Accounting

The financial statements of the group and association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022 and under the historical cost convention.

Saffron Housing Trust Limited is a public benefit entity in accordance with FRS102.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Basis of Consolidation

The consolidated financial statements incorporate those of the parent company and its subsidiary undertakings, Crocus Contractors Limited, Crimson Development Homes Limited and Saffron Housing Finance plc, using the acquisition method of consolidation. All financial statements are made up to 31 March 2023. All inter group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Operating Segments

As we have publicly traded securities within the Group we are required to disclose information about our operating segments under IFRS 8. Segmental information, as presented to the Chief Operating Decision Maker (who are the Board), is disclosed in note 4 and 5. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group rather than geographical location. As permitted by IFRS8 this is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and

class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The Board do not routinely receive segmental information disaggregated by geographical location.

Reduced Disclosures

In accordance with FRS 102, Saffron has taken advantage of the exemptions from Section 7 ‘Statement of Cash Flows’ – Presentation of Statement of Cash Flows and related notes and disclosures in the individual financial statements

Going Concern

The Group’s business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group’s day-to-day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities while continuing to comply with lenders’ covenants.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Revenue Recognition

Turnover is recognised at the fair values of the

consideration received, or receivable. Rental income and service charges are recognised on an accruals basis in line with tenancy agreements. Proceeds on the sale of housing properties are recognised upon legal completion of the sale.

The principal activity of the subsidiary company, Crimson Development Homes Limited is the Development of building projects, Crimson was formed to undertake the Design and Build of Saffron’s Land Led Developments. Crimson project manages the land led scheme on behalf of Saffron, incurring costs from suppliers and recharging that cost over to Saffron with a management fee Turnover represents goods sold or services provided to customers outside of the group, net of value added tax. Where applicable value added tax is charged and paid over to HM Revenue and Customs.

Interest Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Government Grants

Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is achieved when the grant provider gives notification of when payment will be made or the grant is received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure (excluding land) of the asset under the accruals model.

Government grants received for components are recognised in income over the useful economic life of the component of the asset under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the company will comply with the conditions and the funds will be received.

Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Housing Properties

Housing properties are properties for the provision of social housing and are principally properties available for rent and shared ownership. Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses. The development cost of housing properties includes the following:

- Cost of acquiring land and buildings
- Cost of construction
- “On costs” directly attributable to bringing the properties into working condition for their intended use.

All invoices and architects’ certificates relating to capital expenditure incurred in the year at gross values before retention is recognised are included in the financial statements for the year, provided that the dates of issue or valuation are up to the year end.

The costs of repairs, maintenance and improvements (other than those classified as components) are not capitalised unless the cost results in an enhancement of the property, for which additional rent could be charged or a significant future saving on maintenance incurred.

The group separately identifies the cost of structure and major components of its housing properties and charges depreciation so as to write-down the cost of each component to nil, on a straight line basis over the following years:

Land	Nil
Assets Under Construction	Nil
Property Structure	100 Years
Boilers & Air Source Heat Pumps	15 Years
Central Heating, Kitchens, Lifts	20 Years
Bathrooms, Rewiring, Doors & Loft Insulation	25 Years
Windows	30 Years
Roof Replacement & Solid Walls Insulation	40 Years

Sale of Housing Properties

The sale of properties under the Right to Buy scheme are treated as sales of fixed assets and not as properties developed for sale. The surplus or deficit arising on sale is shown net of the share due to South Norfolk District Council and after deducting the carrying value of the properties and related sale expenses.

Proceeds from the sale of the first tranche of properties developed for sale under shared ownership/equity schemes are treated as turnover with the appropriate proportion of costs based on the first tranche percentage sold, shown in cost of sales. The remaining property cost is included as a fixed asset.

The sale of second or subsequent tranches, or the sale of property not developed for sale under shared ownership/equity, are treated as sales of fixed assets and the surplus or deficit arising on sale is shown after deducting the share of the carrying value and related sale expenses.

Other Fixed Assets

Other fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided at rates calculated to write off the cost, less estimated residual values, of each asset over its expected useful life as follows:

	Straight Line Basis
Office Accommodation	0 – 20%
Other Buildings Under Construction	0%
Gardening Equipment, Vehicles, Computer Equipment	10 – 20%
Office Furniture & Equipment	5 – 20%
Photovoltaic Systems	4.4%

Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist,

Saffron estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset’s revised carrying amount (less any residual value) over its remaining useful life.

Stock

Stock is valued at the lower of cost and net realisable value.

Construction Contracts

Income in relation to market sales and first tranche shared ownership sales is recognised when the property legally completes.

When it is probable that total costs to complete a plot(s) will exceed total contract turnover, the expected loss is recognised as an expense immediately.

VAT

The group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements

include VAT to the extent that it is suffered by the group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The holiday year for Saffron accrues between January and December each year. The cost of any unused entitlement accrued between January and March is recognised in the period in which employee’s services are received.

Defined Benefit Obligation

The Trust participates in the Norfolk County Council Local Government Pension Scheme (LGPS), a defined benefit pension scheme, and the Social Housing Pension Scheme (SHPS), which has members in both a defined contribution and a defined benefit scheme.

The cost of providing benefits for both schemes is determined using the projected unit credit method.

Termination/Redundancy Costs

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post of the grounds of redundancy has been made.

Asset/Liability

The net defined benefit asset/liability represents the present value of the defined benefit obligation

minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses

- Gains or losses recognised in profit or loss:**
- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
 - The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
 - Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets and liabilities at the beginning of the period by the rate used to discount the benefit obligations.

- Gains or losses recognised in other comprehensive income:**
- Actuarial gains and losses.
 - The difference between the interest income on the plan assets and the actual return on the plan assets.

Financial Instruments

Saffron has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102,

in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when Saffron becomes a party to the contractual provisions of the instrument, and are offset only when Saffron currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets – Debtors

All debtors are receivable within one year and do not constitute a financing transaction and are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial Liabilities – Creditors

All trade creditors are payable within one year and do not constitute a financing transaction and are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Financial Liabilities – Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Debt instruments that do not meet the conditions in FRS102, paragraph 11.9, are subsequently measured at fair value through income and expenditure.

Derecognition of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Provisions

Provisions are recognised when Saffron has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably. In addition, where the Regulator of Social Housing requires expenditure to be made to meet their legal requirements, this where appropriate is included as a provision.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantive enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessment in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or follows equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Prior Period Adjustments

Prior period adjustments are made when material errors are found in the prior year financial statements or where there is a change in accounting policy.

3. Critical Accounting Estimates and Areas of Judgement

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 Accounting Estimates and Assumptions

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

The LGPS pension liability is based on the actuarial valuation as at 31 March 2023, full details are shown at note 29.

Critical Areas of Judgement

Triggers of impairment to assets and the net realisable value of stock and property held for sale are considered annually.

The table below shows the Turnover, Operating Costs and Operating Surplus. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

4. Turnover, Operating Costs and Operating Surplus

	Turnover	Operating Expenditure	Other	Operating Surplus	Operating Surplus
	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	35,469	(26,194)	0	9,275	9,455
Other Social Housing Activities:					
First Tranche Property Sales	1,724	(997)	0	727	401
Charges for Support Services	0	0	0	0	0
Other	0	0	0	0	(19)
	37,193	(27,191)	0	10,002	9,837
Non-Social Housing Activities*	1,067	(845)	0	222	(192)
Gift Aid	0	0	207	207	411
Gain on Disposal of Assets	0	0	1,697	1,697	1,966
Result of Company	38,260	(28,036)	1,904	12,128	12,022
Results of Subsidiaries	9,245	(6,943)	(207)	2,095	565
Result of Group	47,505	(34,979)	1,697	14,223	12,587

*Included within non-social housing activities income is £500k recharged to subsidiaries as set out in note 31

The table below shows the Particulars of Income and Expenditure from Social Housing Lettings. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

5. Particulars of Income and Expenditure from Social Housing Lettings

	General Needs Housing £'000	Supported and Housing for Older People £'000	Shared Ownership £'000	Total 2023 £'000	Total 2022 £'000
Rent Receivable Net of Voids	29,692	3,188	531	33,411	31,933
Service Charges Receivable	302	1,255	39	1,596	1,369
Net Rental Income	29,994	4,443	570	35,008	33,302
Revenue Grants	0	0	0	0	0
Amortised Grant	461	0	0	461	401
Turnover from SHL	30,455	4,443	570	35,469	33,703
Management	(4,676)	(693)	(89)	(5,458)	(5,595)
Service Charges Costs	(302)	(1,255)	(39)	(1,596)	(1,357)
Routine Maintenance	(6,664)	(819)	0	(7,483)	(7,173)
Planned Maintenance	(201)	(42)	0	(243)	(306)
Major Repairs	(248)	(15)	0	(263)	(227)
Depreciation and Amortisation Charged	(5,974)	(146)	(19)	(6,139)	(5,490)
Lease Costs	(25)	0	0	(25)	(30)
Other Costs	(3,428)	(508)	(65)	(4,001)	(2,559)
Bad Debts	(53)	(8)	(1)	(62)	(222)
Pension Adjustment	(792)	(117)	(15)	(924)	(1,289)
Operating Costs on SHL	(22,363)	(3,603)	(228)	(26,194)	(24,248)
Operating Surplus on SHL	8,092	840	342	9,275	9,455
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	378	333	0	712	596

The pension adjustment shown separately above represents the difference between the current service cost for the year and contributions from the employer to the scheme. The employer contributions for the year are included with salary amounts in the appropriate cost centres.

The table below shows the Employees. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

6. Employees

The average monthly number of persons (including directors) employed by the company and group during the year was:

	2023 Full Time	2023 Part Time	2022 Full Time	2022 Part Time
Directors and Support Services	57.1	13.0	50.3	13.6
Housing Management	24.3	2.3	24.2	6.3
Property Services	8.5	2.4	9.7	3.5
Call Handling and Alarms	2.6	0.9	2.3	4.3
Craftworkers/Maintenance	99.5	3.7	99.7	6.0
Wardens/Careworkers	6.0	0.0	5.9	0.0
Gardeners/Caretakers	5.0	2.0	5.6	2.8
	203.0	24.3	197.7	36.5
	2023	2022		
Staff Costs for the Above Persons Consist of:				
Wages and Salaries	8,147	7,589		
Employer’s National Insurance	893	770		
Defined Benefit Pension Scheme Charge/ (Gain) (see note 29)	1,397	1,513		
Non-Defined Benefit Pension Scheme Charge	196	121		
Terminations	344	65		
	10,977	10,058		
Remuneration Bands Greater Than £60,000 of Key Management Personnel	2023 FTE	2022 FTE		
£ 60,001 to £ 70,000	3	5		
£ 80,001 to £ 90,000	4	4		
£ 90,001 to £ 100,000	1	0		
£ 100,001 to £ 110,000	1	0		
£ 110,001 to £ 120,000	1	2		
£ 120,001 to £ 130,000	1	0		
£ 150,001 to £ 160,000	0	1		
£ 160,001 to £ 170,000	1	0		

The average number of full time equivalent staff (excluding directors) was 215.6 (2022: 224.8).
There is one member of staff (excluding Executive directors) earning over £100,000, Managing Director Crocus.

Pension contributions

The agreed employers' contributions to the Norfolk County Council Pension Fund and the Social Housing Pension Scheme (SHPS) by the Group for the year ended 31 March 2023 were 24.6% of pensionable pay plus an annual payment of £124,000 and 6% plus an annual payment of £24,000 respectively.

The table below shows the Non-Executive & Executive Directors. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

7. Non-Executive & Executive Directors

Directors are defined as the unpaid Non-Executive Directors, the Chief Executive and other Executive Directors and are considered to be the key management personnel. Their remuneration during the period was as follows:

In Respect of the Directors of Saffron

Executive Directors	2023 £'000	2022 £'000
Remuneration and Fees	404	382
Pension Scheme Contributions	69	65
Benefits in Kind	1	1
Sub-Total	474	448
Employers National Insurance	53	47
	527	495
Emoluments of the Highest Paid Director	161	152
Pension Scheme Contributions	15	14
	176	166
Non-Executive Directors	2023	2022
Expenses Payable to Non-Executive Directors Who Were Not Employees of the Group	0	0
Fee Paid to Non Executives of Saffron Housing Trust Limited	80	68
Benefits in Kind	0	0

There are two executive directors to whom retirement benefits are accruing in relation to defined benefit schemes. The Chief Executive was an ordinary member of the Aviva pension scheme with no enhanced or special terms applied. Contributions towards the Chief Executive’s pension by the group amounted to £15k (2021 – £14k). The Chief Executive’s notice period is 6 months.

The table below shows the Non-Executive and Executive Directors (Cont). If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

7. Non-Executive and Executive Directors (Cont)

		Gross Salary £	Benefits In Kind £	Pension Contributions £	2023 Total £	2022 Total £
Non-Executive Directors Who Served on the Board						
Bob Walder	R 31/3/23	11,964	0	0	11,964	11,499
Katrina Laud	R 30/6/22	1,625	0	0	1,625	6,500
James Tully	R 20/9/21	0	0	0	0	3,250
Mike Jolly		6,500	0	0	6,500	6,500
Duncan Scott	R 26/9/22	2,259	0	0	2,259	4,500
Tom Fadden		6,875	0	0	6,875	5,569
Alison Inman		6,500	0	0	6,500	5,182
Rob Lankey		4,650	0	0	4,650	4,500
Barry Duffin		6,900	0	0	6,900	6,500
Emma Rose	R 16/6/22	989	0	0	989	4,500
Neil Watts		4,650	0	0	4,650	4,500
Jason Margetts	A 26/9/22	6,671	0	0	6,671	0
Tallia Langston	A 26/9/22	2,414	0	0	2,414	0
Asha Cleavelly	A 26/9/22	2,414	0	0	2,414	0
Jayne Sharma	A 26/9/22	2,414	0	0	2,414	0
Independent Committee Members						
Anna Bennet		3,000	0	0	3,000	2,500
Ian Pinches		3,000	0	0	3,000	2,500
Kate Slack	A 26/9/22	1,558	0	0	1,558	0
Michelle Baker	A 26/9/22	1,558	0	0	1,558	0
Jodie Cunningham-Brock	A 26/9/22	1,558	0	0	1,558	0
Steve Brightwell	A 26/9/22	1,558	0	0	1,558	0
Verity MacMahon	R 30/6/22	1,127	0	0	1,127	0
Independent Crocus Board Members						
Martin Aust	R 22/7/21				0	2,250
Andrew Speed		4,500	0	0	4,500	1,535
Trevor Conway		4,500	0	0	4,500	4,500
		89,184	0	0	89,184	76,285
Executive Officers						
James Francis		£'000 161	£'000 0	£'000 15	£'000 176	166
Iain Innes		120	0	27	147	141
Hannah Harvey		123	0	27	150	141
		404	0	69	473	448

The table below shows the Operating Surplus. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

8. Operating Surplus

	Note	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
This has been arrived at after charging					
Depreciation of housing properties	13	5,453	4,889	5,453	4,889
Depreciation of other owned tangible fixed assets	15	877	880	672	601
Profit on disposal of tangible fixed assets (note 9)	9	31	6	31	6
Fees payable to External Auditors in respect of both audit and non-audit services are as follows:					
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Audit services – statutory audit of parent and consolidated financial statements		22	22	22	22
Audit of subsidiary's financial statements		20	18	0	0
Audit services – other		0	0	0	0
		42	40	22	22

The table below shows the Surplus on Sale of Fixed Assets. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

9. Surplus on Sale of Fixed Assets

	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Sale of housing property under preserved right to buy				
Proceeds	636	855	636	855
Share of proceeds due to South Norfolk District Council	(344)	(640)	(344)	(640)
District Council	(210)	(176)	(210)	(176)
Cost of disposals				
(Deficit)/Surplus on sale of housing property under preserved right to buy right to buy	82	39	82	39
Surplus on 2nd tranche shared ownership & equity sales				
Surplus on sale of property under right to acquire	182	31	182	31
Surplus on sale of property on open market	622	1,176	622	1,176
Surplus on sale of land	0	0	0	0
Surplus on sale of plant & equipment	31	6	31	6
	1,697	1,966	1,697	1,966

The table below shows the Interest Receivable. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

10. Interest Receivable

	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
On Bank Deposits	73	0	73	0
On Loan to Subsidiary	0	0	608	631
	<u>73</u>	<u>0</u>	<u>681</u>	<u>631</u>

The table below shows the Interest Payable. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

11. Interest Payable

	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Interest Arising On; Bank Loans and Overdrafts	(8,447)	(9,006)	(8,526)	(9,086)
Interest Paid to South Norfolk District Council on Right to Buy Sales Income	(4)	(1)	(4)	(1)
Amortisation of Bank Loan Set Up Fees	(93)	(247)	(93)	(247)
Amortisation of Bond Set Up Fees	(29)	(30)	(29)	(30)
Amortisation of Premium Received on Issue of Retained Bond	48	48	0	0
Defined Benefit Pension Charge	(358)	(410)	(358)	(410)
Mark to Market on Barclays Loan Repayment	(12,633)	0	(12,633)	0
	<u>(21,516)</u>	<u>(9,646)</u>	<u>(21,643)</u>	<u>(9,774)</u>

The table below shows the Corporation Tax. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

12. Corporation Tax

	2023 Group £'000	2023 Crimson £'000	2023 Crocus £'000	2022 Group £'000
Current Tax				
UK Corporation Tax on Surplus for Period	347	18	329	41
Adjustment in respect of qualifying charitable donation	(18)	(18)	0	0
Adjustment in Respect of Previous Periods	(1)	0	(1)	0
Total Current Tax	<u>328</u>	<u>0</u>	<u>328</u>	<u>41</u>
Deferred Tax				
Origination and reversal of timing differences	(12)	0	(12)	(58)
Total deferred tax	<u>(12)</u>	<u>0</u>	<u>(12)</u>	<u>(58)</u>
Total tax charge	<u>316</u>	<u>0</u>	<u>316</u>	<u>(17)</u>
Surplus for year	(7,220)			2,941
UK corporation tax on group surplus for the year at the rate of 19% (2022: 19%)	(1,372)			559
Non-taxable charitable surplus	1,688			(576)
Difference between capital allowances and depreciation	(12)			(58)
Adjustment in respect of previous periods	12			58
UK corporation tax payable for the year	<u>316</u>			<u>(17)</u>

No provision has been made for corporation tax on the parent company’s activities as it is a registered charity and surpluses arising from its charitable activities are exempt from corporation tax. The above charge relates to subsidiary company activities only.

Factors that may affect future tax charges

The standard rate of tax applied to reported profit in subsidiary companies is 19% (2022:19%). In 23/24 a new method for calculating the level of corporation tax payable will be dependent on the level of profits declared. Profits over £250,000 will be taxed at 25%.

The table below shows the Tangible Fixed Assets – Housing Properties. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

13. Tangible Fixed Assets – Housing Properties

Group	Social Housing Properties Held for Letting £'000	Housing Properties for Lettings Under Construction £'000	Shared Ownership Properties Completed £'000	Total £'000
<i>Cost</i>				
at 1 April 2022	296,415	9,551	10,444	316,410
Additions	7,040	31,094	0	38,134
Transfer to Stock	0	(1,921)	0	(1,921)
Disposals	(405)	0	(250)	(655)
Transfers	14,187	(15,213)	1,026	0
at 31st March 2023	317,237	23,511	11,220	351,968
<i>Depreciation</i>				
at 1 April 2022	(42,096)	0	(677)	(42,773)
Charge for the year	(5,385)	0	(68)	(5,453)
Disposals	83	0	19	102
at 31st March 2023	(47,398)	0	(726)	(48,124)
<i>Carrying amount</i>				
at 31st March 2022	254,319	9,551	9,767	273,637
at 31st March 2023	269,839	23,511	10,494	303,844

The table below shows the Tangible Fixed Assets – Housing Properties. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

14. Tangible Fixed Assets – Housing Properties

Company	Social Housing Properties Held for Letting £'000	Housing Properties for Lettings Under Construction £'000	Shared Ownership Properties Completed £'000	Total £'000
<i>Cost</i>				
at 1 April 2022	296,879	10,255	10,444	317,578
Additions	7,040	31,038	0	38,078
Transfer to Stock	0	(1,921)	0	(1,921)
Disposals	(405)	0	(250)	(655)
Transfers	14,187	(15,213)	1,026	0
at 31st March 2023	317,701	24,159	11,220	353,080
<i>Depreciation</i>				
at 1 April 2022	(42,096)	0	(677)	(42,773)
Charge for the year	(5,385)	0	(68)	(5,453)
Disposals	83	0	19	102
at 31st March 2023	(47,398)	0	(726)	(48,124)
<i>Carrying amount</i>				
at 31st March 2022	254,783	10,255	9,767	274,805
at 31st March 2023	270,303	24,159	10,494	304,956
<i>Expenditure on works to existing properties</i>				
	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Components capitalised	6,968	5,388	6,968	5,388
Amounts charged to income and expenditure	263	227	263	227
	7,231	5,615	7,231	5,615

There is a carve out in relation to the Natwest RCF, the carve out is linked to the calculation of interest cover (EBITDAMRI) in relation to;

	Fixed assets Spend (included in above figures)	Revenue Spend (included in note 5)	Total
Fire Safety work	93	200	293
Aids and Adaptations Work	102	0	102
Net Zero costs up to £40m	2,033	25	2,058
	2,228	225	2,453

96% of the group and company's freehold housing property was valued by JLL Property Consultancy Limited (Chartered Surveyors) during 22/23 at £471,486,294 on a mixture of EUV-SH and MVT basis.

The table below shows the Tangible Fixed Assets – Other. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

15. Tangible Fixed Assets – Other

	Freehold Offices £'000	Gardening Equipment £'000	Vehicles £'000	Computer Equipment £'000	Office Furniture & Equipment £'000	Company Total £'000	Photovoltaic Panels £'000	Group Total £'000
Cost								
At 1 April 2022	3,563	415	1,458	3,568	654	9,658	5,577	15,235
Additions	74	0	237	808	107	1,226	0	1,226
Disposals during year	(101)	(247)	(180)	(1,841)	(572)	(2,941)	(17)	(2,958)
At 31st March 2023	3,536	168	1,515	2,535	189	7,943	5,560	13,503
Less: Depreciation								
At 1 April 2022	(1,395)	(367)	(819)	(2,402)	(607)	(5,590)	(2,907)	(8,497)
Charge for period	(106)	(17)	(212)	(333)	(4)	(672)	(205)	(877)
Disposals	101	247	180	1,841	572	2,941	17	2,958
At 31st March 2023	(1,400)	(137)	(851)	(894)	(39)	(3,321)	(3,095)	(6,416)
Carrying amount								
At 31st March 2022	2,168	48	639	1,166	47	4,068	2,670	6,738
At 31st March 2023	2,136	31	664	1,641	150	4,622	2,465	7,087

16. Investment in Subsidiaries

The company holds the whole of the issued share capital of 2 ordinary shares of £1 each in Crocus Contractors Limited a company incorporated in England and Wales whose principal activity is the Construction of domestic buildings. The shares were acquired at their nominal value of £2.

The company holds the whole of the issued share capital of 1 ordinary shares of £1 each in Crimson Development Homes Limited a company incorporated in England and Wales whose principal activity is the Development of building projects. The shares were acquired at their nominal value of £1.

The company holds 50,000 ordinary shares of £1 each in Saffron Housing Finance plc, a company incorporated in England and Wales. 12,500 are paid up and the remaining liability for unpaid issued share capital is shown in creditors.

The table below shows the Properties for Sale. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

17. Properties for Sale

	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Shared Ownership	5,791	2,100	5,791	2,100

The table below shows the Stock. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

18. Stock

	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Consumable Stores	281	280	281	280
Development Work in Progress	9,722	6,390	0	0
	10,003	6,670	281	280

The table below shows the Debtors. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

19. Debtors

	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Arrears of Rent and Service Charges	2,204	1,860	2,204	1,860
Less: Provision for Bad and Doubtful Debts	(1,213)	(1,280)	(1,213)	(1,280)
	991	580	991	580
Trade Debtors	1,258	169	1,251	142
Due From Crocus Contractors Limited	0	0	304	774
Due From Saffron Housing Finance	0	0	113	111
Due From Crimson Development Homes Ltd	0	0	131	665
Social Housing Grant	1,012	0	1,012	0
VAT Recoverable	121	182	0	0
Other Debtors	1,752	1,940	1,043	1,282
	5,134	2,871	4,846	3,554

The above debtors were all considered to be recoverable within one year.

The table below shows the Creditors: Amounts Falling Due Within One Year. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

20. Creditors: Amounts Falling Due Within One Year

	Note	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Trade creditors		152	192	152	192
Contractors and unpaid retentions		3,201	1,785	2,971	1,777
Development creditor		4,129	358	4,129	358
Other tax and social security costs		217	215	217	215
Corporation tax		329	41	0	0
Outstanding pension scheme contributions		0	0	0	0
Due to South Norfolk District Council		367	662	367	662
Due to Saffron Housing Finance plc		0	0	1,465	1,467
Due to Crocus Contractors		0	0	116	469
Due to Crimson Development Homes Ltd		0	0	122	569
Rents in advance		505	484	505	484
Deferred capital grant		401	401	401	401
Recycled Capital Grant	23	360	164	360	164
Other creditors and accruals		6,325	5,925	3,985	3,810
		15,986	10,227	14,789	10,568

The table below shows the Creditors: Amounts Falling due after more than one year. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

21. Creditors: Amounts Falling due after more than one year

		2023	2022	2023	2022
	Note	Group £'000	Group £'000	Company £'000	Company £'000
Debt	25	201,342	165,668	74,723	38,999
Debt due to Saffron Housing Finance plc	25	0	0	126,650	126,700
Deferred capital grant	22	46,294	39,262	46,294	39,262
Lease premium		1,509	1,523	1,509	1,523
Capital Improvements Grant		1,790	164	1,790	164
		<u>250,935</u>	<u>206,617</u>	<u>250,966</u>	<u>206,648</u>

The table below shows the Deferred Capital Grant. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

22. Deferred Capital Grant

	2023	2022	2023	2022
	Group £'000	Group £'000	Company £'000	Company £'000
At 1 April 2022	39,262	35,592	39,262	35,592
Grant received in year	7,692	4,209	7,692	4,209
Capital grant released	(660)	(539)	(660)	(539)
At 31st March 2023	<u>46,294</u>	<u>39,262</u>	<u>46,294</u>	<u>39,262</u>

The Social Housing grant included above is repayable in the event of the disposal of the related property. However, the repayment of Social Housing grant would be subordinated behind any private loans with charges on these properties. The total gross amount potentially repayable is £46.3m. Amounts due to be released in less

The table below shows the Recycled Capital Grant. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

23. Recycled Capital Grant

Funds pertaining to its activities within areas covered by HCA

	2023	2022	2023	2022
	Group £'000	Group £'000	Company £'000	Company £'000
Opening Balance	164	0	164	0
Inputs to RCGF – grants recycled	196	164	196	164
Recycling of grant – new build	0	0	0	0
At 31st March 2023	<u>360</u>	<u>164</u>	<u>360</u>	<u>164</u>

The table below shows the Financial Instruments. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

24. Financial Instruments

The carrying amount of the Group and Company's financial instruments at 31 March were –

	2023	2022	2023	2022
	Group £'000	Group £'000	Company £'000	Company £'000
<i>Financial assets</i>				
Debt instruments measured at amortised cost	39,083	20,656	24,052	17,409
<i>Financial liabilities</i>				
Debt instruments measured at amortised cost	(224,858)	(176,164)	(213,719)	(174,738)

The table below shows the Debt. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

25. Debt

Long term debt repayable after more than five years

	2023 Group £'000	2022 Group £'000	2023 Company £'000	2022 Company £'000
Payable in Instalments	139,929	123,999	141,579	125,699
Payable by Other Than Instalments	61,413	41,669	59,794	40,000
	201,342	165,668	201,373	165,699

Saffron borrows money to fund social housing property developments and the loans consist of bond issue of £125m, a Private Placement of £60m and a Revolving Credit Facility of £60m (£16m drawn down at balance sheet date (£nil 21/22).

The bond bears a fixed interest rate of 4.64%, The Private Placement bears a fixed interest rate of 3.69% and the Revolving Credit Facility bears a variable le interest rate of SONIA plus 1.025% (Fixed 0.36% on undrawn facility)

In July 2013 Saffron increased its financing facilities via a bond issue of £125m. Of £75m issued £50m was paid in July 2013 and £25m in July 2014. £50m of retained bonds were sold in September 2014 at an interest rate of 4.42% resulting in the receipt of a premium of £1.99m. This premium was lent from Saffron Housing Finance plc to Saffron Housing Trust Limited under a separate loan agreement at an agreed fixed interest rate of 4.64%. The capital is repayable on such dates and in such amounts as notified to the borrower from time to time.

In September 2023 Saffron renegotiated the Natwest Revolving Credit Facility for a further five years to FY2027 (with an option for two additional years).

In May 2023 Saffron repaid the Barclays loan of £40m plus the associated mark to market (£12.3m) and replaced with the £60m Private Placement.

The loans and bond are secured by a fixed charge over the property and assets transferred to Saffron on 17 May 2004, property built on transferred land since that date and new build properties to the value required.

The fair value (market value) of the bond at 31 March 2023 was £113,900,000 (2022: £149,091,250).

The table below shows the Provisions for Liabilities. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

26. Provisions for Liabilities

Company	Holiday Pay £'000	Organisational Restructure £'000	Company Total £'000	Deferred Tax £'000	Group Total £'000
At 1st April 2022	123	0	123	46	169
Utilised in year	0	0	0	0	0
Increased/(Reversed) in year	8	0	8	0	8
	131	0	131	46	177
Provision for deferred tax has been made as follows	2023 £'000	2022 £'000			
Accelerated capital allowances	46	46			

Holiday Pay

This represents holiday accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the contractual cost payable for the period of absence.

Deferred tax

The provision for deferred tax represents the balance of accelerated capital allowances.

The table below shows the Housing Stock – Group & Company. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

27. Housing Stock – Group & Company

The number of units of housing under development and in management at 31st March was:

	2023 No's	2022 No's
Housing Units Under Development		
General Needs Housing		
- Social Rent	111	102
- Affordable Rent	178	26
- Intermediate Rent	0	0
Shared Equity	18	1
Shared Ownership	104	46
	<hr/>	<hr/>
	411	175
Housing Units in Management		
General Needs		
- Social Rent	3,122	3,132
- Affordable Rent	2,151	2,115
- Intermediate rent	178	178
Housing for Older People	616	575
Specialist Housing	135	138
Low Cost Home Ownership (LCHO)	233	221
Shared Equity (LCHO)	191	195
	<hr/>	<hr/>
	6,626	6,554
	<hr/>	<hr/>
	7,037	6,729
	<hr/>	<hr/>

28. Share Capital

The parent (Saffron Housing Trust Limited) is an exempt charity registered in England by the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. Saffron has 11 Shareholders who each have a share with a nominal value of one pound which carries no right to interest, dividend or bonus.

29. Pensions

Local Government Pension Scheme (LGPS)

The parent company is an admitted body of the LGPS which is funded by the payment of contributions to a separately administered trust fund. At 31 March 2023 51% of the parent company’s employees (the company’s subsidiaries have no employees other than unpaid directors) were members of the Fund, which is a defined benefit scheme.

The parent company expects to contribute £1,600,000 to its defined benefit pension plans in 2023/24 (employer contribution percentage has increased to 29.7% (24.6% 22/23)).

Assumptions

Guaranteed Minimum Pension (GMP)

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the State Second Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women’s benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2023. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

The fund’s actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of Saffron for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards.

The major financial assumptions used by the actuary in assessing the LGPS scheme liabilities were:

	31st March 2023 % Per Annum	31st March 2022 % Per Annum
Rate of Increase in Salaries	3.65	3.85
Rate of Increase in Pensions in Payment	2.95	3.15
Discount Rate	4.75	2.75

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

The table below shows the Pensions. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

Demographic Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
	21.8 years	24.1 years
Current Pensioners		
Non Pensioners	22.8 years	26.2 years
Amounts recognised in the balance sheet	2023	2022
	£'000	£'000
Fair Value of Employer Share of Scheme Assets	49,706	48,707
Present Value of Funded Liabilities	(41,488)	(61,632)
Reconciliation to report zero asset	8,218	
Net Underfunding in Funded Plans	-	(12,925)
Net Liability	-	(12,925)
SHPS Liability	(116)	(125)
Total Liability	(116)	(13,050)
Changes in the fair value of plan assets	2023	2022
	£'000	£'000
Opening plan assets	48,707	43,669
Actuarial movements relating to prior year	346	415
Expected return	1,364	913
Actuarial(loss)/gain	(1,849)	2,690
Contributions by Employer	1,686	1,552
Contributions by Members	349	380
Benefits Paid	(897)	(912)
Closing plan assets	49,706	48,707
Analysis of the amount charged to operating surplus	2023	2022
	£'000	£'000
Current Service Cost	2,630	2,866
Past Service Cost	-	-
Total operating charge	2,630	2,866
Analysis of amount credited to other finance income	2023	2022
	£'000	£'000
Interest on Pension Scheme Liabilities	1,722	1,323
Expected return on Employer Assets	(1,364)	(913)
Net cost/(income)	358	410
Analysis of the amount recognised in statement of comprehensive income (SOCI)	2023	2022
	£'000	£'000
Actuarial gains on assets	(1,849)	2,690
Actuarial gains/(losses) on obligations	23,948	5,462
Actuarial gain/(loss) recognised in SOCI	22,099	8,152

The table below shows the Pensions. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

Changes in present value of the defined benefit obligation	2023 £'000	2022 £'000			
Opening defined benefit obligation	61,632	63,437			
Actuarial movement relating to prior year	-	-			
Current & Past Service Cost	2,630	2,866			
Interest Cost	1,722	1,323			
Contributions by Members	349	380			
Actuarial Losses/(Gains)	(23,948)	(5,462)			
Benefits Paid	(897)	(912)			
Closing defined benefit obligation	41,488	61,632			
Major categories of plan assets as a percentage of total plan assets	2023	2022			
Equities	49%	49%			
Bonds	36%	36%			
Property	12%	12%			
Cash	3%	3%			
Amounts for the current and previous four periods are as follow:	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Defined benefit obligation	(41,488)	(61,632)	(63,437)	(44,968)	(48,148)
Plan assets	49,706	48,707	43,669	34,171	34,006
Deficit in the scheme and liability	8,218	(12,925)	(19,768)	(10,797)	(14,142)
Actuarial (losses)/gains on scheme assets	(1,849)	2,690	7,308	(1,293)	1,398
Experience (losses)/gains arising on scheme liabilities	-	0	0	0	0
(Loss)/ gains in demographic assumptions	(792)	(294)	711	(1,381)	0

Due to the uncertainty associated with the recoverability of any surplus arising on the Local Government Pension Scheme, an adjustment of £8,218,000 has prudently been entered against the FRS102 surplus provided by the actuary for the fund to reduce the asset position to a £nil asset amount.

Social Housing Pension Scheme

The parent company has one member of SHPS, a multi-employer defined benefit scheme in the UK.

Full FRS102 disclosures (due to them being deemed immaterial) have not been made as there is only one member of the scheme and the actuary assumptions are similar to those of the LGPS scheme.

The net liability in respect of this scheme at 31 March 2023 is £116,000. (2022 £125,000)

The table below shows the Capital Commitments. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

30. Capital Commitments

	2023 £'000	2022 £'000
Group & Company		
Capital Expenditure Contracted for but not Provided for in the Financial Statements	37,047 920	21,680 462
Capital Expenditure Approved by Board but not Contracted for	<u>37,967</u>	<u>22,142</u>

The above capital expenditure will be funded by a combination of grant, operating cash flows as well as the £60m RCF Natwest facility, of which £16m had been drawn down at the balance sheet date.

The table below shows the Related Party Transactions. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

31. Related Party Transactions

The following board members are also tenants:

Duncan Scott
Tom Fadden
Neil Watts (Power of Attorney for son's Tenancy)
Tallia Langston (from 26th September 2022)

Their tenancies are on normal commercial terms. The aggregate rent for the period was £19,199.54 (2022: £16,538.08) and arrears were £399.28 as at 31 March 2023 (2022: Nil).

Transactions in the year with unregulated subsidiaries were –

	2023 Total £'000	2023 Crocus Contractors Limited £'000	2023 Crimson Development Homes Ltd £'000	2023 SHF plc £'000	2022 Total £'000
Labour, Mileage & Board Payments Charged	500	468	32	0	531
Interest Charged	608	608	0	0	631
Interest Paid	(5,957)	0	0	(5,957)	(5,957)
Gift Aid Received from	207	0	94	113	411

Labour costs are apportioned based on time allocations and the cost of mileage and board payments incurred on behalf of Crocus have been recharged and paid in full.

The table below shows the Reconciliation of Surplus After Tax to Net Cash Generated from/(used in) Operations. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

32. Reconciliation of Surplus After Tax to Net Cash Generated from/(used in) Operations

	2023 Group £'000	2022 Group £'000
Surplus for the year	(7,536)	2,958
Adjustments for non-cash items –		
Depreciation of tangible fixed assets	6,139	5,490
Defined benefit pension scheme	1,285	1,701
Amortisation of grant	(461)	(401)
Profit on disposal of assets	(1,697)	(1,966)
Corporation tax	316	(17)
Interest received	(73)	0
Interest payable	21,516	9,646
Operating cashflows before movements in working capital	19,489	17,411
Decrease/(Increase) in stock	(7,024)	(2,451)
Decrease/(Increase) in debtors	(2,263)	(588)
Increase/(Decrease) in creditors	419	1,267
Decrease in provisions	(6)	(28)
Net cash inflow from operating activities	<u>10,615</u>	<u>15,611</u>

The table below shows the Reconciliation of Net Cashflow to Movement in Net Debt. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

33. Reconciliation of Net Cashflow to Movement in Net Debt

	At 1st April 2022	Cashflows	New Finance	New Finance Costs	Other Non Cashflow Movemembers	At 31st March 2023
Group						
Cash	9,527	3,979				13,506
Investments	0					0
Bank Loans Due Greater than One Year	(165,668)		(36,000)	419	(93)	(201,342)
	<u>(156,141)</u>	<u>3,979</u>	<u>(36,000)</u>	<u>419</u>	<u>(93)</u>	<u>(187,836)</u>

The table below shows the Long Term Debtors with Subsidiaries. If you would like further information, please contact us on 01508 532000 or info@saffronhousing.co.uk and ask to speak to the Finance Team.

34. Long Term Debtors with Subsidiaries

	2023 £'000	2022 £'000
This amount represents the following relating to the subsidiary undertakings –		
Unsecured loan to Crocus Contractors Limited due in between 2 and 5 years	4,300	2,500
Unsecured loan to Crocus Contractors Limited due in full after more than 5 years	5,644	5,644
	<u>9,944</u>	<u>8,144</u>

Board Members’ and Independent Committee Members’ Declarations of Interests 2022/23:

Board Members	Declaration of Interests
Asha Cleavelly	No Declarations
Barry Duffin (deceased)	<ul style="list-style-type: none">• Director of Hethel Innovation Ltd• Director of Norse Group Ltd• Director of Ashwellthorpe Fuel Charity
Tom Fadden	<ul style="list-style-type: none">• Occasional Speaker, consultant and Provider of disability awareness and inclusion sessions to National Housing Federation, Northstar Housing Group, Orwell Housing, Settle Housing Group, Housing Diversity Network• Clore Leadership – Guest Speaker – November 2021• Unpaid work for Good Governance Institute• Self-employed via Purple Reach Disability Consultancy• Ad hoc Tutor for UEA School of Social Work
James Francis	<ul style="list-style-type: none">• Trustee of Benjamin Foundation• Vice Chair of Benjamin Foundation• Joint Chair of Risk & Audit Panel, Benjamin Foundation• Shareholder – Norwich City Football Club
Alison Inman	<ul style="list-style-type: none">• Shareholder of Broadland Housing Association• Non-Executive Director of Tpas• Board Member of Housing Diversity Network• Trustee of Balkerne Gardens Trust• Freelance – Facilitation and Speaking
Mike Jolly	<ul style="list-style-type: none">• Non-Executive Director of Brighter Futures Housing Association Ltd• Non-Executive Director of Sustain UK Limited• Trustee of 8th Norwich Sea Scouts
Talia Langston	<ul style="list-style-type: none">• Governor of Norfolk and Suffolk NHS Foundation Trust (NSFT)• Governor of a Primary School• Council Member for Userveice (Project ADDER / CGL)• Council Member or Making it Real (co-production for Social Care)
Rob Lankey	<ul style="list-style-type: none">• Shareholder of Chordis Capital Ltd• Trustee of Armenian Ministries (Charity)• Trustee of CIO Calvary Baptist Church Peterborough
Jason Margetts	<ul style="list-style-type: none">• Person of significant ownership (80%) Director and Shareholder of Hubertnoble Limited• Director and Shareholder of Charles Rowland Limited• Director and Shareholder of CubitNash Limited• Owner of Margetts Investments Limited

Board Members	Declaration of Interests
Jayne Sharma	<ul style="list-style-type: none">• Director at Aviva• Former Director of Computel Systems Limited
Bob Walder (retired)	<ul style="list-style-type: none">• Director and Chair of ONGO Partnership, ONGO Homes• Director of ONGO Homes• Director of ONGO Commercial• Chair of LACE Housing
Neil Watts	<ul style="list-style-type: none">• Member of the Advisory Council of APG Schools• Engaged on a self-employed basis by IPSO

Independent Members	Declaration of Interests
Anna Bennett Audit and Risk Committee	<ul style="list-style-type: none">• Audit Committee Member of the Norfolk Police and Crime Commissioners Office• Trustee and Board Member of Age UK
Michelle Baker Service Quality Committee	<ul style="list-style-type: none">• Owner of MJ Baker Accountancy Limited• Shareholder at Southdown Housing• Tenant Shareholder at Eastlight Community Homes• Secretary at Blackmore End Village Hall• Secretary at Blackmore End Playing Field• Employed by Panfield Parish Council• Employed by Salings Parish Council• Board Member of Eastlight Community Homes
Steve Brightwell Sustainability Committee	<ul style="list-style-type: none">• No Declarations
Jodie Cunnington-Brock Sustainability Committee	<ul style="list-style-type: none">• Employed by NP Law
Ian Pinches Audit and Risk Committee	<ul style="list-style-type: none">• Shareholder of Orwell Housing• Non-Exec Board Member of Orwell Housing• Independent Member of the Joint Audit Committee for the Office of the Police & Crime Commissioner for Cambridgeshire & Peterborough
Kate Slack Service Quality Committee	<ul style="list-style-type: none">• Shareholder in Broadland Housing Association• Trustee of Broadland Meridian• Self-employed Artisan Baker• Self-employed Researcher• School Governor for East Harling Primary School• Co-Chair of the Full Governing Board at East Harling Primary School

Company Information

- Regulator of Social Housing Registration No: LH4412
- Co-operative & Community Benefit Society Registration No: 32427R
- VAT Registration No: 831 2392 50
- Registered Office: Saffron Barn, Swan Lane, Long Stratton, Norwich, NR15 2XP

Bankers:

- Barclays Bank plc, 1 Churchill Place, London E14 5HP
- The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL
- National Westminster Bank Plc, 135 Bishopgate, London EC2M 3UR

Solicitors:

- Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES
- Spire Solicitors, 36-40 Prince of Wales Road, Norwich, Norfolk NR1 1HZ
- Devonshires Solicitors LLP, 30 Finsbury Circus, London, EC2M 7DT
- Howes Percival, Flint Buildings, 1 Bedding Lane, Norwich, NR3 1RG

External Auditors:

- Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Internal Auditors:

- TIAA, Artillery House, Fort Fareham, Newgate Lane, Fareham, PO14 1AH

If you need information in this report in a different format such as a hard copy, large print, easy read, audio recording or braille, email info@saffronhousing.co.uk or call 01508 532000 and we will come back to you within 10 working days.

Contact Details

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