



Annual Report & Financial Statements

*This report covers the period
1 April 2023 to 31 March 2024*

Co-operative and Community Benefit
Societies Act 2014 Register No. 32427R



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Welcome

to our review of 2023/24



James

Kim

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

Our 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 third year in a row. The prestigious award recognises organisations as being world-leaders for demonstrating high health and safety standards.

Since our last Annual Review, we have introduced new metrics to strengthen our approach to managing performance. We continue to see strong performance in all areas of property compliance so that tenants continue to feel safe in their homes.

We reached our SAP (Standard Assessment Process) target rating reinforcing our commitment to providing energy efficient homes for all tenants. We completed our target number of new homes and repurposed more than our target reinforcing our pledge of providing new, safe, high quality and affordable homes.

However, in line with the rest of the social housing sector we know there is still work to do, and improvement is underway in targeted areas including the time it takes for us to respond to complaints. Sector wide metrics have highlighted reduced

satisfaction with complaints as the Housing Ombudsman Code beds in and we have put in place quality assurance reviews and further training for colleagues to learn from complaints, focusing on a more proactive and bespoke approach to complaints.

With the biggest change to Regulation for over a decade, and the launch of new Consumer Standards, we have evolved our strategic intent to ensure that "every tenant deserves the best possible home and service."

The new Tenant Satisfaction Measures (TSMs) are a vital component of Consumer Regulation and are being reported by all landlords to the Regulator for Social Housing. We have captured our first full year of results, and consistent with the rest of the sector are seeing some strengths and areas for improvement. Although sector medians are largely down, we are seeing some areas where we are doing well such as safety, listening to tenants and treating tenants fairly. But we are also learning and taking insight from measures that require improvement, such as complaints, the time frame for completing repairs and the upkeep of communal areas.

We have had much to celebrate over the past year including completing the installation of energy-saving measures in 126 Saffron homes as part of the government's Social Housing

Decarbonisation Fund. Our teams worked hard to achieve the milestone of completing the Wave 1 project. Alongside our partners from Independent East, a network of East of England providers who come together to create greater value, we were delighted to secure over £4.7m from the Fund to carry out a second wave of improving the standard of 434 homes, also taking them to EPC C or above.

We have strengthened our commitment to partnership working, collaborating with local organisations to achieve positive outcomes for the community. We entered our third year of positive partnership working with social enterprise Your Own Place as we delivered workshops for Norfolk residents including Saffron tenants during the past year, helping them to build on their skills in areas such as cost of living support, housing and tenancy. Through Saffron's investment, 43 individuals have been supported by receiving one to ones, check-ins, and attending their workshops, enabling and supporting tenants with skills for life to improve tenancy sustainment and prevent homelessness.

In November, our Independent Community Living scheme, Swallowtail Place, in Acle, celebrated its first year. We are immensely proud of the scheme which offers 58 apartments to people over 55. We continue to receive lots of positive feedback from residents, their families, and staff.

Over the last year we started to welcome tenants to our new 90-home development, Lavender Meadow, in Wymondham - a community of affordable, safe, high quality homes we hope will continue to flourish. We were also granted planning permission for 461 new homes in Harleston, including 151 affordable general interest homes and 107 affordable Independent Community

Living Plus homes, which we are very excited to see come to fruition.

As part of our commitment to strengthen tenant data and access we worked with a leading specialist from the University of East Anglia (UEA) to conduct a communications accessibility review. Collaborating with colleagues and tenants, this important project has seen us develop an action plan to strengthen the accessibility of communications.

As we update our objectives for 2024/25, our focus will be on maintaining investment on our existing homes, continuously improving service quality and supporting tenants. Against the backdrop of cost of living challenges for tenants and colleagues, as well as cost inflation for the organisation, we are identifying and implementing ways to run and fund saffron more effectively so we can increase the number of pence in each rent pound to improve existing homes, which began at 17p in 2021/22 and which we are aiming to get to 33p before 2030.

This will enable all homes to be at least EPC C which, alongside tenant satisfaction of at least 90% and world class colleague engagement, are our ambitions for 2030.

Kim Newman – Chair

James Francis – CEO



£4.7m
secured to carry
out a second wave
of improving the
standards of 434 homes

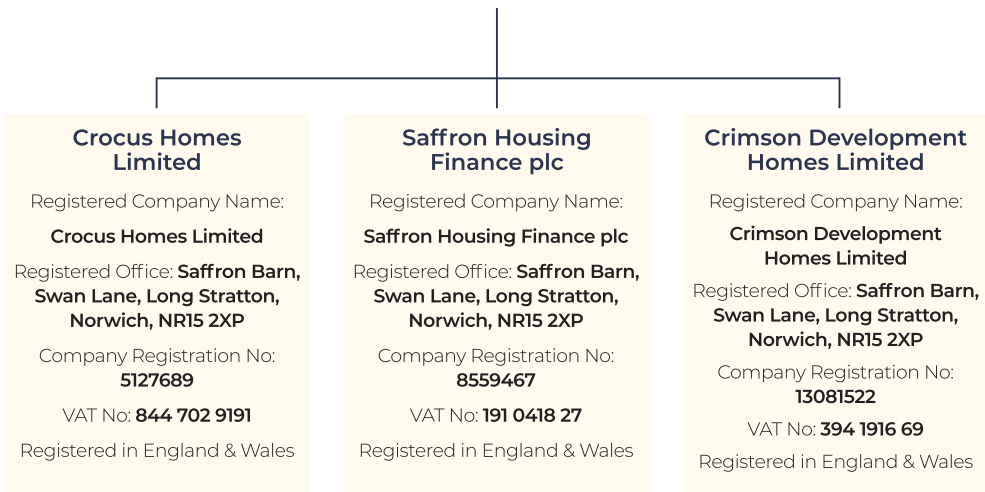


Group Structure

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 (Register Number 32427R).



Registered Office:
Saffron Barn, Swan Lane, Long Stratton, Norwich NR15 2XP
VAT No: 831239250
HCA Registration No: LH 4412



Our new development in Wymondham.



Board Members and Officers

Saffron currently has 10 Shareholders, who are all Members of the Saffron Housing Trust Board. The Chief Executive Officer is not a Shareholder.



Kim Newman
Chair of Saffron Housing Trust Ltd

Chair of Saffron Housing Finance plc

With a background as a surveyor, Kim's career progressed into procurement, commercial management, business strategy, continuous improvement, change and transformation and partnership development.

Kim is now the founder and Managing Director of PML, a specialist Business

Change and Property Services Consultancy working mainly within the Social Housing, public sector, and commercial property sector. 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.

As a Non-Executive Director, Kim was also a Board Member of Orwell Housing Association from 2015 and was Chair of the Board from 2019 to 2023 and she is also a Director of two residential management companies for the Fellowes Plain Development in Norwich.



Rob Lankey
Senior Independent Director

During a 35-year career spanning banks, building societies and specialist lenders, Rob has started 4 new lending businesses

and developed skills in risk management, operations, business growth strategies and leadership.

Rob is also a trustee of a charity providing help to Armenia and has over 22 years' experience of being a Board Director of a housing association where he held senior positions in Audit and Finance and Treasury Committees. Rob was appointed Senior Independent Director in February 2024.

Rob is also a Member of the Audit and Risk Committee and Sustainability Committee.



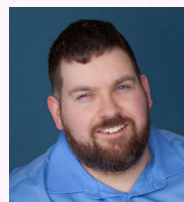
Asha Cleavelly
Board Member

Chair of Crimson Development Homes Limited

Asha has extensive financial services industry experience including commercial banking, insurance, retail banking, markets, regulation, change and financial management. During his career, he has

managed global direct and indirect teams in the UK, Hong Kong, China, India, Singapore, mainland Europe, and the Americas. As well as a Non-Executive Director for Saffron, Ash is a member of the People, Nominations and Remuneration Committee, and the Chair of Crimson Development Homes Ltd.

Ash is an alumnus of the Yale University School of Management Accelerated Management Programme and a member of the Chartered Management Institute. Ash is also trained in LEAN, PRINCE2 & Agile.



Thomas Fadden
Board Member

Chair of the People, Nominations & Remuneration Committee

Tom is a disability equality, access and inclusion consultant based in Norfolk. He has been a Saffron tenant since 2013. Working in the third and commercial sectors for over a decade, he has focussed on disability rights, access, social housing, and community inclusion. He is Chair of the People, Nomination and Remuneration Committee at Saffron. Alongside his commercial experience, Tom has spent

many years helping to set up and run peer support groups for disabled people, their families and personal assistants. Additionally, Tom regularly volunteers at the Human Library organisation, which helps challenge stigma, stereotypes and prejudice by facilitating conversations between people from different backgrounds.

Tom holds a degree in Business Management and an MSc in Brand Leadership from the University of East Anglia. With his mix of commercial and voluntary sector experience, Tom hopes to make a positive contribution to the governance and strategic direction of Saffron Housing, ultimately ensuring much-needed social housing remains available for many years to come.



James Francis
Board Member and Chief Executive Officer

Appointed CEO in Spring 2019, James has overall responsibility for the performance, direction, and reputation of Saffron.

Over this time, he has worked closely with tenants and community leaders to create

and evolve 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 continues his 2 years term as Chair of BuildEast, a partnership of 15 housing associations across the East of England, that commenced in 2022.

James is also a Member of the Service Quality Committee and Sustainability Committee.



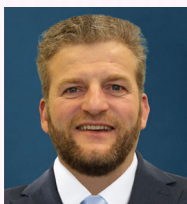
Alison Inman
Board Member
Chair of Service
Quality Committee

Alison is Past President of the Chartered Institute of Housing. She is Chair of Tpas, the social housing engagement experts

and Co-founder of SHOUT, the social housing campaign group.

Alison is also a board member of Procurement for Housing and Balkeke Gardens Trust, a small housing and care charity in Colchester, where she lives. Alison is the Chair of the Service Quality Committee at Saffron.

Alison was awarded an OBE in the 2017 Birthday Honours list for services to social housing.



Michael Jolly
Board Member
Chair of Audit and
Risk Committee
and Interim Chair of
Crocus Homes Ltd.

Mike has 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.

He graduated from Britannia Royal Naval College and is highly skilled in International Business, Account Management and Business Relationship Management.

Mike is the Chair of the Audit and Risk Committee for Saffron, and Chair of Crocus Homes Limited.



Tallia Langston
Board Member
Member Responsible
for Complaints

Tallia is a Tenant Board Member; she's been a Saffron tenant since 2013. Tallia's professional career began in primary education; she stepped down from teaching when she became disabled.

She describes her return-to-work journey as "a lesson in acceptance and perseverance".

Tallia is also an NHS Governor for her local NHS Mental Health Trust, a Board Member for an independent board facilitated by Norfolk County Council that supports co-production of Social Care Services, and a shareholder and volunteer for a Community Cooperative Farm and Pub.

In November 2023, Tallia was appointed Saffron's Member Responsible for Complaints (MRC). Tallia is also a Member of the Service Quality Committee.



Jason Margetts
Board Member
Chair of
Sustainability
Committee

Jason has held board positions across the built environment and has specialist knowledge in property development and decarbonisation. He was a Trustee of the Chartered Institute of Building 2013-16.

Until January 2022 he was Production Director at Berkeley Group plc, where he received two RoSPA Awards, and led across a number of delivery aspects including securing land acquisitions and delivering s106 agreements. He previously worked as Construction Project Director for AGR Renewables Group, a renewable energy development company.

Over the past two years Jason has been working across a number of start-up businesses and high net worth individuals developing high profile and complex projects in central London. Jason is Chair of Sustainability Committee.



Jayne Sharma
Board Member

Jayne has extensive experience in Technology and Transformation, including responsibility as the Chief Information Officer (CIO) for Aviva's Group Services. She has over 7 years' experience of operating at Board level in a complex, regulated organisation, and membership of Group Executive Meetings, Risk and Audit Boards.

As a global technology and transformation leader, Jayne has successfully delivered

digital, cloud, cyber, network and unified communications technologies in line with group strategies. Jayne has experience working and influencing risk, finance, and regulatory bodies, leading teams of up to 1000 people, and contracting with suppliers.

Jayne is passionate about creating a working environment with diverse leadership, thinking and acceptance, and successfully led the Diversity, Equity and Inclusion work across Aviva's global technology, collaborating with partners in the Financial Services and Technology industries. Jayne is also a Member of the People, Nominations and Remuneration Committee.



Neil Watts
Board Member

Neil's son has been a Saffron tenant since 2014 and lives in a shared house in Suffolk.

Neil is currently on the Board of the Personal Finance Society, and is a Member of the St Edmundsbury and Ipswich Diocesan Multi Academy Trust.

Previously, he was a secondary school headteacher in Suffolk for 21 years, a founder member of the Board of Ofqual, on the Foundation Board of the University of Suffolk, and a lay member of the Architects Registration Board. Neil is on the Board of Crocus and a Member of the Audit and Risk Committee.



Independent Committee 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

Steve Brightwell, Independent Sustainability Committee Member

Jodie Cunnington-Brock, Independent Sustainability Committee Member

Consistent with our Equality, Inclusion and Diversity Strategy, we have focused on strengthening the profile of our Board and Committees to reflect the diversity and breadth of our tenant base. The table below outlines the current data for Board and Committee composition.

Ethnicity	Gender	Disabled People	Lived Service Experience
White (English / Scottish / Northern Irish / British): 91.7%	Female: 33.3% Male: 66.7%	Yes: 17% No: 58% Not disclosed: 25%	Tenants nominated to the Board: 25% Members who have lived in Social Housing: 45%
White & Black Caribbean: 8.3%			

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, we also consider socio-economic circumstances, locality, background, breadth and diversity of voice and lived experiences, specifically encouraging Board applicants from a range of different groups to ensure inclusion.

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



Chief Officers



James Francis
Chief Executive Officer and Board Member

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, which was one of the sectors first co designed structures for tenant influence and engagement.

For the 9 years before joining Saffron, James held Board-level Finance Director roles at g15 Housing Groups. James continues his 2 years term as Chair of BuildEast, a partnership of 15 housing associations across the East of England, that commenced in 2022.



Julia Prichard
Chief Tenant Officer

Julia joined Saffron as Chief Tenant Officer in January 2024 and will lead Saffron's end to end tenant services, including asset management, the direct labour

organisation, contact centre, tenant insight and engagement.

Julia is an experienced housing executive, with a successful track record of leading strategic and operational functions within the social housing sector.

She has a wealth of sector leading expertise from her 21-year housing career, including Places for People where she played a pivotal role in leading customer experience and insight across the whole of their 500,000 customers and 12,000 colleagues.



Iain Innes
Chief Commercial Officer

Iain joined Saffron in 2018. He is responsible for Saffron's Finance as well as the

Affordable and Market Sale Development programme. 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.



Malcolm O'Brien
Chief People and
Change Officer

Malcolm joined as Chief People and Change Officer in December 2023 and has responsibility for Governance, IT, Data, Change, People, Workplace and Communications.

Malcolm is a seasoned executive with more 20 years' experience in the sector at Executive and Board level. Malcolm has a real passion for creating an organisational culture where people can feel they belong and have the tools and support to deliver great things.

He has led several high-profile change programmes across the sector, including mergers, integration and union negotiations.

Company Secretary



Tom Riches
Governance &
Risk Manager

Tom joined Saffron in 2010 after graduating from University with a BA Honours degree in Business and Management. Tom started his Saffron career in Human Resources where he gained a Level 7 CIPD qualification. After a spell of being Support Officer to the Executive Team and a secondment to PlaceShapers (A national network of 100 place-based

housing associations) as a researcher and analyst, Tom moved into Governance in 2017 and gained his Institute of Chartered Secretaries and Administrators (ICSA) qualification in 2019. Tom was a finalist in the Housing Heros Awards for Career Development and was placed in the in the Top 30 Young Leaders in the sector by 24 Housing Magazine.

Tom supported Saffron in regaining its G1 regulatory grade in 2020 and retaining this grading to date. Tom has been Company Secretary for Crocus Homes Limited (Subsidiary Company of Saffron) since 2018 and was appointed Company Secretary of Saffron Housing Trust Ltd in September 2023.



Inspiring Saffron Strategy

Our strategy for 2023/24 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 our board continue to set annual objectives within the strategy.

The Board's risk appetite remains unchanged in that, when 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 Tenant Scrutiny Groups.

We are in the process of shaping a new Service improvement framework that will enable us to understand the experience of tenants and adapt our policies, processes and service accordingly.



2023/24 Inspiring Trust Objectives

Work with colleagues, data, and tenants to continuously improve service quality.	We have developed a new Complaints dashboard to enable real-time root cause analysis. We have engaged with TPAS to support the delivery of our Tenant and Resident Engagement Strategy.
Consult residents on maintaining communal areas.	We have undertaken a series of neighbourhood audits. We have two new working groups - Green Spaces, GIS Mapping.
Set aside 1% of rent to help tenants access the support they need to maintain their tenancies.	We have developed a new Complaints dashboard to enable real-time root cause analysis. We have engaged with TPAS to support the delivery of our Tenant and Resident Engagement Strategy.
Continue to grow our Saffron Community Membership and embed community member engagement, involvement and influence.	We have enhanced our tenant involvement delivery through introduction of; TC&S Group / TSG / Community Triangles.
Ensure all communications are accessible to all tenants.	We undertook an accessibility review that led to our Accessibility Action Plan (monitored through the new Service Improvement Framework). We have introduced web accessibility tools including Reachdeck Editor, TextHelp and INTRAN.

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. We also recognise the need for more homes so will continue to develop affordable and sustainable homes across our core areas.

2023/24 Inspiring Community Objectives

Maintain our investment in improving homes at 23p of every rent pound, a 6p increase compared to 2021/22.	Our spend was 21p of every rent pound due to delays in mobilising Wave 2 of SHDF programme.
Increase the average SAP rating of tenants' homes to 73.	We have an average SAP rating at 73 in our homes.
Proactively bid in partnership for further decarbonisation funding.	We have made Successful Wave 2 bid as well as successfully collaborated with HACT on the decarbonisation of our homes.
Work with partners to meet the increasing need for temporary housing.	We sold Clare House to South Norfolk District Council for temporary housing in line with our disposal strategy, whilst supporting our stakeholders in the provision of temporary accommodation.
Complete 133 new homes in 2023/24, including 62 homes in Wymondham.	We have built 157 new homes, including 72 homes in Wymondham.

Inspiring Organisation

Purpose - A place where people want to work and can flourish.

As an inclusive and attractive organisation to work with and for, we want to grow our

levels of employee engagement so that we attract and retain the best talent. We want to ensure we can demonstrate behaviours in line with our P.A.C.E. values. (Professional. Accountable. Collaborative. Evolving).

2023/24 Inspiring Organisation Objectives

Continue to increase colleague involvement through the creation of a colleague forum.	We have created a new staff forum Terms of Reference and members have received relevant training.
Design a service delivery model that delivers a positive tenant experience.	We have yet to make progress on this as we paused to focus on building TU and staff forum relationships ready for future change.
Ensure colleagues are rewarded fairly and in line with the market.	We have rolled out a new Market pay model and started consultation about our pension offer with employees.
Create a culture that enhances, improves and embeds Equality, Diversity and Inclusion, working with colleagues and partners.	We have expanded the role of the staff forum to help us make progress in this, including preparing for reaccreditation to the disability confident employee standard.
Reset our future approach to technology and data as enablers of the Inspiring Saffron Strategy.	Our newly established Data team alongside our expanded change team have established reporting protocols, data cleansing and enhanced our change capacity and capability.



Key Performance Indicators 2023-24

Key Result - March 2024

Complaints responded to within Complaint Handling Code timescales (Stage 1(S1)/Stage 2(S2) split) = S1 Low Cost Rental Accommodation (LCRA) = 98% S1 Low Cost Home Ownership (LCHO) = Nil Return S2 LCRA = 0% S2 LCHO = Nil Return	Tenants - accidents & near misses (Qtr) = 0
Overall satisfaction = LCRA = 72% LCHO = 80%	Reports of Category 1 damp and mould not yet resolved at end of Period (with split) = Received 5 / Outstanding 5
Homes that do not meet the Decent Homes Standard = 0.69%	All reports of damp and mould not yet resolved at end of Period (with split) = Received 37 / Outstanding 306
Gas safety checks = 100%	Terminations in Period = 52
Fire safety checks (FRAs) = 100%	Re-let times - general needs = 53.65
Asbestos safety checks = 100%	Number of affordable homes = 6,714 - 3,162 General Needs Properties for Social Rents, Supported Rooms and Over 50/Over 60 Properties - 2,219 General Needs Properties for Affordable Rents and Local Housing Allowance - 590 Housing with Care and Sheltered Properties - 118 Independent Community Living Properties and Rooms - 177 Intermediate Rent Properties - 261 Shared Ownership Properties (Including 76 HOLD Properties) - 187 Shared Equity Properties.
Water safety checks = 100%	
Lift safety checks = 100%	
Overall satisfaction (transactional) = 71.6%	
Arrears = 2.36%	Number of new affordable homes completed during year = 157
Occupancy = 99.37%	Number of homes sold on the open market* during the year = 49
Number of empty homes at end of period = 50	Number of Total Property Management Surveys older than 6 years = 1,091
Electrical testing (5-year policy limit) = 100%	Average Standard Assessment Procedure (SAP) rating = 73.05
Housing Health and Safety Rating System Category 1 Failures = 0	Existing Stock: Increase 'C' rated = 65.7%

*These are homes that are no longer fit for purpose, and by selling them it allows us to buy and develop new, better quality, efficient stock.

Value for Money Strategic Objectives

We met the following Value for Money Strategic Objectives/ Key Performance Indicators in 2023/24:

<p>Average Standard Assessment Procedure rating of 73</p> <p> We achieved 73.05</p> <p>Deliver Budget maintaining Arrears within 3%</p> <p> We delivered a surplus £1.5m in excess of our budget and rent arrears of 2.36%</p>	<p>Complete 116 New Homes</p> <p> We developed 157 New Homes</p> <p>To reduce complaint escalations by 15% (Stage 1 Complaints) and 20% (Stage 2 Complaints)</p> <p> Number of complaints escalated = 4%</p>	<p>Number of homes repurposed 30</p> <p> We achieved 49</p> <p>Number of homes increased to Energy Performance Certificate rating C or above 63.3%</p> <p> We achieved 65.7%</p>
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In keeping with the complexity of the operating environment and consistent with the sector we are still working to strengthen the following VFM strategic objectives.

Inspiring Trust

Complaints responded to within Complaint Handling Code timescales

Stage 1 - 89.4 %. Stage 2 - 91.7%. Sector median for stage 1 is 85% and stage 2 83.3%

We have seen a positive and consistent improvement in our compliance with timescale to respond to complaints, significant strides have been made to improve through introduction of new quality assurance reviews.

The changes within the revised HOS Complaints Handling Code (1st April 2024) have been widely communicated and more training provided which will further improve and embed a positive complaint handling culture.

Continued on page 21.

Overall Tenant Satisfaction

72% against a sector median of 69.4% (source Housemark).

Across the sector, satisfaction levels are down almost 10 percentage points since pre pandemic (Housemark). The pattern of perception rates across the UK shows just 1 in 5 landlords recording a real improvement. Saffron Tenant Satisfaction Measures (TSM) analysis indicates trends of dissatisfaction which correlate to our complaint root causes. TP03, Repairs Completion Time stands at 65.1% satisfaction.

Key themes indicate that repairs timeframes drive dissatisfaction, and this is compounded by not communicating with tenants in a timely way to provide updates about next steps for complex, follow on repairs.



Inspiring Community

Repairs Right First Time

We achieved 82.4% with time taken to complete a repair. The sector median, based on Total number of Responsive Repairs completed in month with no need for a second/follow up, is 66.4%

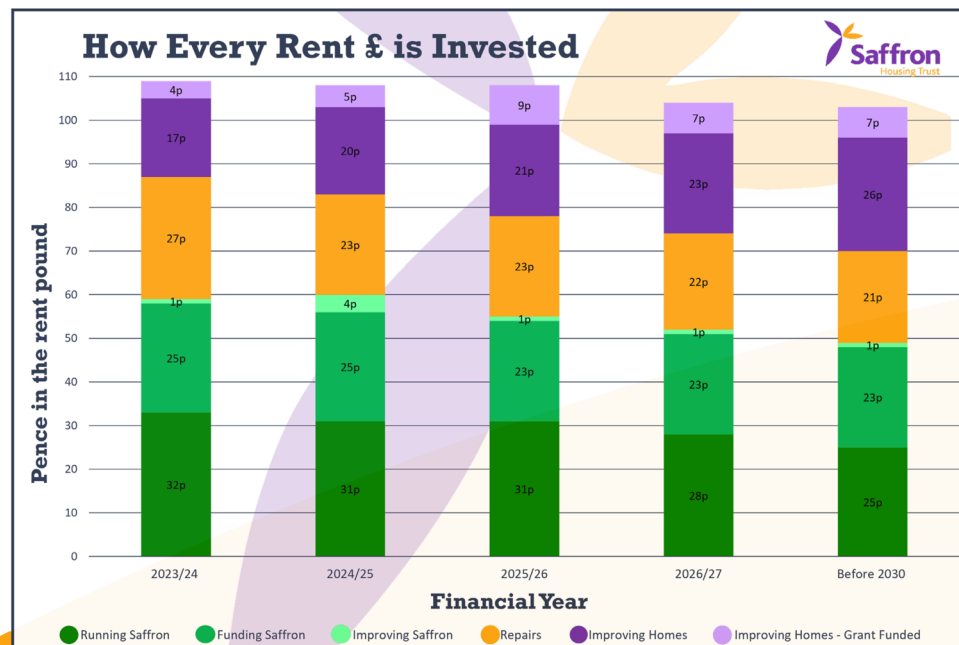
Right First Time figures showed a steady improvement over the course of the year. These averaged 90.1% for the first 11 months of the year until March, which came in lower at 82.4%. This drop was due to issues found during the usage of the Service Improvement Framework (SIF) that identified a number of active jobs within the system. The cleansing of these jobs, which were mainly follow on jobs, meant that the first-time fix rate was artificially low due to the final deactivation of jobs that had had a follow-on job completed.

Total Property Management (TPM) stock condition surveys

During 2023/24 we completed 1,677 stock condition surveys.

Increase in survey numbers has led to a drop in surveys older than 6 years. 1,677 surveys were carried out in 2023-24 which currently places our stock condition surveys on a sub-5-year cycle. We are looking to increase the number of stock condition surveyors to bring us to a survey cycle well within 5 years and much closer to every four years and we are looking to be caught up on numbers by December 2024, and to be within a 5-year cycle by February 2025. We commissioned an external review of our stock condition process in 2023 and received a grade of substantial assurance.

The graph below shows how every rent pound is spent from 2023/24 to how it will be spent by 2030.





Report of the Board including Strategic Risk Register table

Report of the Board

This is the Board's report and audited financial statements for the year ended 31st March 2024. Details of the Board members that served during the year can be found on pages 8 to 12.

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 Standing Orders ensure that the composition of the Saffron Board has Three Tenant Board Members who are nominated by Saffron's Tenant Groups.



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 2023/24.

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. The Board have continued to procure more audit hours than our peers, to maintain extensive independent review.
- 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 Gateways and Golden Rules
- Monthly management information to budget holders and quarterly financial reports to Board
- Reports to Board on performance including building safety compliance
- Reports to the Audit and Risk Committee and 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

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 have identified the need to strengthen controls regarding legal compliance and mitigating actions are in place to further enhance these controls.



Internal Audits undertaken in 2023/24:

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

Internal audits 23/24	Assurance rating
Development of New Homes	Substantial assurance
Voids	Reasonable assurance
Allocations and Lettings	Reasonable assurance
Market Sales Exposure	Substantial assurance
Procurement	Limited Assurance. We are currently transforming our procurement service and moving to a new model
Assurance Review of Asset and Liabilities Register	Substantial assurance
Repairs and Maintenance	Reasonable assurance
Complaints Management	Reasonable assurance

Quarterly Control Validation audits are 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 Head of Internal Audit's Opinion is captured below:

TIAA is satisfied that, for the areas reviewed during the year, Saffron has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Saffron Housing Trust from its various sources of assurance' to the section highlighted in the other document.

assurance across the whole range of an organisation's activities.

The 2023/24 annual report from Saffron's internal auditors sets out the following internal audits and advisory reports:

Saffron's Audit and Risk Committee is responsible for reviewing 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.

Saffron received a limited assurance rating for the Procurement audit during 2023-24. Saffron has put immediate measures in place to increase controls in procurement following this assurance rating, with the support of an external procurement consultant to implement the internal audit recommendations.

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.

Our Strategic Risk Register is reported to the Board on a minimum quarterly basis. The Board's Audit and Risk Committee also

review Strategic and Operational risks and actions being taken to mitigate these, at every meeting.

Saffron's Strategic Risks at 31st March 2024 are summarised in the table below:

Inspiring Saffron Strategy	Risk No	Strategic Risk Title
Inspiring Organisation	1	Failure to comply with legal, regulatory including complaints and health and safety obligations.
Inspiring Organisation	2	Adverse changes in the external environment or government policy direction.
Inspiring Organisation	3	Ineffective management, protection, control and 'use' of data.
Inspiring Organisation	4	Inadequate cyber security solutions increasing exposure to cyber-attacks.
Inspiring Organisation	5	Failure to recruit and retain the right people (Staff/ Board/Contractors/Tenants).
Inspiring Organisation	6	Ineffective Management and delivery of Change.
Inspiring Community	7	Failure to comply with financial obligations, covenants and golden rules.
Inspiring Community	8	Ineffective management and control in the development of new homes in Saffron and its subsidiaries.
Inspiring Community	9	Failure to implement correct processes to maximise income collection.
Inspiring Trust	10	Failure to earn the trust of our Tenants (Monitored through TSM Metrics).
Inspiring Trust	11	Failure to manage Contractor Performance.



The Board reviewed its risk appetite and risk appetite statement during the year, which remains unchanged, and which is as follows:

“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.”

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 below.

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.

Delegations

The Board delegates governance responsibilities to committees, as outlined in the scheme of delegation which have their own Terms of Reference. The committees that were in operation as of 31st March 2024 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. Day to day management is delegated to an experienced Executive Team 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 Executive Team.

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 non-compliance with adherence to all relevant law as of 31st March 2024.

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.

Voluntary Code: Mergers, Group Structures and Partnerships

Saffron adopts the NHF Merger Code. In addition, Saffron has an agreed Merger Position Statement which was approved by the Board in February 2024, setting out its approach and criteria for considering merger and partnership opportunities. Saffron's Merger Position Statement is:

Our focus remains that Saffron continues to be a successful and sustainable organisation on a stand-alone or scalable basis.

Saffron will objectively consider any proposal which meets its agreed criteria:

- Provide a better service for tenants
- Invest more in homes
- Develop more homes
- Improve internal capability
- Maintain or enhance Norfolk and Suffolk community focus

Any merger needs to ensure we can:

- Protect viability and ensure compliance with risk appetite statement.
- Manage distraction risk effectively

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 2024.



Inspiring Community - VFM sector scorecard benchmarking



As part of our commitment to transparency and in line with regulatory requirements we publish evidence to enable stakeholders to understand our performance against Vfm targets, metrics set out by the Regulator and how our performance compares to our peers.

Strategic Objectives

As part of the Inspiring Saffron strategy, the Board have set the strategic objectives for 2023/24. The performance against last year's strategic objectives is shown on page 16-17.

Sector Benchmarking

Saffron participates in sector benchmarking within our Board-approved peer group, using data collected and published by Housemark. The table below shows our performance in these areas compared to the peer group where information is available.

	2023/24 Actual	2023/24 Target	2022/23 Actual	2024/25 Target	Quartile 3	Median	Quartile 1
Social housing units - new supply delivered (absolute)	157	133	124	116	254	165	59
Non-social housing units - new supply delivered (absolute)	8	9	23	30	0	0	0
% respondents very or fairly satisfied with overall service	72.0%	88.0%	75.9%	80%	79.2%	78.7%	77.0%
Occupancy	99.4%	99.4%	99.3%	99.4%	99.78%	99.42%	99.29%
Ratio of responsive repairs to planned maintenance	0.57	0.35	0.32	0.49	0.87	0.66	0.48
Management cost per unit	£846	£816	£824	£924	£1,427	£1,213	£830
Service charge cost per unit	£408	£393	£241	£294	£555	£386	£247
Maintenance cost per unit	£1,489	£1,353	£1,206	£1,492	£2,055	£1,475	£1,172
Major repairs cost per unit	£1,163	£1,277 ¹	£1,052	£1,498	£1,459	£1,062	£973
Other social housing cost per unit	£706	£548	£743	£677	£156	£31	£0
Rent collected current and former tenants as % rent due	97.7%	100.0%	98.8%	100.0%	101.13%	99.79%	99.45%
Overheads as percentage of adjusted turnover	12.6%	12.6%	9.9%	11.5%	13.9%	13.2%	12.2%

Source: RSH Value for Money 2023 benchmarking tool; Housemark

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

¹ 2023/24 target restated gross of grant received for major repairs works in line with RSH guidance.



Regulator of Social Housing Metrics

Alongside our own VfM measures and targets Saffron is required to report annually on performance against metrics defined by the Regulator of Social Housing, detailed in the table below.

	2023/24 Actual	2023/24 Target	2022/23 Actual	2024/25 Target	Top Quartile	Median	Bottom Quartile
Reinvestment	11.0%	10.3%	11.9%	8.8%	10.5%	8.2%	6.8%
New supply delivered (social housing units) %	2.3%	1.9%	1.6%	1.9%	3.0%	2.1%	1.2%
New supply delivered (non social housing units) %	0.1%	0.1%	0.3%	0.4%	0.0%	0.0%	0.0%
Gearing %	63.8%	70.6%	62.8%	62.2%	63.0%	57.3%	43.3%
Interest cover EBITDAMRI	105.9%	121.8% ¹	109.0%	110.2%	168.1%	148.7%	112.1%
Headline social housing cost per unit	£4,613	£4,387 ¹	£4,069	£4,885	£5,209	£4,604	£4,152
Operating Margin SHLs %	21.9%	29.0%	26.1%	25.5%	30.8%	24.6%	19.6%
Operating Margin overall %	24.8%	29.8%	27.1%	27.6%	32.1%	24.1%	19.0%
ROCE	4.3%	4.5%	3.7%	4.4%	3.8%	3.5%	2.8%

Source: RSH Value for Money 2023 benchmarking tool.

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

¹2023/24 target restated gross of grant received for major repairs works in line with RSH guidance.



Commentary on VfM Metrics Where Improvement is Required

All targets are based on Saffron's budget for 2023/24.

Interest Cover – Target 121.8%, Actual 105.9%

The target and actual figures are calculated per the methodology defined by the Regulator for Social Housing (RSH). Under performance against target was mainly due to the impact on operating surplus of higher routine property maintenance costs and overheads, with interest costs remaining in line with target.

In addition, Saffron has been undertaking a review of service charges, resulting in a one-off adjustment to the accounts. Without this loss on service charges, this interest cover would have been 113.7%.

The interest cover variant calculated for Saffron's most restrictive loan covenant was 173.2% (181.6% without the above adjustment) vs. a target of 175.4%. The covenant calculation allows decarbonisation, fire safety and aids and adaptations costs to be excluded and includes surpluses from property disposals.

Adverse variance to target for these metrics is due to higher responsive maintenance costs in line with the rest of the sector. Supply chain and labour cost increases, and increased operating costs, are also consistent with sector trends. In addition to this, these metrics have also been affected by the one-off service charge adjustment. Overall, Saffron operating margin is higher than that for social housing lettings due to the contribution of higher-margin shared ownership property sales.

Metrics excluding the one-off adjustment are as follows: Headline Social Housing Cost Per Unit: £4,501, Operating Margin (Social Housing Lettings): 23.8%, Operating Margin (Overall): 26.5%.

Further details on variances are given in the commentary to follow.

Maintenance Cost per Unit – Target £1,353, Actual £1,489

Higher-than-target costs were driven by increased responsive maintenance expenditure, including the use of specialist contractors for urgent reactive works (such as damp, mould and asbestos removal), and works on void properties and grounds maintenance (with storms increasing the need for arborist and ditch clearance services). Increased spend has largely been driven by inflationary pressure on prices.

Ratio of responsive repairs to planned maintenance – Target 0.35, Actual 0.57

This ratio was adversely affected by the over-budget spend on routine maintenance combined with slower-than-anticipated completion of contracts associated with the Social Housing Decarbonisation Fund (SHDF).

Other social housing cost per unit – Target £548, Actual £706

Saffron incurred higher-than-target costs on consultancy during the year from additional business improvement activities (such as the work being undertaken on service charges which will generate a return on enhanced recovery) and the continuation of planned organisational change activity. In addition, Saffron has experienced increases to recurring costs in line with macro-economic trends such as insurance, maintenance agreements and subscriptions. The target cost for 2024/25 has been increased to £677 per unit to reflect known cost increases and in line with overall cost inflation trends.

Related to the increase in other social housing costs, the management cost target

for 2024/25 has been uplifted to £924 per unit (2023/24 actual: £846) reflecting the investment in staff to embed enhanced systems and processes, which will lead to improved efficiency, effectiveness and economy of operations in the medium to long term.

% respondents very or fairly satisfied with overall service – Target 88%, Actual 72%

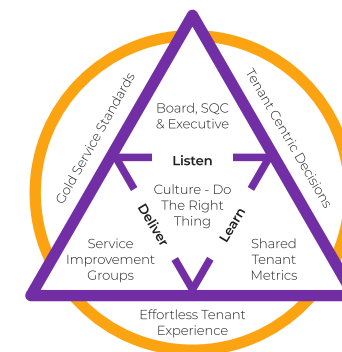
Across the sector, satisfaction levels are down almost 10 percentage points since pre pandemic (Housemark) with the sector-wide median position being published in June 2024 at 69.4%.

We have strengthened our reporting and trend analysis; Saffron Tenant Satisfaction Measures analysis indicates trends of dissatisfaction which correlate to our complaint root causes. TP03, Repairs Completion Time stands at 65.1% satisfaction. Key themes indicates that repairs timeframes drive dissatisfaction, and this is compounded by not communicating with tenants in a timely way to provide updates about next steps for complex, follow-on repairs. Although repairs completion time is below our internal target, it is close to the sector-wide median of 66.4%.

We are working in partnership with Your Own Place to run interactive focus groups with Saffron Community Members and Tenant Satisfaction Measure respondents, targeting the lowest-scoring TSM areas.

These sessions will review TSM results, understand expectations, perception and explore resolutions. The results will feed into our Service Improvement Framework.

Service Improvement Framework



Our Inspiring Saffron places tenant voice at the centre of service design and decision making. Our Service Improvement Framework (SIF) embeds this strategic approach and drives transparency, influence and accountability. It is aligned to our Objectives and Key Results ensuring operational and performance visibility for the Board and Executive team.

The Service Improvement Framework connects our governance, management, colleague, stakeholder and tenant structures and ensures a cohesive approach to the delivery of our strategy and service improvement priorities.

Through embedding the framework we listen, we learn, we improve and work together with tenants to use data, insight and sentiment to inform our thinking and improve tenant experience.



Return on Assets

Asset Type	2024	2023*	*2023 comparatives restated to align with cost allocation methodology used in 2023/24.
Social and Affordable Rented	25%	28%	
Supported & Housing for Older Persons	-5%	5%	
Shared Equity/Shared Ownership	67%	67%	

Return on assets is defined as Saffron's operating surplus on social housing lettings as a percentage of turnover, for each asset class. Overall return on capital employed (ROCE) was 4.3% and can be seen within the VfM metrics on page 31. This puts Saffron in the top quartile of its peer group and above the median of 2.8% for the whole sector (Source: Housemark, 2022/23).

Saffron's principal activity is to provide rented accommodation at social and affordable rents. The return on assets in this segment has seen a year-on-year reduction from 28% to 25%. Key drivers for this were increases in maintenance spend (up 27% from prior year) due to high levels of void property repairs, damp and mould and asbestos removal, and compounded by inflationary increases in contractor spend. Other costs also increased significantly (up 29% on prior year), reflecting increases in

recurring costs such as insurance but also non-recurring expenditure on business change and compliance initiatives.

Returns on Supported and Housing for Older Persons are showing a negative ROCE of -5% for 2023/24, following a one-off adjustment resulting from a review of service charges (see VfM section). Without this adjustment the 2023/24 ROCE would have been 8%, an improvement from prior year on a like-for-like basis.

Shared Equity and Shared Ownership homes provide a high rate of return since Saffron does not routinely 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.



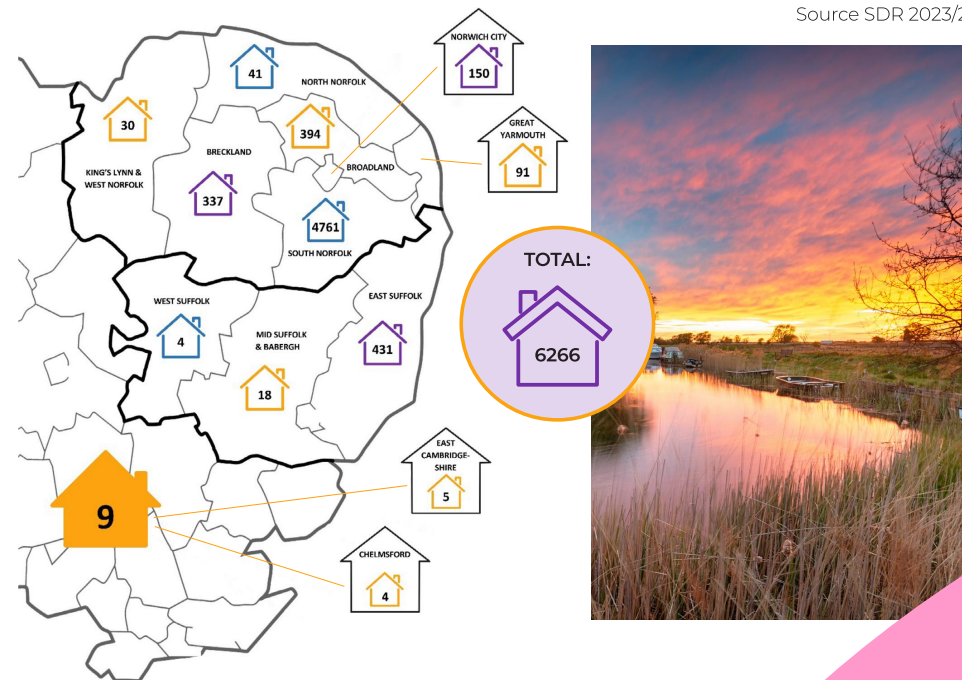
A few of our van fleet

Location of our Homes

Local Authority	Total
South Norfolk - E07000149	4,761
Breckland - E07000143	337
Broadland - E07000144	394
Chelmsford - E07000070	4
East Cambridgeshire - E07000009	5
East Suffolk - E07000244	431
Great Yarmouth - E07000145	91
King's Lynn and West Norfolk - E07000146	30
Mid Suffolk - E07000203	18
North Norfolk - E07000147	41
Norwich - E07000148	150
West Suffolk - E07000245	4
Total	6,266

General needs	Supported Housing/Housing For Older People	Intermediate rent	Affordable Rent	Total
3,152	708	178	2,228	6,266

Source SDR 2023/24





Development of our Homes

2023/24 saw us complete a total of 157 new homes across 5 different Local Authority areas comprising of 51 homes for Social Rent, 73 for Affordable Rent and 33 for Shared Ownership. These include 72 new homes at our Lavendar Meadows development in Wymondham which with a total of 90 new homes, is Saffron's largest land-led development to date. With a Business Plan Target of 133, we have seen over delivery in part due to an accelerated build programme at Wymondham.



We continue to grow our development pipeline having acquired land for 72 new homes and having contracted on 136 homes through developers' S106 contributions in the past year. Work has begun on our 151 homes scheme at Mendham Lane, Harleston with first homes expected to complete in late 2024/25.

Our 5-year development programme is in a strong position to deliver our adopted business plan targets of 100 rented homes a year in spite of a challenging national and regional market. Although build cost inflation has slowed considerably we are still seeing the impact on scheme viability on previous years' increases. Changes to

building regulations and the costs of Nutrient Neutrality mitigation have led to further financial pressures on development viability. Having a strong 5-year programme in place has helped to reduce some of the impact of the current market cost pressures.

The year has seen us continue our relationship with Homes England through Orbit Homes as part of their Strategic partnership, securing a grant for 177 homes through the Homes England Strategic Partnership 2. All 177 homes are identified and we are working with Orbit and Homes England to secure further funding.

Crocus Homes Limited

Performance for 2023/2024 has built on the success of 2022/2023 in what has been a challenging period for the industry.

Crocus Homes have invested in both its staffing structure and systems to align itself to a commercial housebuilder, including the step change to direct procurement.

Direct procurement will protect the business against spikes in cost inflation, concerns around financial instability and general performance levels experienced from awarding Build Contracts to Main Contractors.

The brand and reputation continues to evolve with customers and stakeholders recognising that Crocus Homes can offer a different approach to many of their competitors and as an outcome, delivering exceptional results. The growing reputation has seen successes in securing land for new homes which has meant that Crocus Homes have invested considerably during 2023/2024 (and 2022/2023) in their landbank/pipeline. 2023/2024 performance in this operational area has ensured that the Crocus and Saffron Board's desire to move to completing 60 homes annually within the current 5 year Business Plan, is achievable.

Key highlights:

- Exceeded annual operating margin target of 25.5%, ending the year at 26.2% for their non-charitable activities.
- Income for 2023/24 of £3.9m vs £6.2m Budget and Operating profit for 2023/24 was £1.02m, £0.56m below budget of £1.58m – the shortfall due to homes awaiting sales to be legally completed. Individual development sites continue to meet or exceed target profit levels.
- Legally completed on the sales of 5 private homes and 3 new affordable homes for Saffron (8 in total).
- Pipeline consists of 570 private homes where Planning Applications or Consents have been realised, with a long-term strategic land position also secured on other potential development sites.

Crocus Homes continue to achieve exceptional customer satisfaction, which is measured via an annual year-end survey, with 2023/24 at 91% (90% in 2022/23).

Crocus continue to support local communities through their charitable donations which has included support across all active and upcoming developments, which remains an important focus for the business as it grows.



90
new homes at
Saffron's largest land led
development, Lavendar
Meadow in Wymondham



Responsive Repairs, Sustainability, Investing in Existing Homes

Average rating across our homes is category 'C' with a SAP (energy performance) rating of 73.05 (1=worst, 100=best). This is an increase from the end of 2022/23 which finished on 72.31.

65.7% of our housing stock (4007 homes) holds a minimum EPC asset rating of

Category 'C' or above. This is equivalent to a SAP rating of 69 or above. 2022/23 finished with 61.77% of homes being 'C' rated or above. Therefore, steady progress is being made. As we move forward with decarbonisation, we will be looking to have all homes to a minimum SAP asset rating of 'C' by 2030.

During 2023/24 we installed the following:

- 90** heat pumps, with **49** completed via the Social Housing Development Fund (SHDF)
- 114** properties had high performing, low U-Value, windows installed with **46** properties being installed via the SHDF
- 219** condensing boilers installed, mainly planned installs replacing poor efficiency boilers
- 70** properties had their ventilation assessed via the SHDF
- 152** high performance external doors have been installed, with **54** installed via the SHDF
- 59** fire doors have been upgraded
- 274** properties have had their insulation improved, with **72** being completed via the SHDF
- 27** properties have had solar photovoltaic (PV) panels fitted to generate electricity from sunlight. These were installed under the SHDF programme

Investment in Existing Homes

During 2023/24 we invested £6.49m in our existing homes, with £1.32m coming back into the business via grant funding agreements. The table below shows the number of jobs completed for tenants:

Budget Area	Completed Works 2022/23	Completed Works 2023/24
Electrical Rewires	50	86
Kitchen Improvements	106	100
Bathroom Improvements	82	81
Window Replacements	121	68
Roof Replacements	76	76
Door Replacements (inc. Fire Doors)	285	157
Central Heating Replacements	366	328
New Oil Tanks	23	14
Loft Insulation	117	202

In addition to the above, Asset also carried out the following works this year:

Budget Area	Completed Works 2022/23	Completed Works 2023/24
Reactive Repairs	13,690	14,640
Gas Services	6,589	6,467
Air Source Heat Pump Services	1,006	1,324
Electrical Tests	1,572	1,521
Oil Services	2,076	2,056
Solid Fuel Services	67	74
Fire Risk Assessments	215	224
Fire Door Inspections	1,603	2,321
Asbestos Surveys	187	199
Damp Related Works	473	1,035
Smoke Detector Upgrades	872	982
Scheme Legionella Inspections	81	125
Planned Exterior Painting/Works	170	168
Major Scheme Revenue Works	1,686	959
Void Properties Completed	332	391
Void Works Completed	1,505	2,558

As indicated in the table provided, there has been a consistent rise in the total number of tasks completed. Reactive day-to-day tasks saw a 7% increase compared to the previous year's completions, while stock condition surveys conducted via TPM witnessed a growth of nearly 68% year on year.

Appliance servicing saw a rise of over 7%, while compliance-based servicing and works experienced an increase of nearly 18% overall.

Voids properties completed during the year surged by 18% to 391, accompanied by a 70% increase in the volume of works carried out under the voids program.

Works to properties with mould or damp significantly increased in 2023/24. There was a 119% rise in works related to alleviating damp and mould from properties.

This was due to 484 properties being found that contained any form of mould or damp during 2023/24 as Saffron extensively sought out cases through all its surveying and works streams, along with our communication channels that sought to get tenants to report any mould or damp they were aware of. Some of the increases in damp and mould works was born out of longer term works that were noted during 2022/23 including ventilation and heating strategy improvements.



Inspiring Trust – Health & Safety/Compliance

Saffron has delivered strong Health and Safety performance in 2023/24 including the retention of the RoSPA Gold Award for health and safety performance in 2023. The award has now been received for three consecutive years.

The reporting of accident, incidents and near misses continues to improve. Root cause investigation provides opportunity to examine any underlying trends that need to be addressed, and are discussed at the Health, Safety and Wellbeing meetings. These meetings are action focused with all outputs captured as part of our Service Improvement Framework, reportable and accountable into the Service Quality Committee through our Executive and into our Board.

Third party assurance is an important element of our risk management. For key areas assurance the Board requests external audits from time to time to enhance our approach to risk management and assurance. Following an external review of our approach to managing the safety and quality of our homes, by ARK Consultancy, who are a leading provider in this field, to complete a full audit. ARK’s report found an assurance grade of substantial assurance that Saffron meets the required health and safety outcomes of the Safety and Quality Standard.

Our fire safety management has been further strengthened in 2023, with the recruitment of a new Fire Safety Manager and the creation of a new role of Fire Safety Inspector, both roles perform an integral part of our internal training programme, as well as providing guidance and support to the wider Saffron team. This has strengthened our approach and enhanced, robust procedures have resulted in all fire risk assessments and fire door inspections returning to schedule with no backlogs.

The Fire Safety Team, in collaboration with Asset Management, also experienced a notable decrease in the number of outstanding P1 Fire Safety Actions with strengthened mitigation and investment in P1 actions.

The People Safe system used by our operators to ensure lone worker safety was updated to a new Nexus platform. This ensures the system is fit for the future and provides further assurance our staff are safe. The migration was well managed and successful.

There have been 11 staff incidents reported that required a GP/hospital visit with one injury causing an absence from work greater than 7 days. This was reported under RIDDOR. We have received 22 reported incidents from tenants whilst in Saffron properties. All of these have been followed up. There were no fatalities in 2023/24.

There have been six fires in Saffron properties where the fire services attended, of these three were arson attacks, the remainder were accidental. Every fire incident undergoes a comprehensive investigation to ascertain its origin, assess the building’s response, and identify areas for improvement to mitigate future incidents.

Our Safeguarding Statement clearly sets out Saffron’s commitment to raise awareness, create safer environments and ensure that prompt and effective action is taken to safeguard the wellbeing of children, young people, and adults at risk. All staff are undertaking training across the entire organisation in relation to Domestic Abuse as we progress with our Domestic Abuse Housing Alliance (DAHA) Accreditation.

Compliance

Compliance remains strong with all areas apart from Decent Homes, which has seen a dip due to the 68% increase in TPM stock condition surveys, which are proactively identifying a higher volume of fails. We remain committed to an aggressive programme of surveying to improve stock condition overall and is enhancing our asset data and stock condition trends.

We are also delivering essential upgrades to improve the Decent Homes and Housing Health and Safety Rating System (HHSRS) status of our homes.

Area	Target %	Actual %	Direction
Gas	100%	100.00%	↑
Asbestos Management Surveys	100%	100.00%	↔
Electrical Fixed Wiring Inspections 5 years	100%	99.18%	↑
Fire Safety Assessments	100%	100.00%	↔
Passenger Lifts	100%	100.00%	↔
Water Hygiene Management Testing	100%	100.00%	↔
Decent Homes	100%	99.31%	↔
Routine Compliance Visits	100%	99.85%	↑
Fire Door Inspections	100%	100.00%	↔



In 2023
Saffron retained the RoSPA Gold Award for health and safety



Customer Service

Community Foundation

Your Own Place Food hub Project

Your Own Place are an award-winning social interest company based in Norwich who work towards preventing homelessness. They have delivered over 1,100 workshops and some of those have been commissioned by Saffron. They can help people by covering money, housing, tenancy and cost of living support to prevent homelessness. We again have been working with them, but this year they have been based in foodbanks at Diss, Harleston and Wymondham.

Through our investment 43 individuals have been supported by receiving one to ones, check-ins, and attending their workshops – which over the course of the year added up to 94 incidences of engagement. People were supported through the cost-of-living challenges by offering information about money, debts and support, including how to

be more confident in managing money, and also being referred to specialist support.

Life and Progress Tenant Wellbeing and Support Service

We again committed to fund the Tenant Wellbeing and Support Service which is provided by Life and Progress. This is free for tenants. One of the biggest benefits is the ‘in the moment’ telephone counselling by qualified staff which is available 24/7.

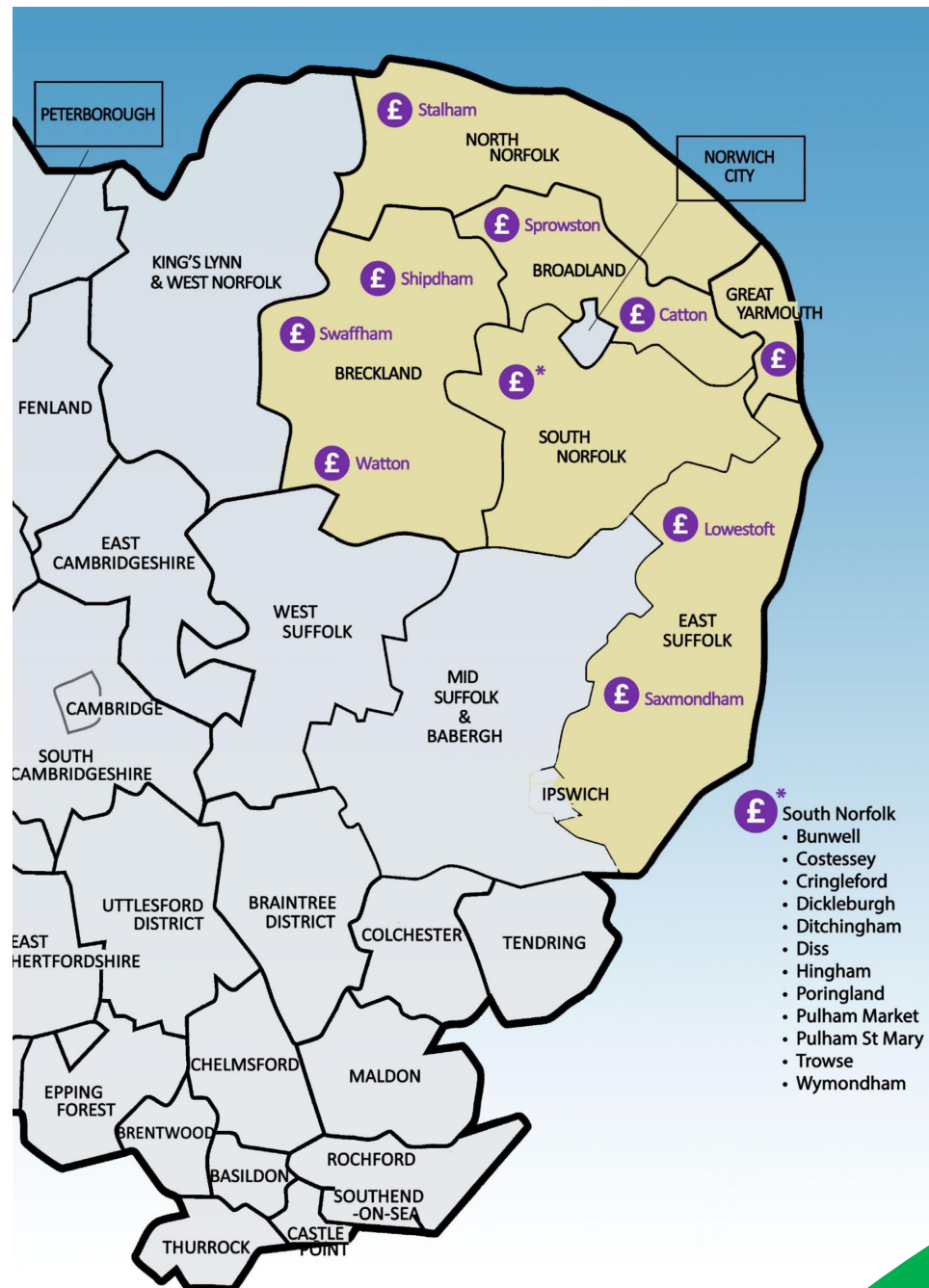
Every Saffron tenant can use the service, which can be accessed by telephone or by visiting the Life and Progress website. Life and Progress also provides specialist advice, guidance, and signposting around legal and financial matters as well as debt counselling, family care, and a health and wellbeing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

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

Community Improvement Fund

The improvement grants have meant that we have been able to improve the appearance of communal areas, make them safer and provide more facilities.

We have invested £43,920 into our communities as shown on the map below





Tenancy Sustainment Fund

Since launching our Tenancy Sustainment Fund in April 2023, we have issued **£130,000** to successful applicants, supporting 331 households who were on low incomes, partial Universal Credit or Housing Benefit.

This help meant that they were able to pay the difference in rent from the previous year and we awarded an average of £392 and the maximum of £500 was awarded to 40 people.

Engagement

Saffron Community Membership

The Saffron Community Membership model is a powerful co designed structure that improves tenant voice, influence and engagement. At the end of March 2024, there were 345 Saffron Community Members. They have participated in community, scrutiny and communications activity and have also participated in biannual update and strategy meetings with staff from our Executive Team and Board Members. These meetings are embedded in our Community Member Charter and provide an opportunity for meaningful influence and engagement.

This year we held a number of Community Triangles in Thurlton, Harleston, Great

Yarmouth, Diss, Mulbarton and Aylsham. Community Triangles bring together tenants, Saffron teams, local stakeholders and community agencies to improve community visibility and provide access for local tenants.

Tenants had the opportunity to raise concerns, ask questions and make recommendations for improvements to the area. From these Community Triangles, Saffron Community Foundation have funded several improvements grants including communal areas, improved safety lighting, and installing new play equipment. This tenant and community led approach, co designed by tenants and stakeholders is driving priorities for the local area and helping us to prioritise investment.

We also held community fun days in Wymondham and Mulbarton. The events were attended by tenants and the local community along with the Mayor of Wymondham and Long Stratton Men's shed. There were colouring competitions, face painting, a penalty shoot-out with our Neighbourhood Officers, children's entertainment, and the opportunity to build your own bug hotel.



As part of our priority to strengthen co design and tenant voice Embedding Tenants attended policy review sessions. They met with staff to discuss the policies and ask questions around them. They gave us their feedback which has shaped a number of changes such as the removal of jargon, and better explanations where other relevant policies are referenced in a policy.

Tenant Communications & Support Group and Tenant Scrutiny Group

This year the groups ran a recruitment campaign which started with an engagement survey to ask tenants what they knew about the groups. With this feedback the groups and Saffron created a 'Frequently Asked Questions' sheet and held drop-in

sessions for tenants to come along and find out more. This resulted in nine applications to the groups and five new members joining.

The Tenant Communication and Support Group met with our Income Manager to provide input on Income letters, making them clearer to read. The updated letters are now being used by the income team.

The Tenant Scrutiny Group followed the tenant's journey to report a repair. The group shared their findings with the Service Quality Committee including recommendations, many of which have been implemented already such as Neighbourhood Officers having duty days and new equipment for the Craftworkers.





Complaints and Compliments

Our Complaints Team have made good progress in 2023/24 in managing and resolving complaints. Throughout the year, like many others in the sector we have seen an increase in complaint volumes and cases escalating to the Housing Ombudsman Service (HOS) which is proportional to overall increase in complaint volumes.

We have changed the way we measure complaints this year, to ensure more meaningful data is captured. We do this by looking at the number of complaints raised rather than resolved. Formal complaints and informal feedback cases have increased by 26% when compared with the previous year.

Formal complaints raised have increased by 38% when compared to 22/23, from 356 to 580. Similarly, the Housing Ombudsman Service has reported a 27% increase in complaints in 22/23; it is expected that this trend will continue.

The total number of complaints received this financial year was 580 (Stage 1), 54 of which

escalated to Stage 2 in 2023/24).

Our overall complaints compliance sits at 87% for 23/24 (cumulative). We continue to focus on further strengthening compliance, along with embedding a culture of recording and listening to complainants to drive a positive complaints culture.

We have already begun to see the improvements that have been made from the learning of complaints and Tenant Satisfaction Measures, with the creation of the Service Improvement Framework.

Our strategic intention in developing a positive feedback culture is to foster a positive complaint handling culture, emphasising the positive outcomes that can arise from better understanding tenant dissatisfaction, we will encourage all staff members to embrace complaints as catalysts for positive change and innovative problem-solving.

580 stage 1 complaints **54** stage 2 complaints **87%** compliance **72%** satisfaction

Tenant Satisfaction Measures (TSM)

TP01, Overall Satisfaction sat at 72% Housemark's 22/23 report identified a median overall satisfaction of 76.2%. At the end of January 2024, average satisfaction was 71.6%, with recently published sector wide 23/24 full year TSM overall satisfaction dropping again to 69.4% its lowest point for over 5 years, with Saffron slightly above sector median.

TP03, Repairs Completion Time stands at 65.1% satisfied with the timeframe of repairs, compared to the sector median at of 66.4%.

Sector wide overall satisfaction in relation to repairs services has been tracking downwards over the last 2-3 years, as tenants' perceptions are negatively impacted by challenges faced by landlords' repairs services and the impact to meet demands. There are a number of issues over the last year that have impacted landlord's repairs service. These include a rise in inflation, costs, and materials, as well as the impact of aging stock.

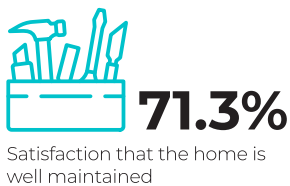
TP12, ASB, stands at 60.5% satisfaction. This is slightly higher than sector median (57%) but remains a priority via targeted actions. Our current focus is ensuring that we have visibility and effective reporting, to ensure

we can keep track and monitor progress of active cases, as well as proactively taking the learning and outcomes to continuously review and shape our services. We work alongside tenants to gather feedback but recognise that there is more that we could do in this space, which will eventually link into an overall review of estate inspections and tenancy audits. We continue to make strides in professionalising the service which we offer and are working towards our DAHA accreditation. Further training and champions will be required in this area as it develops further and is directly linked to our safeguarding responsibilities for both tenants and staff.

TP10 Upkeep of Communal Areas and TP11, Neighbourhood Contribution stand at 53.4% and 58.5% satisfaction respectively. The sector median for TP10 Satisfaction that the landlord keeps communal areas clean and well maintained and TP11 Satisfaction that the landlord makes a positive contribution to neighbourhoods are 65.5% and 62.5% respectively which indicates this as an area requiring review and improvement for Saffron.



Tenant Satisfaction Measures



Customer Contact Centre

The Customer Contact Team is a dedicated service for our tenants and other customers, which enables tenants to report a repair, make a payment, or tell us about something that is happening in their communal area.

We had a total of 89,743 contacts come through to the Customer Contact Team during 2023/24.

Tenants are looking for actions that are convenient and immediate to ensure a seamless tenant experience. In June we launched webchat, an automated customer service channel powered by our own, bespoke knowledge base. Since launch, a total of 2860 webchats have been successfully completed; 12% of these chats resulted in a live transfer to an advisor indicating that the remaining 2500+ enquiries were answered by the AI WebBot.

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. At the end of 2023/24 there were 1,531 tenants signed up to the tenant portal. Offering a multi-channel experience in line with needs and preferences is a key priority for us.

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.

We used the b-Heard survey again in December 2022 to gauge engagement and help understand how our employees feel about working at Saffron.

Our Staff Forum group has gone from strength to strength. This group includes representatives from across various business areas within Saffron and is Chaired by our Chief People & Change Officer, Malcolm O'Brien. The forum helps us to hear from colleagues, in all locations and all functional areas. It provides a forum to raise, share, shape, influence, and debate matters.

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

The forum has been developed over the year with a comprehensive series of training programmes including training delivered by ACAS, Trowers & Hamlin solicitors and Kelly Joynes specialist EDI consultant.



1,531
tenants signed up to the tenant portal by the end of 2023/24



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.

We are a disability confident employer encouraging applications from those with a disability. 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 Housing Diversity Network, Harry's Pledge and Your Own Place. We are also building links with local schools and the Local Enterprise.

Volunteering

Each year Saffron colleagues are encouraged to use their volunteer day and get out into our communities. This year we managed to support –

Macmillan Coffee Morning

Staff at Saffron took part in the Macmillan Coffee Morning in September, baking a variety of sweet and savoury goods for the office. **We raised a total of £139.82 for Macmillan Cancer Support.**



Sleep Out 2023

One of our employees took part in the Benjamin Foundation Sleep Out at Norwich Cathedral, on behalf of Saffron, to raise money and awareness for ending youth homelessness. Over £17,000 was raised at Norfolk Sleep Out.



Investment in Technology

Core Systems

Our colleagues rely on our core systems to make it easier to deliver great service to tenants. We have reviewed our core Microsoft Dynamics solutions, defined an action plan, and working with our colleagues and partners are currently implementing improvements. We have also recruited new roles to help us deliver even more improvements for our colleagues and tenants.

Data

Ensuring we have accurate, consistent, secure and accessible data is a key priority, to inform and improve our service delivery for tenants and ensure we meet our compliance obligations. We have reviewed our approach to managing data and defined and started to execute a new data strategy.

As part of this strategy we have created a new Data Team and recruited new roles into this team to help drive improvements to data quality, governance and the insight we can get from our data. We have worked with colleagues to improve reporting on key datasets, identified and delivered data improvements and embedded data team involvement in all change.

Security

We continue to maintain a strong focus on ensuring the security of infrastructure against evolving and increasing cyber threats. We have undertaken cyber security assessments, health checks of key security infrastructure, tested our cyber security response, audited our controls around our core security, and reviewed our cyber insurance. These activities have helped improve our security posture and informed our plans for continuous improvement and investment.





Financial Review

The parent company, Saffron Housing Trust Limited (“Saffron”), has three wholly owned, non-charitable subsidiary companies - Crocus Homes Limited (“Crocus”), Saffron Housing Finance plc (“SHF”) and Crimson Development Homes Limited (“Crimson”). Crocus was formed to carry out non-charitable housing development activities. SHF was formed to issue a bond on behalf of the Saffron Group, and Crimson was formed to undertake Saffron’s land-led affordable 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 and Companies House.

Headlines

Note: Following a review of service charges, Saffron has made a one-off adjustment to service charge costs in the figures for the 2023/24 year. Pre-adjustment figures have been provided in the commentary where relevant to aid like-for-like comparison of performance with prior year.

- Group surplus for 2023/24 of £6.4m, which is 89% of budgeted surplus (2022/23: £5.1m excluding the impact of refinancing costs). 99% of budgeted surplus was achieved excluding the one-off service charge adjustment.
- Group turnover down to £46.1m from £47.5m, reflecting lower market property sales offset by £4.6m increase in turnover from lettings.
- Operating margins on social housing lettings 21.9% (23.8% exc. one-off adjustment), with inflationary increases in labour and materials and high demand for repairs contributing to the decrease from 26.1% in 2022/23.
- Interest costs up £0.6m on prior year.
- Overall Group operating margin excluding property disposals of 24.0% (25.6% pre-adjustment; 2022/23: 26.4%).

Income and Expenditure

The Saffron Group achieved 89% of budgeted surplus for the year (99% excluding the impact of the one-off service charge adjustment). Shortfalls against budget resulted from increased maintenance and overhead costs in Saffron combined with fewer market sale properties sold in Crocus (with the remaining planned market sales due to complete in the first half of 2024/25). The impact of these variances was mitigated by surpluses made on property disposals, which exceeded budget.

Group turnover decreased from £47.5m to £46.1m from prior year, reflecting the impact of timing of market sales in Crocus (£3.9m in 2023/24 vs £10.1m in 2022/23). This drop in Crocus sales revenue has been offset by an increase in turnover in Saffron of £4.6m.

£3.2m of the £4.6m increase in Saffron’s turnover is from increases in rents in line with the rent standard and incremental rental income from 88 additional properties (net of disposals) becoming available for rent during the year, reaching a total of 6,713 at the year end. The remaining increase in turnover relates to increases in first tranche sales of shared ownership properties.

Operating margins on social housing lettings were lower than prior year at 21.9% (23.8% excluding one-off adjustment) vs 26.1% in 2022/23, a trend that has been reflected across much of the sector due in part to

inflationary increases in labour and materials costs, making properties more expensive to maintain. The types of repair jobs have also had an impact, with specialist contractors being required for urgent reactive works (such as damp, mould and asbestos removal).

Other costs within Saffron also increased in the year, with recurring costs such as the insurance renewal being over budget. Increased costs also reflect Saffron’s investment in organisational transformation and improvement, which aim to deliver improved service and value for money in the long run but with an increase in costs in the short term. Overall Group operating costs have increased by £4.4m on 2022/23.

Borrowing costs have increased by £0.6m year-on-year (excluding the impact of the

one-off £12.6m mark-to-market cost in 2022/23), reflecting the impact of a full year of the Bank of England’s interest rate being above 4%, to which the Group is exposed through the floating interest rate attached to its £60m revolving credit facility.

Total surplus for the year was £6.4m (2022/23: £5.1m excluding the impact of one-off refinancing costs), with the increase driven by higher property disposals. Overall Group operating margin (excluding the impact of property disposals) was 24.0% (25.6% excluding one-off adjustment), down from 26.4% in 2022/23. This trend is in line with the sector, with 75% of providers reporting reduced operating margins and one in four landlords recording drop in operating margin of more than five percentage points in the last year (Housemark).

Year-on-Year Financials

	Group 2023/24 £000	Group 2022/23 £000	Group 2021/22 £000	Group 2020/21 £000	Group 2019/20 £000
Turnover	46,103	47,505	40,613	35,622	37,887
Cost of sales/operating expenditure	(35,057)	(34,979)	(29,992)	(23,639)	(28,165)
Gain on Disposal of Property, Plant and Equipment	4,549	1,697	1,966	1,239	1,037
Operating Surplus	15,595	14,223	12,587	13,222	10,759
Interest Receivable	219	73	-	1	81
Interest Payable and Similar Charges	(9,457)	(21,516)	(9,646)	(9,385)	(9,313)
Surplus Before Tax	6,357	(7,220)	2,941	3,838	1,527
Taxation	1	(316)	17	(61)	(79)
Surplus for the Year	6,358	(7,536)	2,958	3,777	1,448
Actuarial (Loss)/Gain in Respect of Pension Schemes	(820)	14,219	8,511	(8,508)	5,426
Total Comprehensive Income for the Year	5,538	6,683	11,469	(4,731)	6,874
Operating Margin (excl gain on disposal of PPE)	24.0%	26.4%	26.2%	33.6%	25.7%



Pension Costs

Some 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 Saffron Group had significant liquidity (£26m undrawn RCF and £5.8m cash in bank at 31st May 2024) 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.

A stress test has been run where all market sales are removed for 5 years and there is no breach of our Golden Rules.

The Revolving Credit Facility (RCF) was extended in 2023/24 to September 2028. There are no debt arrangements due for refinancing in the next 12 months, and therefore there is no risk within 12 months of signing the accounts that Saffron will be in a position whereby it cannot refinance its existing debt arrangements.

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, property disposals and the loan repayment from Crocus to Saffron to ensure that Saffron is not reliant on these cash flows to stay within its covenant limits. There are no current forecast breaches 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 Saffron'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 22nd July 2024 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 Trust Limited (the "Trust") and its subsidiaries (the "Group") for the year ended 31 March 2024 which comprise the consolidated and Trust Statement of Comprehensive Income, the consolidated and Trust Balance Sheets, the consolidated and Trust 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 Trust's affairs as at 31 March 2024 and the Group and Trust's surplus or deficit 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 Trust'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 27, 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 Trust'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 Trust 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/auditors responsibilities. 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 Trust 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 Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust 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 Board 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

20 September 2024



Consolidated & Company Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Turnover	4,5	46,103	47,505	42,899	38,260
Cost of sales	4	(4,090)	(8,631)	(1,883)	(997)
Operating expenditure	4,5	(30,967)	(26,348)	(30,932)	(27,039)
Other income – gift aid		-	-	737	207
Gain on disposal of property, plant and equipment	9	4,549	1,697	4,549	1,697
Operating Surplus		15,595	14,223	15,370	12,128
Interest receivable	10	219	73	944	681
Interest payable and similar charges	11	(9,457)	(21,516)	(9,575)	(21,643)
Surplus before tax		6,357	(7,220)	6,739	(8,834)
Taxation	12	1	(316)	-	-
Surplus for the year		6,358	(7,536)	6,739	(8,834)
Actuarial (loss)/gain in respect of pension schemes	29	(820)	14,219	(820)	14,219
Total comprehensive income for the year		5,538	6,683	5,919	5,385

The results relate wholly to continuing activities except for income from the Contact Care Lifeline Alarm Service, which Saffron disposed of in the year (further detail is given in Note 4). Since this does not represent a separate major line of business or geographical area of operations, income and expenditure has not been disclosed separately in the statement of comprehensive income.

The accompanying notes form part of these financial statements.

The financial statements on pages 58 to 93 were approved by the Board and authorised for issue on 22nd July 2024 and are signed on its behalf by:

Kim Newman
Chair of Board

Alison Inman
Board Member

Tom Riches
Company Secretary

Consolidated & Company Balance Sheet

For the year ended 31 March 2024

	Note	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Fixed assets					
Housing properties	13,14	333,196	303,844	335,245	304,956
Other fixed assets	15	6,472	7,087	4,191	4,622
Investments	16	-	-	50	50
		339,668	310,931	339,486	309,628
Current assets					
Properties held for sale	17	7,089	5,791	7,133	5,791
Stock and work in progress	18	9,813	10,003	289	281
Trade and other debtors	19	3,803	5,134	3,986	4,846
Long term debtors with subsidiaries	34	-	-	9,944	9,944
Cash and cash equivalents		9,918	13,506	5,844	9,953
		30,623	34,434	27,196	30,815
Current Liabilities					
Creditors: amounts falling due within one year	20	(13,264)	(15,986)	(13,010)	(14,789)
Net current assets		17,359	18,448	14,186	16,026
Total assets less current liabilities		357,027	329,379	353,672	325,654
Creditors: amounts falling due after more than one year	21	(273,089)	(250,935)	(273,106)	(250,966)
Provision for liabilities					
Other provisions	26	(142)	(177)	(99)	(131)
Pension provision	29	(107)	(116)	(107)	(116)
Total net assets		83,689	78,151	80,360	74,441
Income and expenditure reserve		83,689	78,151	80,360	74,441

The financial statements on pages 58 to 93 were approved by the Board and authorised for issue on 22nd July and are signed on its behalf by:

Kim Newman
Chair of Board

Alison Inman
Board Member

Tom Riches
Company Secretary



Consolidated & Company Statement of Changes in Reserves

For the year ended 31 March 2024

	Note	Group £'000	Company £'000
Balance as at 31 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 31 March 2023		78,151	74,441
Surplus for period		6,358	6,739
Other comprehensive income			
Actuarial loss	29	(820)	(820)
Balance as at 31 March 2024		83,689	80,360

3. Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Note	Year ended 31 March 2024		Year ended 31 March 2023	
		£'000	£'000	£'000	£'000
Net cash generated from operating activities	32		21,603		10,615
Cash flow from investing activities					
Purchase of tangible fixed assets		(42,453)		(34,173)	
Proceeds from sale of tangible fixed assets		5,385		5,001	
Sale of housing properties receipts paid to South Norfolk District Council		(348)		(640)	
Grants received		6,023		8,985	
Interest received		217		73	
			(31,176)		(20,754)
Cash flow from financing activities					
Interest paid		(9,558)		(8,790)	
Loan Drawdown		16,000		76,000	
Payment of deferred borrowing costs		(72)		(419)	
Repayment of Loan		-		(40,000)	
Mark to Market on Barclays Loan Repayment		-		(12,633)	
			6,370		14,158
Corporation tax paid		(385)			(40)
Net change in increase/(decrease) in cash and cash equivalents		(3,588)			3,979
Cash and cash equivalents at beginning of year			13,506		9,527
Cash and cash equivalents at end of the year			9,918		13,506



Notes to the Financial Statements

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 is 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 Homes 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 2024. All inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Operating segments

Since there are 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 based on the nature and function of housing assets held by the Group, rather than by geographical location. As permitted by IFRS8 this is appropriate due to 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 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 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.

Turnover is recognised at the fair value 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 to Saffron with a management fee.

The principal activity of the subsidiary company Crocus Homes Limited is to carry out construction work for new build private market housing developments. Revenue relating to open market 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. On affordable homes delivered by Crocus the revenue and cost is recognised by reference to the stage of completion per the agreed contract with the customer.

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.

2 Accounting policies (Continued)

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 are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year end.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or an extension in the life of the property. All other repair and replacement expenditure (other than those classified as components) is charged to the Statement of Comprehensive Income.

The group separately identifies the cost of structure and major components of its housing properties and capitalises these at the time of installation. Depreciation is charged 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
Boiler Replacement	15 Years
Central Heating, Kitchens, Lifts	20 Years
Bathrooms, Rewiring, Doors	25 Years
Windows	30 Years
Roofs Replacement, Loft & Solid Walls Insulation	40 Years

The net book value of any component replaced by a new component is charged to depreciation expense in the period it is replaced.

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	5-20%
Other buildings under construction	0%
Gardening equipment, Vehicles, Computer equipment	10 – 20%
Office furniture & equipment	5 – 20%
Photovoltaic systems	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.

Investments

Long term investments are classified as fixed assets. Short term investments are classified as current assets. The fixed asset investment in the subsidiaries is included in the balance sheet at historical cost. Other short term, unlisted investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

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 employees' 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 the LGPS and SHPS defined benefit scheme is determined using the projected unit credit method.

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 or losses in relation to defined benefit obligations 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.

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.

Financial Instruments

Saffron applies the provisions of Section 11 'Basic Financial Instruments' to 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, 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, 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 using 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 because of a past event from which it is probable will result in the transfer of economic benefits, and that obligation can be estimated reliably.

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 have 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 2024. 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.



4. Turnover, operating costs and operating surplus

	Turnover 2024 £'000	Cost of sales 2024 £'000	Operating expenditure 2024 £'000	Other 2024 £'000	Operating Surplus 2024 £'000	Operating Surplus 2023 £'000
Social housing lettings	38,691	-	(30,223)	-	8,468	9,275
Other social housing activities:						
First tranche property sales	2,752	(1,634)	-	-	1,118	727
Charges for support services	-	-	-	-	-	-
Other	-	-	-	-	-	-
	41,443	(1,634)	(30,223)	-	9,586	10,002
Non-social housing activities*	1,456	(249)	(709)	-	498	222
Gift Aid	-	-	-	737	737	207
Gain on disposal of assets	-	-	-	4,549	4,549	1,697
Result of Company	42,899	(1,883)	(30,932)	5,286	15,370	12,128
Results of Subsidiaries**	3,204	(2,207)	(35)	(737)	225	2,095
Result of Group	46,103	(4,090)	(30,967)	4,549	15,595	14,223

*Non-social housing activities income includes:

- £700k from recharges to subsidiaries as set out in note 31
- £190k relating to the sale of Contact Care Lifeline Alarm Service. Recurring income from this service was £199k in the year (2023: £427k)

**Amounts contained within turnover and cost of sales in Results of Subsidiaries relate to photovoltaic panel income and market property sales in Crocus, net of group consolidation adjustments.

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 2024 £'000	Total 2023 £'000
Rent receivable net of voids	31,953	3,703	575	36,231	33,411
Service charges receivable	182	1,655	-	1,837	1,596
Net rental income	32,135	5,358	575	38,068	35,008
Revenue grants	-	-	-	-	-
Amortised grant	414	62	147	623	461
Turnover from Social Housing Lettings	32,549	5,420	722	38,691	35,469
Management	(4,990)	(603)	(88)	(5,681)	(5,458)
Service charges costs	(182)	(2,557)	-	(2,739)	(1,596)
Routine maintenance	(5,826)	(629)	(23)	(6,478)	(7,483)
Planned maintenance	(2,807)	(300)	(4)	(3,111)	(243)
Major repairs	(377)	(32)	-	(409)	(263)
Depreciation and amortisation charged	(5,803)	(904)	(95)	(6,802)	(6,139)
Lease costs	-	-	-	-	(25)
Other costs	(4,069)	(653)	(18)	(4,740)	(4,925)
Bad debts	(215)	(37)	(11)	(263)	(62)
Operating costs on Social Housing Lettings	(24,269)	(5,715)	(239)	(30,223)	(26,194)
Operating surplus on Social Housing Lettings	8,280	(295)	483	8,468	9,275
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	645	237	-	882	712



6. Employees

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

	2024		2023	
	Full time	Part time	Full time	Part time
Directors & Support Services	64.8	15.9	57.1	13.0
Housing Management	21.4	8.0	24.3	2.3
Property Services	11.2	1.0	8.5	2.4
Call Handling & Alarms	2.0	0.0	2.6	0.9
Craftworkers/Maintenance	94.1	3.0	99.5	3.7
Wardens/Careworkers	4.0	2.0	6.0	0.0
Gardeners/Caretakers	5.0	2.0	5.0	2.0
	202.5	31.9	203.0	24.3

The average number of full time equivalent staff (excluding directors) was 220.2 (2023: 215.6).

	2024 £'000	2023 £'000
Staff costs for the above persons consist of:		
Wages and salaries	8,823	8,147
Employer's National Insurance	913	893
Defined Benefit Pension scheme charge/(gain) (see note 29)	1,291	1,397
Non-Defined Benefit Pension scheme charge	309	196
Terminations	171	344
	11,507	10,977

Remuneration bands greater than £60,000 of key management personnel

	2024	2023
£60,001 to £70,000	12	10
£70,001 to £80,000	6	4
£80,001 to £90,000	3	1
£90,001 to £100,000	3	0
£100,001 to £110,000	0	4
£110,001 to £120,000	2	0
£120,001 to £130,000	0	1
£130,001 to £140,000	0	0
£140,001 to £150,000	1	1
£150,001 to £160,000	0	1
£160,001 to £170,000	1	0
£170,001 to £180,000	1	1
£180,001 to £190,000	1	0

There were six members of staff (excluding Executive directors) in remuneration bands over £100,000: Managing Director of Crocus, Operating Director of Crocus, Finance Director, Director of Tenant Experience and Insight, Director of Asset, Sustainability and Decarbonisation and Director of Tenant Services.

Pension contributions

The agreed employers' contribution rate to the Norfolk County Council Pension Fund was 29.7% (2023: 24.6%) for the first 11 months of the year. Employers' contributions for the month of March 2024 were reduced to nil, and there was no annual payment (2023: £124k). The employers' contribution rate to the Social Housing Pension Scheme (SHPS) was 6% (2023: 6%) plus an annual payment of £27k (2023: £24k) respectively.

7. Non-executive and executive directors

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

In respect of the directors of Saffron:

	2024 £'000	2023 £'000
Executive directors		
Remuneration and fees	454	404
Pension scheme contributions	76	69
Benefits in Kind	1	1
Sub-Total	531	474
Employers national insurance	64	53
	595	527
Non-executive directors		
Emoluments of the highest paid director	172	161
Pension scheme contributions	16	15
	188	176

	2024	2023
Non-executive directors		
Expenses payable to Non-Executive Directors who were not employees of the group	-	-
Fee paid to Non Executives of Saffron Housing Trust Limited	83	80
Benefits in Kind	-	-

There is one executive director to whom retirement benefits are accruing in relation to defined benefit schemes.

The Chief Executive Officer 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 £16k (2023 - £15k). The Chief Executive's notice period is 6 months.



		Gross Salary	Benefits in kind	Pension contributions	2024 Total	2023 Total
		£	£	£	£	£
Non-Executive Directors who served on the Board						
Kim Newman	A 1/4/23	11,946	-	-	11,946	-
Bob Walder	R 31/3/23	-	-	-	-	11,964
Katrina Laud	R 30/6/22	-	-	-	-	1,625
Mike Jolly		6,881	-	-	6,881	6,500
Duncan Scott	R 26/9/22	-	-	-	-	2,259
Tom Fadden		6,958	-	-	6,958	6,875
Alison Inman		6,500	-	-	6,500	6,500
Rob Lankey		4,846	-	-	4,846	4,650
Barry Duffin	Served until 11th April 2023	211	-	-	211	6,900
Emma Rose	R 16/6/22	-	-	-	-	989
Neil Watts		4,650	-	-	4,650	4,650
Jason Margetts	A 26/9/22	7,693	-	-	7,693	6,671
Tallia Langston	A 26/9/22	4,650	-	-	4,650	2,414
Asha Cleavelly	A 26/9/22	6,038	-	-	6,038	2,414
Jayne Sharma	A 26/9/22	4,650	-	-	4,650	2,414

Independent Committee Members

Anna Bennet		3,000	-	-	3,000	3,000
Ian Pinches		3,000	-	-	3,000	3,000
Kate Slack	A 26/9/22	3,000	-	-	3,000	1,558
Michelle Baker	A 26/9/22	3,000	-	-	3,000	1,558
Jodie Cunnington-Brock	A 26/9/22	3,000	-	-	3,000	1,558
Steve Brightwell	A 26/9/22	3,000	-	-	3,000	1,558
Verity MacMahon	R 30/6/22	-	-	-	-	1,127

Independent Crocus Board Members

Andrew Speed		4,500	-	-	4,500	4,500
Trevor Conway		4,500	-	-	4,500	4,500
		92,023	-	-	92,023	89,184

Executive Officers

		£'000	£'000	£'000	£'000	£'000
James Francis		172	-	16	188	176
Iain Innes		139	-	34	173	147
Malcolm O'Brien	from 4/12/23	71	-	19	90	-
Julia Pritchard	from 2/1/24	41	-	4	45	-
Hannah Harvey	to 29/9/23	31	-	3	34	150
		454	-	76	530	473



8. Operating Surplus

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
This has been arrived at after charging				
Depreciation of housing properties	5,958	5,453	5,958	5,453
Depreciation of other owned tangible fixed assets	1,028	877	844	672
Profit on disposal of tangible fixed assets	53	31	53	31
Fees payable to External Auditors in respect of both audit and non-audit services are as follows:				
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Audit services - statutory audit of parent and consolidated financial statements	28	22	28	22
Audit of subsidiary's financial statements	22	20	-	-
Audit services – other	-	-	-	-
Audit services – other	-	-	-	-
	50	42	28	22

9. Surplus on sale of fixed assets

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Sale of housing property under preserved right to buy				
Proceeds	103	636	103	636
Share of proceeds due to South Norfolk District Council	(75)	(344)	(75)	(344)
Cost of disposals	(15)	(210)	(15)	(210)
(Deficit)/Surplus on sale of housing property under preserved right to buy	13	82	13	82
Surplus on 2nd tranche shared ownership & equity sales	474	779	474	779
Surplus on sale of property under right to acquire	458	182	458	182
Surplus on sale of property on open market	3,551	622	3,551	622
Surplus on sale of land	40	-	40	-
Surplus on sale of plant & equipment	13	31	13	31
	4,549	1,697	4,549	1,697

10. Interest receivable

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
On bank deposits	219	73	220	73
On loan to subsidiary	-	-	724	608
	219	73	944	681

11. Interest payable

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Interest arising on;				
Bank loans and overdrafts	(9,767)	(8,447)	(9,840)	(8,526)
Interest paid to South Norfolk District Council on Right to Buy sales income	(2)	(4)	(2)	(4)
Amortisation of bank loan set up fees	(119)	(93)	(119)	(93)
Amortisation of bond set up fees	(29)	(29)	(22)	(29)
Amortisation of premium received on issue of retained bond	52	48	-	-
Defined benefit pension charge	408	(358)	408	(358)
Mark to Market on Barclays Loan Repayment	-	(12,633)	-	(12,633)
	(9,457)	(21,516)	(9,575)	(21,643)



12. Corporation tax

	2024 Group £'000	2024 Crimson £'000	2024 Crocus £'000	2023 Group £'000
Current Tax				
UK corporation tax on surplus for period	73	69	4	347
Adjustment in respect of qualifying charitable donation	(69)	(69)	-	(18)
Adjustment in respect of previous periods	(2)	-	(2)	(1)
Total current tax	2	-	2	328
Deferred Tax				
Origination and reversal of timing differences	(3)	-	(3)	(12)
Total deferred tax	(3)	-	(3)	(12)
Total tax charge	(1)	-	(1)	316
Surplus for year	6,357			(7,220)
UK corporation tax on group surplus for the year at the rate of 25% (2023: 19%)	1,589			(1,372)
Non-taxable charitable surplus	(1,590)			1,688
Difference between capital allowances and depreciation	(3)			(12)
Adjustment in respect of previous periods	3			12
UK corporation tax payable for the year	(1)			316

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.

13. Tangible fixed assets – Housing Properties

Group	Social Housing properties held for letting £'000	Housing Properties for letting under construction £'000	Shared Ownership Properties Completed £'000	Total £'000
Cost				
At 1 April 2023	317,237	23,511	11,220	351,968
Additions	7,807	31,109	-	38,916
Transfer to Stock	-	(2,896)	-	(2,896)
Disposals	(803)	-	(68)	(871)
Transfers	20,406	(23,690)	3,284	-
At 31 March 2024	344,647	28,034	14,436	387,117
Depreciation				
At 1 April 2023	(47,398)	-	(726)	(48,124)
Charge for the year	(5,876)	-	(82)	(5,958)
Disposals	161	-	-	161
At 31 March 2024	(53,113)	-	(808)	(53,921)
Carrying amount				
At 31st March 2023	269,839	23,511	10,494	303,844
At 31 March 2024	291,534	28,034	13,628	333,196



14. Tangible fixed assets – Housing Properties

Company	Social Housing properties held for letting £'000	Housing Properties for letting under construction £'000	Shared Ownership Properties Completed £'000	Total £'000
<i>Cost</i>				
At 1 April 2023	317,701	24,159	11,220	353,080
Additions	7,807	32,090	-	39,897
Transfer to Stock	-	(2,940)	-	(2,940)
Disposals	(803)	-	(68)	(871)
Transfers	20,619	(23,947)	3,328	-
At 31 March 2024	345,324	29,362	14,480	389,166
<i>Depreciation</i>				
At 1 April 2023	(47,398)	-	(726)	(48,124)
Charge for the year	(5,876)	-	(82)	(5,958)
Disposals	161	-	-	161
At 31 March 2024	(53,113)	-	(808)	(53,921)
<i>Carrying amount</i>				
At 31st March 2023	270,303	24,159	10,494	304,956
At 31 March 2024	292,211	29,362	13,672	335,245

14. Tangible fixed assets – Housing Properties

Expenditure on works to existing properties	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Components capitalised	7,807	6,968	7,807	6,968
Amounts charged to income and expenditure	409	263	409	263
At 31 March 2024	8,216	7,231	8,216	7,231

There is a carve-out in relation to the Natwest RCF. The carve-out is linked to the calculation of interest cover (EBITDAMRI)

	Fixed assets Spend (included in above figures)	Revenue Spend (included in note 5)	Total
Fire Safety work	54	240	294
Aids and Adaptations Work	47	-	47
Net Zero costs up to £40m	2,557	101	2,658
	2,658	341	2,999

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



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
<i>Cost</i>								
At 1 April 2023	3,536	168	1,515	2,535	189	7,943	5,560	13,503
Additions	-	-	25	441	(3)	463	-	463
Disposals during year	-	-	(58)	(45)	-	(103)	-	(103)
At 31 March 2024	3,536	168	1,482	2,931	186	8,303	5,560	13,863
<i>Less: Depreciation</i>								
At 1 April 2023	(1,400)	(137)	(851)	(894)	(39)	(3,321)	(3,095)	(6,416)
Charge for period	(101)	(12)	(226)	(480)	(25)	(844)	(184)	(1,028)
Disposals	-	-	38	15	-	53	-	53
At 31 March 2024	(1,501)	(149)	(1,039)	(1,359)	(64)	(4,112)	(3,279)	(7,391)
<i>Carrying amount</i>								
At 31 March 2023	2,136	31	664	1,641	150	4,622	2,465	7,087
At 31 March 2024	2,035	19	443	1,572	122	4,191	2,281	6,472

16. Investment in subsidiaries

The company holds the whole of the issued share capital of 2 ordinary shares of £1 each in Crocus Homes 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 shares are paid up and the remaining liability for unpaid issued share capital is shown in creditors.

17. Properties for sale

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Shared Ownership	7,089	5,791	7,133	5,791

18. Stock

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Consumable Stores	289	281	289	281
Development work in progress	9,524	9,722	-	-
	9,813	10,003	289	281

19. Debtors

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Arrears of rent and service charges	2,160	2,204	2,160	2,204
Less: Provision for bad and doubtful debts	(1,386)	(1,213)	(1,386)	(1,213)
	774	991	774	991
Trade debtors	2,050	1,258	1,694	1,251
Due from Crocus Homes Ltd	-	-	399	304
Due from Saffron Housing Finance plc	-	-	110	113
Due from Crimson Development Homes Ltd	-	-	277	131
Social Housing Grant	-	1,012	-	1,012
VAT recoverable	190	121	-	-
Corporation tax recoverable	52	-	-	-
Other debtors	737	1,752	732	1,043
	3,803	5,134	3,986	4,846

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



20. Creditors: amounts falling due within one year

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Trade creditors	53	152	52	152
Contractors and unpaid retentions	2,613	3,201	2,573	2,971
Development creditor	1,643	4,129	1,643	4,129
Other tax and social security costs	239	217	239	217
Corporation tax	-	329	-	-
Outstanding pension scheme contributions	-	-	-	-
Due to South Norfolk District Council	121	367	121	367
Due to Saffron Housing Finance plc	-	-	1,478	1,465
Due to Crocus Homes Limited	-	-	-	116
Due to Crimson Development Homes Ltd	-	-	806	122
Rents in advance	460	505	460	505
Deferred capital grant	623	401	623	401
Recycled capital grant (note 23)	434	360	434	360
Other creditors and accruals	7,078	6,325	4,581	3,985
	13,264	15,986	13,010	14,789

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

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Debt (note 25)	217,365	201,342	91,385	74,723
Debt due to Saffron Housing Finance plc (note 25)	-	-	125,997	126,650
Deferred capital grant (note 22)	51,242	46,294	51,242	46,294
Lease premium	1,496	1,509	1,496	1,509
Capital improvements grant	2,986	1,790	2,986	1,790
	273,089	250,935	273,106	250,966

22. Deferred capital grant

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
At 1 April 2023	46,294	39,262	46,294	39,262
Grant received in year	5,711	7,692	5,711	7,692
Capital grant released	(763)	(660)	(763)	(660)
At 31 March 2024	51,242	46,294	51,242	46,294

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 £51.2m. Amounts due to be released in less than one year £623k (2023: £401k) are included within other creditors.

23. Recycled capital grant

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Funds pertaining to its activities within areas covered by HCA				
Opening Balance	360	164	360	164
Inputs to RCGF - grants recycled	74	196	74	196
Recycling of grant - new build	-	-	-	-
At 31 March 2024	434	360	434	360

24. Financial instruments

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

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
<i>Financial assets</i>				
Debt instruments measured at amortised cost	12,745	39,083	19,041	24,052
<i>Financial liabilities</i>				
Debt instruments measured at amortised cost	(226,653)	(224,858)	(227,989)	(213,719)



25. Debt

Long term debt repayable after more than five years

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Payable by instalments	155,997	139,929	157,580	141,579
Payable by other than instalments	61,368	61,413	59,802	59,794
	217,365	201,342	217,382	201,373

Saffron borrows money to fund social housing property developments. The loans consist of a bond issue of £125m, a Private Placement of £60m and a Revolving Credit Facility (RCF) of £60m, of which £32m was drawn down at the balance sheet date (2023: £16m).

Interest rates on the loans are as follows:

Bond	4.64%
Private Placement	3.69%
RCF (drawn down funds) SONIA + 1.025%	
RCF (undrawn funds)	0.41%

In July 2013 Saffron increased its financing facilities via a bond issue of £125m. Of £75m issued, £50m was paid to Saffron 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 2022 Saffron renegotiated the Natwest Revolving Credit Facility for a further five years to FY2028 (with an option for two additional years). In September 2023 the facility was extended by a further year to FY2029.

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 2024 was £110,428,000 (2023: £113,900,000).

26. Provisions for liabilities

Company	Holiday Pay £'000	Company Total £'000	Deferred Tax £'000	Group Total £'000
At 1st April 2023	131	131	46	177
Utilised in year	-	-	(3)	(3)
Increased/(reversed) in year	(32)	(32)	-	(32)
	99	99	43	142

Deferred tax

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

Provision for deferred tax has been made as follows:

	2024 £'000	2023 £'000
Accelerated capital allowances	43	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.



27. Housing stock – group & company

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

	2024 No's	2023 No's
Housing units under development		
General needs housing		
- Social rent	246	111
- Affordable rent	180	178
- Intermediate rent	0	0
Shared Equity	26	18
Shared Ownership	110	104
	562	411
Housing units in management		
General needs		
- Social rent	3,152	3,122
- Affordable rent	2,218	2,151
- Intermediate rent	178	178
Housing for older people	590	616
Specialist housing	128	135
Low cost home ownership (LCHO)	260	233
Shared equity (LCHO)	187	191
	6,713	6,626
	7,275	7,037

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 2024 43% 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.

Due to the pension plan being in a surplus position, the parent company expects to contribute £nil to the LGPS scheme in 2024/25 having reduced its payments from 29.7% to 0% in March 2024.

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.

Financial Assumptions

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

	31 March 2024 % per annum	31 March 2023 % per annum
Rate of increase in salaries	3.45	3.65
Rate of increase in pensions in payment	2.75	2.95
Discount rate	4.85	4.75

Saffron is aware of the Virgin Media v NTL Pension Trustees II Limited Court of Appeal judgement which may give rise to adjustments to the scheme. At present the legal process is incomplete and therefore we are unable to quantify any potential liabilities.

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.



Demographic Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the Continuous Mortality Investigation (CMI) 2022 model, with a 25% weighting of 2022 data, a 0% 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 21.6 years	Females 23.9 years
Current Pensioners	2024	2023
Future Pensioners	22.6 years	£'000
Amounts recognised in the balance sheet		
Fair Value of Employer Share of Scheme Assets	54,769	49,706
Present Value of Funded Liabilities	(41,258)	(41,488)
Reconciliation to report zero asset	(13,511)	(8,218)
Net Underfunding in Funded Plans	-	-
Net Liability	-	-
SHPS Liability	(107)	(116)
Total Liability	(107)	(116)

	2024 £'000	2023 £'000
Changes in the fair value of plan assets		
Opening plan assets	49,706	48,707
Actuarial movements relating to prior year	82	346
Expected return	2,381	1,364
Actuarial(loss)/gain	1,919	(1,849)
Contributions by Employer	1,370	1,686
Contributions by Members	320	349
Benefits Paid	(1,009)	(897)
Closing plan assets	54,769	49,706

	2024 £'000	2023 £'000
Analysis of the amount charged to operating surplus		
Current Service Cost	975	2,630
Past Service Cost	-	-
Total operating charge	975	2,630

	2024 £'000	2023 £'000
Analysis of amount credited to other finance income		
Interest on Pension Scheme Liabilities	1,967	1,722
Expected return on Employer Assets	(2,381)	(1,364)
Net cost/(income)	(414)	358

	2024 £'000	2023 £'000
Analysis of the amount recognised in statement of comprehensive income (SOCl)		
Actuarial gains on assets	1,919	(1,849)
Actuarial gains/(losses) on obligations	2,258	23,948
Actuarial gain/(loss) recognised in SOCl	4,177	22,099

	2024 £'000	2023 £'000
Changes in present value of the defined benefit obligation		
Opening defined benefit obligation	41,488	61,632
Actuarial movement relating to prior year	(225)	-
Current & Past Service Cost	975	2,630
Interest Cost	1,967	1,722
Contributions by Members	320	349
Actuarial Losses/(Gains)	(2,258)	(23,948)
Benefits Paid	(1,009)	(897)
Closing defined benefit obligation	41,258	41,488

	2024	2023
Major categories of plan assets as a percentage of total plan assets		
Equities	30%	49%
Bonds	51%	36%
Property	15%	12%
Cash	4%	3%

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 2024 is £107,000 (2023 £116,000).



30. Capital commitments

Group and company	2024 £'000	2023 £'000
Capital expenditure contracted for but not provided for in the financial statements	59,418	37,047
Capital expenditure approved by Board but not contracted for	644	920
	60,062	37,967

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 £32m had been drawn down at the balance sheet date.

31. Related party transactions

The following board members are also tenants:

Tom Fadden

Neil Watts (Power of Attorney for son's Tenancy)

Tallia Langston

Their tenancies are on normal commercial terms. The aggregate rent for the period was £20,277 (2023: £19,200) and arrears were £169 at 31 March 2024 (2023: £399).

Transactions in the year with unregulated subsidiaries were:

	2024 Total £'000	2024 Crocus Homes Limited £'000	2024 Crimson Development Homes Ltd £'000	2024 SHF plc £'000	2023 Total £'000
Labour, mileage and board payments charged to subsidiaries	699	662	37	-	500
Interest charged	724	724	-	-	608
Interest paid	(5,904)	-	-	(5,904)	(5,957)
Land-led development costs recharged by subsidiary	(15,466)	-	(15,466)	-	(7,624)
Design and build management fees invoiced by subsidiary	(986)	-	(986)	-	(39)
Gift Aid received from	737	350	277	110	207

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.

There were no other related party transactions.

32. Reconciliation of surplus after tax to net cash generated from/(used in) operations

	2024 Group £'000	2023 Group £'000
Surplus for the year	6,358	(7,536)
Adjustments for-		
Depreciation of tangible fixed assets	6,986	6,139
Defined benefit pension scheme	(417)	1,285
Amortisation of grant	(623)	(461)
Profit on disposal of assets	(4,549)	(1,697)
Corporation tax	(1)	316
Interest received	(219)	(73)
Interest payable	9,457	21,516
Operating cashflows before movements in working capital	16,992	19,489
Decrease/(Increase) in stock	1,788	(7,024)
Decrease/(Increase) in debtors	1,406	(2,263)
Increase/(Decrease) in creditors	1,449	419
Decrease in provisions	(32)	(6)
Net cash inflow from operating activities	21,603	10,615

33. Reconciliation of net cashflow to movement in net debt

Group	At 1 April 2023	Cashflows	New Finance	New Finance Costs	Other non- cashflow movements	At 31 March 2024
Cash	13,506	(3,588)	-	-	-	9,918
Investments	-	-	-	-	-	-
Bank Loans due greater than one year	(201,342)	-	(16,000)	72	(95)	(217,365)
	(187,836)	(3,588)	(16,000)	72	(95)	(207,447)



34. Long term debtors with subsidiaries

This amount represents the following relating to the subsidiary undertakings:

	2024 £'000	2023 £'000
Unsecured loan to Crocus Homes Limited due in between 2 and 5 years	4,300	4,300
Unsecured loan to Crocus Homes Limited due in full after more than 5 years	5,644	5,644
	9,944	9,944

35. Board Member Declaration of Interests and Company Information

Other than already disclosed, there are no other related party transactions.

Board Members	Declaration of Interests
Kim Newman	<ul style="list-style-type: none"> Partner is employed by South Norfolk Council Shareholder and Director at PML Business Holdings Limited and PML Group Holdings Limited Director of Fellowes Plain Estate Management Company Limited
Asha Cleavelly	<ul style="list-style-type: none"> Stock Holdings in HSBC
Tom Fadden	<ul style="list-style-type: none"> Saffron Tenant Owner/Shareholder at Purple Reach
James Francis	<ul style="list-style-type: none"> No Declarations
Alison Inman	<ul style="list-style-type: none"> Shareholder of Broadland Housing Association Non-Executive Director at Tpas Trustee of Balkerne Gardens Trust Non-Executive Director at Procurement for Housing Non-Executive Director at Trusted Money Confidence Vice Chair of Labour Housing Group
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"> Shareholder of Ikigai Farm Limited Governor of Norfolk and Suffolk NHS Foundation Trust (NSFT) Saffron Tenant

Rob Lankey	<ul style="list-style-type: none"> Shareholder of GB Bank 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 Director/Trustee of Margetts Investments
Jayne Sharma	<ul style="list-style-type: none"> No Declarations
Neil Watts	<ul style="list-style-type: none"> Non-Executive Director of Personal Finance Society Son is a Saffron Tenant
Michelle Baker	<ul style="list-style-type: none"> Senior Independent Director and Committee Chair at Eastlight Community Homes Board Member at Southdown
Kate Slack	<ul style="list-style-type: none"> Chair of Governors at East Harling Primary School Community shareholder of Broadland Housing Association
Anna Bennett	<ul style="list-style-type: none"> Trustee and Director of Age UK Norwich Chair of the Audit Committee of the Norfolk Police and Crime Commissioners Office
Ian Pinches	<ul style="list-style-type: none"> Shareholder and Non-Executive Director at Orwell Housing
Jodie Cunnington-Brock	<ul style="list-style-type: none"> Solicitor at Norfolk County Council
Steve Brightwell	<ul style="list-style-type: none"> No Declarations

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 would like further information on any of our data, please contact us on 01508 532000 or ask to speak to the Governance team.

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.





Contact Details

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