Thrive Homes

Group Report & Financial Statements

Year ended March 2024

Co-operative and Community Benefit Societies Act 2014
Registered Society, Number 30398R

About Thrive

Thrive exists to provide and manage housing that helps individuals and families secure a good quality, safe home that they can afford.

We own and manage nearly 6,000 homes throughout Hertfordshire, Bedfordshire, Buckinghamshire and Oxfordshire delivering much-needed homes for social and affordable rent, intermediate rent, leasehold, shared ownership and private market rent (through Thrive Places). We are focused on increasing housing availability and affordability in some of the most expensive parts of the UK.

Since its formation in 2008, Thrive has pursued its aim of improving the condition of its existing homes, developing new homes for rent and sale, and expanding our area of operation to include adjacent home counties and the Oxford-Cambridge Arc. In 2021, Thrive achieved its first growth milestone of 5,000 homes. Following an acquisition of 500 homes in 2022/23, we now own and manage 5,859 homes - a 41% growth in 16 years.

Contents

Company advisors

Auditor
Beever and Struthers, The Colmore Building,
20 Colmore Circus Queensway, Birmingham, B4 6AT

Principal Banker
Barclays Bank PLC, 1 Churchill Place, London E14 5HP

Legal Advisors
Devonshires Solicitors, Salisbury House, London Wall, London EC2M 5QY
Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES

Highlights 2023/24

Financials

Group Turnover
£46.5m
(2023: £48.3m)

Operating surplus
£13.2m
(2023: 16.3m)

Gearing
66.4%
(2023: 68.6%)

EBITDA MRI / interest cover
137.9%
(2023: 139.2%)

Ratings

S&P credit rating
A+ stable
(2023: A+ stable)

Regulatory rating
G1/V2
(2023: G1/V2)

Homes

Total homes

5,859

(2023: 5,780)

New homes built

77

(2023: 57)

Homes under construction

193

(2023: 228)

Invested in maintaining homes

£6.1m

(2023: £5.1m)

Invested in development

£37.5m

(2023: £105.4m)

Homes rated EPC C or above

83%

(2023: 75%)

Customer satisfaction

Combined satisfaction

69.7%

(2023: 68%)

Low-cost rented accommodation[1]

73%

(2023: n/a)

Our People

No. of colleagues

176

(2023: 181)

Colleague engagement[2]

92.1%

(2023: n/a)

1 New reporting metric for low-cost rented (tenant) accommodation (LCRA) from April 2023 as part of Tenant Satisfaction Measures
2 New internal reporting metric for this financial year

Chair's Welcome

2023/24 has continued to challenge the sector with the ongoing impacts of inflation and increasing demands on associations to deliver more to maintain homes, address damp and mould and meet increasing customer expectation.

The operating environment has impacted Thrive Homes, particularly in respect of the cost of maintaining its homes, as a result of rising costs of materials and increase in demand for repairs. Thrive has managed to navigate these challenges and has had the resources to bring forward some of its major-works programmes, future proofing our ability to maintain the quality of our homes. Overall, we have maintained good operational performance including sales where demand for shared-ownership products remains strong.

Thrive continues to focus on its core purpose of providing and managing safe homes that are affordable to a range of people within our communities.

- Delivered 77 new homes for rent and sale with 151 on site for delivery in the next financial year.
- Secured £1.46m grant funding to improve thermal efficiency of our homes that will be match funded to deliver £2.92m of works to the end of 2024/25.
- Invested £6.82m in upgrading existing homes - £1.7m more than in previous years.
- Maintained 'We invest in people' gold accreditation and were awarded gold for 'We invest in wellbeing'.

This is my final year as Chair of Thrive which has been a positive experience despite the many challenges including Covid, rent constraint and constant changes in regulation that we have faced during my tenure. It's been rewarding to lead Thrive, continuing our focus on being a good landlord and increasing the number of people that can afford to live in some of the most expensive areas of the country. I am particularly proud of:

- 1,132 homes built or acquired providing safe affordable homes within our communities.
- the innovative deal with CBRE that released £40m for further investment into new homes.
- creation of Thrive Customer Voice (TCV) enabling the business to engage with its customers in ways that suit them. This helps the Board and wider business really understand what is important to our customers and ensures we develop services that meet customers' needs. 2958 customers have joined TCV with over 1,200 taking part in activities this year.
- Development of the Associate Board Member Programme providing opportunities for a wide range of people to gain NED experience and become the next generation of board members.

Kate Still will become Thrive's Chair in May 2024 and I am sure that she will continue to build on Thrive's achievements – evolving the organisation so that it continues to deliver good quality homes.

I am grateful for the support of Executive and Board colleagues throughout my time as Chair and am confident that Thrive will continue to be a successful, resilient organisation.

Kate McLeod
Chair of the Board

A note from the Chief Executive

We are pleased to report another successful year for Thrive Homes, despite the challenges being faced by the sector with increased regulation and the impact of inflation on the services we provide.

The key to our success is our agility and ability to adapt to the evolving operating environment through regular review of the business model to ensure that we can take advantage of opportunities while ensuring regulatory compliance. In March 2024, we received confirmation from S&P Global that we had retained our A+ (outlook stable) credit rating. The agency recognised our 'prudent practices' and shared their confidence in our approach and business strategy.

This supports our approach to managing our resources and focusing on outcomes for customers and the wellbeing of the business. During, 2023/24 we have increased investment in programmes that improve the quality of our existing homes, our services and the technology that helps us to better understand and use the data we hold. Of course, none of this would be possible without the expertise within our teams and commitment from colleagues to participate in continued professional development. We are proud to hold gold accreditations for both IIP 'We invest in people' and 'We invest in wellbeing' and work hard to ensure colleagues are treated fairly and offered the flexibility they need to do their job effectively.

As we reflect on the past 12 months and look forward to the next, I would like to take this opportunity to personally thank our outgoing chair, Kate McLeod. Her guidance, support and challenge throughout her tenure has ensured that Thrive remained focused on its core purpose and I wish her all the best.

Thrive exists to provide and manage homes that enable individuals and families to secure a good quality, safe home that they can afford.

Whilst some of our peers have pulled back from development programmes in recent times, we have taken the opportunity to review and reaffirm our commitment to growth. This decision is driven by the demand for truly affordable homes in the communities that we operate within and Thrive's capacity to support a new-build programme whilst maintaining investment in existing homes. While waiting lists are long and local authorities are under significant pressure to discharge homelessness duties, the criteria to qualify to join the list have tightened leaving more and more people who struggle to privately rent or buy a home.

These people are often our 'essential workers', the backbone of the services that we all use and need. As a professional landlord and developer of affordable homes we have the knowledge and experience, to offer a mix of tenures that will provide homes to meet the needs of those trapped in this middle space and to work with investors and partners to address the challenges of delivering this.

Elspeth Mackenzie
Chief Executive

Strategic Report

The Strategic Report is an opportunity for us to review our key activities and progress during 2023/24. Further detail on our financial performance is covered in the Financial Review on page 16.

This report is complemented by two other annual publications:

- The Environmental, Social and Governance (ESG) report shows how we continue to provide genuine social value, including how we operate in a way that minimises our impact on the environment and maximises positive social outcomes.
- Our Annual Report for Tenants concentrates on issues that directly impact and are important to our customers.

Overall, we are pleased with our results for this year and confident that we are prepared for the incoming regulatory changes in 2024/25.

Customer satisfaction

In the past 12 months Thrive has experienced an increase in complaints, in line with others in the sector. This is due in part to high profile media attention, government advertising campaigns and proactive communications to our customers encouraging them to tell us when things go wrong.

Handling Complaints

Whilst the volume of complaints has increased by 13% on the previous year, we've made significant progress in responding within the timeframes set out by the Housing Ombudsman Complaints Code. By the end of year, we were proud to report that 93% of stage 1 complaints and 98% of stage 2 complaints were responded to on time. A total of five complaints were escalated to the Housing Ombudsman Service with determinations yet to be received. Further details have been published on our website in our Annual Complaints Performance and Service Improvements Report 2023/24.

It's important that we continue to manage the professional and timely handling of complaints with our ability to provide quality services to our customers. We want to make the best use of talent and resources within the business and were finding that our operational teams were being pulled away from their areas of expertise to focus on responses, with a negative impact on services for customers.

To address this, we ran a pilot programme within the property team in November 2023. Complaints were handled centrally by colleagues with an expertise in complaint handling. This approach was a success and resulted in:

- greater efficiency, with a 75% reduction in the time taken to respond to a complaint
- a reduction in the number of stage 1 complaints being escalated to stage 2
- 26% of responses received compliments from customers around the way they were handled.

Following the pilot's success, we will be rolling out this approach across the business in April 2024 with additional resource and capability being recruited to this team. In 2024/25, the Housing Ombudsman has predicted that complaints will continue to increase (by approximately 80%) due to changes in the way they are being logged and the Government's continued Make Things Right campaign. We are confident this new approach is the best way to address the predicted increase but recognise the impact that the additional resource has on operating costs.

Tenant Satisfaction Measures

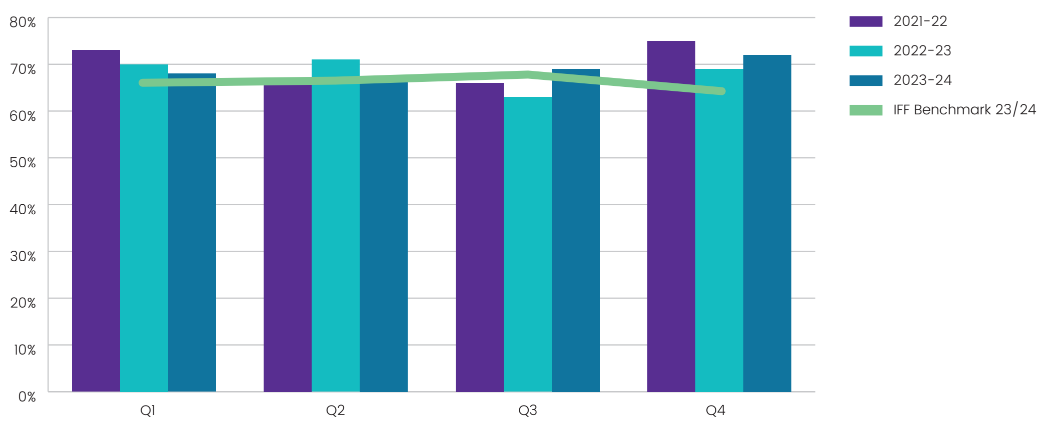
Thrive has been reporting against the draft Tenant Satisfaction Measures (TSMs) since Q4 2021/22, in preparedness for them to become a regulatory requirement in April 2023.

For the past 12 months we have used these measures to interview approximately 100 customers a month, so that we benefit from customer experience data in real time. We triangulate performance data against customer feedback and satisfaction results to determine customer priorities, which identify the service improvements that need to be focussed on and invested in accordingly. Alongside handling complaints, areas for improvement this year included improving our record keeping within our centralised IT system, with system actions captured confirming steps and timeframes agreed with customers. Responses to calls and emails are then quality checked to ensure the accuracy and timeliness of the response.

Full results for 2023/24 were submitted to the Regulator in June 2024. It is expected that we will be mid-range for satisfaction having previously shared and compared results with peers through our benchmarking group, Vantage.

At the end of the year Thrive's level of customer satisfaction (overall) ranked 26 against 44 comparators and was 3.3% higher than the average benchmark from our independent market research agency, IFF Research. Overall satisfaction for low-cost rented customers sits above average at 73%, whilst low-cost home ownership is slightly lower than average at 52.8%.

Combined customer satisfaction (overall)



Thrive Customer Voice

Our new engagement model, Thrive Customer Voice (TCV) has been in operation for just under two years and is having a meaningful impact on how customers' views are heard and responded to.

In 2023/24 we maintained a membership with circa 45% of households being members and 22% (1,259 households) taking part in at least one activity, up from 798 households the previous year.

When we created the model, we were mindful of the update to the Consumer Standards and designed it to be compliant with the new Transparency, Influence and Accountability Standard. This year, we have undertaken an audit through an external consultant, which confirmed that Board is hearing the voice of the customer and using data to inform business decisions.

> **"It's great to know a company is actively seeking feedback from their customers to want to improve the customer experience."**
>
> Thrive Customer Voice member, January 2023

Customer Voice in Action (case study)

In Q4 2022/23 our initial TSM surveys indicated a slight decrease in satisfaction when asked if 'Thrive provides a home that is safe'. This triggered a follow-up survey to all customers who responded with low scores. They were invited to go into more depth with questions covering fire, security and more.

The additional feedback identified that reasons behind the low scores largely reflected concerns about door entry systems and anti-social behaviour (ASB). After being shared with senior leadership and board, the following actions were agreed:

- An engagement activity to review Thrive's ASB policy, resulting in the creation and publication of a **Good Neighbour Agreement** fully endorsed by customers.
- Our **door entry upgrade** programme costing over £350K, was brought forward and expanded upon. It has moved from a simple digital upgrade with our existing supplier to a full review and system changeover.

Repairs

We know that the repairs service is key for customers, as it is the commonly used service and poor performance has a significant impact on our customer satisfaction results.

Over the past two years we have seen a continual increase in the number of repairs being logged. This is partly down to a change in how we approach cases of damp and mould, the age of our homes and increased levels of rainfall experienced across the year.

These higher levels of demand come at a time when we are faced with UK-wide challenges of rising costs, and a shortage of skilled labour, resulting in a greater reliance on external contractors.

We prioritise emergency repairs and have maintained strong performance with 99.8% being resolved within 24 hours. Over the course of 2023/24 our non-emergency repairs took an average of 20.3 days to complete, which is just outside our target of 20 days. Additional resource was brought into the business in January 2024, and we have started to see an improvement with 90.3% of customers who received a repair in February 2024 satisfied with their experience.

Repair type within target timescale	2023/24
Emergency repairs	99.8%
Standard repairs (up to 20 days)	71.2%
Standard repairs (up to 60 days)	85.9%

Through Thrive Customer Voice, we have hosted a series of events (in person and online) where customers were invited to learn more about our repairs service, help us define realistic and fair timeframes for appointments and review our communication methods. Results from this activity are now published on our website with a focus on how we adjust our services for individual customer's needs and vulnerabilities.

Investing in our existing homes

We continue to invest in our existing homes not only to maintain Thrive's assets but also to ensure we are providing decent and safe homes for our customers.
By developing our 'Roadmap for Every Home' we have been able to better plan maintenance programmes and understand when it is not possible to bring a home up to standard. We feel confident that we understand our homes and the interventions that are needed. In March 2024, 99.94% of our homes met the Decent Homes Standard and 83% have an EPC-C or above.

In addition to our planned maintenance programmes for 2023/24, a further £1.2m of expenditure was brought forward from 2024/25 to facilitate a more balanced programme next year and to accommodate the match funding requirements of the social housing decarbonisation fund (SHDF).

Improving energy efficiency

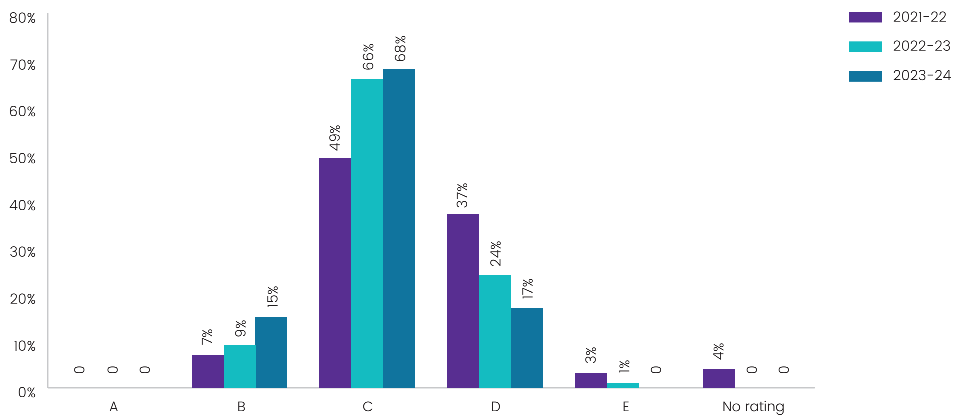
Since April 2022, we have secured a total of just over £2 million from the Social Housing Decarbonisation Fund waves 1 and 2. This year saw the completion of external wall insulation to 82 homes (wave 1) with a further 131 homes being prepared for the second phase which is due to complete in 2024/25.

Further funding to support energy efficiency upgrades is being mobilised from the Government's ECO4 scheme and a total of £82,000 was secured through HACT retrofit credits and the Social Decarbonisation Project via the EndoTherm project.

700

customers benefited from the installation of EndoTherm energy saving additive in their wet heating systems

EPC ratings of existing homes



Go to page 31 for further details on our energy consumption and associated emissions as part of our Streamlined Emissions and Carbon Reporting (SECR).

Building safety

Providing a safe home is a fundamental element of our core purpose. Following considerable work in the previous financial year we were fully prepared for the new regulatory regime around building safety in April 2023. We have registered two flat blocks over 18 metres with the Building Safety Regulator in accordance with the Building Safety Act.

Our building safety engagement approach, alongside fire safety information on individual blocks and details of our accountable persons is available for customers on our website. We have continued to progress with building safety component replacement programmes, including fire doors, and undertake annual 'meet the team' engagement events at our buildings over 18m.

In addition to this work, we have been raising awareness of safety issues with our customers by hosting 'skip amnesty' days where they could dispose of large items which might otherwise clog up communal areas. We have also launched a homeowner reward programme encouraging leaseholders and shared owners to share their gas and electrical safety certificates with us.

- 100% of fire doors have been inspected as a requirement of the Fire Safety Act.
- 99.95% of homes have an in-date gas safety check (two homes have not, due to access issues)
- 100% of homes that require an in-date Fire Risk Assessment have them
- 100% of homes have received asbestos, lift and water safety checks
- 97.66% of homes have a valid electrical safety certificate (all overdue are either booked in or undertaking legal action).

Commitment to growth

Whilst other housing associations have drastically reduced their development pipeline, we've taken the opportunity to review and reaffirm our growth ambitions. We know there is strong demand within our operating area, so it's important we continue to deliver new homes whilst investing in existing and replacing those that are no longer fit for purpose.

Following the completion of our largest development to date in 2022/23, this year saw 228 homes in delivery stage. In total, 77 homes were handed over in this financial year with a further 151 expected in 2024/25.

At the end of the last financial year, we secured funding from Homes England as part of the Accent Strategic Partnership, which is earmarked for 399 new homes. Over the past 12 months our emphasis has been on identifying opportunities, refining future schemes; looking at the commerciality and location, and optimising our existing pipeline. Our focus is on quality. Quality of scheme, quality of build and quality of partner. We're being prudent but very much still active.

Thrive's future growth is two-fold. Alongside our organic development pipeline is the management of homes on behalf of other organisations. We recognise there's a huge interest in the sector from external funders for long term investment opportunities. Thrive has a strong track record in this area as both a landlord and property manager, so we are actively exploring partnership opportunities to add to our portfolio.

Understanding our data

Our digital transformation project continues to make good progress as we move from outdated housing management systems to a newer platform that will give us greater levels of analysis, reporting and an understanding of how we can utilise data in a more meaningful way. A project like this, understandably requires a significant investment in both time and money, however we are already starting to see the value and efficiency it will bring to our business by automating and streamlining processes.

Alongside this project, our teams have been working hard to highlight and fill the gaps in both our customer and property data. Over the past 12 months, we have run successful campaigns with customers to collect their EDI data with an increase of 6%. This information helps us to better understand our customers and identify trends in satisfaction by demographic, geography, tenure and housing type, which informs any adjustments to our service delivery.

Investing in our people

Thrive's culture aims to be inclusive, customer focused and business savvy, born out of adult-to-adult customer and colleague relationships. This approach encourages everyone to seek out solutions and suggest new and innovative ways to deliver landlord services.

Underpinning this culture are our behaviours 'how we work' and a commitment to empowering performance, taking responsibility and pride in what we do and how we do it.

We continue to invest in the ongoing development of our colleagues, enabling us to meet the demands of the business and pursue career ambitions. As part of the consultation on the Competence and Conduct Standard we have created a register of qualifications across the business and identified gaps for further development, as relevant.

Internal learning and development opportunities throughout the year, were influenced by feedback from customers and colleagues and focused on:

- Empathy - improving how we handle feedback and complaints
- Conflict management - requested by customer facing colleagues to help support the mental wellbeing of customers and colleagues handling difficult situations
- Allyship – empowering colleagues to foster a culture of inclusivity and diversity at every level of the business.

Testament to our investment in personal development, we are proud to report that 29% of all our vacancies were filled by internal applicants. In addition, we have strong workforce stability helping us to retain knowledge, skills and capability in a competitive recruitment market.

In 2024/25, we will be publishing our first gender and ethnicity pay gap report. Initial exploration of data captured in April 2024, has assured Thrive's Board that there is no underlying bias in our pay structure.

We are proud to have our HDN Diversity Network Accreditation, alongside IIP 'We invest in people' gold and were delighted to be awarded the new 'We invest in wellbeing' gold award in October 2023. These external assessments help us build our employment offer and ensure we are aligned to the current and future aspirations of our people.

Financial Review

2023/24 – year two of our current development cycle – has seen us nearing completion of our current committed development plans whilst building a strong, resilient base to continue our corporate strategy. This is reflected in the year's performance, which has also been impacted by our response to a challenging and uncertain economic climate.

Our metrics, both internal and external, reveal Thrive's ongoing financial resilience and provide us with sufficient capacity to continue investing in our existing homes and building new ones.

Our key performance metrics demonstrate that we have a good balance of rental and sales income, with the core social housing lettings business operating efficiently and not reliant on support from other income streams or sales.

We end the year with significant capacity, having a combination of bond funding and drawn facilities at competitive fixed rates, and in addition, a significant Revolving Credit Facility (RCF) to progress our strategy. Fundamental to this is our carefully monitored and controlled development programme.

The Regulator of Social Housing rated Thrive's viability at V2, following its normal engagement with providers in November 2022. This, along with our G1 governance rating, was confirmed in March 2023 following an in-depth assessment.

This assessment was based on several factors, including; the current economic climate and associated risks, our planned increase in spend on existing properties, including EPC efficiency, our growth ambitions and a relatively high exposure to shared ownership sales.

There is recognition that these exposures need to be monitored and managed and are key considerations in our strategic decision making. The strategy remains on course. However, this is supported by a robust mitigation plan and an agile business able to flex the timing and size of its investments as it progresses. The compliant V2 rating has no direct impact on our funding arrangements.

Thrive's credit rating has been reaffirmed as A+ (stable outlook) by S&P Global following their review in March 2024. The maintenance of this grade represents a recognition of the strength of our financial health and business resilience, particularly in light of the current economic conditions and challenges. They recognised Thrive's prudent policies and risk management standards, strong demand for shared ownership homes in the area and an experienced team with the agility to adjust plans if needed to reflect operational or market conditions.

Key highlights include:

- operating surplus of £13m and a margin of 28%[1] (statutory definition)
- underlying surplus before tax of £6.9m
- arrears at 2.63%
- liquidity – end of year cash balance available of £16m
- built and acquired 77[2] homes with investment of £37.5m
- G1 governance and V2 viability rating
- A+ (stable outlook) credit rating.

1 Prior to revaluation movement on investment properties

2 Reference note 12 in the Notes to the Financial Statements

Turnover and operating surplus

Turnover and operating surplus have continued to grow with new development stock coming online and strong demand for shared ownership homes. In addition, the current year has the full year impact of the homes acquired from L&Q in 2022. Rental income has increased by 15%, reflecting increased stock numbers and the statutory rental increase. A reduction in the number of First Tranche Sales has led to an overall reduction in total turnover, which has reduced slightly by 3.5% to £46.7m (£48.3m in 2023). Operating margins continued to perform well at 28% in 2023/24 and we continue to reinvest our surplus to deliver safe, affordable homes for our customers.

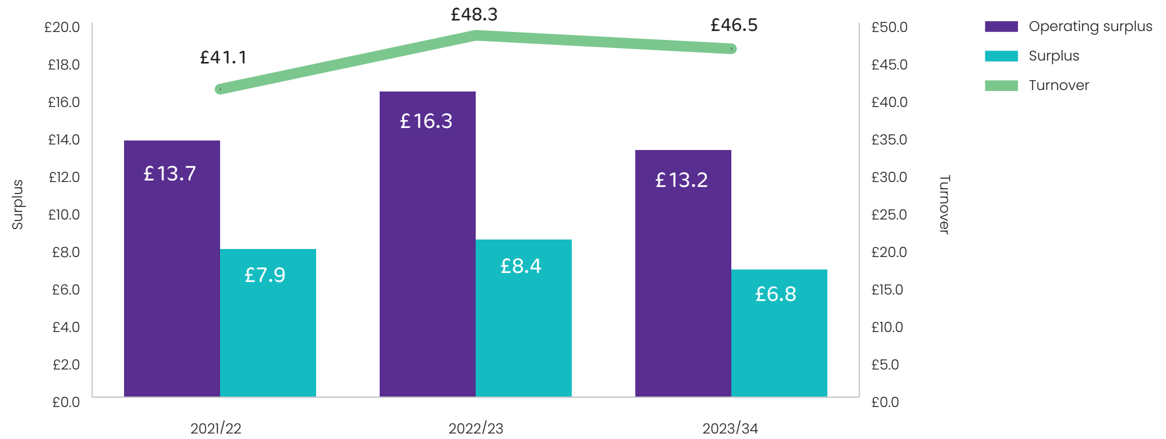
Although margins are strong and remain in the upper quartile of the sector, they have reduced in the year for several key reasons:

- increased investment in our people to deliver stronger frontline services
- increased investment in our homes, in particular to improve energy efficiency
- the progression of our growth strategy
- absorbing the impact of recent high inflation levels on our costs.

The current economic climate is impacting margins across the sector, the challenge being to balance these emerging pressures with plans for increased investment in existing homes to comply with new building safety and environmental legislation.

2024 numbers are shown prior to an adjustment for annual revaluation of investment properties.

Turnover and surplus (£m)



Development, sales and investment

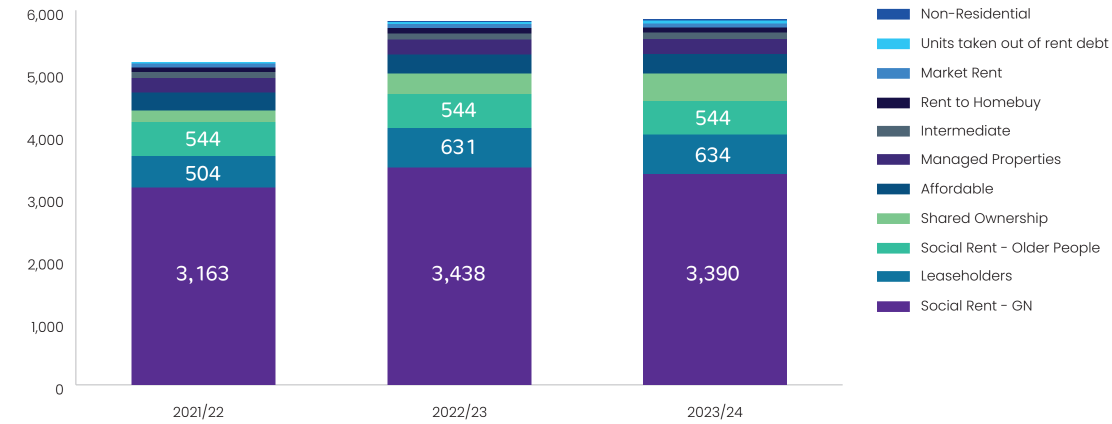
Development capital spend in the year totalled £37.5m, which is in line with our planned development program and includes the construction of 228 homes over four sites. Spend in our development program has increased from the prior year, although overall expenditure is lower (2023: £105.4m), due to the acquisition cost of 547 homes from L&Q in 2022.

The program of development on our landbank has continued throughout the year and expenditure is in line with this budget. We have seen turnover from shared ownership decrease by 39% to £9.1m, reflecting timing of completions. Whilst local demand for this tenure remains strong, the availability of homes for sale was less due to the number of planned completions available during this period. We have a strong pipeline for this tenure, with significant deliveries planned for 2024/25 and in future years and strong demand at our current development sites. Turnover includes shared ownership conversions, enabling us to refurbish homes that are no longer financially viable as rental properties, whilst keeping them as a social housing option and maintaining a rental income from the property. This programme ensures that we focus our investment within the portfolio, while releasing value that supports the construction of new homes.

Turnover analysis (£m)

Homes by tenure	2021/22	2022/23	2023/24
Social Rent- General Needs	3,163	3,438	**3,390**
Leaseholders	504	631	**634**
Social Rent- Older People	544	544	**544**
Shared Ownership	182	322	**441**
Affordable	285	310	**310**
Managed Properties	233	239	**242**
Intermediate	100	99	**99**
Rent to Homebuy	72	88	**87**
Market Rent	61	61	**61**
Units taken out of rent debit[3]	30	30	**33**
Non-Residential	-	18	**18**
Total	**5,174**	**5,780**	**5,859**

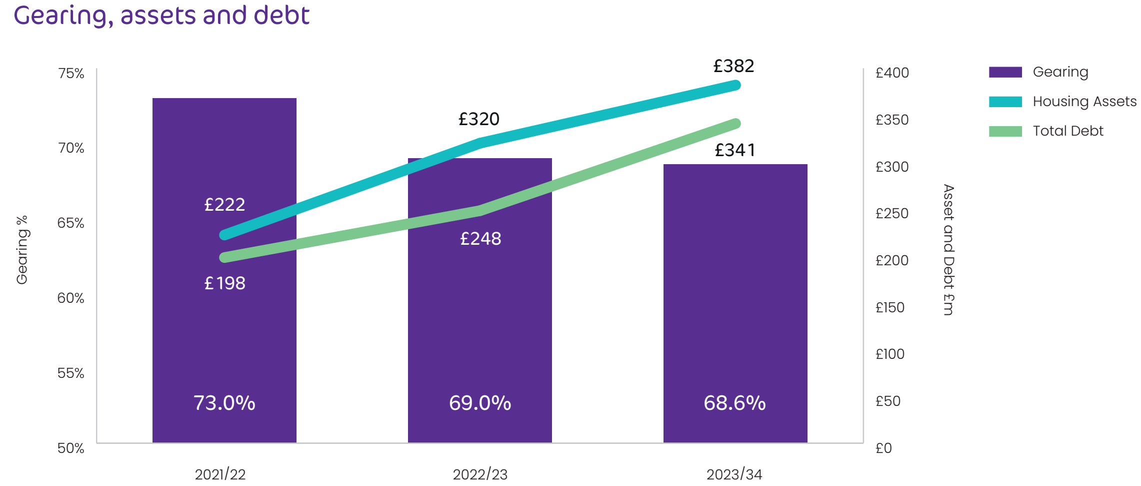
Total Homes by Tenure



3 These properties are no longer available for rent as they are either being converted for asset or shared ownership sale.

Gearing, assets and debt

Gearing has reduced from previous years' levels and debt growth is in line with plans. Housing assets increased in 2022/23 due to the homes acquired by L&Q whilst Thrive was able to repay one of its facilities during the year.



Cash generation

Thrive continues to generate significant cash from operations to meet interest costs. This cash generation will rise with increased stock numbers, although reduced in the current year with the impact of higher inflation and as we invested spare capacity in improving our homes. Shared ownership sales continue to be resilient and a strong source of cash. Although sales numbers have shown a reduction in the current year, reflecting timing of completions, the margins and percentages sold were higher, illustrating a strong demand in the area for this product.

	2022/23 £m	2023/24 £m
Net cash from operating activities excluding shared ownership	**10**	**6**
Net cash from operating activities	**18**	**16**
Net interest paid	(10)	(10)
Improvements to housing properties	(5)	(6)
Other items	1	(2)
Operating cashflow net of debt interest and capex	**4**	**(2)**
Proceeds from asset sales	7	-
First tranche shared ownership sales	15	9
Net movements in borrowings and deposits	107	40
Development spend	(105)	(32)
Net cashflow	**28**	**15**

Statement of Comprehensive Income	2021/22 £'000	2022/23 £'000	2023/24 £'000
Group Turnover	**41,137**	**48,289**	**46,673**
Cost of sales - shared ownership	(7,847)	(9,555)	**(4,798)**
Operating expenditure	(20,981)	(24,754)	**(28,902)**
Gain on disposal of fixed assets	316	3,215	**216**
Revaluation gain/(loss) on investment properties	1,538	(362)	**(4,113)**
Impairment	(436)	(531)	**-**
Operating Surplus	**13,727**	**16,302**	**8,776**
Interest receivable and similar income	2	1,244	1,841
Interest payable and financing costs	(5,780)	(9,109)	(8,067)
Surplus before taxation	**7,949**	**8,437**	**2,550**
Taxation	-	-	
Surplus for the year	**7,949**	**8,437**	**2,550**

Funding and treasury management

This year, through delivery of year two of the Treasury Sub-Strategy, we have strengthened our treasury position – with all our current debt at fixed, competitive rates and a significant RCF available to us for future activity. The business has excellent liquidity, with sufficient current and future access to funding and the expertise to continue to strengthen relationships with external stakeholders and finance the business plan efficiently.

In March 2024, following its annual review, Standard & Poor's (S&P) retained our credit rating at A+ (stable outlook). These metrics, coupled with our V2 viability rating, demonstrate the external confidence in our organisation and the value generated from our strategy.

S&P's report identified that its decision was driven by strong confidence in our management and governance. It recognises good control over our housing portfolio, high EPC levels across the current housing stock (83% are EPC C or above) and that sales activity is resilient in the face of challenging economic conditions. In addition, we have used spare capacity to make improvements in our stock.

Thrive has a diverse portfolio of lending to ensure we are not dependent on a single bank or investor. We continue to look at ways of diversifying our borrowing to utilise the most favourable rates, in line with our Treasury Strategy.

Our treasury risk is managed through our Treasury Management Policy (TMP), which focuses on key risks and setting targets that match our risk appetite. It is updated annually to reflect the latest agreed covenants.

Key treasury risks:

- **Liquidity risk** – on 31 March 2024 we had liquidity of £92m (cash and undrawn Revolving Credit Facilities). Our liquidity golden rule in the TMP calculates the level of liquidity required to remain resilient.
- **Counterparty credit risk** – our TMP sets out credit rating limits for our deposit counterparties, which we use to decide on investing our surplus cash. The counterparty credit ratings are provided by our treasury consultants and monitored regularly in-house.
- **Interest rate risk** – within our TMP are set parameters to manage our exposure to fluctuations in interest rates. Throughout the year and on 31 March 2024, 100% of drawn debt was fixed with no variable rate exposure.
- **Covenant compliance risk** – through our budget and business plan process, we monitor our financial covenants within our loan agreements and maintain headroom

above these covenants. Compliance with all covenants is monitored through the Risk and Audit Committee each quarter. Thrive comfortably complied with its covenants throughout the year.

On 31 March 2024 Thrive had agreed and committed facilities of £325m, of which £250m were drawn. All future committed developments in the business plan can be funded through existing agreed facilities.

Committed facilities and available cash (£m)

The bond and our loan agreements all contain financial covenants. Predominantly, loan covenants are based upon interest and asset covers. Compliance with all covenants is monitored through the Risk and Audit Committee each quarter. Thrive comfortably complied with all of its covenants throughout the year.

Thrive does not have any abnormal exposure to credit, liquidity, interest rate, counterparty, currency or cashflow risks arising from its treasury activities.

Value for Money Statement

What value for money means to Thrive?

A focus on delivering long-term, sustainable Value for Money (VFM) is important to Thrive as we grow and become a more complex organisation.

Making the best decisions, plans and interventions on resources, while leveraging investment by partner organisations, both now and into the future, maximises value to our customers. This:

- underpins Thrive's ongoing resilience and our ability to offer a fair deal to customers
- will enable Thrive to deliver its primary purpose of delivering more homes
- facilitates an organisation that can deliver on its intent to be a good landlord, through making best use of the resources available to invest in new homes whilst maintaining the quality and value of its portfolio
- enables us to maintain our independence, our ability to define and maintain our relationship with customers and other stakeholders and continue to exercise choice.

Our corporate strategy has VFM at its core. We operate in some of the most expensive areas to live in the country, so we believe our commitment to be a sustainable business and a good landlord, by delivering efficient services while meeting the high demand for growth, delivers VFM. This also ensures compliance with the Regulator of Social Housing's VFM Standard.

Our approach to VFM

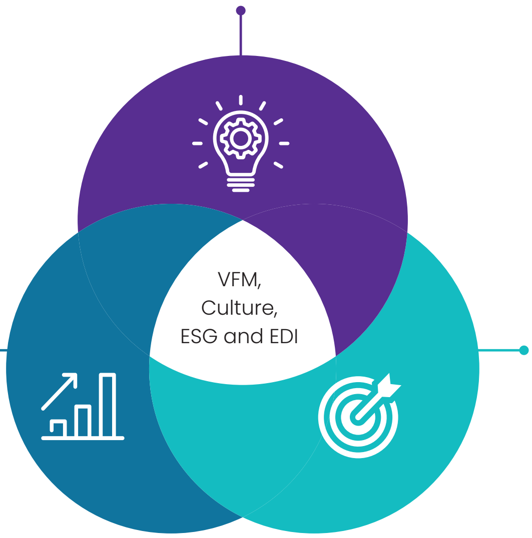
VFM is a golden thread throughout the organisation and the way it operates. It is prominent in the development of our plans and decision-making processes, from our Principles and the approach set out in our Strategic Framework 2021, 'Foundations for Growth', through to our Business Plan to the budget.

Strategic Framework

- Our Purpose and Principles
- Fair deal for customers
- Great place to work
- Growth
- Resilient with a strong financial base

Operational, in-year activity

- Budget
- Balanced Scorecard (KPIs)
- In-year focus

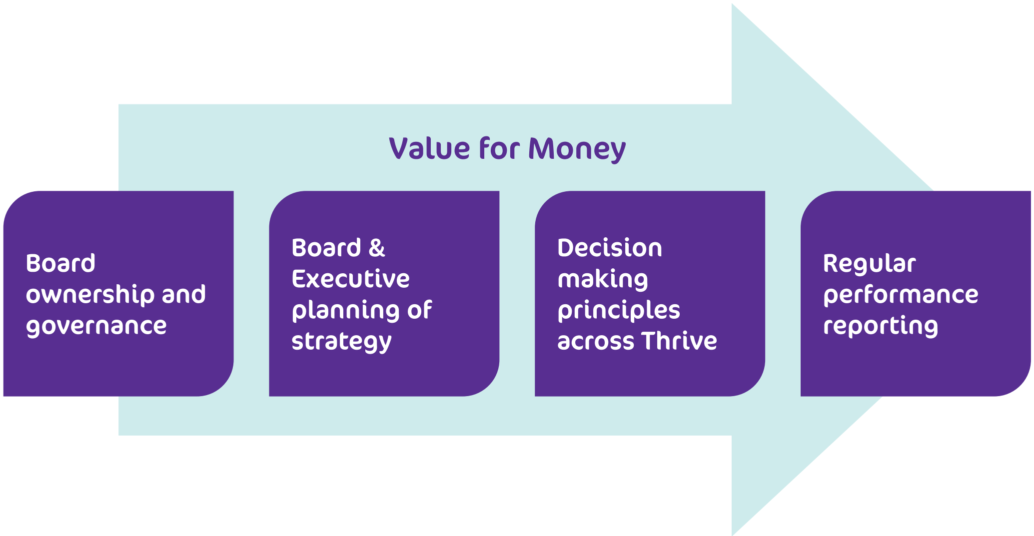


Sub-strategic Action Plans

Inform the Medium-Term Plan

- Customer
- Asset
- Colleague
- Growth
- Finance and Treasury
- Technology and Data

Governance of VFM is embedded in Thrive with clear Board ownership, cascading through the organisation.



VFM Strategy and Progress

Thrive's Board agreed three areas of focus for 2023/24 with specific deliverables to demonstrate how resources are being used most efficiently and effectively, whilst leveraging investment by partner organisations.

These are:

Resilient with a strong financial base	1. Developing our capabilities to ensure we are an organisation that is fit for purpose, able to deliver our strategy and support growth.
Great place to work	
Fair deal for customers	2. Continued development of the Thrive Deal, continuing to embed our new customer engagement model throughout the business.
Growth	3. Grow and manage the portfolio in cost-effective ways, seeking to support an effective cost to homes managed ratio.

1. Developing our capabilities

We will seek to use all our resources; people, technology (including processes and data), partners, finance, treasury and assets, to grow and manage our portfolio in the most cost-effective and efficient way, with a principle of continuous improvement and transformation. This will require further analysis of the underlying cost base and the value driven from Thrive's business units to identify areas where action can be taken to improve performance.

Progress

- Long-term funding in place at competitive and stable rates.
- Security position improved through efficient allocation of assets.
- Creating the internal teams needed to deliver our growth strategy in the most efficient manner and reducing the use of external partners/contractors.
- Three-year business transformation project achieves 60% completion (phase 1), replacing multiple 'silo' legacy systems with a consolidated cloud-based solution (Microsoft Dynamics 365) that creates a single source of data. The project remains on track and within budget and following a review and renegotiation, includes additional functionality to further streamline business processes.

- Following a series of audits and insurance questionnaires, we can confirm that no cyber breaches occurred with all external threats being identified and negated as a result of the proactive measures in place.
- Data cleansing and implementation of an intelligent energy system to enable development of our roadmap for every home, including identification of energy efficiency costs.

2. Development of the Thrive Deal

Since relaunching the Thrive Deal in 2022/23, we have continued to evaluate and undertake quality assurance checks to make sure we are delivering what we said we would. As part of our continual improvements, we have reviewed our approach to HomePlan® moving away from a specific annual visit to 'making every contact count'. This approach maximises the benefit of existing appointments to capture damp and mould issues and/or customer vulnerabilities. This change ensures that we are responding to customer feedback by streamlining the number of appointments we expect them to be available for, whilst making us more efficient.

Progress

- Our new customer engagement model, Thrive Customer Voice, maintained a membership of circa 45% of households with 22% (1,259) households taking part in at least one activity (up from 798 households the previous year).
- To date 90% of Thrive tenants have received a HomePlan visit, Stock Condition Survey or new home inventory.
- Digital interactions with customers have remained at our target of 70%. We anticipate this is the maximum level of digital interactions we can achieve, based on our knowledge that 30% of customers do not access web-based services.
- Customers paying by direct debit has increased to 56%, with 58% of customer accounts being 4-weeks in credit and arrears sitting at 2.63%.
- First-time resolution of calls from customers is consistent at 77%, ensuring we efficiently handle contacts.
- An internal review of the way we handle complaints resulted in the creation of a centralised team, with a 75% reduction in the time taken to respond to a complaint.
- Focus on customer satisfaction, resulted in 69.7% overall satisfaction (up from 68% the previous year).

Areas for focus in 2024/25 will be mapping our customer journey for repairs end-to-end, retendering our cleaning and grounds maintenance contracts, and identifying and improving on the root causes of complaints. Each area will be supported with an action plan for improvements that should positively impact customer satisfaction.

3. Grow and manage the portfolio in cost-effective ways

Growth represents a key part of Thrive's Strategic Framework and, as such, holds significant value for our organisation.

It is important that we increase the number of homes we provide to ensure our current and future customers have a wide choice of safe, affordable housing. This will be achieved by striking a balance between the different routes to growth and progressing a long-term acquisition, development and disposal plan to ensure that we strengthen our financial resilience.

Growth will help us deliver value for money as it provides the opportunity to have the people and technical resources required to operate effectively while operating within sensible costs per unit (CPU) and continuing to deliver improved margins, improved income and a stronger balance sheet, alongside the provision of a greater quantum of ethically managed and affordable homes.

Thrive will seek ways to support an effective cost to homes managed ratio. As we grow, we will spread costs over a larger unit base while analysing the efficiency and size of this cost base.

Progress

- Overall number of homes have significantly increased over recent years, through our own organic development as well as management for others (CBRE) and stock acquisitions (L&Q).
- An initial roadmap developed for every home.
- A total of £2.1m grant secured from Social Housing Decarbonisation Fund waves 1 and 2, with major works activity brought forward to improve our homes. Further funding to support energy efficiency upgrades mobilised from the Government's ECO4 scheme and a total of £82,000 secured through HACT retrofit credits and the Social Decarb project (read more on page 13).
- Over £27.5m of funding secured from Homes England as part of the Accent Strategic Partnership, which is earmarked for 399 new homes.

How do we compare?

Thrive uses the Regulator of Social Housing's metrics to monitor the impact of interventions with a focus on cost per unit (CPU), growth and reinvestment, as these are aligned to our aspiration to increase the number of homes we own and manage whilst continuing to invest in existing homes. Thrive has specific challenges relating to the nature, age and historic under-investment in communal areas of the portfolio acquired through stock transfer.

We continue to achieve levels of growth and investment that exceed or equal our peer group. CPU is relatively high compared to the sector predominantly due to the levels of investment in upgrading our homes as well as core applications, and the sector as a whole has been experiencing inflationary pressures in the cost base.

Thrive will continue to invest in its' current homes to deliver Board expectations on quality and also EPC/sustainability targets. The CPU budget for next year reflects the increasing number of homes under management.

Thrive utilises a peer group consisting of associations with Large Scale Voluntary Transfer (LSVT) origins based in the Northern Home Counties to compare performance, in addition to the wider sector metrics.

Performance against VFM measures has been strong and continues to reflect the stage we are at in delivering our strategy. These measures, mandated by the Regulator of Social Housing, may differ slightly from similar measures included throughout this report – for example, in the financial statements and covenants. This performance is measured against our peer group (six organisations similar in geography and size) and the wider sector.

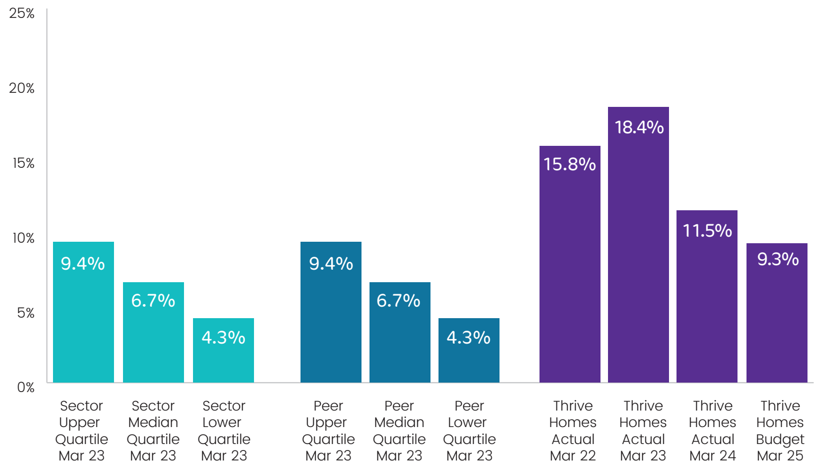
Our future targets represent Thrive's budget for the year 2024/25 and, again, reflect the stage we are at in our cycle of development and sales. Margin and Interest Cover calculations include the impact of the Investment Property Valuations (also stated are the metrics excluding this impact). Changes in the Accounting Direction and FRS102 mean that the impact needs to be reflected above the line (in operating surplus) as they are related to day-to-day operations.

Reinvestment

This metric looks at investment in properties (both development and maintenance of existing properties, excluding stock acquisitions). In 2023, investment in existing properties has increased as we bring forward certain major works to utilise grants and meet our EPC C commitment as well as develop our broader asset management strategy. In addition, the age of our stock, including acquisitions, necessitates certain major works are required within the lifetime cycle of works.

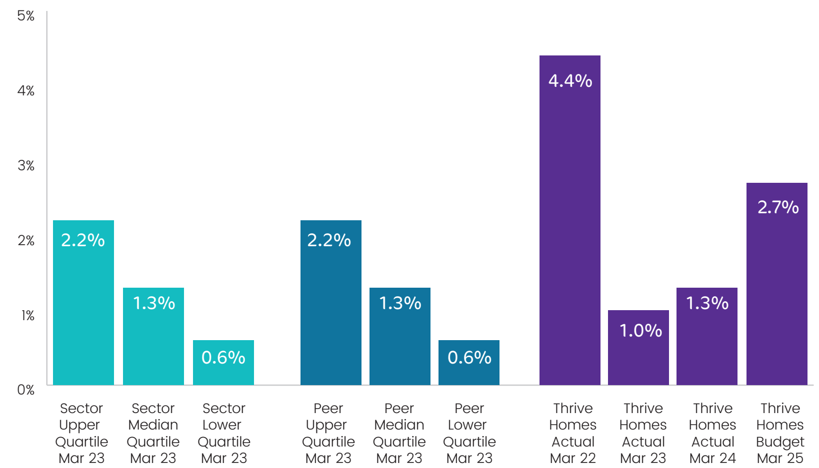
Development expenditure continues as we build out our landbank, with 77 units delivered during 2023/24 and 193 units in construction at year end, in line with our business plan and development cycle. Along with utilisation of our landbank we continue to review growth opportunities and current risks to the sector. The asset management strategy includes a placeholder for further sustainability investment, which is being modelled as part of business plans, and investment decisions are being made now the roadmap for every home has been approved by Board.

Compared to both the wider sector and our peer group, we focused more of our resources on reinvestment, reflecting the scale of our development programme and the degree of spend on existing homes. This is sustainable within our medium-term business plan, and we seek ways to manage costs through careful procurement and initiatives such as the shared ownership conversion programme.



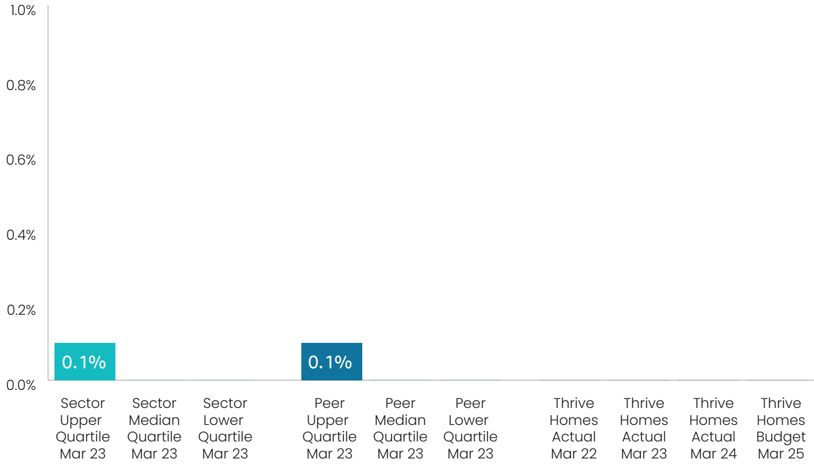
New home supply % (social)

Construction of new homes utilising our landbank is progressing at pace, with delivery of homes being dependent on the stage of our development cycle. We annually increase our number of homes by 2 to 2.5% per annum. We completed 77 new homes for social housing during the year, increasing the number of homes we own and manage. The lower number of completions were purely due to timing of deliveries, reflecting a higher level of work in progress and project completions which straddle several periods.



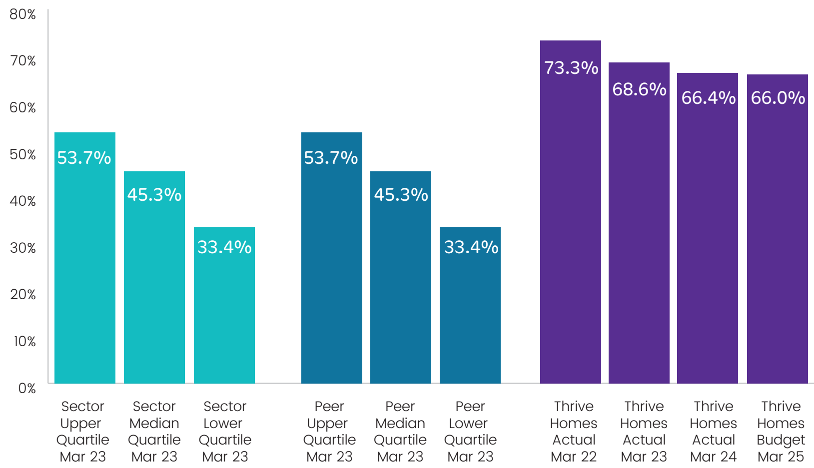
New home supply % (non-social)

In line with our Strategic Framework, we have a market rent portfolio to provide good quality yet affordable homes to help meet the needs of the private rented market. Numbers of market rent units were unchanged during the year, with the portfolio achieving its targeted yield and return. Thrive is currently reviewing strategic options for growth in this area given the economic climate's impact on a market rent operation.



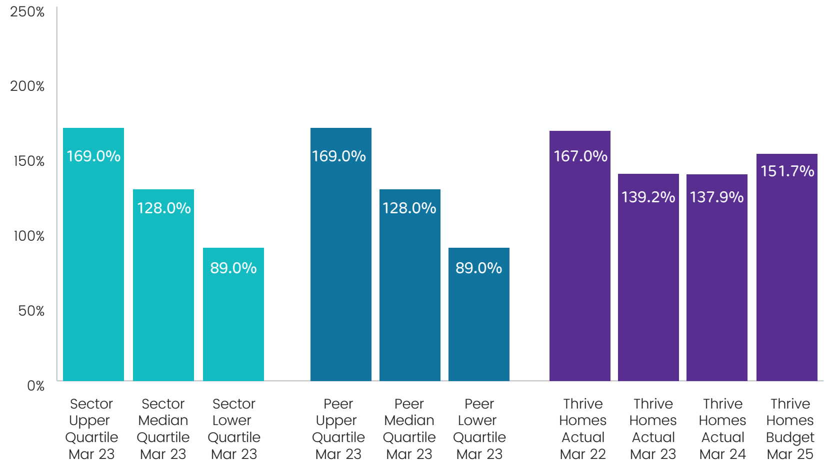
Gearing

Thrive continues to operate with a sustainable and cost-efficient level of debt. Our gearing, measured as debt to the net book value of housing, is relatively high and above the sector average. This is due to our large scale voluntary transfer (LSVT) origins and initial financing. We expect this to reduce as we continue to strengthen our balance sheet through shared ownership sales and efficient cash management. The transition to MV-ST (market value, subject to tenancies) valuation has led to an increase in the reported value of our assets for security purposes. This valuation, alongside Thrive's net debt per unit measure compared to the sector, provides further evidence of a healthy gearing position.



EBITDA Interest Cover %

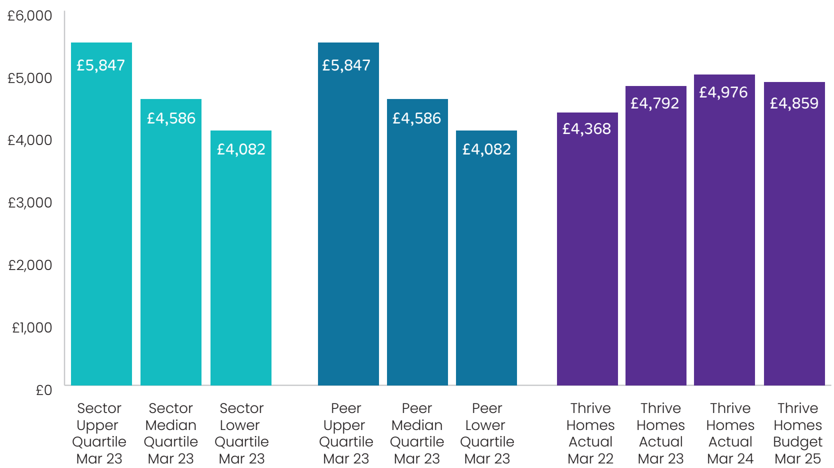
This metric, a measure of cashflow, shows our earnings continue to exceed our interest costs. Thrive can demonstrate its ability to service interest on borrowings out of its day-to-day operations. This performance is indicative of our continued strong core margins and remains significantly above covenants. The small reduction in the year reflects increased investment in our stock to support our strategy. Surplus cash has been invested to generate a larger interest receivable than in previous years.



Headline Social Housing Cost per Unit (CPU)

We continue to deliver CPU broadly in line with our targets, at a level comparable to the wider sector. The year's performance reflected an increase in CPU due to additional expenditure in major repairs as we deliver on our EPC targets as well as inflationary pressures in the cost base.

This metric is forecast to evolve as the benefit of a growing estate is balanced with emerging economic challenges and further investment in improving the energy efficiency of our homes.

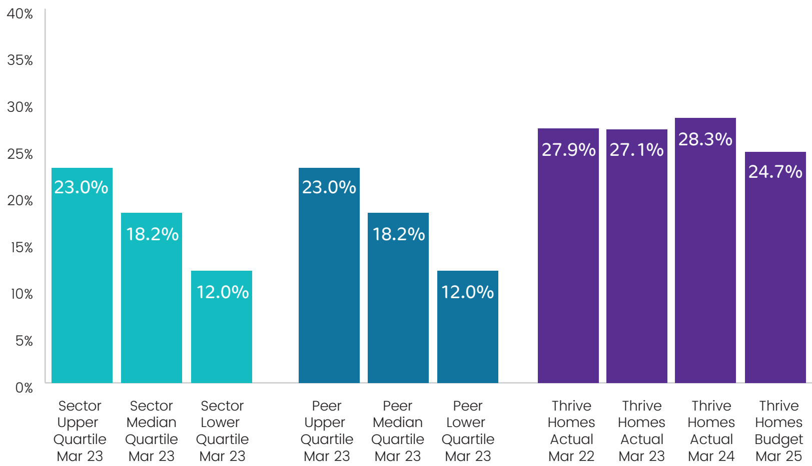


Operating Margins Overall

Our overall operating margin has increased over last year and is in the upper quartile of the sector and peers. Despite economic and inflationary challenges impacting expenditure, particularly on maintenance and having an impact on the operational surplus, the lower share of First Tranche Sales, which generate a lower margin, has improved the overall margin. Margins in the sector have come under pressure in particular with higher maintenance inflation. Although we have been experiencing higher costs and increased levels of property maintenance which have had an adverse impact, strict cost control, particularly on staff and back-office services has kept increases to a minimum.

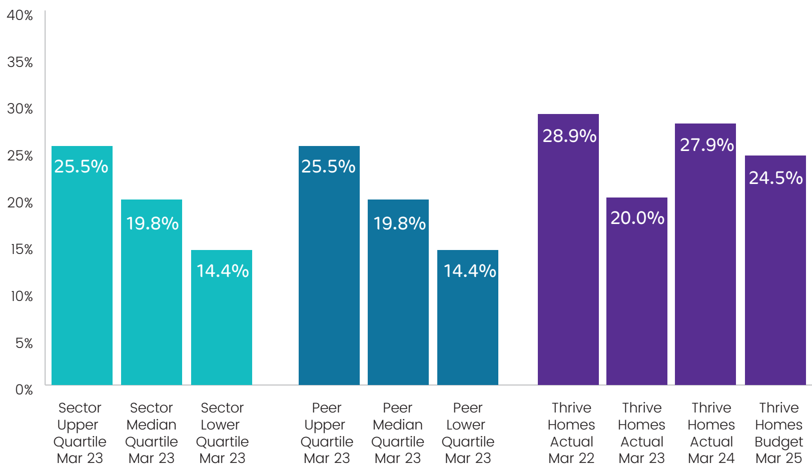
Operating costs will come under further pressure in 2024/25 as we maintain and invest in our properties, but we anticipate to remain in the upper quartile.

2024 numbers are shown prior to an adjustment for annual revaluation of investment properties. Actual March '24 figures including revaluations: 18.4%.



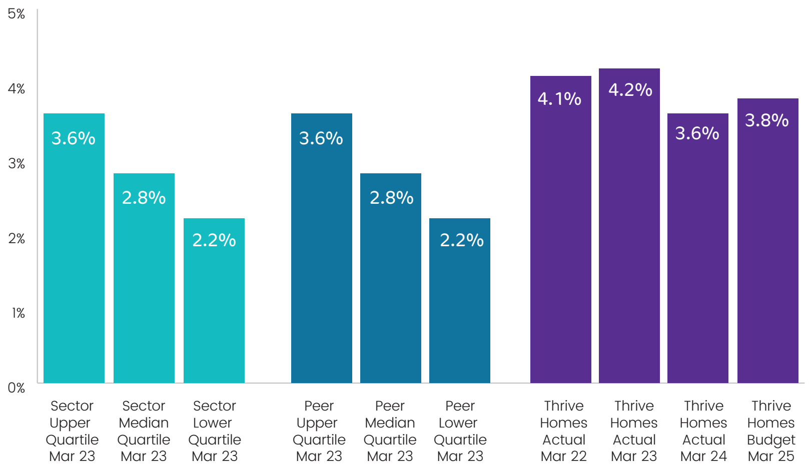
Operating Margin Social Housing Lettings

The margin on our social housing lettings shows improvement over the prior year in line with expectations and remains in the top quartile for 2024. This is despite a challenging operating environment, particularly with higher inflation, and a greater spend on maintaining our stock, as we continue to deliver our expected service levels. We continue to monitor our cost base and this margin is targeted to improve in coming years. Thrive has managed operating costs through careful management of our establishment and administration costs, including, for example, procurement and agile working.



Return on capital employed (ROCE) %

Thrive's return on capital employed (ROCE) continues to be delivered at the top end of both our peer group and wider sector. This demonstrates that we are using our assets effectively and efficiently to deliver sustained long-term returns. The reduction this year reflects the challenges to the surplus, with a slightly increased capital base as new projects come online.



2024 numbers are shown prior to an adjustment for annual revaluation of investment properties.

Energy and Carbon Emissions

Thrive's energy consumption and associated emissions for operations throughout the UK are reported below in line with the government's Streamlined Energy and Carbon Reporting (SECR) regulations.

These figures relate to our consumption of natural gas, electricity and transport fuel only. Specifically, they include:

- **Scope 1:** Direct emissions from natural gas and fuel combustion (company vehicles and natural gas supplies for communal heating).
- **Scope 2:** Indirect emissions from purchased electricity (heating, cooling and general use within our offices).

Intensity Ratios	Energy (kWh)	Carbon (tCO_2e)
All Scopes tCO_2e per £m turnover	**97,505**	20.06
All Scopes tCO_2e per FTE	**25,543**	5.26
Scope 1 Total	**3,621,302**	754.22
Thrive Fleet (Transportation)	**40,955**	109.76
Residential Gas (Communal Supply)	**3,580,347**	644.46
Scope 2 Total	**874,339**	170.67
Office Grid-Supplied Electricity	**102,517**	20.01
Residential Grid-Supplied Electricity (Communal Supply)	**771,822**	150.66
Grand Total	**4,495,641**	924.90

We are not currently disclosing scope 3 emissions.

Carbon Performance Commentary

The 2023/24 reporting year marks Thrive's inaugural SECR disclosure. Since this is our first report, we lack comparative data. However, we do anticipate a slight increase in gas consumption next year due to the development an additional 127 homes on a combined heat and power (CHP) communal network.

Energy Efficiency Actions Taken

We are actively assessing our scope 1 & 2 emissions and investigating decarbonisation pathways to establish a carbon-neutral target for our business operations ahead of our next SECR disclosure. Our focus includes evaluating our communally heated properties and exploring the feasibility of early decarbonisation. Additionally, we have submitted two applications for optimisation studies under the government's Heat Network Efficiency Scheme (HNES), and if successful, will leverage the findings to inform our approach.

Thrive has initiated several programs aimed at improving the energy efficiency of our stock and reaching our target of EPC C by 2030. These activities, specifically relate to scope 3 emissions and fall outside the scope of this SECR disclosure. More information can be found in our annual ESG report.

Methodology

This report (including the Scope 1 and 2 consumption and CO_2e emissions data) has been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2023 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for reporting period 01/04/2023 – 31/03/2024.

For properties where Thrive Homes is indirectly responsible for utilities (i.e., via a landlord or service charge), readings were obtained from all 248 electricity supplies and 10 gas supplies.

Intensity metrics have been calculated using total tCO_2e figures and the selected performance indicator for the relevant report period:

- Total turnover 2023/24 = £46.7m
- Full-time equivalents (FTE) 2023/24 = 176


Thrive
GM23 NNX

Governance

The Board is pleased to present its report and the audited financial statements of Thrive Homes Limited ("the Association") and its subsidiary entities (together "the Group") for the year ending 31 March 2024. This is the 15th full year of operations for Thrive Homes since its formation.

Thrive Homes continues to comply with the NHF Code of Governance 2020. Compliance is reviewed annually with an internal self-assessment which is reviewed by the Customer, Colleague and Governance Committee and approved by Board.

Additionally, Thrive has adopted the 2020 NHF Model Rules for registered providers and is a signatory to the NHF Together with Tenants Charter which forms part of Board's commitment to ensuring that the voice of the customer is heard and informs decision making. We are also compliant with the Housing Ombudsman's Complaint Handling Code.

Regulator of Social Housing and regulation review

The Regulator of Social Housing (RSH) published the results of their In-Depth Assessment in April 2023. The results were that the Association was assessed to retain the highest level possible for governance (G1) and, reflecting the current economic climate, viability (V2). The overview report from this IDA can be viewed on GOV.UK (www.gov.uk) by searching Thrive Homes Regulatory Judgement or using the QR code. For more information on the regulation of social housing in the UK, see the RSH website Regulatory standards - GOV.UK (www.gov.uk)

Group structure and overview

Thrive Homes is a registered not-for-profit provider of affordable homes. It owns and manages 5,859 homes in Hertfordshire, Bedfordshire, Buckinghamshire and Oxfordshire. Thrive Homes has been growing over the years by a combination of building new homes and acquisitions from other registered providers.

Its wholly owned subsidiaries are identified in the chart below.

The principal activity of the Group is the development and management of affordable housing.

Board and committees

Thrive Homes is governed and monitored by the Board working through three committees and supported by an Executive Management Team of non-voting Executive Directors (as set out on page 36).

Board membership is based on an evaluation of skills and experience and is made up entirely of non-executive members who are drawn from a wide range of backgrounds, bringing together professional and commercial expertise. We believe that creating a truly diverse board takes time and effort, and some succession planning. Our Associate Board Member programme is designed to attract a range of talent, mostly from 'non-traditional' board backgrounds, and work with them so that they are able to apply for board vacancies when they occur. Thrive currently has two Associate Board members with backgrounds in finance and social purpose strategy.

All appointments to Board positions are made via an appointments panel and the maximum tenure for a Board member is six years, with an option to extend for another three years in exceptional circumstances.

The Board appoints the Executive Directors and Company Secretary of all Thrive's subsidiaries: Thrive Homes Finance plc, Thrive Places Limited and Building for Thrive Limited.

Board members receive payment for their services as Non-Executive Directors. Payment is reviewed periodically by members supported by independent advisors. Levels of remuneration paid to Board members during 2023/24 and 2022/23 are shown on page 62 in the Notes to the Financial Statements.

The Executive Directors hold no interest in the share capital of Thrive. They have responsibility for day-to-day management of the business and implementation of the Board's strategic policies and plans.

Over the course of the year the Board met eight times, including four strategic away days. The Board has set up the following committees, which all meet quarterly. The committees provide additional scrutiny of delivery in each of these specific areas:

- **Risk & Audit Committee** – responsible for ensuring that Thrive Homes has appropriate risk management and business assurance arrangements in place and maintains good standards of probity.
- **Customer, Colleague & Governance Committee** – responsible for ensuring governance and regulatory compliance and a positive experience for customers and colleagues, including oversight of health and safety, EDI, Board and Executive renumeration and appraisals, and Board effectiveness.
- **Business Resilience & Growth Committee** – responsible for ensuring our Finance and Treasury Strategies are sustainable; how we are developing, growing and investing; the partnerships we are developing, and that we are maintaining and managing our existing assets effectively.

Board key facts

Gender balance	42% Female 58% Male	BME profile	8% BME 92% White
Average age	53	Average tenure	2.7 years
% with a disability	0%	Board turnover in last two years	14%

Board Members

Kate McLeod
Chair of the Board

Rachel Harrison
Vice Chair of the Board and Chair of Risk & Audit Committee

Kate Still
Shadow Chair of Board (appointed Dec 2023)

Jessica Friend
Non-Executive Director and Chair of Business Resilience & Growth Committee

Craig O'Donnell
Non-Executive Director and Chair of Customer, Colleague and Governance

David Dahan
Non-Executive Director

Rachel Hatfield
Non-Executive Director

James Invine
Non-Executive Director

John Osborn
Non-Executive Director (appointed Sept 23)

Matthew Peak
Non-Executive Director (appointed Dec 23)

Graeme Snell
Non-Executive Director

John Tibbitts
Non-Executive Director

Francesco Elia
Non-Executive Director and Chair of Business, Resilience & Growth Committee (Retired Sep-23)

Graham Olive
Vice-Chair (Retired Dec-23)

Committee Membership Key

- Risk & Audit Committee
- Business Resilience & Growth (BRG) Committee
- Customer, Colleague & Governance Committee (CCG)

Executive Management Team

Elspeth Mackenzie
Chief Executive

Jo Barrett
Executive Director – Operations

Karen Forbes-Jackson
Executive Director – Corporate Services and Company Secretary

Alix Green
Executive Director – Growth & Investment

Stephen King
Executive Director – Finance (appointed Oct-23)

Mark Farrer
Executive Director – Resources (Resigned Jun-23)

Risk and assurance

To maintain our strength, resilience and agility as a business, we are very conscious of the need to take an astute and proactive approach to balancing risk in the short, medium and long-term.

Constantly monitoring and managing such risks ensures that Thrive is able to rise successfully to today's challenges while being well-prepared for the potential challenges of the future.

We have programmes of internal audit to sustain and improve the quality of our day-to-day business operations, along with mitigation strategies which flag up risks at the earliest opportunity so we can take appropriate steps to address them.

Our strategic risks

The Board has agreed a Risk Management Framework which sets out our approach to identifying, monitoring and managing current and emerging risks to the business. It has determined our risk appetite and adopted a range of measures to monitor our exposure to risk.

The Board identifies the changing risks to our business, along with the various external and internal factors influencing their management. Each Executive Director is responsible for identifying risks facing their area of operation and for putting in place procedures to mitigate and monitor risk. These risks are regularly reviewed by the Risk & Audit Committee, which reports back to the Board on its findings.

Here are the key risks we currently face:

Risk	Context	How this is being managed
Economic climate	The tough financial environment poses a significant risk to our income, as many customers struggle to pay their rent and other bills during the cost-of-living crisis.	We have been working with customers to support them with the financial challenges they face, helping them to keep up to date with their rent or ensuring they have a plan in place to pay back any arrears.
Health and safety	Keeping customers safe in their homes is our top priority. New legislative and regulatory changes are tightening up aspects of fire and building safety alongside Housing Health & Safety Rating System (HHSRS) and damp and mould.	We have been preparing for these changes brought about by the fire safety regulatory reform, to ensure we comply with revised fire and building safety regulations, and the new Quality and Safety consumer standard.
Internal	Along with our customers, colleagues are also being impacted by external factors such as the cost-of-living crisis.	We have stepped up our efforts to ensure we are providing appropriate support, such as free financial advice and our wide-ranging benefits scheme, to help colleagues cope with the current economic climate.
Data and technology	Managing and scrutinising data effectively is crucial to the success of any business, while robust cyber security is increasingly important as technology becomes ever more complex.	Project Phoenix, which will transform our IT systems, is well under way – with regular progress reports to the Business Resilience & Growth Committee and Board to ensure it delivers on its objectives.

Statement of Board Responsibilities

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

Housing association legislation requires the Board to prepare financial statements for each financial year. Under that legislation, the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including The Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102) and applicable law). Under housing association legislation, the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Group and the Association and of the surplus or deficit of the Group and Association for that period. In preparing these financial statements, the Board is required to:

- select and adopt suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Association will continue its business.

The Board is responsible for making the appropriate arrangements for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Group and Association and to enable it to ensure that the financial statements comply with housing association legislation (The Cooperative 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 2019). It has responsibility for taking such steps as are reasonably open to it to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of compliance

In preparing this strategic report, the Board has followed the principles set out in the Housing SORP 2018.

Disclosure of information to the auditor

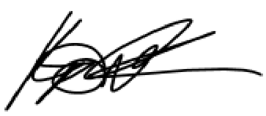
The Board members who held office at the date when this report was approved confirm that:

- so far as each of the directors is aware, there is no relevant audit information of which the Group and Association's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information and to establish that the Group and Association's auditor is aware of that information.

External auditor

Beever and Struthers have expressed their willingness to continue in office and a resolution to reappoint them as auditor will be proposed at the Q3 Thrive Homes Board Meeting.

Approved and signed on behalf of the Board on 16 September 2024.



Kate Still
Chair of the Board

Financial Statements

Independent auditor's report to the members of Thrive Homes Limited

Opinion

We have audited the financial statements of Thrive Homes Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2024 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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:

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept adequate accounting records; or
- the Association's financial statements are not in agreement with books of account; 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 Statement of Board's Responsibilities set out on page 39, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association 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.

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

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

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

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

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

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

Use of our report

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

Beever and Struthers

Beever and Struthers
Chartered Accountants
Statutory Auditor

The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Date: 27 September 2024

Consolidated and Association Statement of Comprehensive Income

	Notes	Group		Association	
		2024	2023	**2024**	2023
		£'000	£'000	**£'000**	£'000
Turnover	2a	**46,673**	48,289	**46,107**	51,310
Cost of Sales- Shared Ownership	2a	**(4,798)**	(9,555)	**(4,798)**	(9,555)
Operating costs	2a	**(28,902)**	(24,754)	**(28,836)**	(24,617)
Gain on disposal of fixed assets	11	**216**	3,215	**216**	1,708
Loss on investment properties	13	**(4,413)**	(362)	**(4,113)**	(274)
Impairment		**-**	(531)	**-**	(3,214)
Operating surplus	2a	**8,776**	16,302	**8,576**	15,358
Interest receivable	3	**1,841**	1,244	**1,811**	1,234
Interest payable and other finance costs	4	**(8,067)**	(9,109)	**(8,067)**	(9,109)
Surplus before tax		**2,550**	8,437	**2,320**	7,483
Taxation	8	**-**	-	**-**	-
Surplus for the year		**2,540**	8,437	**20**	7,483
Actuarial loss in respect of pension scheme	21	**(195)**	(13)	**(195)**	(13)
Total comprehensive income for the year		**2,355**	8,424	**2,125**	7,470

The financial statements were approved by the Board on 16 September 2024 and were signed on its behalf by:

Kate Still
Chair

Rachel Harrison
Vice Chair

Karen Forbes-Jackson
Company Secretary

The Consolidated and Association's results relate wholly to continuing activities and the notes on pages 49 to 85 form an integral part of these financial statements.

Consolidated and Association Statement of Financial Position

	Notes	Group		Association	
		2024	2023	**2024**	2023
		£'000	£'000	**£'000**	£'000
Fixed assets					
Intangible assets	9	**3,300**	1,671	**3,300**	1,671
Other property, plant and equipment	9a	**683**	1,149	**683**	1,149
Housing properties	10	**341,348**	320,384	**340,682**	319,718
Investment properties	13	**31,180**	36,040	**20,350**	24,910
Total fixed assets		**376,511**	359,244	**365,015**	347,448
Investments	19	**30**	30	**11,795**	11,795
Current assets					
Properties for shared ownership sale	14	**16,942**	4,235	**16,942**	4,235
Debtors	15	**6,115,**	7,063	**6,644**	7,591
Refurbishment obligation asset	17f	**3,124**	5,454	**3,124**	5,454
Cash and cash equivalents		**16,070**	27,749	**14,236**	26,483
		42,251	44,501	**40,946**	43,763
Creditors: amounts falling due within one year	16	**(21,763**	(19,326)	**(21,754)**	(19,354)
Net current assets		**20,488**	25,175	**19,192**	24,409
Total assets less current liabilities		**397,029**	384,449	**396,002**	383,652
Creditors: amounts falling due after more than one year	17	**(319,573)**	(308,030)	**(319,573)**	(308,030)
Provision for liabilities	20	**(625)**	(767)	**(625)**	(767)
Provision for pension liability	21	**-**	-	**-**	-
Net assets		**76,831**	75,652	**75,804**	74,855
Capital and reserves					
Called up share capital	18	**-**	-	**-**	-
Income and expenditure reserve		**76,831**	74,476	**75,804**	73,679
Revaluation loss on investment properties	13	**-**	1,176	**-**	1,176
		76,831	75,652	**75,804**	74,855

The accompanying notes on pages 49 to 85 form an integral part of the financial statements.

These financial statements were approved by the Board on 16 September 2024 and were signed on its behalf by:

Kate Still
Chair

Rachel Harrison
Vice Chair

Karen Forbes-Jackson
Company Secretary

Group Report & Financial Statements

Consolidated and Association Statement of Changes in Reserves

	Group			Association		
	Income and expenditure reserve	Revaluation reserve investment properties	Total	Income and expenditure reserve	Revaluation reserve investment properties	Total
	£'000	£'000	£'000	£'000		£'000
At 1 April 2023	74,476	1,176	75,652	73,679	1,176	74,855
Surplus for the year	6,963	-	6,963	6,433	-	6,433
Actuarial loss on pension scheme	(195)	-	(195)	(195)	-	(195)
Loss on revaluation	(4,413)	(1,176)	(5,589)	(4,113)	(1,176)	(5,289)
At 31 March 2024	**76,831**	**-**	**76,871**	**75,804**	**-**	**75,804**

	Group			Association		
	Income and expenditure reserve	Revaluation reserve investment properties	Total	Income and expenditure reserve	Revaluation reserve investment properties	Total
	£'000	£'000	£'000	£'000		£'000
At 1 April 2022	65,690	1,538	67,228	65,935	1,450	67,385
Surplus/(deficit) for the year	8,799	(362)	8,437	7,757	(274)	7,483
Actuarial loss on pension scheme	(13)	-	(13)	(13)	-	(13)
At 31 March 2023	**74,476**	**1,176**	**75,652**	**73.679**	**1,176**	**74,855**

Income and Expenditure Reserve

The Income and Expenditure reserve represents cumulative surpluses and deficits of the Group and Association.

The accompanying notes on pages 49 to 85 form part of the financial statements.

Consolidated Statement of Cash Flows

Group	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Net cash generated from operating activities	(a)		**20,667**		17,877
Cash flows from investing activities					
Software purchased and developed		**(1,497)**		(1,660)	
Acquisition and improvement of housing properties, including construction		**(27,418)**		(72,313)	
Addition to investment properties		**(729)**		-	
Net proceeds from sale of properties		**804**		87	
Purchase of other Personal Protective Equipment (PPE)		**(22)**		(1,900)	
Construction of shared ownership properties for sale		**(12,707)**		(37,424)	
Other disposals		**-**		6,950	
Grants received		**15,207**		229	
Interest received		**1,841**		770	
			(24,521)		(105,261)
			(3,854)		(87,384)
Cash flows from financing activities					
Interest paid		**(8,067)**		(9,858)	
Loan financing costs		**-**		(278)	
Loan premium received		**242**		31,553	
Loan paid		**-**		(17,000)	
Retained bond issue (at par)	(b)	**-**		75,000	
			(7,825)		79,417
Increase/(decrease) in cash and cash equivalents	(c)		**(11,679)**		(7,967)
Cash and cash equivalents at beginning of the year			**27,749**		35,716
Cash and cash equivalents at end of the year			**16,070**		27,749

The accompanying notes on pages 49 to 85 form an integral part of the financial statements.

Group

(a) Reconciliation of surplus to net cash inflow from operating activities

	2024	2023
	£'000	£'000
Surplus for the financial year	**2,590**	8,437
ADD BACK non-cash items:		
Depreciation and Amortisation	**6,222**	5,351
Grant amortisation income and bond premium	**(1,576)**	(172)
Impairment Charge	**-**	531
Surplus on disposal of fixed assets	**(216)**	(3,450)
(Increase)/Decrease in < 1-year debtors	**948**	(452)
Increase/(Decrease) in < 1-year creditors	**2,437**	(373)
Decrease in Provisions	**(142)**	(257)
Pension re-measurement	**(235)**	35
Revaluation loss on investment properties	**4,413**	362
Adjustments for investing or financing activities		
Interest received	**(1,841)**	(1,244)
Interest payable	**8,067**	9,109
Net cash generated from operating activities	**20,667**	17,877

(b) Reconciliation of net cashflow to movement in net debt

	2024	2023
	£'000	£'000
Decrease in cash in the year	**(11,679)**	(7,967)
New loans	**-**	(75,000)
Loans paid	**-**	17,000
Change in net debt	**(11,679)**	(65,967)
Net debt brought forward	**(230,251)**	(164,284)
Net debt carried forward	**(241,930)**	(230,251)

(c) Analysis of changes in net debt

	At 1 April 2023	Cash flow	At 31 March 2024
	£'000	£'000	**£'000**
Cash at bank	**27,749**	(11,679)	**16,070**
	27,749	(11,679)	**16,070**
Debt due before 5 years	**(33,000)**	-	**(33,000)**
Debt due after 5 years	**(225,000)**	-	**(225,000)**
Total net debt	**(230,251)**	(11,679)	**(241,930)**

Notes to the Financial Statements

1. Accounting Policies

General information

Thrive Homes Limited (the 'Association') is a Community Benefit Society incorporated and domiciled in the United Kingdom. The address of the registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

The main activities of the Association and its subsidiaries are the provision of affordable homes for rent for people in housing need.

The consolidated Group financial statements are presented in Pounds Sterling, generally rounded to the nearest thousand.

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

Basis of Consolidation

The consolidated financial statements include the results of Thrive Homes Limited and its subsidiary undertakings Thrive Homes Finance plc, Thrive Places Limited (formerly Thrive Living Limited), Building for Thrive Limited and SRJ Homes Limited, whose accounts are prepared to the same accounting date. SRJ Homes was dissolved in June 2023.

The financial year represents the 12 months ended 31 March 2024 (prior year, 12 months ended 31 March 2023).

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. Thrive Homes Limited is a public benefit entity, as defined in FRS 102, and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Association's shareholders.

In preparing the Association's individual financial statements, the Association has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures';
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 'Statement of Financial Position'; and
- from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.

On the basis that equivalent disclosures are given in the consolidated financial statements; the Association has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

Significant management judgements and key sources of estimation uncertainty

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

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

Significant management judgements

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

Impairment of social housing properties

The Group must make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. No indicators of impairment have been identified as existing at the year end.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property.

Fixed Asset vs Investment Properties

The Group must decide which properties that would otherwise be shown as social housing properties, meet the definition of investment properties. The Group has determined that all 'market rent' residential properties which earn rental income at market rates will be classified as Investment properties. The Group's social housing properties are not classified as investment properties as they are held for their social benefit, i.e. they are rented out at subsidised rates to eligible tenants.

Valuation of Investment Properties

GL Hearn, an external firm of valuers, were appointed to provide a robust and prudent valuation of all of the investment properties in the Group. These valuations and the assumptions behind them have been discussed and reviewed internally and the Group has confidence in the values disclosed in the financial statements. Management considers the valuations to be temporary and reaaonable in light of the economic environment and key indicators at 31 March 2024. The Group has undertaken internal reviews of the most recent investment property valuations and assessed the financial performance of the portfolio. They are confident that when taking into consideration the financial strength of the Group, any potential downturn in the value or financial returns from its investment properties would not have an impact on the Group's long term financial viability.

CBRE Lease and Lease Back

The arrangement with CBRE Affordable Housing Fund (CBRE) is considered a finance lease and an operating lease back. The headlease is the finance lease which is considered a disposal due to the duration of the lease being longer than the life of the properties and also with all risks and rewards transferred over to CBRE. The disposal is included in Note 11 under the heading Other. The sublease is the operating lease and generates a monthly management fee which is recognised as part of turnover and in Note 2.

Estimation uncertainty

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

Bad and doubtful debts

Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of provision is based on historical experience and future expectations.

Economic life of assets

An estimation of the useful economic life of the organisation's assets are determined by management and disclosed within accounting policies. The estimates are based on industry standards adjusted to reflect our own experience, quality of components and maintenance procedures.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on many factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management uses independent actuaries to advise on suitable estimates for these factors in determining the net pension obligation. The assumptions reflect historical experience and current trends.

Pension assets are restricted to comply with FRS 102 paragraph 28, and recognise a plan surplus as a defined benefit pension asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. In April 2022, Thrive put in place a Subsumption Agreement with Three Rivers District Council. As a result there will be no cessation surplus or deficit payment to be triggered on termination of the scheme. The current surplus of £5,294k is therefore not recognised in the Statement of Financial Position.

Going Concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Board Report. The Group has in place the proceeds of a bond issue which provide adequate resources to finance the growth aspects of the Group's Strategic Plan.

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 twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Turnover

Turnover represents rent and service charges receivable in the year (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and Homes England and charitable fees and donations.

Tangible Fixed Assets, Impairment and Depreciation

(a) Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation and reduced by any impairment. Freehold land is not depreciated.

Depreciation of building structure is charged to write down the value of housing properties to their estimated residual value on a straight-line basis over their expected useful economic lives, which are:

Traditional build type	100 years
Non-traditional build type	30 years[1]

No depreciation is charged on housing properties during construction.

(b) Impairment

An impairment review is carried our annually on all non-investment properties. Where there is evidence that impairment has occurred, any shortfall between the carrying costs and the higher of value in use or net realisable value is recognised immediately as a deficit.

The main indicator of housing property impairment is the existence of long-term voids.

The reversal of past impairment losses is recognised when the recoverable amount of a tangible fixed asset or investment in a subsidiary has increased because of a change in economic conditions or in the expected use of the asset.

(c) Disposal of Housing Properties

The sale of properties under the 'Right to Buy' legislation is treated as disposals of fixed assets. The surplus or deficit arising on disposal is shown net of the share due to Three Rivers District Council, as determined in the Development Agreement which governed the 2008 stock transfer to Thrive Homes.

(d) Components

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Roofs	50 years
Bathrooms	30 years
Central Heating Systems	30 years
Central Heating Boilers	15 years
Windows	25 years
Kitchens	20 years
Doors	20 years
Electrical works	20 years
Building envelope	100 years

Expenditure on housing properties is capitalised where it results in an increase of the economic benefits of the asset in excess of the performance anticipated when the asset was first acquired. Any works which do not result in an increase to economic benefits, e.g. routine and responsive repairs, are charged to the Statement of Comprehensive Income.

1 As at 31 March 2023 and 31 March 2024 these number 632.

(e) Shared Ownership

Shared Ownership properties are valued at the lower of cost and net realisable value. Costs include acquisition and development costs together with interest payable. Net realisable value is based on estimated sales price after allowing for further costs of completion and disposal. Properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset until sold. Sales proceeds are then included in turnover. The unsold balance is classed as a fixed asset with any subsequent sale treated as a disposal of the fixed asset.

Mixed tenure development costs are apportioned by square footage.

(f) Capitalisation of Overheads

Overhead costs which are identifiable to and directly attributable to the creation of assets are capitalised. These costs include legal and professional fees, bought in construction and design services, bought in works programme delivery management and in-house management and administration. With respect to acquisitions, these costs will also include valuation and stock condition survey services.

(g) Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost and are written down to their residual value over their expected useful lives, which are:

Information, technology and communications (ITC) hardware	3 years
Office furniture and equipment and office fixtures and fittings	5 years
Plant, machinery and vehicles	5 years

Social Housing Grant and other Government grants

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred it is recognised as revenue in the period in which it becomes receivable.

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

Grants are written off when properties are sold at market value with the purchaser recognising the grant written off as a contingent liability. Grant attached to the development Riverside Mills was written off after it was sold at market value to Thrive Homes in 2023. This was recognised as a contingent liability and is disclosed in note 24.

Provision for Bad Debts

The provision for tenant bad debts is based on the age and type of arrear. Arrears in respect of former tenants are fully provided for.

The provision for sales ledger bad debts is based on a review of the age and collectability of each debt.

Financial instruments

Financial assets carried at amortised cost

Financial assets comprise rent and service charge arrears, other debtors, prepayments and cash and cash equivalents. Where the effect of discounting is material, financial assets are measured at amortised cost using the effective interest method.

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

Financial liabilities carried at amortised cost

Financial liabilities include trade and other creditors and interest-bearing bond issues.

Liabilities which are classed as basic financial instruments are measured at amortised cost using the effective interest method, with interest and related charges recognised as an expense in finance costs in the Statement of Comprehensive Income.

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

Bond issue

The amount due to bond holders is stated as at the Statement of Financial Position date as the amount of the issue net of deferred financing costs. Deferred financing costs are written off evenly over the period until the issue is repayable. Further details are set out in Note 17a.

Bond premium

Bond premium is the value above par achieved on bond sales. This is recorded as deferred income and amortised to revenue over the remaining years until the first bond repayment is due. The bond premium resulting from the 2015, 2017 and 2022 bond sales are amortised to 2039 using the discounted cash flow method to reduce the balance to nil at this point.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income as incurred, on the accrual's basis.

Interest Payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development programme, after deduction of Social Housing Grant received in advance. Other interest payable is charged to the Statement of Comprehensive Income in the year.

Pension Costs – Defined Benefit Scheme

For defined benefit schemes, the amounts charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date. The resulting defined benefit asset or liability is presented separately on the face of the Statement of Financial Position.

Pension Costs – Defined Contribution Scheme

Thrive Homes provides a defined contribution stakeholder type pension scheme for employees. The employee chooses their own contribution rate which is enhanced by the employer in the ratio of £2 for every £1 the employee contributes, up to a maximum employer contribution of 10% of salary. The employer contribution to the scheme is charged to the Statement of Comprehensive Income when paid. The assets of the scheme are kept separately from those of Thrive Homes and are invested in independently managed funds as chosen by the employee.

Investments

The Association holds investments in Thrive Homes Finance plc, Building for Thrive Limited, Thrive Places Limited (formerly Thrive Living Limited), and MORhomes PLC. These investments are held at cost less any impairment.

Intangible Assets - Software

Software purchased and developed or developed in house, is an intangible asset. Cost is measured initially at acquisition cost or costs incurred to develop the asset. Development expenditure incurred on an individual project is capitalised only if specific criteria are met including that the asset created will probably generate future economic benefits.

Acquired software and developed software are both amortised over five years.

Taxation

Thrive Homes Limited is not subject to corporation tax on its ordinary activities due to its charitable status. Thrive Homes Finance plc does not have charitable status but was established to on-lend the proceeds of a bond issue to Thrive Homes Limited and is not expected to make either a profit or loss. Profits will be generated from interest received for deposits or cash held. Any profits from Thrive Homes Finance Plc and Thrive Places Limited will be either gift-aided to Thrive Homes Limited or offset using group interest relief.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less.

VAT

Thrive Homes is VAT registered but a large proportion of its income, namely rental income, is exempt for VAT purposes. This gives rise to a partial exemption VAT recovery calculation on VAT charges incurred on purchases. Expenditure is recorded inclusive of VAT and the input VAT recovered is credited to the Statement of Comprehensive Income or credited against capital additions as appropriate.

As part of the Development Agreement which governed the stock transfer from Three Rivers District Council at Thrive Homes' inception, there is a VAT sharing agreement referencing a VAT shelter arrangement entered by Thrive Homes and the Council. This enables the full recovery of VAT on costs incurred as Thrive Homes completes qualifying works to the transferred properties. The arrangement requires Thrive Homes to perform works to bring the properties up to an agreed standard for a fixed sum of £70m, equal to the expected cost of the works. The VAT recovered on these qualifying works is shared between the parties as determined in the agreement.

2a. Turnover, Cost of Sales, Operating Costs and Operating Surplus

Group

	Notes	2024					2023				
		Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)	Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	2b	**35,690**	**-**	**(28,062)**	**-**	**7,628**	30,912	-	(24,075)	-	6,837
Other Social Housing Activities											
Charges for Support Services		**-**	**-**	**-**	**-**	**-**	1	-	-	-	1
SO 1st tranche sales		**9,129**	**(4,641)**	**-**	**-**	**4,488**	14,998	(9,040)	-	-	5,958
Development		**-**	**-**	**(758)**	**-**	**(758)**	-	-	(474)	-	(474)
Other		**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Non-Social Housing Activities											
Market Rent		**1,695**	**-**	**(82)**	**-**	**1,613**	1,628	-	(205)	-	1,423
Surplus on disposal of fixed assets		**159**	**(157)**	**-**	**216**	**218**	750	(515)	-	3,215	3,450
Revaluation loss on investment properties		**-**	**-**	**-**	**(4,413)**	**(4,413)**	-	-	-	(362)	(362)
Impairment on investment properties		**-**	**-**	**-**	**-**	**-**	-	-	-	(531)	(531)
Total		**46,673**	**(4,798)**	**(28,902)**	**(4,197)**	**8,776**	48,289	(9,555)	(24,754)	2,322	16,302

Included in social housing letting is income and costs for managing units on behalf of other landlords. Income for the year is £267k (2023: £234k).

Charges for support services income is based on support provided to individuals and is not property based.

Association

	Notes	2024					2023				
		Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)	Turnover	Cost of sales	Operating Costs	Other	Operating Surplus/ (Deficit)
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	2b	35,759	-	(28,062)	-	7,697	30,959	-	(24,100)	-	6,859
Other Social Housing Activities											
Charges for Support Services		-	-	-	-	-	1	-	-	-	1
SO 1st tranche sales		9,129	(4,641)	-	-	4,488	14,998	(9,040)	-	-	5,958
Gift Aid received		-	-	-	-	-	3,567	-	-	-	3,567
Development		-	-	(758)	-	(758)	-	-	(467)	-	(467)
Other		-	-	-	-	-	-	-	-	-	-
Non-Social Housing Activities											
Market Rent		1,060	-	(16)	-	1,044	1,035	-	(50)	-	985
Surplus on disposal of fixed assets		159	(157)	-	216	218	750	(515)	-	1,708	1,943
Revaluation loss on investment properties		-	-	-	(4,113)	(4,113)	-	-	-	(274)	(274)
Impairment on investments		-	-	-	-	-	-	-	-	(3,068)	(3,068)
Impairment on investment properties		-	-	-	-	-	-	-	-	(146)	(146)
Total		46,107	(4,798)	(28,836)	3,897	8,576	51,310	(9,555)	(24,617)	(1,780)	15,358

Included in social housing letting is income and costs for managing units on behalf of other landlords. Income for the year is £267k (2023: £234k).

Charges for support services income is based on support provided to individuals and is not property based.

2b. Income and Expenditure from Social Housing Lettings

Group and Association

	2024				2023			
	General Needs	Housing for Older People	Shared Ownership	Total	General Needs	Housing for Older People	Shared Ownership	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Rents	26,057	3,650	2,575	32,282	23,756	3,075	1,269	28,100
Service charges income	1,714	555	426	2,695	1,023	721	343	2,087
Amortised government grant	164	-	8	172	164	-	8	172
Other income	541	-	-	541	553	-	-	553
Turnover from Lettings	28,476	4,205	3,009	35,690	25,496	3,796	1,620	30,912
Expenditure								
Management	(8,682)	(1,240)	(1,234)	(11,156)	(7,730)	(1,088)	(858)	(9,676)
Service charge costs	(1,221)	(392)	(300)	(1,913)	(1,102)	(347)	(219)	(1,668)
Routine maintenance	(6,122)	(871)	-	(6,993)	(4,813)	(678)	-	(5,491)
Planned maintenance	(1,682)	(240)	-	(1,922)	(1,423)	(200)	-	(1,623)
Bad debts	(114)	(14)	-	(128)	(236)	(30)	-	(266)
Depreciation, Housing Properties	(5,290)	(660)	-	(5,950)	(4,749)	(602)	-	(5,351)
Operating Costs on Lettings	(23,111)	(3,417)	(1,534)	(28,062)	(20,053)	(2,945)	(1,077)	(24,075)
Operating Surplus	5,365	788	1,475	7,628	5,443	851	543	6,837
Memo - Voids	238	30	-	268	213	27	-	240

As there are publicly traded securities within the Group, it is required to disclose information about the operating segments under IFRS 8. Segmental information is disclosed in notes 2(a) and 2(b) and as part of the analysis of housing properties in note 10. 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 geographical location. As permitted by IFRS 8 this is appropriate based on the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all the geographical locations in which the Group operates. The Board does not routinely receive segmental information disaggregated by geographical location.

3. Interest Receivable

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Interest receivable from bank deposits	**1,075**	770	**1,045**	760
Other finance income from pension scheme	**766**	474	**766**	474
	1,841	1,244	**1,811**	1,234

4. Interest Payable and Other Finance Costs

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
To THF (subsidiary)	**-**	-	**9,360**	8,727
To Bondholders	**9,360**	8,727	**-**	-
Amortised bond premium	**(1,404)**	(1,160)	**(1,404)**	(1,160)
On bank loans, overdrafts and other loans	**1,917**	2,013	**1,917**	2,013
Other finance costs – pension scheme	**573**	467	**573**	467
Other finance costs	**266**	278	**266**	278
	10,712	10,325	**10,712**	10,325
Borrowing costs capitalised	**(2,645)**	(1,216)	**(2,645)**	(1,216)
	8,067	9,109	**8,067**	9,109

Borrowing costs within the Association have been capitalised using a rate of 4.32% (2023: 4.32%), [which is the actual rates applicable to the Group's current borrowings outstanding during the year]. Borrowing costs are charged to development projects from the date of completion on land acquisition or the date of signing works contracts through to practical build completion of properties.

5. Surplus on Ordinary Activities Before Interest

The surplus on ordinary activities before interest is stated after:

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
- Depreciation of housing properties	**5,865**	5,351	**5,865**	5,351
- Depreciation of other assets	**357**	422	**357**	422
- Amortisation of intangible assets	**-**	-	**-**	-
- Operating lease payments				
- land and buildings	**345**	364	**345**	364
- other	**122**	81	**122**	81
- Auditor's remuneration (excluding VAT):				
- in the capacity of auditor	**51**	48	**36**	33
- non - audit services	**12**	5	**12**	5

6. Employee Information

Group and Association

	2024			2023
	Staff No.	**Non-Exec No.**	**Total No.**	Total No.
Average number of full-time equivalent staff employed during the year (at 37 hours / week)	**176**	-	**176**	181
These were categorised as:				
- Support functions	**69**	**-**	**69**	88
- Development	**10**	**-**	**10**	16
- Housing Management	**27**	**-**	**27**	25
- Property Services (including maintenance)	**70**	**-**	**70**	52
			176	181
	Staff	Non-Exec	**Total**	Total
	£'000	£'000	**£'000**	£'000
Salaries and other benefits	**7,418**	**95**	**7,513**	7,334
Social security costs	**293**	**-**	**293**	853
Pension costs	**15**	**-**	**15**	550
	7,726	**95**	**7,821**	8,737
Excluded from the above costs are:				
Compensation for loss of office	**90**	**-**	**7**	7

There was no compensation for loss of office payments made to any of the directors.

The number of full-time equivalent staff whose total remuneration was above £60,000 in the year, by pay band (includes employer's contribution to pension schemes).	2024 Staff No.	2024 Non-Exec No.	2024 Total No.	2023 Total No.
£170,000 +	1	-	1	4
£160,000 - £169,999	1	-	1	-
£150,000 - £159,999	-	-	-	-
£140,000 - £149,999	3	-	3	-
£130,000 - £139,999	-	-	-	-
£120,000 - £129,999	1	-	1	1
£110,000 - £119,999	3	-	3	-
£100,000 - £109,999	2	-	2	11
£ 90,000 - £ 99,999	1	-	1	-
£ 80,000 - £ 89,999	-	-	-	2
£ 70,000 - £ 79,999	4	-	4	2
£ 60,000 - £ 69,999	11	-	11	11
	27		27	31

7. Directors' Emoluments

Group

Emoluments paid to the Directors of Thrive Homes (the Board of Management, the Chief Executive, Executive Director - Operations, Executive Director - Growth and Investment, Executive Director – Finance and Executive Director - Corporate Services) are shown below. The key management personnel of the group comprise the Executive Management Team and Board members as named on page 36.

Emoluments are defined as salaries paid plus the employer's contributions to pension schemes.

	2024 Exec £'000	2024 Non-Exec £'000	2024 Total £'000	2023 Total £'000
Salary	827	96	923	1078
Pension	59	-	59	57
Total emoluments	896	96	982	1,135
Emoluments paid to the highest paid director	211	-	211	242
Excluding pension contribution	194	-	194	226
Total expenses reimbursed to Directors not chargeable to UK income tax	2	-	3	2

The Chief Executive receives an addition to salary in lieu of pension contributions. No additional contributions to any pension scheme have been made and there were no special or enhanced terms which applied.

Director's emoluments are included in staff costs in Note 6.

During the year remuneration paid to Board Members was:

		Board Meetings Attended	2024 £	2023 £
Kate McLeod	Chair of the Board	4 / 4	14,562	14,108
Rachel Harrison	Vice Chair of the Board and Chair of Risk and Audit Committee	4 / 4	8,171	7,614
Craig O'Donnell		3 / 4	6,984	5,596
Graham Olive	Vice Chair of the Board Resigned December 2023	3 / 3	5,968	7,614
Jamie Smith	Resigned November 2022	-	-	5,596
James Invine		3 / 4	5,848	5,596
Francesco Elia	Chair of Business Resilience and Growth Committee Resigned September 2023	2 / 2	3,978	8,150
Jessica Friend	Chair of Business Resilience and Growth Committee	4 / 4	7,957	7,614
Rachel Hatfield	Chair of Customer Colleague and Governance Committee	4 / 4	6,821	7,638
David Dahan		4 / 4	5,848	5,596
Graeme Snell		4 / 4	5,848	5,596
John Tibbitts		4 / 4	6,984	3,291
John Osborn	Appointed September 2023	2 / 2	5,203	-
Kate Still	Chair of the Board (Shadow) Appointed December 2023	1 / 1	1,246	-
Matt Peak	Appointed December 2023	1 / 1	1,979	-
Yvonne Luu	Associate Board Member Appointed December 2023	1 / 1	1,246	-
Robert Abraham	Associate Board Member Appointed December 2023	1 / 1	1,246	-

8. Taxation

Thrive Homes Limited has been granted charitable status and is not liable to corporation tax on ordinary activities.

Thrive Homes Finance plc is subject to United Kingdom corporation tax on its ordinary activities but can take advantage of gift aid to donate any taxable profits to Thrive Homes Limited.

Thrive Homes Finance plc, Building for Thrive Limited and Thrive Places Limited are subject to United Kingdom corporation tax on their ordinary activities, but can take advantage of Group Relief surrendered and Gift Aid to donate any taxable profits to Thrive Homes Limited.

9. Intangible Assets

Group and Association

	Notes	Internally developed software	Acquired software	Total
		£'000	**£'000**	£'000
Cost				
At 1 April 2023		2,082	862	2,944
Additions in year		1,497	-	1,497
Reclassification from Other Property, Plant and Equipment		132	-	132
As at 31 March 2024		**3,711**	**862**	**4,573**
Amortisation				
At 1 April 2023		411	862	1,273
Charge for the year	5	-	-	-
As at 31 March 2024		**411**	**862**	**1,273**
NET BOOK VALUE				
As at 31 March 2024		**3,300**	**-**	**3,300**
As at 31 March 2023		1,671	-	1,671

9a. Other Property, Plant and Equipment

Group and Association

	Office Equipment, Fixtures and Fittings	Total
	£'000	£'000
Cost		
At 1 April 2023	2,333	2,333
Additions	22	22
Reclassification to Intangible Assets	(131)	(131)
Disposal of assets	-	-
As at 31 March 2024	**2,224**	**2,224**
Depreciation		
At 1 April 2023	1,184	1,184
Charge for year	357	357
Disposal of assets		-
As at 31 March 2024	**1,541**	**1,541**
Net Book Value		
At 31 March 2024	**683**	**683**
At 31 March 2023	1,149	1,149

10. Housing Properties

Group

	Housing Properties Under Construction	Housing Properties Completed	Housing Properties Under Construction	Housing Properties Completed	Total
	For letting £'000	For letting £'000	For shared ownership £'000	For shared ownership £'000	£'000
Cost					
At 1 April 2023	22,241	271,454	23,484	43,717	360,896
Additions in year	12,143	-	26,797		38,940
Developments completed	(939)	939	(22,364)	22,364	-
Works to existing properties	-	7,069	-	-	7,069
Acquisitions	(297)	(1,361)	(433)	22	(2,069)
Transfer to current assets	-	-	(15,463)	(1,438)	(16,901)
Disposals	-	(75)	-	(156)	(231)
Component write offs	-	(318)	-	-	(318)
Other disposals	(87)	-	(186)	-	(273)
At 31 March 2024	**33,061**	**277,708**	**11,835**	**64,509**	**387,113**
Depreciation					
At 1 April 2023	-	40,512	-	-	40,512
Charge for year	-	5,865	-	-	5,865
Reclassifications	-	(352)	-	-	(352)
Component write-offs	-	(232)	-	-	(232)
Eliminated on disposal	-	(28)	-	-	(28)
At 31 March 2024	**-**	**45,765**	**-**	**-**	**45,765**
Net Book Value					
At 31 March 2024	**33,061**	**231,943**	**11,835**	**64,509**	**341,348**
At 31 March 2023	22,241	230,942	23,484	43,717	320,384

Interest of £2,645k (2023: £1,216k) and own costs of £893k (2023: £974k) have been capitalised in the year to 31 March 2024.

Works to existing properties includes costs charged by contractors, external consultants, interest capitalised and related in-house supervision and administration costs which have been capitalised.

Capitalisation of own costs totalled £408k (2023: £351k).

10. Housing Properties (continued)

Association

	Housing Properties Under Construction	Housing Properties Completed	Housing Properties Under Construction	Housing Properties Completed	Total
	For letting £'000	For letting £'000	For shared ownership £'000	For shared ownership £'000	£'000
COST					
At 1 April 2023	23,627	269,403	23,484	43,717	360,231
Additions in year	12,143	-	26,797	-	38,940
Developments completed	(939)	939	(22,364)	22,364	-
Works to existing properties	-	7,069	-	-	7,069
Acquisitions	(297)	(1,361)	(433)	22	(2,069)
Transfer from current assets	-	-	(15,463)	(1,438)	(16,901)
Disposals	-	(75)	-	(156)	(231)
Component write offs	-	(318)	-	-	(318)
Other disposals	(87)	-	(186)	-	(273)
At 31 March 2024	**34,447**	**275,657**	**11,835**	**64,509**	**386,448**
Depreciation					
At 1 April 2023	-	40,513	-	-	40,513
Charge for year	-	5,865	-	-	5,865
Reclassifications	-	(352)	-	-	(352)
Component write-offs	-	(232)	-	-	(232)
Eliminated on disposal	-	(28)	-	-	(28)
At 31 March 2024	**-**	**45,766**	**-**	**-**	**45,766**
Net Book Value					
At 31 March 2024	**34,447**	**229,891**	**11,835**	**64,509**	**340,682**
At 31 March 2023	23,627	228,890	23,484	43,717	319,718

Interest of £2,645k (2023: £1,216k) and own costs of £893k (2023: £974k) have been capitalised in the year to 31 March 2024.

Works to existing properties includes costs charged by contractors, external consultants, interest capitalised and related in-house supervision and administration costs which have been capitalised.

Capitalisation of own costs totalled £408k (2023: £351k).

10. Housing Properties (continued)

Association

	2024	2023
	£'000	£'000
Analysis of works to existing properties:		
Capitalised: replacement of components	**6,718**	4,798
Capitalised: improvements (Aids and Adaptations)	**264**	300
	6,981	5,098
Charged to Statement of Comprehensive Income	**1,660**	1,623
	8,642	6,721

Properties held for security

Thrive Homes Limited – Registered social housing provider had property with a total net book value of £98m pledged as security as 31 March 2024 (2023; £98m).

11. Disposal of Fixed Assets

Group and Association

	2024			2023
	Right to Buy	Other	Total	Total
	£'000	**£'000**	**£'000**	£'000
Proceeds	**645**	**159**	**804**	17,510
Costs	**(602)**	**(156)**	**(758)**	(14,755)
Depreciation eliminated on disposal	**26**	**0**	**26**	41
Fees	**(3)**	**(1)**	**(4)**	419
	66	**2**	**68**	3,215

12. Units in Ownership and Management

	2023	Additions	Disposals	Transfers	2024
	No.	No.	No.	No.	No.
Social Housing					
Owned – General Needs, let at social rents	3,438	4	(1)	(51)	3,390
Owned – General Needs, let at affordable rents	310	-	-	-	310
Owned – General Needs, let at intermediate rents	99	-	-	-	99
Owned – General Needs, let as rent to home buy	88	-	-	(1)	87
Owned – Housing for Older People	544	-	-	-	544
Owned – Shared Ownership	322	73	-	46	441
Managed – General Needs, let at affordable rents	97	4	-	-	101
Managed – General Needs, let at intermediate rents	14	-	-	-	14
Managed – Shared Ownership	128	-	(1)	-	127
Leasehold Properties	631			3	634
	5,671	81	(2)	(3)	5,747
Non-Social Housing					
Market Rented	61	-	-	-	61
Other Dwellings	6	-	-	-	6
Non-Dwellings	12	-	-	-	12
Total	5,750	81	(2)	(3)	5,826
The above excludes units taken out of rent debit:					
Owned – General Needs, let at social rents	3	-	-	-	6
Owned – Housing for Older People	27	-	-	-	27

12. Units in Ownership and Management (continued)

	2022	Additions	Disposals	Transfers	2023
	No.	No.	No.	No.	No.
Social Housing					
Owned – General Needs, let at social rents	3,162	326	(11)	(39)	3,438
Owned – General Needs, let at affordable rents	285	27	(2)	-	310
Owned – General Needs, let at intermediate rents	100	-	-	(1)	99
Owned – General Needs, let as rent to home buy	72	12	-	4	88
Owned – Housing for Older People	544	-	-	-	544
Owned – Shared Ownership	183	109	(2)	32	322
Managed – General Needs, let at affordable rents	97	-	-	-	97
Managed – General Needs, let at intermediate rents	14	-	-	-	14
Managed – Shared Ownership	122	6	-	-	128
Leasehold Properties	504	123	-	4	631
	5,083	603	(15)	-	5,671
Non-Social Housing					
Market Rented	61	-	-	-	61
Other Dwellings	0	6	-	-	6
Non-Dwellings	-	12	-	-	12
Total	5,144	621	(15)	-	5,750
The above excludes units taken out of rent debit:					
Owned – General Needs, let at social rents	3	-	-	-	3
Owned – Housing for Older People	27	-	-	-	27

13. Investment Properties

	Group		Association	
	Land and Buildings	Land and Buildings	**Land and Buildings**	Land and Buildings
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
At 1 April 2023	36,040	36,933	24,910	25,330
Additions	729	-	729	-
Disposals				
Release of revaluation reserves	(1,176)	-	(1,176)	-
Loss on revaluation	(4,413)	(362)	(4,113)	(274)
Impairment	-	(531)	-	(146)
At 31 March 2024	31,180	36,040	20,350	24,910

Market rented properties (Private Rented Sector, 'PRS') are treated as investment properties. The company have adopted the provisions under sections 16.1 and 16.2 of FRS 102 in relation to the revaluation of their investment. This valuation was carried out by Brasier Freeth Limited and Phoenix and Partners, both firms of RICS registered valuers in accordance with Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards 2017 using qualified chartered surveyors who had sufficient current local knowledge of the market and skills and understanding to undertake the valuation competently.

14. Properties for Shared Ownership Sale

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Properties under construction	**11,408**	4,235	**11,408**	4,235
Completed Shared Ownership Units held for sale	**5,534**	-	**5,534**	-
	16,942	4,235	**16,942**	4,235

15. Debtors

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Due within one year				
Gross rent and service charges arrears	**2,565**	2,999	**2,509**	2,978
Less: provision for bad debts	**(1,072)**	(947)	**(1,034)**	(923)
	1,493	2,052	**1,475**	2,055
VAT due from HMRC	**-**	52	**-**	52
Trade debtors less provision for bad debts	**657**	703	**657**	703
Refurbishment obligation	**2,820**	3,310	**2,820**	3,310
Due from subsidiary undertakings	**-**	-	**539**	508
Other debtors	**-**	27	**-**	27
Prepayments and accrued income	**1,145**	919	**1,153**	936
	6,115	7,063	**6,644**	7,591
Due after one year				
Deferred expenditure, refurbishment obligation (note 17f)	**3,124**	5,454	**3,124**	5,454

16. Creditors: Amounts Falling Due Within One Year

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Trade creditors	**586**	52	**586**	52
Rents and service charges received in advance	**1,653**	1,538	**1,643**	1,538
Due to Three Rivers District Council – VAT sharing agreement	**250**	-	**250**	-
Due to Three Rivers District Council – RTB proceeds share	**522**	1,453	**522**	1,453
Taxation and social security costs	**318**	413	**330**	425
Other pension creditors	**73**	76	**73**	76
Leaseholder sinking funds	**1,570**	1,440	**1,570**	1,440
Refurbishment obligation – see Note 17f	**2,820**	3,310	**2,820**	3,310
Sundry creditors	**3,629**	4,016	**3,626**	4,007
Due to subsidiaries	**-**	-	**-**	100
Government Grants – see Note 17e	**172**	172	**172**	172
Bond Premium Amortisation – see Note 17d	**1,404**	1,404	**1,404**	1,404
Retentions, due on works to properties	**1,886**	797	**1,886**	797
Accruals and deferred income	**6,880**	4,655	**6,872**	4,580
	21,763	19,326	**21,754**	19,354

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

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Housing loans– Bond, Note 17a	**198,279**	198,037	**198,279**	198,037
Housing loans– Bank loans, Note 17b	**25,000**	25,000	**25,000**	25,000
Housing loans– Other loans, Note 17c	**25,000**	25,000	**25,000**	25,000
Deferred Income- Bond Premium, Note 17d	**36,754**	38,158	**36,754**	38,158
Deferred Income– Grant, Note 17e	**31,415**	16,381	**31,415**	16,381
Deferred Income– Refurbishment obligation, Note 17f	**3,124**	5,454	**3,124**	5,454
Total creditors more than one year	**319,573**	308,030	**319,573**	308,030

17a. Housing Loans – Bond

Group

On 24 March 2014, Thrive Homes Finance plc, a subsidiary of Thrive Homes Limited, issued a £125 million fixed rate bond with four equal maturities of 25, 29, 33 and 37 years. The annual coupon rate is 4.68%.

£70 million of the issue was sold to investors on the issue date, £30 million was sold on 14 July 2017, £25 million was issued on 26 May 2015, £45m was issued on 31 March 2022 at a premium of £19.6m and the final £30m tranche was issued on 30 September 2022 at a premium of £11.98m. The premiums arising, are being amortized to interest expense within Thrive Homes Limited over the 28-year period to 2051 when the final bond payment is due.

£50 million is therefore repayable on each of 24 March 2039, 24 March 2043, 24 Mar 2047, and 24 Mar 2051.

Thrive Homes Finance plc has on-lent the £200 million bond proceeds to Thrive Homes Limited under a guarantee and security trust agreement. Thrive Homes Limited provides the underlying asset security and this is held through a Security Trust arrangement with the Prudential Trust Company Limited.

The £200 million debt held by investors is secured by fixed charges over 2,445 Thrive Homes Limited properties (2,125 rent and 320 leaseholds at Nil value) at Market Value Tenanted (MV-T) of £344.3 million and their Existing Use Value - Social Housing (EUV-SH) of £38.4 million. This includes a revaluation of EUV-SH values completed by Savills during the year to June 2022 and September 2022 valuation for the remaining £30m tap and is net of the disposal of secured properties, e.g. under Right to Buy legislation, since the initial bond issue.

Under the terms of their loan agreement, all Thrive Homes Finance plc costs relating to providing funding services to Thrive Homes Limited are payable by Thrive Homes Limited.

Thrive Homes Finance plc successfully issued a further £45m deferred bonds on 31 March 2022 and tapped a further £30m on 30 September 2022. The bond was issued at an annual coupon of 4.68%, secured bonds due 2051. The £45m bond was issued at a premium of £19.6m and the £30m bond tap was issued at premium of £11.98m.

The new bond taps have been consolidated to form a single £200,000,000 Secured Bond at 4.68% coupon rate. The premiums arising will be amortised within Thrive Homes Limited to 2051 when the final bond repayment is due.

Under the terms of their loan agreement, all Thrive Homes Finance plc costs relating to providing funding services to Thrive Homes Limited are payable by Thrive Homes Limited.

Association

Thrive Homes Limited has a loan from its subsidiary Thrive Homes Finance plc. £70 million was put in place on 24 March 2014 with further £30 million on 14 July 2015, £25 million on 26 May 2017, £45 million on 1 April 2022 and a final £30 million on 30 September 2022 to total £200 million. The period of the loan is to 2051 at a coupon rate of 4.68%. Interest is payable by Thrive Homes Limited to Thrive Homes Finance plc half yearly, September and March. Any fees and financing costs incurred by Thrive Homes Finance plc regarding bond issuing, bond sales, and on lending to Thrive Homes Limited are payable by Thrive Homes Limited. These are deferred in the accounts of Thrive Homes Limited and written off over the period of the loan.

Amounts repayable by instalments and not wholly repayable within five years.

17a. Housing Loans – Bond (continued)

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Long Term Loan – THF plc	**-**	-	**200,000**	200,000
Deferred finance fees – re Bond	**(1,721)**	(1,963)	**(1,721)**	(1,963)
Due to bond holders	**200,000**	200,000	**-**	-
Repayable after five years	**198,279**	198,037	**198,279**	198,037

The Statement of Financial Position shows the position net of deferred financing costs.

17b. Housing Loans – Bank Loans

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Loan	**25,000**	25,000	**25,000**	25,000
Revolving Credit Facility	**-**	-	**-**	-
At 31 March 2023	**25,000**	25,000	**25,000**	25,000
Due within one year	**-**	-	**-**	-
Due after one year	**25,000**	25,000	**25,000**	25,000
	25,000	25,000	**25,000**	25,000

The bank loans are drawn from loan facilities of £50m. Bank loans are secured by charges on specific properties and are repayable at fixed rate of 2.61%.

17c. Housing Loans – Other

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Due within one year				
Due after one year	**25,000**	25,000	**25,000**	25,000
	25,000	25,000	**25,000**	25,000

17d. Deferred Income – Bond Premium

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At 1 April	**39,562**	9,169	**39,562**	9,169
Additions	**-**	31,553	**-**	31,553
Amortised in year	**(1,404)**	(1,160)	**(1,404)**	(1,160)
At 31 March	**38,158**	39,562	**38,158**	39,562
Due within one year	**1,404**	1,404	**1,404**	1,404
Due after one year	**36,754**	38,158	**36,754**	38,158
	38,158	39,562	**38,158**	39,562

Bond premium is the cash received over and above the bond value, on bond sales. This is amortised to revenue over the remaining years until the first bond repayment is due.

17e. Deferred Income – Grants

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Original Capital Grant Value	**52,873**	20,058	**52,873**	18,395
At 1 April	**16,553**	18,003	**16,553**	16,496
Grant received	**15,207**	229	**15,207**	229
Amortisation to Statement of Comprehensive Income	**(172)**	(172)	**(172)**	(172)
Grant Written Off	**-**	(1,507)	**-**	-
At 31 March	**31,588**	16,553	**31,588**	16,553
Due within 1 year, note 16	**172**	172	**172**	172
Due after 1 year, Note 17	**31,416**	16,381	**31,416**	16,381
	31,588	16,553	**31,588**	16,553

Capital grants received are recorded as deferred income and subsequently amortised to turnover within the Statement of Comprehensive Income. The period of amortisation is the remaining years of useful economic life for the building structure from its date of construction, or at the time of its acquisition by Thrive (if this is later).

17f. Refurbishment Obligation

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Debtor Balances				
Original Debt	**70,196**	70,196	**70,196**	70,196
At 1 April	**8,764**	12,074	**8,764**	12,074
LESS: works completed in year	**(2,820)**	(3,310)	**(2,820)**	(3,310)
At 31 March	**5,944**	8,764	**5,944**	8,764
Due within 1 year, Note 15	**2,820**	3,310	**2,820**	3,310
Due after 1 year, Note 15	**3,124**	5,454	**3,124**	5,454
	5,944	8,764	**5,944**	8,764

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Creditor Balances				
Original Liability	**70,196**	70,196	**70,196**	70,196
At 1 April	**8,764**	12,074	**8,764**	12,074
LESS: works completed in year	**(2,820)**	(3,310)	**(2,820)**	(3,310)
At 31 March	**5,944**	8,764	**5,944**	8,764
Due within 1 year, Note 16	**2,820**	3,310	**2,820**	3,310
Due after 1 year, Note 17	**3,171**	5,454	**3,171**	5,454
	5,944	8,764	**5,944**	8,764

This represents the Association's liability to carry out refurbishment works under the Development Agreement with Three Rivers District Council. As work within the agreement is undertaken, this liability is reduced. This agreement is a sub agreement to the principal 2008 transfer agreement. The value and scope of these works is part of the agreement, and the total value was invoiced by the Association to the council in 2008 – the income being deferred. The requirement to carry out the works is a contractual obligation and is therefore treated as a liability. The equal and opposite side of the liability is recognised as a debtor (prepayment) as this is effectively deferred expenditure.

18. Called Up Share Capital

Association

	Group		Association	
	No.	£	**No.**	£
Issued and fully paid shares of £1 each:				
At beginning of year	**11**	11	**11**	11
Issued during the year	**3**	3	**1**	1
Cancelled during the year	**2**	2	**(1)**	(1)
At 31 March 2024	**12**	12	**11**	11

The share capital of the Association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When the shareholder ceases to be a member, that person's share is cancelled, and the amount paid up thereon becomes the property of the Association. All shareholdings relate to non-equity interests; there are no equity interests in the Association.

No shareholders have any rights in the residual interest in the assets of the Association after deducting all liabilities.

19. Investments

	Group		Association	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Thrive Finance plc (08902717)	**-**	-	**50**	50
Building for Thrive Limited (10471305)	**-**	-	**1**	1
MORHomes Plc (10974098)	**30**	30	**30**	30
Thrive Places Limited (12292058)	**-**	-	**11,714**	11,714
At 31 March	**30**	30	**11,795**	11,795

20. Provision for Liabilities

The Group recognises provisions and liabilities of uncertain timing or amounts. Provision is made for specific and quantifiable liabilities, measured at the best estimate of expenditure and only where probable that it is required to settle a legal or constructive obligation that existed at the Statement of Financial Position date.

Group and Association

	2024	2023
	£'000	£'000
At the beginning of the year	767	864
Increase in provision	55	160
Release of provision	(197)	(257)
At 31 March	625	767

An analysis of the movement in each provision is set out below:

Remedial works
Group and Association

	2024	2023
	£'000	£'000
At the beginning of the year	410	454
Increase in provision	-	-
Release of provision	-	(44)
At 31 March	410	410

Other
Group and Association

	2024	2023
	£'000	£'000
At the beginning of the year	357	410
Increase in provision	55	160
Release of provision	(197)	(213)
At 31 March	215	357

Other provision consists of amounts provided in respect of disputes as well as provision for works from L&Q stock acquisition.

21. Retirement Benefit Schemes

Group and Association

Defined Benefit Scheme

Thrive Homes Limited is an admitted member of the Hertfordshire County Council Pension Fund, which is part of the Local Government Pension Scheme (LGPS) – a funded defined benefit scheme based on final salary. Entry to the scheme for new employees was closed in November 2009. Thrive Homes' contribution rate over the year was 27.1% of pensionable salary (2023: 27.1%).

The assets and liabilities of the LGPS were moved to Three Rivers District Council (TRDC) under a subsumption agreement during 2021/22, which did not affect the financial treatment of the fund. The most recent actuarial valuations of scheme assets and the present value of the defined obligation were carried out at 31 March 2024. The present value of the defined benefit obligation related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used by the actuaries for FRS 102 purposes were:

	2024 %	2023 %
Financial assumptions:		
Pension increase rate	**2.75**	2.95
Salary increase rate	**3.25**	3.45
Discount rate	**4.85**	4.75

Mortality

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

	Males Years	Females Years
Current pensioners	**21.5**	24.1
Future pensioners	**22.4**	26.0

Amounts recognised in the Statement of Comprehensive Income in respect of this scheme are as follows:

	2024 £'000	2023 £'000
Current service cost	**(38)**	(105)
Net interest cost	**193**	7
	155	(98)
Actuarial loss recognised in other comprehensive income	**(195)**	(13)
Total loss relating to defined benefit scheme	**(195)**	(13)

21. Retirement Benefit Schemes (continued)

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of this scheme is as follows:

	2024 £'000	2023 £'000
Present value of defined benefit obligations	**(12,153)**	(12,205)
Fair value of scheme assets	**17,447**	16,277
Surplus	**5,294**	4,072
Net (liability)/asset recognised in the Statement of Financial Position	**-**	-

Movements in the present value of defined benefit obligations are as follows:

	2024 £'000	2023 £'000
At 1 April	**(12,205)**	(17,401)
Service cost	**(38)**	(105)
Interest cost	**(573)**	(467)
Actuarial gains	**318**	5,460
Contributions from members	**(13)**	(17)
Benefits paid	**358**	325
At 31 March	**(12,153)**	(12,205)

Movements in the fair value of scheme assets are as follows:

	2024 £'000	2023 £'000
At 1 April	**16,277**	17,442
Plan asset adjustment 2021/22	**-**	230
Interest income	**766**	474
Return on plan assets (excluding amounts included in net interest cost)	**709**	(1,713)
Contributions from the employer	**40**	70
Contributions from members	**13**	17
Other Experience	**-**	82
Benefits paid	**(358)**	(325)
At 31 March	**17,477**	16,277

21. Retirement Benefit Schemes (continued)

The analysis of the scheme assets at the Statement of Financial Position date are:

	2024 %	2023 %
Equity instruments	**61**	50
Bonds	**21**	23
Property	**12**	15
Cash	**6**	12
	100	100

The employer contribution rate from 1 April 2024 will be 20.6% (2023: 27.1%).

The pension plan has not invested in any of the Group's own financial instruments or other assets of the Group.

Defined Contribution Scheme

Thrive Homes provides a defined contribution stakeholder type pension scheme for employees which is administered by Royal London (formerly Scottish Life). The assets of the scheme are kept separately from those of Thrive Homes and are invested in independently managed funds chosen by the employee.

The employers' contributions to the scheme charged to the Statement of Comprehensive Income for the year ended 31 March 2024 were £563k (2023: £515k). The amount of pension contributions payable at the 31 March 2024 was £48k (2023: £71k).

Thrive Homes' contribution ranges from 6% to 10%, being twice the employee's own personal contribution. The minimum contribution levels are compliant with 'Automatic Enrolment' legislation.

Employee members as at 31 March 2024 were 97 (2023: 149).

22. Capital Commitments

Group and Association

	2024 £'000	2023 £'000
Capital expenditure contracted for but not provided in the financial statements	**17,520**	37,124
Capital expenditure authorised by the Board but not yet under contract	**25,422**	23,948

The Board expects the expenditure it has authorised to be fully financed by a combination of cash, available loan facilities, grant funding or from Thrive Homes' own reserves.

23. Other Financial Commitments

Group and Association

At the reporting date there were outstanding commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:

	2024				2023			
	Land and buildings	Office equipment	Vehicles	Total	Land and buildings	Office Equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expiring:								
Not later than one year	**366**	**6**	**-**	**372**	378	6	-	384
Later than one year but not later than five years	**1,098**	**12**	**-**	**1,110**	1,464	18	-	1,482
After five years	**-**		**-**	**-**	-	-	-	-
	1,464	**18**	**-**	**1,482**	1,842	24	-	1,866

24. Contingent Liabilities

At the 31 March 2024 Thrive Homes Limited has a contingent liability with respect to the capital grants received that may be repayable should the units that the grants are attached to be disposed or otherwise no longer be properties for social housing letting. This liability is the value of the grant income recognised to date and is the difference between the original grant value and the liability recognised as per note 17e. The contingent liability at year end is £18.9m (2023: £18.9m).

25. Legislative Provisions

Thrive Homes is a registered society under the Co-Operative and Community Benefit Societies Act 2014, registered number 30398R.

It is also registered with the Regulator for Social Housing, Number L4520, and subject to its Regulatory Framework.

26. Related Party Transactions

Resident Board Members - Tenants

During the year, there was no Tenant Member of the Board.

Tenant Board member tenancies are on normal terms and they are not able to use their position on the Board to their advantage. During the year, rent and related charges to tenant Board members amounted to £nil (2024: £nil). Arrears charges outstanding at year end, for tenant Board members amounted to £nil (2023: £nil).

Resident Board Members - Leaseholders

During the year there was no Leasehold Member who served as a member of the Board.

During the year, service charge costs charged to leasehold Board members amounted to £nil (2024: £nil). Balances outstanding at year end for leasehold Board members, relating to the costs of major works being paid in instalments, amounted to £nil (2023: £nil).

Development Agreement with Three Rivers District Council

The Development Agreement covers the long-term refurbishment of the housing stock following its transfer to Thrive Homes in 2008 and includes a VAT shelter arrangement whereby 'savings' generated are shared between both parties. The value paid to Three Rivers District Council for the year is £254,706 (2023: £259,654)

The Development Agreement also includes some proceeds sharing agreement when properties are disposed of under the 'Right to Buy' legislation. Annual values can be seen in note 15.

27. Subsidiary Undertakings

Thrive Homes Finance plc

Thrive Homes Finance plc is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 50,000 £1 ordinary shares in Thrive Homes Finance plc.

Thrive Homes Finance plc, registered England & Wales 08902717, was incorporated on 19 February 2014. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is to source funds on behalf of Thrive Homes Limited directly from the capital markets and to on-lend the proceeds to Thrive Homes Limited.

Transactions and balances with Thrive Homes Finance plc are as follows:

	2024 £'000	2023 £'000
Statement of Comprehensive Income		
Interest payable	**9,360**	8,727
Outstanding balances as at 31 March		
Creditors, less than 1 year, interest payable	**-**	(181)
Creditors, greater than 1-year, long term loan	**(200,000)**	(200,000)

Building for Thrive Limited

Building for Thrive Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 1,000 £1 ordinary shares in Building for Thrive Limited.

Building for Thrive Limited, registered England & Wales 10471305 was incorporated on 9 November 2016. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is to carry out design and build activities for Thrive Homes Limited development activities.

Transactions and balances with Building for Thrive Limited are as follows:

	2024 £'000	2023 £'000
Statement of Comprehensive Income		
Interest payable	**-**	-
Balances as at 31 March		
Creditors, less than one-year, unpaid share capital	**-**	-

27. Subsidiary Undertakings (continued)

Thrive Places Limited (formerly Thrive Living Limited)

Thrive Places Limited is a subsidiary of Thrive Homes Limited. It is 100% owned and controlled by Thrive Homes Limited, who own 11,714,000 £1 ordinary shares in Thrive Places Limited.

Thrive Places Limited, registered England & Wales 12292058 was incorporated on 31 October 2019. The company registered office is Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity is the letting and operating of own or leased real estate. Transactions and balances with Thrive Places Limited are as follows:

	2024 £'000	2023 £'000
Statement of Comprehensive Income		
Interest payable	-	-
Balances as at 31st March		
Creditors, less than one-year, unpaid share capital	-	-
Debtors, less than 1 year, Gift Aid	-	-

SRJ Homes Limited

SRJ Homes Limited was a subsidiary of Thrive Homes Limited. It was 100% owned and controlled by Thrive Homes Limited, who owned 4 £1 ordinary shares in SRJ Homes Limited.

SRJ Homes Limited, registered in England & Wales 8932833 was incorporated on 11 March 2014. The company's registered office was Westside, London Road, Hemel Hempstead, HP3 9TD.

Its principal activity was the ownership of land for residential development.

The company was dissolved on 13 June 2023.

Transactions and balances in SRJ Homes Limited were as follows:

	2024 3 months to June 2023 £'000	2023 12 months to March 2023 £'000
Statement of Comprehensive Income		
Interest payable	-	-
Balances as at period end		
Creditors, less than one-year, unpaid share capital	-	-

28. Financial Instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Financial assets				
Measured at undiscounted amount receivable				
Deferred expenditure - refurbishment obligation (note 17f)	**3,124**	5,454	**3,124**	5,454
Rent arrears and other debtors (note 15)	**3,486**	6,092	**4,007**	6,603
Cash	**16,070**	27,749	**14,236**	26,483
	22,680	39,295	**21,367**	38,540
Financial liabilities				
Measured at amortised cost				
Loans payable (note 17a-17c)	**248,279**	248,037	**248,279**	248,037
Measured at undiscounted amount payable				
Refurbishment obligation (note 17f)	**3,124**	5,454	**3,124**	5,454
Trade and other creditors (note 16)	**20,279**	19,325	**20,171**	19,253
Amounts owed to related undertakings (note 27)	-	-	**100**	100
	271,682	272,816	**271,674**	272,844

The Group and Association's income, expense, gains and losses in respect of financial instruments were £nil (2023: £nil).

Thrive Homes

Thrive Homes, Westside, London Road, Hemel Hempstead, HP3 9TD

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