

Annual Report and Financial Statements

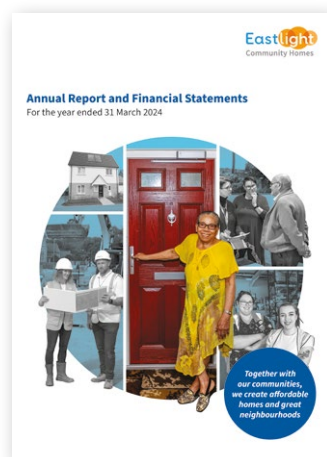
For the year ended 31 March 2024



*Together with
our communities,
we create affordable
homes and great
neighbourhoods*

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**Eastlight resident,
Gloria outside
her home**

Board Members, Executive Directors, Advisors and Bankers



Eastlight Board and Committees

The Board Members who served from 1 April 2023 to 31 March 2024 were as follows:

Chair

Hattie Llewelyn-Davies

Senior Independent Director

Michelle Baker (Appointed 22 September 2023)

David Russell (Until 22 September 2023)

Other Board Members

Dale Butcher

Mike Johnson

Simon Jones

Cha Patel

Gail Shadlock

Kay Vowles

Catherine Turner

Trainee Board Member

Steve Bentall

Committee Members

Customer Influence Committee (CIC)

Michelle Baker (Chair)

Catherine Turner

Steve Bentall

Paul Hocker (Independent Committee Member)

Craig Clackett (Independent Committee Member)

Cedric Salvadorai (Independent Committee Member)

Runyararo Garande (Independent Committee Member)
(Appointed 22 September 2023)

Michael Ryan (Independent Committee Member)
(Appointed 22 September 2023)

Magenta Lavey (Independent Committee Member)
(Appointed 22 September 2023)

Grahaem Ball (End of Contract 21 September 2023)

Marlene Carter (Resigned 21 November 2023)

Finance & Treasury Committee (F&T)

Simon Jones (Chair)

Paul Hocker (Independent Committee Member)

Mike Johnson

Cha Patel

Alex Gipson (Independent Committee Member) (Appointed 03 April 2023)

Development & Asset Management Committee (DAM)

Dale Butcher (Chair)

Mike Johnson

Kay Vowles

Catherine Turner

Chris Miller (Independent Committee Member)

Andrew Tod (Co-opted Member) (Appointed 22 September 2023)

Tony Bacon (Co-opted Member) (Appointed 22 September 2023)

Governance & People Committee (G&P)

Kay Vowles (Chair)

Gail Shadlock

David Russell

Michelle Baker

Steve Bentall

Peter Brown (Independent Committee Member)
(Appointed 22 September 2023)

Julia Thomas (Independent Committee Member)
(Retired 21 September 2023)

Jo Savage (Independent Committee Member)
(Retired 21 September 2023)

Audit & Risk Committee (ARC)

Cha Patel (Chair)

Simon Jones

David Russell

Gail Shadlock

Barinderjit (Raj) Singh Kambo (Independent Committee Member)
(Appointed 14 November 2023)

Steve Bentall (Observer)

Jo Savage (Independent Committee Member)
(Retired 21 September 2023)



The Executive Directors hold no interest in the Association's shares and act as executives within the authority delegated by the Board.

Chief Executive

Emma Palmer

Executive Director, Finance & Governance

Steve Aleppo

Executive Director, People & Business Services

Sharon Ault

Executive Director, Development & Asset Management

Dan Jones

Executive Director, Customer Services

Jane Goodley (Until 28 February 2024)

Company Secretary

Steve Aleppo

.....
Registered Office

Eastlight House
Charter Way
Braintree
Essex CM77 8FG

External Auditor

Beever and Struthers, 150 Minorities, London EC3N 1LS

Principal Solicitors

Trowers & Hamlins LLP, Devonshires LLP

Principal Bankers

Lloyds Bank plc, Barclays Bank plc

Chair's Statement



I'm pleased to present Eastlight Community Homes' Annual Report & Financial Statements, demonstrating our positive financial performance for 2023-2024.

As a resident-led organisation, our focus has – and always will be – putting the customers who live in our 13,500 homes first, along with our colleagues and our communities.

While high inflation continued to increase our costs, the introduction of the Social Housing (Regulation) Act and the Regulator of Social Housing's Consumer Standards have now placed even greater demand on housing associations like Eastlight to deliver value for money and enhanced services that residents really need.

The past 12 months saw the return of our £100,000 Tenancy Support Fund, which enabled customers to access a range of materials and goods to help them maintain their homes and to speak to professionals about anything that may be concerning them, via our Tenant Support & Wellbeing Service. We also boosted our Fuel Fund offer to keep our residents safe and warm throughout the winter period.

Providing a reactive and timely damp and mould service has been a high priority for us too. Our new Damp & Mould Policy and Healthy Homes Team, which includes a friendly Resident Liaison Officer, has helped our teams manage damp and mould cases reported this year.

We also know that tenant satisfaction is not as high as we would like it to be. It's not a challenge unique to Eastlight, but we're working hard to ensure we better support the varied needs of our residents and local communities.

Our Development Team brought a record-breaking 417 homes to key and emerging areas across the East of England, almost 100 more than the year before. We were delighted to celebrate our continued development success, having delivered more than 1,000 new homes since Eastlight formed in 2020, and our efforts were also recognised in Inside Housing's 'Top 50 Biggest Builders', placing 45th in the list of housing associations that delivered the most UK homes in the year.

Through greater investment and partnership-working, we have completed a range of improvement works to further achieve our EPC-C and Net Zero Carbon ambitions, and to support residents in reducing their energy use and running costs.

In December 2023, we published a new Resident Engagement Strategy to give our customers even more opportunities to influence and shape our services – whether that was attending the Resident Academy bootcamps that took place across the year, joining our resident networks or applying for a position on our Customer Influence Committee.

Our community empowerment work didn't go unnoticed either; we are proud to have won the Neighbourhood Transformation Award at the Affordable Housing Awards 2023 for All In, where our community engagement story was also highly commended. At the same time, our Succeed at Eastlight training programme received sector accolades for its approach to values-based training and recruitment.

Eastlight doubled down on its commitments in making our organisation a better place to work. During 2023-24, we became Founding Partner of disability organisation Purple and achieved Disability Confident Leader status. Meanwhile, team members across the organisation came together to turn our equality, diversity and inclusion objectives into a reality.

Our teams anticipate ongoing disruptions within our sector and the complex economic and political landscape, and they get on top of things early. This year, we created a new set of strategic priorities to enable Eastlight to better understand and deliver on the changing needs of our customers, in the form of our new Corporate Strategy 2024-27, which came into effect from 1 April 2024.

Finally, I want to offer my thanks to our people and engaged residents who have continued to live our values and demonstrate what we mean when we say we are 'resident-led'. Together, we are in a strong position to deal with whatever external challenges come our way.

£100,000

dedicated Tenancy Support Fund available to customers

417

new homes delivered by the Eastlight Development Team

45th

place in Inside Housing's 'Top 50 Biggest Builders' list

H. Llewelyn-Davies.

Hattie Llewelyn-Davies

Strategic Report



Principal Activities

The Association is incorporated as a Registered Society under the Co-operative and Community Benefit Societies Act 2014, Registered No. 30124R, and it is also registered with the Regulator of Social Housing in England (RSH), in accordance with the Housing & Regeneration Act 2008, Registered No. L4499.

The Association has adopted charitable objects and is recognised as a charity by HM Revenue and Customs, Reference EW79540. As a public benefit entity, Eastlight Community Homes Limited (hereafter “Eastlight”) has applied the public benefit entity ‘PBE’ prefixed paragraphs of FRS 102.

Eastlight was formed following the merger of Greenfields Community Housing Limited and Colne Housing Society via a transfer of engagements on 1 July 2020.

Iceni Homes Limited is a development service company providing new build programme management services to social housing providers. Iceni was established as a joint venture company owned by a group of registered providers including Eastlight. Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society, which led to Iceni becoming a wholly owned subsidiary of Eastlight on 1 August 2021.

Emerald New Homes Limited is a wholly owned subsidiary of Eastlight. It is dormant and has never traded.

These financial statements include the consolidated Group financial results.



Corporate Strategy

On 1 April 2024, Eastlight Community Homes launched its new Corporate Strategy 2024–2027, which superseded our previous Corporate Strategy 2021–2026.

The introduction of the Social Housing (Regulation) Act, the Regulator of Social Housing's Consumer Standards and the ongoing complexity of our economic environment, meant that we needed to set out renewed strategic priorities that would enable us to better understand and deliver on the changing needs of our customers, people and partners in the years ahead.

Scrutinised and approved by our residents, the principles within our new Corporate Strategy focus on investing in our places, improving our datasets to support long-term performance, boosting our digital services, further meeting our Net Zero Carbon ambitions, and working with like-minded partners who share our vision for the future of housing.

Our mission and organisational values remain the same as they were in our previous Corporate Strategy. Eastlight will continue to be a resident-led organisation, maintain a strong balance sheet and a robust financial framework, and have Ambition, Inclusivity and Accountability at the heart of its decision-making.

The following Strategic Report focuses on our performance for the year ended 31 March 2024, when we were still working against our previous Corporate Strategy 21–26. At the time, our most significant priorities were to:

- Deliver a significant increase in the number of homes we develop for social rent, affordable rent and low-cost home ownership;
- Invest even more in our existing homes to meet the needs of future generations;
- Empower residents and communities to improve their lives and enable independent living; and
- Enhance value for money, efficiency and release capacity, becoming financially robust and more resilient.

Eastlight was and continues to be a community gateway organisation. This means we place resident empowerment and involvement at the forefront of everything we do, while also focusing on improving the safety and quality of our homes and communities.

Giving residents the ability to hold us to account remains a priority for us. By having Eastlight residents on our Board and Customer Influence Committee, we frequently demonstrate the positive impact tenant voice has on building a customer-focused service and in setting robust future goals and ambitions for our organisation.



Operating Review

The cost-of-living crisis has continued to have a global impact, not least on the lives of Eastlight residents

According to the Office for National Statistics, Consumer Prices Index (CPI) rose by 3.2% in the 12 months to March 2024, down from 3.4% in February and well below its recent peak of 11.1% in October 2022.

In November 2023, the Board – which includes Eastlight residents – took the difficult decision to increase most of our rents for a second year. The 7.7% rent rise followed government policy that places a ceiling on social housing rents at the maximum of the CPI of inflation plus 1%, set in September each year. In April 2024, the government announced that this rent settlement will be rolled over for the following two years, until 2026.

As a not-for-profit organisation, the rise in rent supported Eastlight to provide services to residents amid the increased costs of goods and materials, and it has enabled us to deliver on our corporate ambitions, including improving and building more affordable homes.

However, we understood that any increases in rent placed even more pressure on customers who were already dealing with ever-growing living and energy costs. Following our successful approach last year, we put similar and improved measures in place to help residents to manage their rents and sustain their tenancies.

Managed by our Tenancy Sustainment Team, we injected £100,000 into our Tenancy Support Fund this year to support people in managing and upkeeping their homes. This included covering the costs of flooring and carpets and purchasing white goods, including cookers and washing machines. Through the fund, we offered vouchers for select retailers so residents could buy much-needed items for their homes.

We also helped residents access £60,000 worth of fuel bank vouchers, which enabled 181 eligible and struggling customers to heat their homes throughout December 2023 to March 2024.

In addition to the Tenancy Support Fund, we dedicated a further £25,000 to our Tenant Support & Wellbeing Service – a confidential 24/7 helpline and online portal that allows customers to receive completely free advice around anything from relationship difficulties and debt advice to bereavement and alcohol and drug issues.



£25,000

dedicated to our
Tenant Support &
Wellbeing Service

31,700

responsive repairs delivered

Our teams also continued to provide a service to all customers who got in touch to ask for advice and support, as well as to those who were struggling to pay their rent. This support sometimes involved our team members referring customers to external organisations, including community partners who sometimes work together and alongside Eastlight colleagues in our Community Common Room – a shared space at our head office in Braintree specifically designed to support multi-agency working.

By March 2024, more than 6,000 residents were recorded to claim Universal Credit. Through managing the service effectively, our proactive and focused Income Team completed nearly 5,900 Universal Credit verifications, helping more residents out of debt and keeping them in their homes.

60

multi-skilled operatives assigned local patches

Our in-house Home Solutions Team provides a single service offer to our customers. Last year, we brought our first-time fix rate up to an impressive 84% from the backlog of responsive repairs and maintenance work built up during the pandemic. We maintained these standards in 2023–24, and we aim to reach a 90% first-time fix in the years to come.

Operating from our Marks Tey Hub, members of the team delivered 31,700 responsive repairs, and kept to 93% of appointments.

In March 2024, we officially launched our new local patches for our 60-strong multi-skilled Repairs Team. Working in one of four local patches (Colchester & The East; Witham & The South; Braintree; and Halstead & The North), this place-based approach came as a direct result of resident feedback and aims to improve our visibility and communication with residents, while reducing travel time and supporting our first-time fix objectives.

In addition to this, our teams also worked with our Customer Influence Committee to develop a resident-focused Repairs Policy, and introduced to residents our new Repairs Pledge – which outlines the service our customers should expect to receive from us.

Recognising that our customers were more likely to experience and report damp and mould this winter, prompted by the increased cost-of-living and the tragic death of Awaab Ishak in Rochdale, we introduced our new Healthy Homes Team to our customers in October 2023.

As stated in our Damp & Mould Policy, published in January 2024, this has enabled Eastlight to meet the diverse needs of residents and comply with current and forthcoming legislation, including Awaab's Law.

In 2023-24, we had 790 void properties, and it took us an average of 83 days to re-let homes to households across the East that need them most. A critical challenge of the past year has been our in-house capacity to reduce the backlog of void homes and ensure they are in a suitable condition to be let. However, additional resource and support from across the organisation enabled a significant reduction to this backlog at the beginning of January 2024, and we expect to clear the backlog by Autumn 2024.

Following our first set of annual Tenant Satisfaction Measures (TSMs) results, published on 1 April 2024, our customers said they were overall satisfied with our ability to offer services that meet their needs. Like most housing associations, residents highlighted significant areas in which we need to improve, such as working harder to meet individuals' needs, complaints handling, and repairs. For each low scoring area, we have created an action plan to improve how residents feel about Eastlight, including our communications and the quality of our services. Eastlight remains an ambitious organisation that wants to deliver better homes and services for our customers during the coming years. In 2023-24, our Finance Team raised £60m in new loan facilities with NatWest, which has a 25-year tenor and will support our investment ambition.

This year, we have also retained our private credit rating with Fitch and our G1/V1 regulatory rating, following an annual stability check in December 2023, confirming our good governance and sound financial management.



G1/V1
regulatory rating



£60m
in new loan facilities



Our Homes

With more than 1.3 million households on local authority housing waiting lists in England – the highest it’s been in a decade – our determined Development Team has worked tirelessly to ensure households and families across the East have access to an affordable, safe and sustainable place to call home.

During the year to March 2024, we completed 417 new homes, of which 275 (66%) were for affordable rent, and 142 (34%) were for shared ownership. Unfortunately, high interest rates have markedly slowed down our output when delivering more social-rented homes this year. However, like other housing associations, Eastlight remains committed to doing all we can to meet local housing need.

To support people with getting their foot on the property ladder, we sold 117 shared ownership homes. On average, our buyers opted to purchase 40% of their homes at the outset, while paying rent on the remaining 60%. Eastlight does not currently have an open market sales programme.

At the end of the year, we were in contract or on-site with development schemes comprising 1,126 new homes, of which 7% are being delivered via Eastlight-led projects. We also have a pipeline of an additional 265 homes, of which 26% will be delivered and led by Eastlight.

One of the developments that is on-site is our fully affordable 71-home Mount Hill scheme in Halstead, Essex. Without Eastlight’s intervention, the site would have been sold to developers to build properties for sale on the open market. It is the location of the 1,000th new home built by Eastlight since it formed in 2020 – a wheelchair accessible bungalow.

Another Eastlight-led development is our 18-home scheme at Whatfield Road in Elmsett, Ipswich, where we’re delivering nine affordable homes for social rent and nine for shared ownership. Above building regulations, this scheme also proposes to meet the Police Crime Prevention Initiatives’ Secure by Design (SBD) Award for incorporating crime prevention measures and techniques into the development.

While both of these Eastlight-led schemes demonstrate our ambition to have more control over the quality of the homes we build for our communities, we always ensure we can deliver within a sound financial operating margin and in ways that provide value for money. Where we are able to lead on our own development schemes, we put the resident experience first and focus on building sustainable homes which help people to live healthier and more fulfilling lives.




1,126
new homes
in contract
or on-site



275
affordable rent

Published in 2022, our Development Design Guide focuses on how the design of our new homes can have a positive impact on people’s physical and mental health, as well as the ways in which it can improve community ties and reduce anti-social behaviour. The Guide is used by the Eastlight team on our land-led sites, as well as our consultants and contractors. It is referred to during the inception of our new homes, through to their handover and subsequent occupation, management, maintenance and possible adaptation.

Not only are we focused on building more and building better, but we are also determined to provide local housing solutions to areas across the East of England. While the majority of our homes have been built to meet demand across Braintree and Colchester, our activity has also supported housing need in other areas too, from Uttlesford and East Suffolk, to Babergh & Mid-Suffolk and Broadland.

Eastlight has Investment Partner status with Homes England and has successfully bid and secured grant funding through the Affordable Homes Programme 2021–26. Including the grant awarded for Whatfield Road in April 2024, Eastlight secured £3,935,100 in funding through our partnership with Homes England.



142
shared ownership



Investment in our Homes

Eastlight invested £13m into our major capital works programme across the 13,500 homes we own and manage. While doing so, we achieved a 99.9% compliance rate with the Decent Homes Standard.

The failing 0.1% was due to five stock condition surveys that had unaddressed issues and works left outstanding at 31 March 2024. In May 2024, we rectified and completed all works that would have had Eastlight achieve 100% compliance with the Decent Homes Standard.

In addition, we achieved 99.8% gas safety compliance this year, and 99.8% of our Fire Risk Assessments (FRAs) were in-date. Overall, this enabled us to achieve a statutory compliance rating of 99.9%.

Residents moving into one block at the end of the financial year meant that the final FRA was completed at the beginning of April 2024. Meanwhile, issues with gaining access have resulted in 17 overdue gas servicing checks, with a further seven currently being addressed through our legal process. While these cases have resulted in our FRA and gas safety check compliance ratings at below 100%, we remain fully compliant with our policy and process.

At the beginning of the financial year, Eastlight had fourteen 11- to 18-metre-high buildings, of which eight had no life-critical fire safety issues. Six of the buildings contained Aluminium Composite (ACM) or High-Pressure Laminate (HPL) cladding, and therefore had life-critical safety issues, as confirmed in our latest FRA.

Five of the six buildings were new-build developments, and these were all remediated by the developer of the site at zero cost to Eastlight. We received Building Control sign off for these blocks in November 2023.

The remaining building was also remediated with Building Control sign off in January 2024, meaning that we now have zero 11- to 18-metre-high buildings with external cladding posing a potential fire safety risk to our residents. Our Fire Remediation Survey was submitted and signed off by the Regulator in April 2024.

74%
of all Eastlight homes
reached EPC-C
or higher

Our target is to bring all homes to an Energy Performance Certificate (EPC) rating of C by 2030. At year end, 74% of our homes reached EPC-C level or higher, increasing from 68% last year. Building more accurate datasets and completing a range of practical works in the year led to 496 homes to attain the EPC-C rating, with just more than 3,550 homes needing further works to meet the same grade.

All our new homes (417) built this year achieved an EPC-B rating, positively contributing to our ambition to reduce residents' overall energy use and tackle national fuel poverty over the longer term.

These efforts speak clearly to our vision as outlined within our Sustainability Strategy 2022–27 and New Homes Strategy 2021-26. Together, they discuss how we will meet legislative requirements regarding carbon and global warming, and our compliance with building regulations and the Future Homes Standard.

Our Sustainability Strategy also sets out our commitments to act on the variety of concerns raised by our customers – including the destruction of local flora and fauna, drought and flooding, waste and pollution – and it details how we are meeting the government's targets while reducing the environmental impact of building, maintaining and living in one of Eastlight's homes.

100%
of new homes achieved
an EPC-B rating





£13m
invested into our
major capital works
programme



Over the past year, our All In and Resident Academy programmes have enabled customers, with varied backgrounds and levels of experience, to get involved in tackling the biggest issues affecting their communities and to gain a better understanding of how Eastlight operates to drive necessary service improvements.

A total of 275 attendees joined Eastlight’s quarterly All In Alliance Meetings throughout summer and winter 2023 and spring 2024. Eastlight provided £3,000 to each Alliance across Braintree, Witham, Halstead and Colchester, with £12,000 going to 12 local organisations – from homelessness charities and nurseries to debt centres and performing arts groups.

Last year, we also celebrated 33 residents who graduated from our Resident Academy programme in February and November 2023, an educational bootcamp that empowers residents to get more involved with Eastlight. At their graduation ceremony, residents united with Eastlight’s Board, Customer Influence Committee and Executive Directors to share experiences and find out what further opportunities are available, so they can play a role in shaping our strategic and operational decision-making.

In September 2023, we created our Active Residents’ Network (ARN) while reinvigorating other customer groups, such as our Community Voices and Eastlight Residents Group (ERG).

Since its creation, 129 residents have joined our ARN, with all but four subscribing to our mailing list. Our Resident Engagement Team have interacted with the members of the ARN a total of 667 times since the group’s formation. This included gaining 396 views across four issues of the ARN e-newsletter; feedback from 134 members on our policies and services via Eastlight surveys; 39 participated in our Resident Academy bootcamps; 19 completed in-depth telephone interviews; and 16 members attended workshops on three different hot topics for residents.

Teams across our organisation also offered money and employment advice to more than 1,300 customers and secured £1,213,200 for those who needed guidance around claiming benefits. With more than 5,900 Universal Credit accounts verified this year, our teams have supported residents with their universal applications so they can stay and live comfortably in their homes.

While 131 domestic abuse cases were raised with us from April 2023 to March 2024, we were able to provide specialist help and completely resolve a total of 133 cases, which were ongoing during the year. Furthermore, we responded to around 1,140 instances of anti-social behaviour reported to us, resolving more than 1,100 individual cases.



667
interactions with
our Active Residents'
Network



Tenant Satisfaction Measures

On 1 April 2024, the Regulator of Social Housing published its Consumer Standards, and with it, a set of Tenant Satisfaction Measures (or TSMs) that registered social housing providers must report against.

These measures provide a baseline for how Eastlight residents generally feel about the homes and services we provide, and their overall satisfaction and/or dissatisfaction with how we maintain, communicate and deliver for those living in our 13,500 homes.

At the end of 2023–24, we published our first set of TSM results for the year. A total number of 1,386 residents were surveyed to understand their views on Eastlight's ability to meet their needs, upkeep their homes and neighbourhoods, and provide an adequate and responsive customer service.

Our key findings* were as follows:

	Satisfaction with...	Eastlight (year-end)	Sector average (mid-year median)
TP01	Overall service	70%	72%
TP02	Repairs reported in the last 12 months	72%	75%
TP03	Time taken to complete repairs in the last 12 months	66%	70%
TP04	Home is well maintained	72%	72%
TP05	Home is safe	80%	79%
TP06	Listens to tenants' views and acts upon them	61%	61%
TP07	Being kept informed	70%	71%
TP08	Being treated fairly and with respect	78%	78%
TP09	Approach to complaints in the last 12 months	35%	34%
TP10	Communal areas	59%	66%
TP11	Positive contribution to the neighbourhood	59%	64%
TP12	Approach to anti-social behaviour (ASB)	55%	58%

*Key findings are documented as found at year end, with the results of all surveys (carried out each quarter) totalled and divided by four.

Our findings demonstrate that Eastlight follows a sector trend, whereby residents generally feel that their social housing provider offers average services at best. However, many social housing tenants, including those living in an Eastlight home, feel that their landlords can perform better in areas relating to complaints, anti-social behaviour and in delivering improved services in their communities.

Through this exercise, we have identified how we recognise the experiences of those living in an Eastlight home, and we have implemented an action plan to improve our residents' overall satisfaction, showing them that we are listening. See below a few examples of our priorities over the next year:



Example One: Repairs

Seventy-two percent of residents are satisfied with repairs, but only 66% of residents are satisfied with the time taken to complete them. In 2023–24, we received 4,431 comments on our transactional surveys about repairs, with an average satisfactory score of 4.7/5.0; in these transactional surveys, residents frequently praised the conduct of staff and their ability to carry out the repair to a high standard.

However, it's clear that we need to be quicker in our response to repairs, communicate when they may be too complicated to resolve at our first visit, and update residents frequently to prevent the number of calls to our Customer Services Team about the delays to the job being completed.

As a result, we have committed to increase the number of repairs we complete within a target timescale (from 56% in April 2024, to 86% in December 2024); measure the impact of our four 'local patches' in our Repairs team, who deliver repair services to specific key areas across the East with the aim of reducing travel time; and changing our transactional surveys to measure satisfaction with repairs first-time around, better mapping the customer journey and allowing for continuous improvement.

1,386
residents surveyed
for our first set of
Tenant Satisfaction
Measures



Example Two: Complaints Handling

While we resolved over 1,000 formal complaints in 2023–24 (placing us in the upper quartile, according to Housemark), only 35% of residents were satisfied with our complaints handling process.

We have made further strides to improve the quality of our complaints process, resolving the range of issues raised by our customers; this includes establishing our Customer Experience Team in October 2023, which has helped us to keep pace and reduce the volume of complaints escalated to Stage Two of our Complaints & Resolution process. However, only 80% of our Stage One complaints were compliant with the Complaint Handling Code, and only 56% were resolved within ten working days, with an average resolution time of just less than 14 days.

To improve this, Eastlight has added resource to its Customer Services Team, who strive to resolve all issues with early intervention before they become official complaints; reviewed our Compensation Policy which now empowers staff to give compensation earlier, creating fewer complaints in future; planned transactional surveys to measure satisfaction earlier to support continuous improvement; and set ambitious resolution targets and reduced response wait times.

1,000

formal complaints
resolved in 2023–24



Example Three: Meeting individuals' needs

Thirty percent of Eastlight residents have a disability registered on our housing management system, but 77% of residents (via our Customer Segmentation Survey in 2022) told us they were in some way affected by a physical, mental or cognitive condition which impacts on how they interact with us.

Residents with disabilities make a disproportionate number of complaints to Eastlight, suggesting we don't always adapt our services to meet their needs or always seek to improve the experience that residents with disabilities have with us.

We are implementing staff training relating to advocacy, hidden disabilities and communication; reviewing communication of repair appointments and monitoring those in need of reasonable adjustments; analysing frontline service responses in relation to protected characteristics; and better understanding how customers with disabilities or other protected characteristics might be adversely affected by service failures in our complaints process.

This is ongoing work for Eastlight. However, with an action plan in place, we hope to see more improvements over the course of 2024–25.

77%

of residents have a physical, mental or cognitive condition



In 2023-24, our ‘Just Being You’ mentoring programme concluded its third phase, identifying a range of positive actions to continue to develop our organisational culture. The programme forms part of our ongoing journey to being a diverse and inclusive employer in how we serve our people, customers and communities.

Just Being You puts our people (the mentor) at the heart of a conversation with a member of Eastlight’s Leadership Team or Board (the mentee), with the aim of sharing insight into the mentor’s lived experiences, which relate directly to one or more of the nine protected characteristics as defined in the Equality Act 2010.

A sector leader in disability inclusion, we achieved Disability Confident Leader (Level 3) status – the highest level in the government’s Disability Confident Employer scheme – for our commitment to accessibility and creating more disability inclusive environments and communities. We achieved this due to our ongoing efforts with national disability organisation Purple Tuesday, of which we were named a Founding Partner in July 2023.

Our Succeed at Eastlight programme also continued this year, which enables people from a diverse range of backgrounds, capabilities or points in their career to take on a new opportunity at Eastlight. Trainees receive hands-on, on-the-job experience, a bespoke development plan and a professional qualification.

Thirteen trainees joined the programme throughout the year, building an increasingly diverse, skilled and competent workforce. A further five colleagues at Eastlight took on an apprenticeship, with another ten colleagues joining other learning and development programmes to support their future career within Eastlight.

A number of networking groups within the organisation have flourished throughout the year, each created to help and support colleagues and shape a more diverse and inclusive workplace.

Our Eastlight Focus Group (EFG) allows our people to raise issues affecting or concerning colleagues. EFG representatives constructively challenge our Leadership Team and positively contribute to Eastlight’s future plans. Furthermore, other networking groups have consistently driven engagement in our LGBT+ Pride events across the East of England and delivered on our equality, diversity and inclusion priorities; meanwhile, other groups have helped to break down the stigma of mental health and offer a safe and open space for team members to communicate, come together and support each other’s wellbeing.

To recognise and appreciate colleagues within the business amid a turbulent economic climate, we also introduced our Above & Beyond scheme, which rewards a select number of colleagues each month for their efforts and the impeccable services they provide to our customers.



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trainees joined our Succeed at Eastlight programme



The economic outlook remains unpredictable. The rise in energy prices resulting from the Russia/Ukraine conflict has continued to place significant pressures on business and ultimately our customers for another year. While inflation has steadily declined from 8.7% in April 2023 to 3.2% in March 2024, it remains considerably above stable levels. Furthermore, interest rates continued to rise, with the Bank of England base rate reaching 5.25%, the highest since the 2008 global financial crisis

Eastlight operates financial Golden Rules that align with the Board's risk appetite, and the Board reviews these rules as part of the annual business planning process. We prepare our budgets and business plans so that they satisfy the Golden Rules, and our extensive stress testing and mitigation planning helps assure us that Eastlight is a financially resilient organisation. This is supported by our short and medium-term cash flow planning, which ensures we have clear sight of our financial commitments as they fall and that we have the funds to meet them. Consequently, the Board and our Leadership Team have reasonable expectations that Eastlight will remain financially viable.

Financial Performance

The Board is pleased to report an overall surplus of £9.7m in 2024 (2023: £8.7m) for the year.

The surplus was lower than the original budget primarily due to higher interest costs, higher depreciation and impairment costs, and higher than anticipated loss on void properties.

Financial Performance Summary (Group)

£m	2023-24	2022-23
Turnover	94.5	86.8
Income from lettings	80.3	73.1
Operating Surplus	23.2	19.7
Surplus for the year	9.7	8.7
Housing properties at cost	904.8	823.4
Net current assets/(liabilities)	15.1	(30.6)
Indebtedness	446.1	379.4
Total reserves	296.1	305.3
Operating Margin	24.0%	21.7%
Interest Cover EBITDA basis	160%	164%
Gearing	54.8%	51.1%

Reserves

At 31 March 2024, the Group's total reserves stood at £296.1m (2023: £305.3m). This includes the Revaluation Reserve of £94.7m (2023: £95.4m) and the accumulated surplus on the Revenue Reserve of £200.2m (2023: £207.4m).

The Board has established a restricted reserve in respect of the Community Housing and Investment Partnership (CHIP) Fund as required under the transfer agreement with Braintree District Council.

At 31 March 2024, the balance of this reserve was £0.1m (2023: £0.3m).

By agreement with Braintree District Council, proceeds of sale of certain properties within the district are included in a reserve designated for reinvestment in new housing in the district. During the year, no properties were sold at auction that qualified transferring funds to this reserve.

Cashflow and Liquidity

The net cash in-flow from operating activities during the year was £27.9m (2023: £30.0m).

At the end of the year, the Group held £15.1m (2023: £15.0m) in cash balances and deposits. The Association has a strategy to maintain £10m working capital to cover expected operational and investing activities. This working capital is maintained through financing and operational cash inflows. It is our policy to have liquidity cover of at least 15 months.

Capital Structure & Treasury Policy

During the year, we were pleased to agree a new £60m term loan with NatWest which has a tenor of 25 years.

The agreement of new facilities during the year takes total funding facilities as at year end (March 2024) to £609m, with total borrowings of £446m under the combined facilities. The balance of undrawn facilities was £163m. As at 31 March 2024, 82% of total borrowings were at a fixed rate as part of the Association's strategy to remove the risk of fluctuations in interest rates.

Our Treasury Management Strategy determines the approach to obtain funding to support the growth ambitions set out in our strategy and business plan. The Finance & Treasury Committee operates with delegated authority to implement the funding strategy, which includes enhancing the efficiency of asset security arrangements.

Housing Properties & Other Fixed Assets

At the end of the year, housing properties and garages had a carrying value of £782.5m (2023: £713.1m) net of depreciation.

The total number of housing properties owned and managed by the Association at 31 March 2024 was 13,454. Under Right to Buy or Right to Acquire provisions, seven properties were sold during the year.

Going Concern

The Board has reviewed the Association's budget for the year to March 2025 and Business Plan for 2026 onwards. They have also considered the continuing impact of economic uncertainty on its operations with the conflict in Ukraine, high levels of inflation and higher interest rates, and identified further principal risks, including the contraction of the housing market, increased rent arrears, the availability of cash resources and the impact of economic downturn.

Having taken steps to mitigate where possible the impact of these risks, the Board have concluded that there is a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

Risk & Uncertainty

The Association maintains a strategic risk register to enable the Board to monitor and manage identified risks. The Board has identified the following key risks to the achievement of the Association's strategic objectives.

Risk	Description	Key Mitigations
Customer Health & Safety	Inability to protect customers at risk, particularly those who have support needs or who are our 'silent voices'. Inability to ensure appropriate physical safety in respect of building maintenance or appropriate resolution of Health & Safety (H&S) risks. Inability to identify and resolve physical and environmental risks resulting in harm to our customer. Negative impact to the customer in any aspect of their health and wellbeing because of Eastlight's failing	<ul style="list-style-type: none"> ● A robust H&S Policy ● Extensive mandatory training for all staff ● Two H&S Committees with CEO oversight at Strategic Committee, with regular reporting to the Board ● Internal and external audits of H&S ● Housing H&S Rating System. ● Appropriate preparedness (as a landlord) through near-miss reporting.
Corporate Health & Safety	Failure to comply with H&S Legislation, affecting the Safety of Employees and Others. Failure to adhere to the Health & Safety at Work Act 1974 and all delegated Health & Safety legislation	<ul style="list-style-type: none"> ● Extensive mandatory training for all staff ● Two H&S Committees with CEO oversight at Strategic Committee, with regular reporting to the Board ● Appropriate preparedness (as an employer) through near-miss reporting ● Regular oversight and scrutiny at Board and ARC ● Internal audit.
Climate Change	A lack of effective planning, customer engagement and resources could affect the ability to meet legislative requirements and targets relating to Net Zero Carbon. The future costs of meeting Net Zero Carbon targets may exceed Eastlight's capacity to afford them	<ul style="list-style-type: none"> ● A comprehensive carbon audit ● Trial carbon reduction projects ● Net Zero Carbon built into strategic plans and annual budgets ● Net Zero Carbon built into new scheme appraisals ● Sustainability Strategy.

Risk	Description	Key Mitigations
Government Policy & Regulatory Change	Political changes or erosion of trust in the sector leading to housing policy/regulation changes, causing the long and short-term business plans to be unachievable	<ul style="list-style-type: none"> ● Regular engagement with government through networks and forums ● Membership of sector bodies such as NHF and CIH ● New strategy posts to horizon scan and respond to government consultations ● Training for staff on new legislation.
Recruit and retain the right people	Inability to effectively manage and lead the current workforce, which could impact on retaining existing people. Inability to continue to recruit new people with the appropriate skills, knowledge and experience that will support the achievement of Eastlight’s strategies. There is also a risk that the diversity of Eastlight’s workforce does not reflect that of the communities it operates in	<ul style="list-style-type: none"> ● Benchmarking of roles across the organisation ● ‘Stay’ interviews to improve retention ● Benefits package to attract candidates ● Leveraging what makes Eastlight unique to attract candidates e.g. our resident-led culture ● Staff engagement surveys ● Management training programmes.
Financial shock	Material loss of income and/or significant additional costs and inflation increases leads to a shortfall in cashflow available for operations or investment and missed performance targets, including VFM metrics and potential breaches of financial covenants. Under recovery includes falls in forecast shared ownership sales income, collection of rental income, service charges and significant unexpected expenditure	<ul style="list-style-type: none"> ● Annual budget that provides headroom against covenant limits whilst allowing room to grow the organisation ● Strong budget targets enshrined in our ‘Golden Rules’ ● Regular stress testing of finances and budgets.
Cyber security	Failure to implement proportionate safeguards to protect Eastlight’s information systems and data from attack could result in a major cyber incident that causes significant data loss and service interruption, leading to financial loss and reputational harm	<ul style="list-style-type: none"> ● Cyber Essentials accreditation ● External audits of cyber controls (e.g. NIST) ● Comprehensive and ongoing cyber security training for all staff ● Cyber insurance cover ● Business Continuity plans.

Risk	Description	Key Mitigations
Financing	Insufficient funding available to meet business operating or investment requirements. Can arise from general funding market issues or local facility issues, such as security or covenant compliance; this may also include loss of a working capital deposit/investment	<ul style="list-style-type: none"> ● Maintenance of G1/V1 rating ● ‘Golden Rules’, including liquidity ● Regular stress testing of finances and budgets ● Treasury Strategy.
Development	Inability to identify, secure and deliver opportunities to develop the volume, type and quality of new homes for the right cost. Failure to achieve planned growth in property stock	<ul style="list-style-type: none"> ● Regular reporting of performance against targets ● Ability to revise programme ● Scheme Approval Panel ● Track record and relationship with Homes England ● Shared Ownership Policy.
Development Risk	A third party that Eastlight are in contract, agreement or financial transaction with, may fail to meet their contractual obligations, leading to financial loss or other adverse consequences to Eastlight	<ul style="list-style-type: none"> ● Scheme Approval Panel and DAM review of programme and contractor risk ● Detailed financial risk, viability and contracting capacity assessments of developers/contractors at point of contract and throughout the contract period.
Data management	Failure to have assurance of data quality, underpinning performance monitoring, strategic decision making, risk management and the safeguarding of the privacy rights of individuals	<ul style="list-style-type: none"> ● GDPR Policy and processes ● GDPR training for staff ● KPI reporting to Board.
Cultural development	Failure to effectively create a harmonised culture throughout Eastlight which provides a shared sense of purpose and the consistent modelling of organisational values which causes disruption to core service delivery, quality and an inability to deliver the corporate strategy and business purpose	<ul style="list-style-type: none"> ● Performance Impact training programme for all managers ● Induction process for new starters ● Staff appraisals linked to Eastlight values.

Risk	Description	Key Mitigations
Pensions	Unsustainable funding requirement for pension commitments	<ul style="list-style-type: none"> ● Regular reviews of pension provisions via Pensions Working Group ● Third party expert legal and pensions advice.
Fraud and financial irregularity	Failure of procedures or controls leading to a financial loss through fraud, collusion, money laundering or similar activity	<ul style="list-style-type: none"> ● Anti-Fraud Policy and processes for reporting ● Probity Policy and regular reporting ● Oversight from ARC ● Payment processing controls ● Procurement oversight of contracts.

Internal control risks are regularly and routinely tested by management and internal audit. Any recommendations are presented to the Audit & Risk Committee and action plans are developed and monitored to address these. Further explanation of our internal controls and assurance can be found in the statement of internal controls assurance. A programme of insurance is in place.

Code of Governance

Under the Regulatory Framework, the Board is required to select and comply with a published Code of Governance. The Board has chosen to adopt the Code of Excellence in Governance, published by the National Housing Federation in 2020, as its Code of Governance from 1 April 2021. The Board considers that this Code is the most appropriate for the Association, considering its size, corporate structure, community gateway principles and the nature of its activities, and it has an action plan in place to ensure full compliance with the 2020 Code.

In July 2024, the Board assessed itself against the Code for the year 2023–24 and found that it complies in all material respects.

The Board has also chosen to adopt the NHF Code of Conduct 2022, and it is equally compliant.

Following an annual stability check in December 2023, the Regulator confirmed its G1 (Governance) and V1 (Viability) ratings for Eastlight.

The Board

The Board comprises a maximum of 12 members, including Board Co-optees. Appointments to the Board are made based on careful assessment of skills, knowledge and experience, to match the profile of our future business and commercial objectives. The Board has agreed to ensure that at least one Board position is held by an appropriately skilled resident with ‘lived experience’.

Board Members are drawn from a wide background, bringing together professional, commercial, local and other relevant experience. The Board undertakes an annual review of its skills and experience, and it continually aims to strengthen and enrich this when seeking new members.

The Board also undertakes an annual review and self-assessment of its performance and that of its Committees. An individual annual appraisal is undertaken of all Board Members and the Chair.

One third of the Board Members retire by rotation each year and may be re-appointed by the Board subject to the skills, knowledge and experience required by Eastlight (the Association) for a maximum term of office of six years, with nine years permitted, according to succession planning requirements.

The Chair is appointed by the Board and is supported by a Senior Independent Director. The Senior Independent Director also acts as an independent point of support and guidance for Board Members, if required.

The Board is the main decision-making body of the Association. It is responsible for the Association’s continuing strategy and policy framework. The Board makes policy decisions and ensures that the Association’s affairs are managed efficiently, effectively and economically, and in accordance with appropriate legislation, rules and regulations. It delegates day-to-day management and implementation of the framework to the Chief Executive and the other Executive Directors.

The Board also has the power to establish Committees and to delegate powers and responsibilities to those Committees, other working groups or employees of the Association.

The Board meets six times a year for formal business. Other specific or special meetings take place as necessary, as well as two strategic ‘away days’.

The ultimate responsibility for all decisions of the Association rests with the Board.

Members of the Association

As Eastlight is a community gateway association, residents are entitled to become shareholders. Board Members are automatically admitted to shareholding upon appointment and cease to be a shareholder upon cessation of their Board Membership.

Shareholders are entitled to attend and vote at general meetings of the Association. The Board promotes shareholding membership of the Association as a fundamental element of its community gateway principles.

The Board has delegated authority for the approval of applications for membership of the Association to the Governance Team. The detailed arrangements regarding shareholding membership are set out in the Rules of the Association and the Association's Shareholding Policy.

Committees

Each of the Committees act within the authority delegated by the Board as recorded in their terms of reference or will make recommendations to the Board where no delegated responsibility exists.

The Terms of Reference for each Committee are reviewed and agreed annually by the Committee and the Board.

The delegated authorities of each Committee are outlined as follows:

Customer Influence Committee

- To champion customer voice and uphold the principles of the community gateway model
- To facilitate appropriate customer influence in the strategic and operational running of the organisation
- To oversee the Service Delivery, Resident Engagement, Asset Management and New Homes strategies, and scrutinise the performance of these activities
- To provide assurance to the Board on the appropriateness of decisions that affect the lived experience of our customers and communities.

Finance & Treasury Committee

- To oversee financial strategy and performance and support the Board in maintaining financial viability
- To recommend, oversee and implement the organisation's treasury strategy
- To execute treasury transactions on behalf of the Board.

Development & Asset Management Committee

- To oversee programmes of investment in respect of existing and new homes
- To oversee the New Homes and Asset Management strategies, ensuring that they fulfil organisational objectives, financial risk appetite and are in line with the Sustainability Strategy and Design Guide
- To execute delegated authority in respect of new development, land and property acquisition, and regeneration proposals on behalf of the Board.

Governance & People Committee

- To oversee and support the Board in maintaining excellent governance through skills, experience and behaviour-based recruitment and succession; determining remuneration of Board and Executive; regularly monitoring effectiveness; and recommending enhancements to governance
- To oversee and monitor Eastlight's Governance Framework and all associated governance documentation and policies
- To oversee the People Strategy and related policies, ensuring they support the fulfilment of corporate organisational objectives.

Audit & Risk Committee

- To ensure that systems of internal control, assurance and risk management are appropriate and effective
- To provide the Board with assurance that legal, statutory and regulatory requirements of the Association are properly audited and reviewed
- To ensure appropriate Board and Committee oversight of risks and issues pertaining to the organisation's activity
- To hold the relationship with internal and external auditors on behalf of the Board.

Executive Directors

The Executive Directors of the Association who served during the year are listed on page 3. The Executive Directors are led by the Chief Executive and act within the authority delegated by the Board.

Remuneration of Board Members

Board remuneration enables the Board to attract and retain the skilled individuals that it requires as Board Members. Board Member salaries are benchmarked every two years starting in quarter two, and changes are effective from 1 October in the same calendar year.

Board remuneration was reviewed externally in November 2023, which was undertaken by KL Management Consultants Ltd.

Board Members are entitled to claim reasonable reimbursement for travel, subsistence and similar expenses incurred in undertaking their duties as Board Members.

Remuneration of Executive Directors

The remuneration of Executive Directors (except the Chief Executive) is the responsibility of the Governance & People Committee. The Committee recommends the terms of remuneration of the Chief Executive for approval by the Board.

The Association's policy is to pay close attention to remuneration levels in the sector in determining the remuneration packages of the Executive Directors. Basic salaries are set having regard to each Executive Director's responsibilities and pay levels for comparable positions.

The Chief Executive and other Executive Directors are employed on specific service agreements and have extended notice periods.

Directors' Indemnity

The Association has Directors' and Officers' indemnity insurance in place, which is reviewed annually.



Value for Money (VfM) Statement

Reinvestment of VfM Gains

Eastlight Community Homes seeks to reinvest surplus funds into our new and existing homes. This helps reduce the amount of borrowing we need to fund our ambition to improve and grow. It is important we generate surpluses that enhance Eastlight's strong balance sheet, creditworthiness and support our growth ambitions.

The Corporate Strategy (2021–26) sets out our ambition to deliver new homes. We made strong progress this year, delivering 417 homes, 29% more than the 324 homes we delivered in the previous year, and against a target of 398.

While many organisations in our sector make bigger reductions or cease development plans altogether, we remain active in the market; year-on-year, we have continued to surpass our new homes targets and our development programme remains healthy amid ongoing economic pressure.

As at 31 March 2024, we were in contract or on site with 1,126 new homes and we had a pipeline of a further 265, of which 26% will be Eastlight-led in terms of quality and design.

We balance our focus on quality and quantity. We are determined that the homes and communities we deliver on Eastlight-led schemes will meet the high standards as outlined in our Design Guide.

We are pleased to report that, during 2023–24, we invested £13m into our major capital works programme across our existing homes. This allowed us to install 82 new bathrooms, 124 new kitchens, 603 new boiler systems and other heating systems, 77 new roofs, 565 new fire doors, and fitted new windows into 95 homes. These investments enhance the experience of residents who live in these homes, as well as improving energy efficiency and overall safety. We did this while achieving 99.9% compliance (100% as at May 2024) with the Decent Homes Standard and meeting all our lending covenants.

Our Sustainability Strategy 2022–27 formalises our plans to improve the energy efficiency of all our homes to at least EPC-C by 2030 and achieve the government's Net Carbon Zero 2050 target.

With 13,454 homes owned and managed, 459 employees and a turnover of £94.5m, we constantly strive to achieve social value for our communities, extending our reach, efficiency, effectiveness and impact. We are ambitious about investing more in resident-led services that benefit our communities, while building homes our customers and communities can afford, and in the places that they want to live.

Maximising our Social Impact

Being the largest resident-led housing association in the country, Eastlight believes VfM is about more than just cost savings and efficiencies. For us, it's also about maximising our social impact and building better, stronger, sustainable communities, where residents have the power to help shape a better service.

Our residents know their homes and communities better than anyone else. That's why it's crucial for us to have effective ways to ensure our residents have meaningful influence over how Eastlight works and what we prioritise. To help make this happen, we developed a robust Customer Influence Committee (CIC) in 2021. This Committee, composed entirely of Eastlight residents, is a full and equal Committee of the Board. It ensures that residents contribute to strategic decision-making with a clear voice, providing support and challenge to our Board and Executive Management Team. This helps us to focus on delivering what residents and communities value most.

The Committee, which consists of up to nine Eastlight residents, provides stewardship in managing risks, customer services, operational issues and our community empowerment initiatives.

This includes the three new residents who joined the CIC in September 2023, each with specialist oversight across our estate services, development and regeneration programme, and health and safety practices.

In December 2023, we also launched our Resident Engagement Strategy 2023–26. This enables residents to get more involved with Eastlight in a variety of ways, including joining our resident and community-led groups and networks, adding value to bespoke resident design projects, and seeking opportunities to join our governance structure, such as our CIC.

Tackling Damp & Mould

Teams across our organisation are driven by providing value to our customers. Still in a time of high inflation and a cost-of-living crisis, many Eastlight residents are struggling to heat their homes efficiently and/or still need a range of energy efficiency improvement works. These issues combined have left many residents experiencing damp and mould in their home.

In October 2023, our new Healthy Homes Team was formed to proactively support residents where evidence of damp and mould had been identified. Depending on priority, our team visited homes within ten days to complete and resolve works – checking moisture levels, washing down mould and scheduling any follow-on work – liaising with other teams and contractors where appropriate to manage damp and/or mould in future. This includes a dedicated Resident Liaison Officer who keeps in contact with the customer throughout any ongoing jobs to ensure they get the continued support they need.



By the end of March 2024, our teams had responded to 1,630 cases in the year, responding and completing all jobs within an average of just over 14 days. We have a plan in place to bring jobs back into the ten-day target range.

During 2023–24, our colleagues in Asset Management also delivered value in other ways, including:

- Completing all cladding removal and remediation works on 11 to 18-metre-high buildings in our portfolio, better securing building safety for residents;
- Partnering with SHIELD (Smart Heat & Intelligent Energy in Low-income Districts) to engage residents and seek grant funding to trial new energy efficiency technologies, reducing our carbon footprint and overall energy use in our customers’ homes;
- Joining the Energy Company Obligation (ECO4) scheme to fund minimal loft and defective cavity wall insulations to improve and bring our outstanding homes to EPC-C, at zero cost to Eastlight and residents;
- Terminating contracts where contractors were charging too much;
- Shaping our new grounds maintenance offer with residents to ensure our estates and communities remain clean, safe and tidy.

Meanwhile, our colleagues in Development:

- Came closer to completing our 71-home Mount Hill scheme in Halstead, Essex, which provides 55 homes for shared ownership and 16 for a mix of affordable and social rent, with £2.96m grant funding from Homes England. Without our intervention, these homes would have been built for private sale;
- Ensured the Mount Hill development is a sustainable place to live, adding a play area, an amenity space and promoting biodiversity with features such as a hedgehog highway, bat and bird boxes, and a hibernaculum for lizards and reptiles. The site is due to be fully complete in November 2024;
- Delivered the 1,000th new home built since Eastlight was formed in 2020 – a wheelchair, accessible bungalow, located at Mount Hill;
- Acquired previous brownfield site Whatfield Road in Elmsett, Ipswich, which will deliver 18 new homes for social rent (9) and shared ownership (9). The former site of a garden centre and nursery, this site will be the first development to meet the full specification as outlined in our Design Guide;



- Continued progress at Bovingdon Road in Bocking, now in the detailed design and planning approval phase. The development will bring 70 new affordable homes to the site of a former textiles factory;
- Partnered with SaaS platform Clixifix® to create a more streamlined new-build aftercare service, which helps improve the quality of our response to issues raised by our residents and developer partners; and
- Placed 45th in the Inside Housing 'Top 50 Biggest Builders' list for building the most homes in the UK, and 42nd in the list for the number of homes in the pipeline.

Empowering our Communities

In 2022–23, launching our groundbreaking 'All In' initiative, we offered 20 Essex residents a chance to get paid a full-time salary to dedicate a year of their lives to solve the big social challenges in their communities. One initiative provided peer-to-peer advice to help those struggling with the cost-of-living, while another helped to deliver period positivity sessions to young women to increase confidence and tackle stigma around menstruation.

Based across Braintree, Colchester, Halstead and Witham, our four incubator teams developed and prepared each idea, presenting them in April 2023 at the All In Ideas Festival in Colchester. There, they showcased their efforts and gained further funding to continue work in their local community as private not-for-profit businesses.

Since then, the teams have either opened the doors to their new hubs or continued to support local people with various needs, including mental health, wellbeing support and financial advice, while building business partnerships to increase and continue their service offer.

According to Essex Business School, the Social Return on Investment (SROI) for our All In Incubator programme was £6.26 for every pound invested in its first year.

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Eastlight buildings
required cladding
removal

Resident Academy

Eastlight also relaunched its Resident Academy for a second year (2023–24), which provides our residents with the information, training and tools needed to hold us to account and to enable them to get more involved in shaping Eastlight for the better.

Our Resident Academy attendees joined a free bootcamp, funded by Eastlight, with a wide-ranging agenda designed to help them get ready to play a more active role in our governance and community initiatives.

Following two academies in February and November 2023, 33 Resident Academy students graduated the programme, receiving their certificates at a special ceremony held at our head office in Braintree. A further bootcamp was held in March 2024, which saw residents engage in a range of sessions, including Q&As with Eastlight’s Leadership Team and Customer Influence Committee; create solutions to anti-social behaviour, parking and homelessness; and sign up to the range of opportunities via our Active Residents Network.

Building on the success of our 2022–23 online Resident Academy training course, ‘The History of Social Housing’, we launched our second series, ‘All About Eastlight’ in 2023–24. More than 240 people engaged with both online Academy courses virtually in the year. The courses featured contributions from our Board, Committees and Executive Management Team, as well as a range of sector influencers from the Birkbeck University of London, Chartered Institute of Housing and the National Housing Federation.

Community Alliances

This year, we continued to run our All In Community Alliances in Braintree, Colchester, Halstead and Witham. The Alliances are open to anyone who wants to make a difference in their community, helping people connect with their neighbours, create lasting networks and identify ways to invigorate their communities. Eastlight provides support with venues, organisation, funding and refreshments for the quarterly Alliance meetings.

During 2023–24, 275 members of our communities attended Alliance meetings. Eastlight provided £12,000 in small community grants to 12 local organisations, voted for by the Alliances, that would help deliver on the actions agreed at the meetings and make their communities better places to live.

We also supported and invested in our communities in the following ways:

- We provided benefits advice, including money management and employment guidance, to more than 1,300 customers, which led to £1.21m in financial support
- We supplied 27 winter food parcels for customers struggling to pay for produce and other food items for their families at Christmas time



- Our Tenant Support & Wellbeing Service supported 411 residents via the free and confidential 24/7 hotline and online portal from January 2023 to March 2024, with common requests highlighting the need for in-the-moment clinical and emotional support: from stress, panic attacks and anxiety, to health and wellbeing, sleep disruption and family relationship issues
- We maintained our Community Common Room at our head office in Braintree. This space enables us to work more closely together with government agencies and support networks to focus jointly on how best we can support our residents. We also make this space available for key agency partners to meet and work together for the benefit of our residents and communities. These partners include the police, adult social care, and other community providers, such as domestic abuse and mental health service centres
- Our joint fund with Braintree District Council – the Braintree District Council and Eastlight Community Fund – provided four community organisations with grants totalling £85,000 over the next few years, while another six organisations were awarded grants totalling £10,275. Highlights include:
 - **Halstead Community Shed** received £20,000 to support the purchase and transformation of an old ambulance station into a health and wellbeing hub. This has helped to keep the ambulance station community-owned and to combat loneliness and mental health issues in Halstead.
 - The **Salvation Army Housing Association** was awarded £19,000 to establish two peer support groups across the Braintree District for young people who are neurodiverse or part of the LGBTQ+ community, and at risk of homelessness.
 - **Home-Start Essex** provides informal, non-judgemental family support, and its £26,000 grant will help fund a family wellbeing group across Braintree over the next two years.
 - Mental health charity **Heads2Minds** secured £20,000 over three years to deliver a series of emotional wellbeing workshops in primary schools across the Braintree District.

Eastlight Community Homes' Board publishes a separate Annual Report for Customers, which sets out our progress and achievements around VfM. It incorporates our performance for the year, as well as our planned actions for the coming 12 months. The report is published on our website: www.eastlighthomes.co.uk.

£95,275
awarded through the
Braintree District Council
and Eastlight
Community Fund

Delivering VfM through our Financing Activities

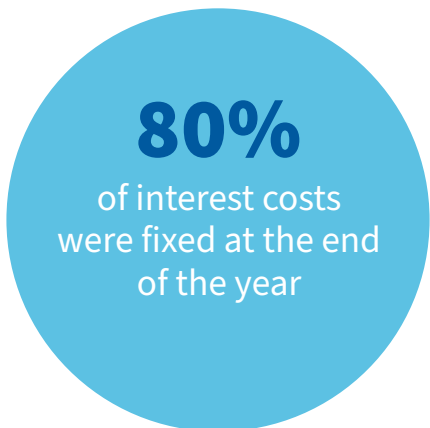
In 2023–24, Eastlight successfully completed the refinancing initiative launched in the summer of 2022. This included securing a new £60m loan with NatWest, further bolstering our financial resources to support our investment goals and demonstrating the confidence our investors have in us, following the £125m in new loan facilities raised in the previous year.

To enhance our protection against interest rate fluctuations, we added a £50m interest rate swap when rates were favourable. This strategic move means that over 80% of our interest costs were fixed at the end of the year, helping shield us from market volatility and allowing us to invest and forecast cash flows with confidence. We have also made significant strides in transitioning all Eastlight’s bank lending to sustainability-linked loans. This approach helps align the way we fund the business with Eastlight’s wider Environmental, Social and Governance (ESG) targets, giving us financial incentives to make progress in these key areas.

Our robust and proactive approach to treasury management ensures that Eastlight maintains excellent access to funding. We plan ahead so that we can navigate the market on our own terms to secure favourable deals, rather than being forced to accept less attractive options due to financial pressure.

Value for Money is a fundamental principle guiding our treasury management activities. By making sure Eastlight always has reliable access to funds at competitive rates and with minimal interest risk, we directly support our efforts to deliver value for money both in the present and the future. Ultimately, our goal is to maximise Eastlight’s financial resources, enabling us to invest in improving services, upgrading existing homes and building new homes.

Our recently secured facilities provide us with predictable and reliable funding for the next decade. This stable financial platform allows us to confidently plan and execute long-term projects, ensure continuity of service and consistently deliver value for money to our residents.



Value for Money Metrics

Our Board prioritises VfM to ensure that Eastlight uses its resources effectively and maximises the positive impact we make on our residents and the wider community.

We also use the Regulator of Social Housing's VfM metrics to assess our performance and benchmark ourselves to other organisations and we confirm compliance with the VfM standard. Our selected peer group includes organisations that are similar in terms of status, operating models and geographical locations. In choosing these peers, we also looked for their strategic goals aligning with our focus on resident involvement and community empowerment. Additionally, we include organisations whose size and development plans align with our ambitions as outlined in our Corporate Strategy (2021–26).

Our benchmarking is based on data sourced from the Global Accounts and Value for Money metrics reports, compiled by the Regulator of Social Housing for the year ending March 2023 (the most recent available information).

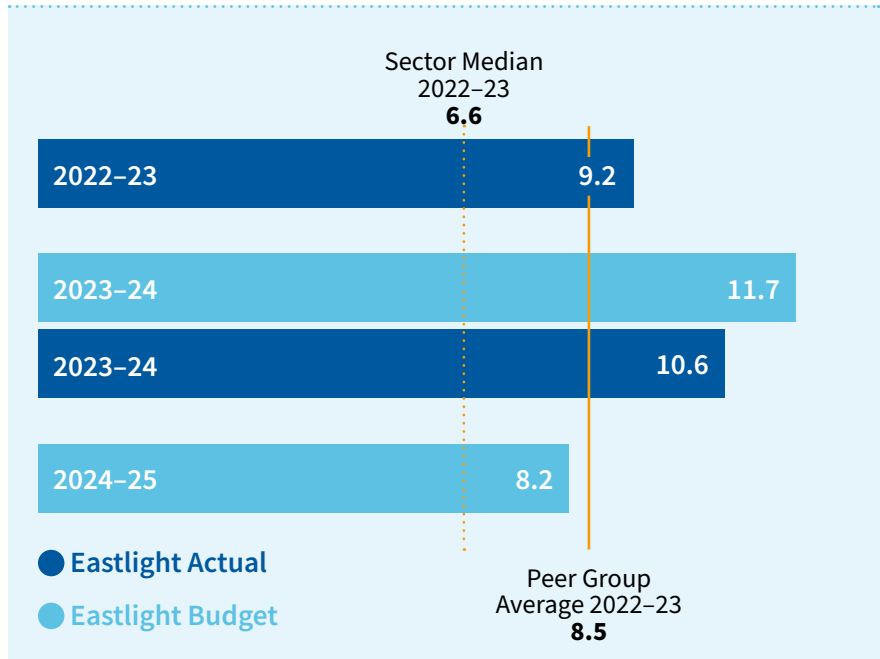
Considering the continued economic pressures we have sustained over the last 12 months, we do not believe that comparing Eastlight's current performance to its peer group in a previous year will yield a clear analysis. Hence, the analysis that follows compares Eastlight's performance in the previous year to that of others in 2022–23. Furthermore, it compares our latest performance (2023–24) against our own results for 2022–23.

Given that both the trade press and the Regulator's Quarterly Surveys have extensively documented the pressures faced by most associations, it is unlikely that some of the negative changes we observe in our own metrics over the past year are exclusive to Eastlight. We can only make a meaningful assessment of our latest performance against our peers when the annual accounts of all associations for 2023–24 are published.



Benchmarking Analysis

Reinvestment %



What this metric means in simple terms

This metric shows how much a housing association invests per year in improving its homes or developing new ones, compared to the total value of its properties.

2022-23 benchmarking – comparing like-with-like

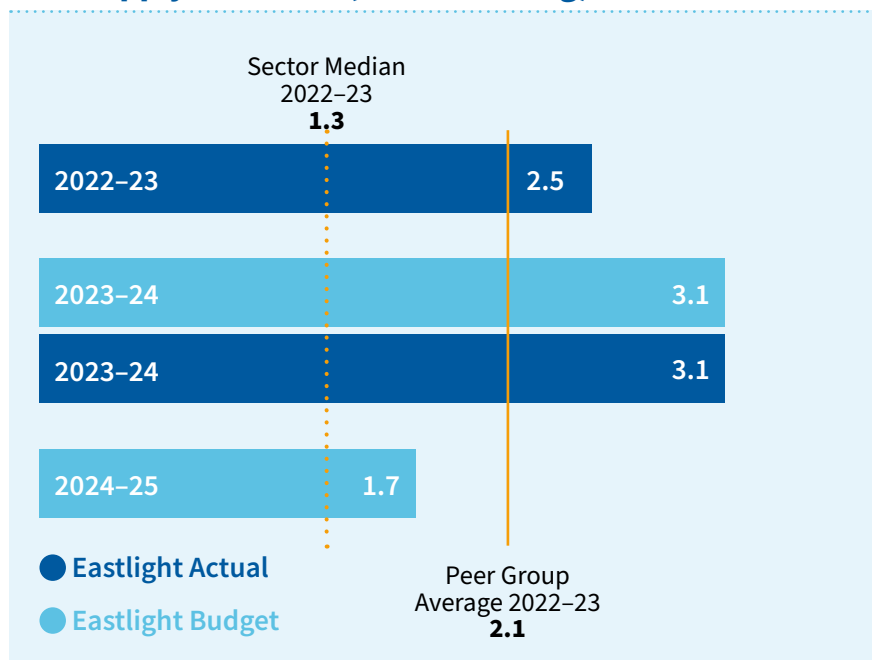
Our 2022-23 reinvestment rate was 9.2%. This was higher than both the sector median (6.6%) and our peer group average (8.5%).

2023-24 update – comparing Eastlight’s year-on-year results

Our reinvestment rate in 2023-24 increased by 1.4% to 10.6%. Although this was better than our 2022-23 result, it was lower than budgeted, as we continued to experience difficult market conditions with reduced spend on new development.

We expect our reinvestment rate to reduce slightly in the next financial year as we scale back our development programme in line with our latest business plan and invest in making our current stock more energy efficient and environmentally friendly.

New supply delivered (social housing) %



What this metric means in simple terms

This metric measures by how much a housing association has increased its number of homes in the year, in percentage terms.

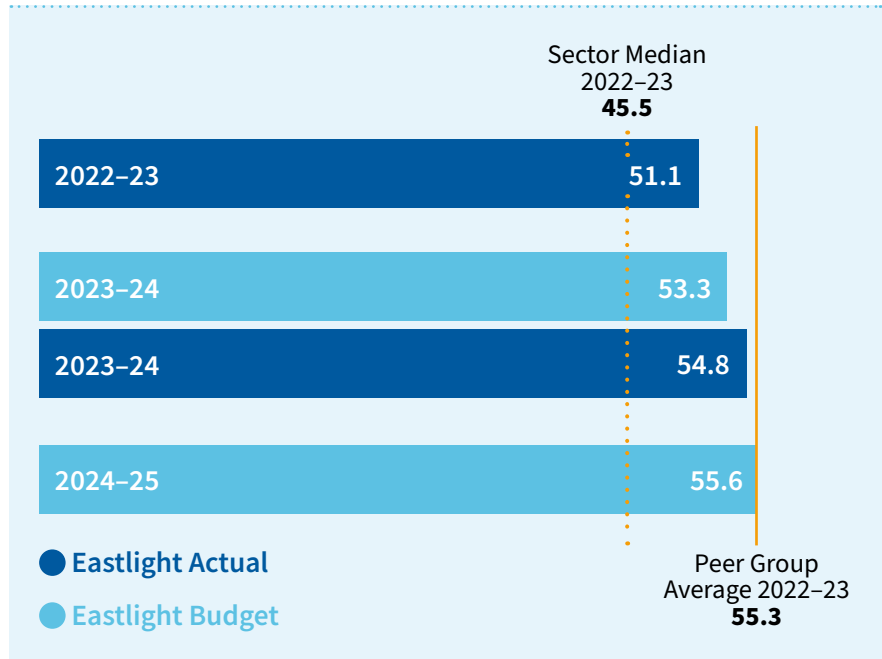
2022-23 benchmarking – comparing like-with-like

We completed 324 new homes in 2022-23, increasing our total number of affordable homes by 2.5%. This was higher than both the sector median (1.3%) and the peer group average (2.1%).

2023-24 update – comparing Eastlight’s year-on-year results

We completed 417 new homes in 2023-24, a 29% increase on the previous year. This increased our total number of affordable homes by 3.1% and we met our target for the year. We are proud of this result in the current economic climate, but our strategy to reweight investment towards existing homes and services means that, in future years, we expect to see growth of around 2.5% per year. Non-social housing new supply delivered is 0%.

Gearing %



What this metric means in simple terms

This metric shows how much debt a housing association has compared to what its homes and other assets are worth. Generally, a high gearing ratio might indicate a higher level of financial risk and less capacity for the housing association to increase borrowings, but this depends on each housing association’s circumstances.

2022-23 benchmarking – comparing like-with-like

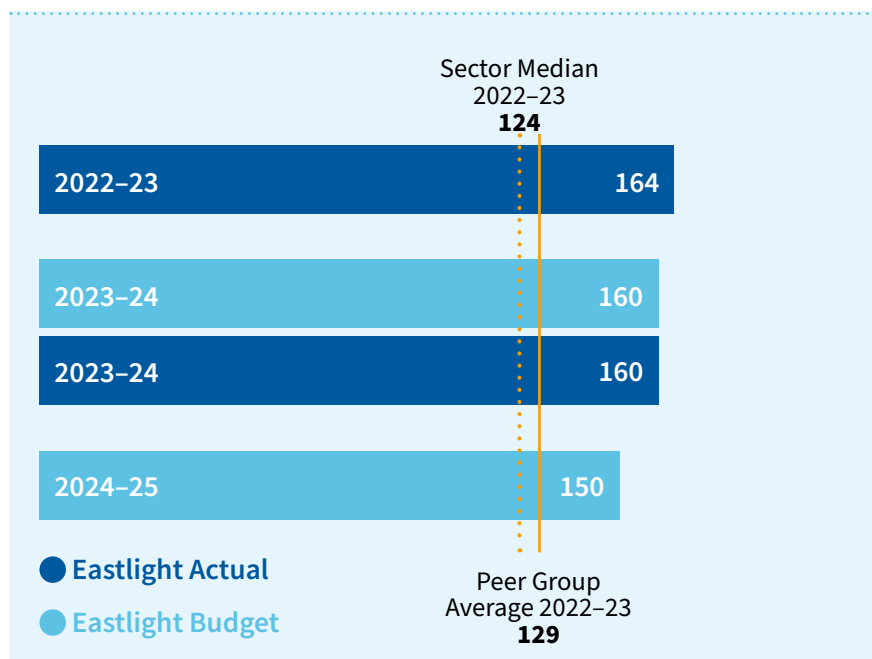
Our gearing was 51.1% at the end of 2022-23. This was lower than the peer group (55.3%) but higher than the sector median (45.5%).

2023-24 update – comparing Eastlight’s year-on-year results

To continue our ambitious development programme, Eastlight needs to borrow more money to put towards the investment. This year, we followed our strategy and increased our borrowing, resulting in a higher gearing ratio of 54.8%, up by 3.7%.

Despite this increase, our borrowing capacity remains strong and healthy. Our business plan expects continued borrowing to support us in building more homes. However, we will make sure that our borrowing stays at manageable levels to preserve our financial strength and resilience.

EBITDA MRI Interest Cover %



What this metric means in simple terms

This metric helps us understand a housing association's ability to cover its interest payments using its operating income. A higher ratio indicates we are more able to cover our interest payments and is a sign of financial strength.

2022-23 benchmarking – comparing like-with-like

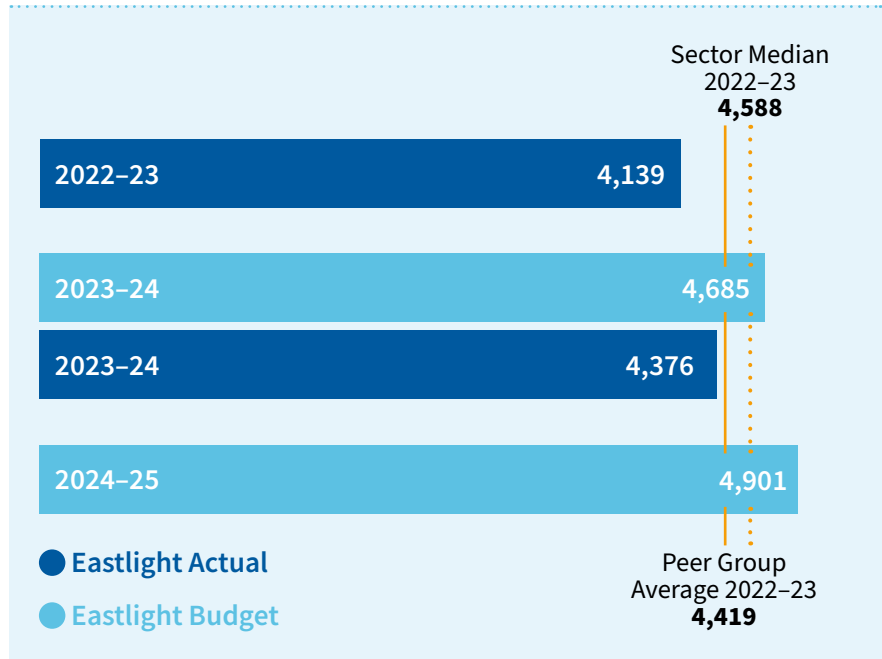
Our EBITDA-MRI interest cover was 164% in 2022-23, far stronger than both the sector median (124%) and peer group average (129%).

2023-24 update – comparing Eastlight's year-on-year results

In 2023-24, we achieved interest cover of 160%, 4% lower than the previous year. This was in line with our budget target, representing strong performance despite pressure on both operating and interest costs.

Recognising that these pressures are likely to continue, we aim to maintain an EBITDA-MRI interest cover of at least 150%, and this is a key target in our budgets and business plans. This provides us with a healthy buffer against our lenders' requirements and ensures our financial stability.

Headline Social Housing Cost per unit £



What this metric means in simple terms

This metric shows how much a housing association spends per year to manage and maintain each social housing home, allowing for overheads. Generally, a lower cost per unit suggests more efficiency.

2022-23 benchmarking – comparing like-with-like

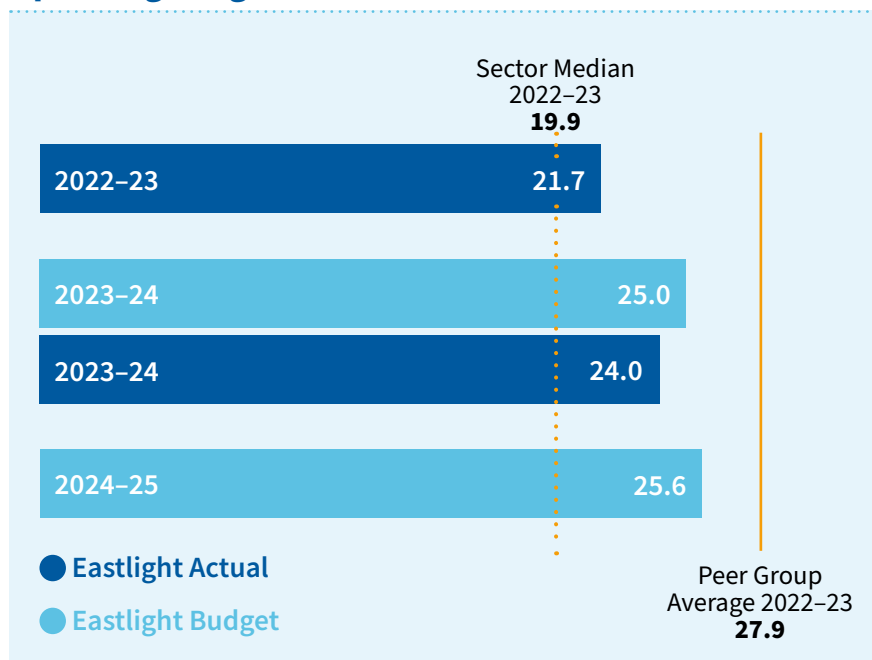
Our social housing cost per unit was £4,139 per unit in 2022-23. This was well below the sector median (£4,588) and the peer group average (£4,419).

2023-24 update – comparing Eastlight’s year-on-year results

In 2023-24, we continued to see pressure on operating costs with the cost per unit rising from £4,139 in 2022-23 to £4,376. This increase was mainly due to the continued high levels of inflation affecting our key services. Additionally, labour shortages forced us to rely more on subcontractors, which increased costs. This was far lower than our budget for the year, however.

In our budget for 2024-25, we expect the cost per unit to continue rising due to our ongoing efforts to improve our homes. However, we will strive to find ways to limit these increases by identifying opportunities to save money without compromising the positive impact we make.

Operating Margin – Overall %



What this metric means in simple terms

This metric helps us measure the financial performance of a housing association across all its activities, including shared ownership sales and community investment. A higher operating margin indicates we keep a higher amount of our income after deducting costs. This leaves more money to reinvest in providing better services and building or improving homes.

2022-23 benchmarking – comparing like-with-like

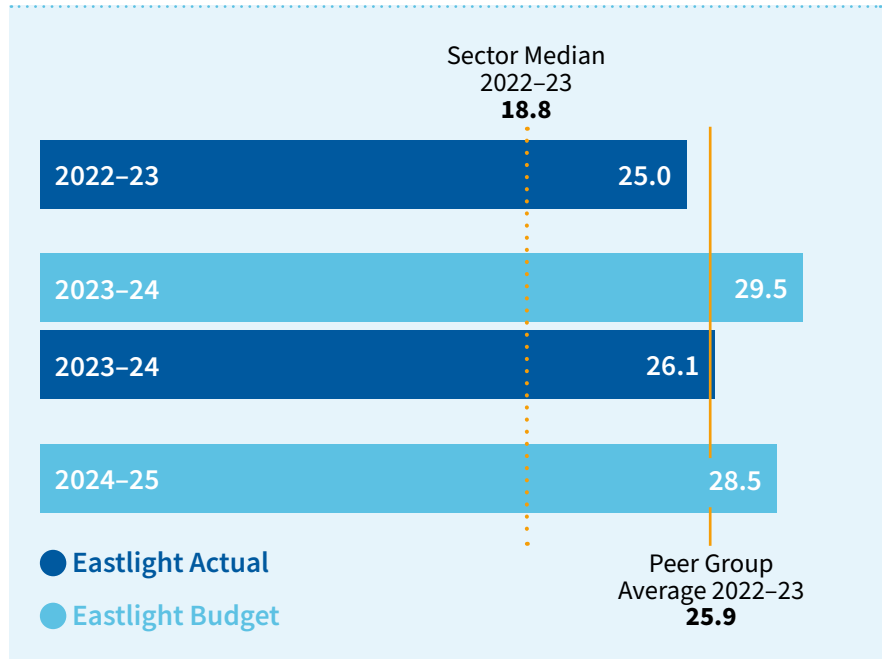
Our overall operating margin was 21.7% in 2022-23. This was slightly higher than the sector median (19.9%) but much lower than the peer group average (27.9%).

2023-24 update – comparing Eastlight's year-on-year results

In 2023-24, our overall operating margin rose by 2.3% to 24%, but short of budget of 25%. This rise was mainly due to higher rental income due to annual increases, plus additional homes from our development programme. We also tightened our scrutiny and control of operating expenditure during the year.

In our budget for 2024-25, we anticipate the overall operating margin improving to 25.6%. This allows for the April 2024 rent increase and assumes economic pressures will start to ease and that we will rely less on maintenance subcontractors.

Operating Margin – Social Housing Lettings %



What this metric means in simple terms

This metric helps us measure the financial performance of a housing association’s core social housing lettings activity. A higher operating margin indicates that we keep a higher amount of our income after deducting costs. This leaves more money to reinvest in providing better services and building or improving homes.

2022-23 benchmarking – comparing like-with-like

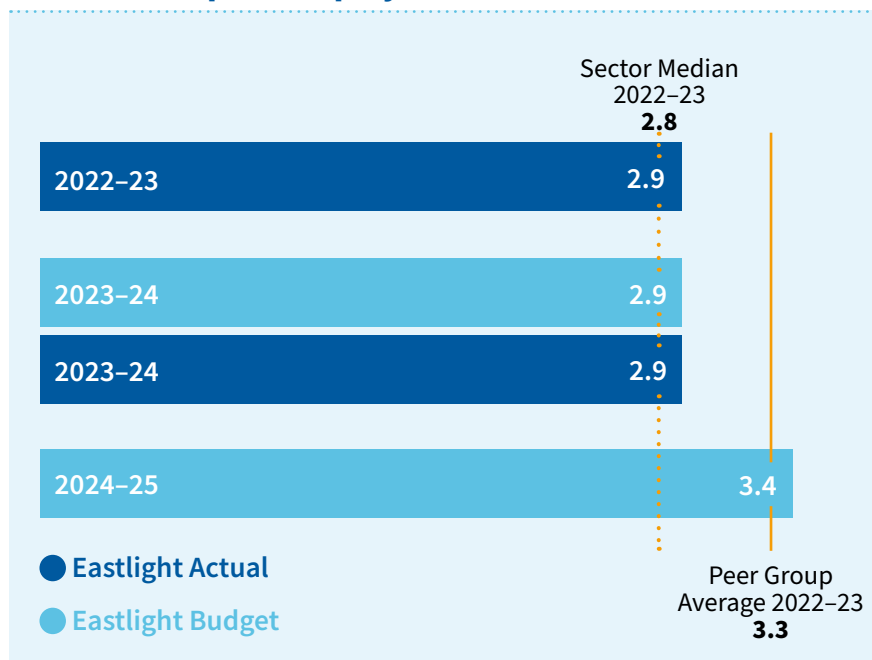
Our social housing lettings operating margin was 25% in 2022-23, well ahead of the sector median (18.8%) but slightly lower than the peer group average (25.9%).

2023-24 update – comparing Eastlight’s year-on-year results

In 2023-24, our social housing lettings operating margin rose by 1.1% to 26.1%. Although an improvement, this was behind our target for the year of 29.5%. This rise was mainly due to higher rental income due to annual increases plus additional homes from our development programme. We also tightened our scrutiny and control of operating expenditure during the year.

In our budget for 2024-25, we anticipate the social housing lettings operating margin improving to 28.5%. This allows for the April 2024 rent increase and assumes economic pressures will start to ease and that we will rely less on maintenance subcontractors.

Return on Capital Employed %



What this metric means in simple terms

This metric helps show how effectively a housing association drives income as a percentage of the total capital invested in the organisation. A higher return on capital employed (ROCE) indicates greater financial efficiency and effectiveness.

2022-23 benchmarking – comparing like-with-like

Our ROCE was 2.9% in 2022-23, below the peer group average (3.3%) and slightly higher than the sector median (2.8%).

2023-24 update – comparing Eastlight’s year-on-year results

Our ROCE in 2023-24 was 2.9%, which was the same as the prior year.

Our budget for 2024-25 expects us to maintain ROCE at 3.4%.



Our Environmental Efforts

Our five-year Sustainability Strategy 2022–27 sets out how we aim to build new homes and invest in our existing ones in ways that are kind to the environment. We also want to support our customers to reduce their environmental impact and help them run their homes more efficiently, reducing overall fuel poverty.

All new homes on Eastlight-led schemes will be built to the specifications as set out in our Design Guide, published in September 2022, which aims to instil ‘good design’ as a guiding principle for all aspects of a scheme’s inception, design, use and maintenance. It prioritises the customer experience and considers good design across four perspectives: the Resident, the Organisation, the Community and the Environment.

Twenty colleagues in our organisation have come together to form our team of Sustainability Champions; they meet regularly and help to combat some of the sustainability challenges prevalent in our sector, and specific to Eastlight.

Our Champions, which includes one Customer Influence Committee Member, are now fully Carbon Literate, having completed the Carbon Literacy® Toolkit for Social Housing in March 2024. This training has provided the vocabulary and education needed to both communicate climate and housing matters with stakeholders, and to better deliver innovative solutions to help reach government targets and Eastlight’s sustainability ambitions.

Within our organisation, we have also adopted changes to how we operate, including switching from brown energy to green renewable energy; moving our IT services to cloud-based solutions and offsite servers, creating an 80% carbon reduction; and prioritising low-carbon, meat-free alternatives in our catering procurement to reduce both our environmental impact and costs.

Each year, Eastlight adopts the Sustainability Reporting Standard for Social Housing (SRS), published in November 2020. As a result, we can track our progress, benchmark against our peers and drive improvements against the latest revised framework (SRS 2.0 as at October 2023). Read more about our performance against the SRS in our dedicated ESG Report, which is published on our website: www.eastlighthomes.co.uk

Our Social Impact

As the country’s largest resident-led housing association, Eastlight’s residents have the opportunity to become shareholders and are entitled to vote at our Annual General Meeting (AGM) each September and any Special General Meetings. Shareholder voting is required for rule changes, and the appointment of Board Members and auditors.

Following our Community Empowerment Strategy 2021–23, our Resident Engagement Strategy 2023–26 sets out how Eastlight will build on the work of our All In programme and other key initiatives, by enabling residents to increasingly influence our services and decision-making. This includes a new resident engagement service that brings the voice of residents and employees together to design and deliver the kinds of accessible projects and opportunities that have the most impact on Eastlight customers. It also establishes our Active Residents Network, allowing individual voices to have a bigger impact at the very top of our organisation and throughout.

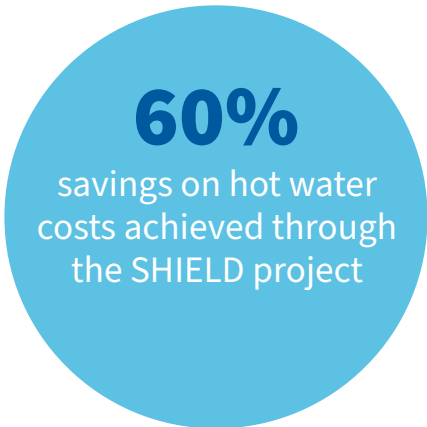
Eastlight's Asset Management Strategy 2021–27 works hand-in-hand with our Sustainability Strategy 2022–27 to reduce the effect of fuel poverty on our residents, particularly during the cost-of-living crisis. Our two strategies make it clear that we work on a fabric-first approach to ensure that the home is properly insulated, and that the money spent by our customers on heating is retained within the home for as long as possible and to limit energy consumption.

At Eastlight, we ensure that our energy efficiency improvements not only result in the government's Standard Assessment Procedure (SAP) points, but also benefit the customer regarding running costs.

We are evermore focused on our EPC-C and Net Zero Carbon plans, as well as specification target energy efficient models, i.e. A-rated Windows, A-rated boilers, etc. To help us achieve this, Eastlight partnered with Smart Heat & Intelligent Energy in Low-income Districts (SHIELD) and the Energy Company Obligation (ECO4) this year to trial new energy technologies and to attain funding to insulate and reduce energy use for our customers so that they can better afford to heat their homes amid the cost-of-living crisis and mitigate the risk of damp and mould.

As part of the SHIELD project, we have retrofitted and installed new technologies in two of our semi-detached homes in Twinstead, Essex, reducing overall fuel consumption and costs whilst providing warmer, more sustainable dwellings. In the homes, air-source heat pumps (ASHP) have been installed, removing existing oil heating systems, to increase efficiency by over 200%. In addition, we have also added solar PV panels and hybrid invertors to both properties alongside new roof replacements and renewed loft insulation; two electric storage batteries; and smart hot water cylinders with smart mobile device applications, saving up to 60% of hot water costs per year.

One property now produces 1.4 tonnes of CO₂ (before the project, it produced 4.9 tonnes of CO₂) achieving EPC-B from D, and the other produces 2.0 tonnes of CO₂ (before the project, it produced 4.4 tonnes of CO₂), achieving EPC-C from D. The learnings and energy saving comparisons will go on to inform our approach to adopting similar technologies and techniques for more homes as part of our ongoing efforts with SHIELD.



60%
savings on hot water
costs achieved through
the SHIELD project



100%

affordable housing developments are being delivered in line with Eastlight's Design Guide standards

Our Design Guide also sets out the innovation, technology and new on-site energy storage measures assessed and considered when designing and delivering our new homes programme, which seeks to address and tackle fuel poverty to directly benefit our residents. One of our 100% affordable development schemes in Elmsett will be the first scheme to fully meet the Design Guide, and the homes will have ASHPs and meet a minimum of EPC-B.

In 2023–24, we received four Housing Ombudsman determinations, each of which carried a maladministration or service failure, albeit not severe. For each determination, we have identified a range of learnings and area improvements, including policy and process reviews, in addition to complying with any orders made by the Ombudsman.

At April 2024, we had nine further cases under investigation from the Ombudsman for which we are still awaiting an outcome. Three of the nine cases were raised in 2022–23, with six raised in 2023–24. However, the rate at which our complaints have been escalated to the Ombudsman has decreased to 0.6% (2023: 0.9%).

Our Resident-led Governance Structure

Our Customer Influence Committee, or CIC as it is referred to throughout these Financial Statements, is made up of Eastlight residents who scrutinise services and decision-making so that we meet our customers' complex, ever-changing and varied needs. They also oversee Eastlight's promises to our customers and stakeholders, including the development of our customer-facing strategies and policies.

Three members on the Committee also sit on our Board. CIC Chair Michelle Baker was a Board Member and the Senior Independent Director of the Association. Other resident Board Members include Catherine Turner, and Steve Bentall – a Trainee Board Member.

Three Eastlight residents – Runyararo Garande, Michael Ryan and Magenta Lavey – joined the CIC as Independent Committee Members, following two members resigning or completing their contract, in September 2023.

Eastlight has adopted the NHF Code of Conduct 2022 and follows the principles for the identification, declaration and management of potential conflicts of interest. The processes for managing such conflicts and related matters are included within Eastlight's Governance Framework and Probity Policy.

Eastlight's Board publishes a more detailed ESG Report, which can be found on our website: www.eastlighthomes.co.uk





Statement on Internal Controls Assurance

Responsibility

As the ultimate governing body, The Board is responsible for the system of internal control, which is designed to provide reasonable assurance regarding:

- The safeguarding of assets against unauthorised use or disposal; and
- The maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

Key procedures have been established and are designed to provide effective internal control. These key areas cover control, reporting information systems, monitoring and risk management.

Review of Internal Controls

We have reviewed the effectiveness of the system of internal control, including the sources of assurance agreed by the Board, as being appropriate for that purpose. Based on the evidence provided, we are satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year.

We are also satisfied that those systems were aligned to an ongoing process for the management of the significant risks facing the Association. There have not been any significant weaknesses identified by the Board that it believes may have resulted in material misstatement or loss, and which would have required disclosure in the financial statements.

Control Environment & Key Controls

The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority. These are set out in the Association's Terms of Reference, Governance Framework, Financial Regulations, Scheme of Delegated Authority and detailed operational procedures. These delegations and authority levels are reviewed regularly.

Key control processes, which are reviewed annually and revised where necessary, include: strategic business planning; the recruitment of experienced Executive Directors and senior staff; regular performance monitoring; control over capital investment projects and the setting of standards and targets for health and safety; data protection; whistleblowing and confidential disclosure; fraud prevention and detection; and environmental performance.

Established procedures are maintained for the main functions and service areas.

The Board is satisfied that necessary action is taken to address any significant failings or weaknesses identified by the Association.

Information & Reporting Systems

The Association has developed a system of financial reporting. The Annual Budget and Business Plan are approved by the Board. Actual results are reported against budget quarterly to the Board, with any significant variances being reported together with explanations. The current borrowing and cashflow forecast position and compliance with lending covenants is also reviewed quarterly by the Board.

In accordance with regulatory and funding requirements, periodic financial returns are submitted to the Regulator of Social Housing and to the Association's bankers and principal lenders. The Executive Management Team meet regularly to review and monitor revenue and capital spending against budget assumptions.

Cash balances are checked daily, coupled with revised forecast of borrowing requirements at regular intervals as necessary. There are several annual reports focusing on other functions that are reviewed by either the Board or a designated Committee. These include insurance arrangements and treasury management.

Monitoring System

The control system is monitored by internal audit. This is outsourced to a specialist service provider and is reviewed regularly. Eastlight Community Homes' internal auditors have produced an annual report on completion of the programme of work for the year to March 2024, which concluded that the Association has an adequate and effective framework for risk management, governance and internal control.

A three-year Audit Needs Assessment has been completed and an annual plan is agreed which is focused on the areas of greatest risk to the Association. Monitoring is also undertaken by the Executive Directors and senior managers.

Fraud

The Association has policies in respect of preventing, detecting and investigating fraud. We are aware of an increasing number of attempts to fraudulently obtain funds electronically. No material loss has been incurred by the Association in the year. We have procured specialist services to enhance our approach to identifying and tackling fraud and this is due to commence in 2024/25.

Risk Management

The Board receives and considers information on key risks in a specific report reviewed regularly by the Board.

The Board has agreed a risk management framework, which sets out the approach for identifying, monitoring and managing current and emerging risks to the business. The Board has determined its appetite for risk across the business and has adopted a range of financial golden rule measures to enable it to monitor risk exposure. The Board undertakes stress testing of the Business Plan to the key strategic risks.

The Executive Directors have immediate responsibility for identifying risks facing each of the areas in which they operate, and for putting in place procedures to mitigate and monitor risk. The strategic risk assessment is reviewed and updated quarterly by the Executive Directors for consideration by the Board and Audit & Risk Committee. All projects and reports to the Board and Committees include an analysis of the relevant risks and mitigating actions.

Statement of Compliance – Governance & Financial Viability Standard

As a Registered Provider, Eastlight is required to comply with the Regulatory Framework published by the Regulator of Social Housing. The Regulator of Social Housing confirmed the Association's rating of G1 (governance) and V1 (financial viability) – the highest compliant ratings – as a result of an annual stability check in December 2023.

The Board considers the Association to be compliant with the Governance & Financial Viability Standard in all material respects.

Statement of The Board's Responsibilities in Respect of The Financial Statements

The Board is responsible for preparing Eastlight's Annual Report and Financial Statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association, and of its income and expenditure for that period.

In preparing our Financial Statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonably prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records, which disclose – with reasonable accuracy at any time – the financial position of the Association and enable it to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Disclosure of Information to The Auditors

We, the members of the Board, who held office at the date of approval of these Financial Statements as set out above, confirm, so far as we are aware, that there is no relevant audit information of which the Association's auditors are unaware. We confirm we have taken all the steps we ought to have taken to make ourselves aware of any relevant audit information, and to establish that the auditors are aware of that information.

In preparing the Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice for Social Housing Providers (Housing SORP 2018).

The Strategic Report was approved by the Board on 30 July 2024 and signed on its behalf by:



Hattie Llewelyn-Davies, Chair

Independent Auditor’s Report



We have audited the financial statements of Eastlight Community Homes Limited (the Association) and its subsidiary (the Group) for the year ended 31 March 2024 which comprise the Group and Association Statement of Comprehensive Income, Group and Association Statement of Financial Position, Group Statement of Changes in Equity (Reserves), Association Statement of Changes in Equity (Reserves), Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2. 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 or Group'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:

- a satisfactory system of control over transactions has not been maintained; or
- the Group or Association has not kept adequate accounting records; or
- the Group's or 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 The Board's Responsibilities In Respect Of The Financial Statements set out on page 58, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Beever and Struthers

Beever and Struthers
Chartered Accountants
Statutory Auditor

150 Minories
London
EC3N 1LS

Date: 30 July 2024

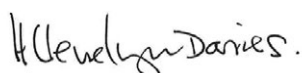
Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	GROUP		ASSOCIATION	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Turnover	3	94,450	86,832	94,500	86,949
Cost of sales	3	(9,642)	(9,438)	(9,663)	(9,387)
Operating expenditure	3	(62,174)	(58,692)	(62,169)	(58,669)
Surplus/(deficit) on disposal of property, plant and equipment	4	541	983	541	983
Operating surplus		23,175	19,685	23,209	19,876
Finance income	5	965	749	960	748
Interest and financing costs	6	(14,628)	(12,811)	(14,628)	(12,811)
Movement in fair value of financial instruments	21	176	1,123	176	1,123
Surplus before tax		9,688	8,746	9,717	8,936
Taxation on surplus on ordinary activities	10	–	–	–	–
Surplus after tax		9,688	8,746	9,717	8,936
Actuarial gain/(loss) relating to pension schemes	20	(15,093)	18,557	(15,093)	18,557
Pension Surplus not recognised	20	(2,469)	–	(2,469)	–
Change in fair value of hedged financial instruments	21	(1,160)	2,660	(1,160)	2,660
Total comprehensive income/(loss) for the year		(9,034)	29,963	(9,005)	30,153

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 71 to 106 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 30 July 2024 and were signed on its behalf by:



Hattie Lewelyn-Davies

Chair



Charanjit Patel

Board Member and Chair
of Audit & Risk Committee



Steve Aleppo

Executive Director of Finance
& Governance and Secretary

Statement of Financial Position

at 31 March 2024

	Notes	GROUP		ASSOCIATION	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Intangible assets	11	65	90	65	90
Housing properties	12	782,540	713,058	783,416	713,579
Other property, plant and equipment	13	5,973	6,336	5,973	6,336
Investments	14	1,922	1,922	1,922	1,922
		790,500	721,406	791,376	721,927
Current assets					
Inventories	15	11,430	7,563	11,430	7,563
Debtors due in less than one year	16	5,348	4,898	5,340	4,896
Cash		15,123	14,967	14,485	14,712
		31,901	27,428	31,255	27,171
Creditors: Amounts falling due within one year	17	(16,844)	(58,010)	(16,808)	(58,037)
Net current liabilities		15,057	(30,582)	14,447	(30,866)
Total assets less current liabilities		805,557	690,824	805,823	691,061
Creditors: Amounts falling due after more than one year	18	(507,929)	(401,425)	(507,929)	(401,425)
Derivative financial instruments	21	721	1,705	721	1,705
Defined benefit pension asset/(liability)	20	(2,259)	14,220	(2,259)	14,220
Net assets		296,090	305,324	296,356	305,561
Capital and reserves					
Called up share capital	23	1	1	1	1
Revenue reserve		200,215	207,428	200,481	207,665
Revaluation reserve		94,737	95,398	94,737	95,398
Cashflow hedge reserve		1,044	2,204	1,044	2,204
Restricted reserve		93	293	93	293
Total reserves		296,090	305,324	296,356	305,561

The notes on pages 71 to 106 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 30 July 2024 and were signed on its behalf by:



Hattie Llewelyn-Davies
Chair



Charanjit Patel
Board Member and Chair
of Audit & Risk Committee



Steve Aleppo
Executive Director of Finance
& Governance and Secretary

Statement of Changes in Reserves

For the year ended 31 March 2024

GROUP	Uncalled Share Capital £'000	Restricted Reserve CHIP Fund £'000	Restricted Reserve Social Housing Proceeds £'000	Revaluation Reserve £'000	Revenue Reserve £'000	Cashflow Hedge Reserve £'000	Total £'000
At 1 April 2022	1	393	-	96,175	179,248	(456)	275,361
Surplus for the year	-	-	-	-	8,746	-	8,746
Grants made from fund	-	(100)	-	-	100	-	-
Depreciation on Deemed Cost Uplift	-	-	-	(596)	596	-	-
Transfer between reserves	-	-	-	(181)	181	-	-
Actuarial gain on pension scheme	-	-	-	-	18,557	-	18,557
Change in fair value of hedged instruments	-	-	-	-	-	2,660	2,660
At 1 April 2023	1	293	-	95,398	207,428	2,204	305,324
Surplus for the year	-	-	-	-	9,688	-	9,688
Grants made from fund	-	(200)	-	-	-	-	(200)
Depreciation on Deemed Cost Uplift	-	-	-	(600)	600	-	-
Transfer between reserves	-	-	-	(61)	61	-	-
Actuarial loss on pension scheme	-	-	-	-	(17,562)	-	(17,562)
Change in fair value of hedged instruments	-	-	-	-	-	(1,160)	(1,160)
At 31 March 2024	1	93	-	94,737	200,215	1,044	296,090

Statement of Changes in Reserves

For the year ended 31 March 2024

ASSOCIATION	Uncalled Share Capital £'000	Restricted Reserve CHIP Fund £'000	Restricted Reserve Social Housing Proceeds £'000	Revaluation Reserve £'000	Revenue Reserve £'000	Cashflow Hedge Reserve £'000	Total £'000
At 1 April 2022	1	393	-	96,175	179,295	(456)	275,408
Surplus for the year	-	-	-	-	8,936	-	8,936
Social Housing Proceeds	-	(100)	-	-	100	-	-
Depreciation on Deemed Cost Uplift	-	-	-	(596)	596	-	-
Transfer between reserves	-	-	-	(181)	181	-	-
Actuarial gain on pension scheme	-	-	-	-	18,557	-	18,557
Change in fair value of hedged instruments	-	-	-	-	-	2,660	2,660
At 1 April 2023	1	293	-	95,398	207,665	2,204	305,561
Surplus for the year	-	-	-	-	9,717	-	9,717
Grants made from fund	-	(200)	-	-	-	-	(200)
Depreciation on Deemed Cost Uplift	-	-	-	(600)	600	-	-
Transfer between reserves	-	-	-	(61)	61	-	-
Actuarial loss on pension scheme	-	-	-	-	(17,562)	-	(17,562)
Change in fair value of hedged instruments	-	-	-	-	-	(1,160)	(1,160)
At 31 March 2024	1	93	-	94,737	200,481	1,044	296,356

Statement of Cash Flows

For the year ended 31 March 2024

GROUP	2024 £'000	2023 £'000
Net cash generated from operating activities (Note A)	27,911	30,021
Cash flows from investing activities		
Purchase of property, plant and equipment	(81,480)	(64,323)
Proceeds from sale of property, plant and equipment	1,113	2,371
Grants received	1,720	866
Interest received	273	699
	(78,374)	(60,387)
Net cash flows from investing activities		
Cash flows from financing activities		
Interest paid	(16,027)	(17,547)
New loans	109,114	60,029
Loan repayments	(42,468)	(33,599)
Net cash flows from financing activities	50,619	8,883
Net increase/(decrease) in cash and cash equivalents	156	(21,483)
Cash and cash equivalents at beginning of year		
Cash	14,967	36,450
Current Asset Investments	-	-
	14,967	36,450
Cash and cash equivalents at end of year		
Cash	15,123	14,967
Current Asset Investments	-	-
	15,123	14,967

Statement of Cash Flows

For the year ended 31 March 2024

NOTE A	2024 £'000	2023 £'000
Surplus	9,688	8,746
Adjustments for non-cash items		
Depreciation	13,034	12,058
Impairment	693	750
Amortisation of intangible assets	25	18
Amortisation of Government grant	(999)	(981)
Increase / (decrease) in inventories	(3,867)	711
(Increase) / decrease in debtors	(450)	(1,297)
Increase / (decrease) in creditors	(3,028)	(5,941)
Pension movements	(131)	318
Movement in fair value of financial instruments	(176)	(1,123)
Adjustments for investing or financing activities		
SSurplus on disposal of property, plant and equipment	(541)	(983)
Interest payable	14,628	18,494
Interest receivable	(965)	(749)
Net cash inflow from operating activities	27,911	30,021

The notes on pages 71 to 106 form an integral part of the financial statements.

Notes to the Financial Statements

1 – Legal Status

Eastlight Community Homes Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (registration number: 30124R) and is registered with the Regulator for Social Housing as a Private Registered Provider of Social Housing (registration number: L4499). The registered office is Eastlight House, Charter Way, Braintree, Essex, CM77 8FG.

As a public benefit entity, Eastlight Community Homes Limited has applied the public benefit entity ‘PBE’ prefixed paragraphs of FRS 102.

2 – Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year. A summary of the more important accounting policies is set out below. The Board is satisfied that the current accounting policies are the most appropriate for the Association.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified where appropriate, to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2022 and the requirements of the Co-operative and Community Benefit Societies Act 2014.

In preparing the separate financial statements of the Parent Entity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Entity,
- Disclosures in respect of the Parent Entity’s financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.

Group accounts include Parent; Emerald, which is still dormant; and Iceni, which became a fully owned subsidiary on 1 August 2021.

Following the Transfer of Engagements of Colne Housing Society Limited to Greenfields Community Housing Limited in accordance with Section 110 of the Co-operative and Community Benefit Societies Act 2014 on 1 July 2020, the assets, liabilities, operations and future obligations of Colne Housing Society transferred to Greenfields Community Housing Limited. The activities of Colne Housing Society Limited and Greenfields Community Housing Limited has operated as Eastlight Community Homes Limited (“Eastlight”) since 1 July 2020.

The Board have also considered the impact of continued economic uncertainties created by the conflict in Ukraine, high inflation, and higher interest rates as examples on its operations, the principal risks identified, and the steps taken to mitigate where possible the impact of these risks. They have concluded that there is a reasonable expectation that Eastlight has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, Eastlight adopts the going concern basis in the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention or deemed cost for assets held at the date of transition to FRS 102 and on a going concern basis.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as shared ownership first tranche sales at completion together with revenue grants from local authorities and other bodies and amortisation of government grants, and income from other services invoiced in the year (excluding VAT).

Turnover is recognised on an accruals basis. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Interest payable and loan finance issue costs

Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue. Loan interest costs are calculated using the effective interest rate method of the difference between the loan amount at initial recognition and the amount at maturity of the related loan. Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development. Other interest payable is charged to the Statement of Comprehensive Income in the year.

Loan finance issue costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.

Value added tax

The Association charged value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue & Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Corporation tax

The Association is registered as a charity with HM Revenue & Customs and is not subject to corporation tax on its income. Should the Association become liable for corporation tax it will be calculated at the rate applicable on any surplus it generates from non-charitable activities.

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income or expense recognised directly in reserves is also recognised directly in reserves.

Intangible Assets

Intangible assets are stated at historic cost less accumulated amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	5 years
--------------------------	----------------

Property, plant and equipment – housing properties

Housing properties are properties available for rent and properties subject to shared ownership leases.

Completed housing properties for rent or shared ownership are stated at cost or deemed cost for assets held at the date of transition to FRS 102, less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings (allocated on a pro-rata basis for mixed tenure developments), directly attributable development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements. Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to the bringing of the property into their intended use.

Capitalisation of development costs ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Improvements are works which result in an increase in the net rental income, including a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only direct expenditure and direct overhead and salary costs associated with new developments or improvements are capitalised. Other improvements and maintenance expenditure are expensed to the Statement of Comprehensive Income as incurred.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated. Where housing properties comprise two or more major components with substantially different useful economic lives, each component is accounted for separately for depreciation purposes and depreciated over its individual useful economic life.

Depreciation on freehold housing properties is charged as follows:

Structural Works	100 years
Roofing	60 years
Insulation	50 years
Sheltered Remodeling	50 years
Windows	30 years
Doors	30 years
Bathrooms	30 years
Rewiring	30 years
Central Heating	30 years
Estate Works	30 years
Fire Systems	30 years
Kitchens	20 years
Renewable Energy	20 years
Lifts	20 years
Boilers	15 years
Flat Roofing	15 years
Digital TV Installations	10 years
Closed Circuit Television	7 years

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Shared ownership property sales

Shared ownership properties, including those under construction, are split between fixed assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal, which is shown on initial recognition as a current asset, with the remainder classified as a fixed asset within property plant and equipment.

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

Sale of housing properties

The sale of properties under the Right to Buy or Right to Acquire schemes are treated as sales of fixed assets and not as properties developed for sale. The surplus or deficit arising on a Right to Buy sale on stock transferred from Braintree District Council is shown net of the share due to Braintree District Council and after deducting the cost of the properties and related sale expenses. All sales of fixed asset properties are shown as a separate item within operating surplus in the Statement of Comprehensive Income.

Properties sold at auction

The sale of unsustainable properties at auction are treated as sales of fixed assets and not as properties developed for sale. The surplus or deficit arising is shown after deducting the cost of the properties and related sale expenses. All sales of fixed asset properties are shown as a separate item after the operating surplus in the Statement of Comprehensive Income. The net proceeds of sale at auction of unsustainable properties transferred from Braintree District Council, after deducting allowable expenses, are credited to the Social Housing Proceeds Reserve for re-investment in social housing properties with Braintree District Council's consent.

Non-housing property, plant and equipment

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

Office equipment, fixtures & fittings	5 years
Plant & machinery	5 years
Computer equipment	3 years
Freehold offices	40 years

The useful economic lives of all tangible fixed assets are reviewed annually. A full month's depreciation charge is provided in the month of acquisition with no depreciation charge provided in the month of disposal of assets.

Impairment

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

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, the Association will determine the level at which impairment is to be assessed (i.e. the cash-generating unit), an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of each asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

Investments

Iceni was established as a joint venture company owned by a group of registered providers including Eastlight. During 2021–22 Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society. Iceni Homes Limited became a wholly owned subsidiary of Eastlight on 1 August 2021. The acquisition of Iceni was accounted for using the purchase method in line with FRS 102.

Eastlight also owns 100% of shares in subsidiary Emerald New Homes Limited, which is currently dormant.

Shares held in bond aggregator MORHomes are held as investments. As part of the bond agreement, there is also a Contingent Convertible, which is held as an investment. The premium received on bond drawdown is included in Creditors greater than one year and amortised over the period of the bond.

Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less the cost to complete and sell. Cost is based on the cost of purchase on an average cost basis.

Cash & cash equivalents

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

Current asset investments

Investments are stated at fair value. Current asset investments include cash and cash equivalents invested for periods of no more than three months. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Provision for bad debts

The provision for bad debts is based upon the age of arrears. Arrears in respect of former tenants are fully provided for. Arrears in respect of current tenants are provided for at varying percentage rates based on the age of the debt.

Holiday pay

Short-term employee benefits, including holiday pay, are charged to the Statement of Comprehensive Income in the period in which they accrue. Holiday entitlement due but not yet taken, is included in the Statement of Financial Position as an accrual within note 17.

This is measured at the undiscounted salary cost of the future holiday entitlement, so accrued at the date of the Statement of Financial Position.

Agreement to improve existing properties (VAT shelter)

As part of the transfer of properties from Braintree District Council the Association entered into a Development Agreement for the refurbishment of the transferred properties.

The full contract income was invoiced on inception of the contract. The full anticipated cost of the contract was incurred on inception of the contract through an increase in the cost of the transferred properties.

Social Housing Grant and other Government grants

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

Government grants are recognised using the accrual model and are classified as grants relating to revenue or grants relating to assets. Grants relating to revenue are recognised in income over the period in which the costs that the grant relates to are recognised. Grants relating to assets are recognised in income over the expected useful life of the asset. Grants received for housing properties are recognised over the life of the property structure whereas grants received specifically for components are recognised over the life of the component.

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income.

Recycling of grants

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

Where there is no obligation to repay the grant on disposal of the asset, any unamortised grant in the Statement of Financial Position is de-recognised as a liability and recognised as revenue in the Statement of Comprehensive Income.

Pensions

The Association has employees in the Local Government Pension Scheme (LGPS) which is a multi-employer defined benefit pension scheme providing benefits based on final pensionable pay. The LGPS was closed to new employees in 2008 other than those with deferred rights. The fund is accounted for under FRS 102. The operating costs of providing retirement benefits to participating employees are recognised in the accounting period in which benefits are earned. The related finance costs expected return on assets and any change in the fair value of the assets and liabilities are recognised in the accounting period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the Statement of Comprehensive Income with any changes in the fair value of assets and liabilities being recognised as Other Comprehensive Income.

Given the high probability that the Association will exit the LGPS in the new financial year following a Board decision to proceed, the cessation assumptions have been adopted. Under these assumptions, the liabilities of the scheme are calculated on the basis that the scheme will be wound up and all members will be granted deferred pensions, with no future accruals of benefits.

Eastlight also participates in the Social Housing Pension Scheme (SHPS), an industry wide multi-employer defined benefit pension scheme and makes payments on behalf of its employees. The scheme is

funded by contributions partly from the employees and partly from Eastlight, at rates determined by independent actuaries. The assets of the defined benefit scheme are invested separately from the assets of Eastlight in independently administered multi-employer funds.

Eastlight's net obligation in respect of defined benefits is calculated separately by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods, discounting that amount and deducting the fair value of any scheme assets. The calculation is performed annually by an independent qualified actuary.

In light of the planned exit from the SHPS in the new financial year, cessation assumptions have also been adopted for this scheme. Under these assumptions, the scheme's liabilities are determined based on the expectation that the scheme will be terminated, with all members' benefits calculated as if they were deferred.

Remeasurements of the net defined benefit liability or asset, which comprise actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in other comprehensive income.

The Association has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on several factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. With the adoption of cessation assumptions, the obligations are calculated on the basis that the schemes will be wound up and all members will be granted deferred pensions, with no future accruals of benefits. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends and have been adjusted to reflect the expected cessation of the schemes.

The Association also participates in a Defined Contribution Scheme provided by Standard Life. This is the main pension fund and auto-enrolment vehicle for the Association.

Service charge sinking funds and service costs

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

Financial instruments

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

Financial assets carried at amortised cost

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

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

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

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

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

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

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

Derivative Financial Instruments

Eastlight uses derivative financial instruments to reduce exposure to interest rate movements. Eastlight does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in surplus or deficit unless hedge accounting is applied, and the hedge is a cash flow hedge.

To qualify for hedge accounting, Eastlight documents the hedged item, the hedging instrument and the hedging relationship between them, and the causes of hedge ineffectiveness (such as different maturities, nominal amounts or variable rates, and counterparty credit risk).

Eastlight elects to adopt hedge accounting for interest rate swaps where:

- the interest rate swap is a qualifying hedging instrument with an external party that hedges interest rate risk on a loan, part of the nominal amount of a loan, or a group of loans managed together that share the same risk and that qualify as a hedged item;
- the hedging relationship between the interest rate swap and the interest rate risk on the loan is consistent with the risk management objectives for undertaking hedges (i.e. to manage the risk that fixed interest rates become unfavourable in comparison to current market rates or the variability in cash flows arising from variable interest rates); and
- the change in the fair value of the interest rate swap is expected to move inversely to the change in the fair value of the interest rate risk on the loan.

Cashflow hedge – hedge of variable interest rate risk

Where an interest rate swap that converts variable rate debt into fixed rate debt qualifies for hedge accounting, it is accounted for as a cash flow hedge. The cumulative change in the fair value of the interest rate swap is recognised in other comprehensive income up to the amount of the cumulative fair value movement on the variable rate debt that is attributable to the variable interest rate risk. Any excess fair value gains or losses on the interest rate swap not recognised in the statement of comprehensive income is recognised as a surplus or deficit. The gain and loss recognised in other comprehensive income are recorded as a separate component of equity (the cash flow hedge reserve).

Net cash settlements on the interest rate swap are recognised as a surplus or deficit in the period(s) when the net cash settlements accrue. The cash flow hedge reserve is reclassified as a surplus or deficit when the variable rate interest is recognised in the Statement of Comprehensive Income.

Hedge accounting is discontinued when a floating to fixed interest rate swap expires, is sold, terminated or exercised, or when the conditions for hedge accounting are no longer met or Eastlight documents its election to discontinue hedge accounting. Any fair value gains or losses accumulated in the cash flow hedge reserve are reclassified to Statement of Comprehensive Income either when the variable interest rate expense is recognised as a surplus or deficit, or immediately on discontinuation of hedge accounting if future variable interest rate cash flows are no longer expected to occur.

Leased assets – operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

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

Restricted reserves

The Association establishes restricted reserves for specific purposes where their use is subject to external restriction. The nature of the restriction is disclosed in the relevant note.

Community Development

The Association has established a Community Housing Investment Partnership (CHIP) Fund under a covenant included within the transfer agreement with Braintree District Council. The Fund is established as a restricted reserve as the use of the Fund is restricted under the transfer agreement. Restrictions on the fund are for funding development of new social housing, development of facilities for community benefit, environmental improvements in Braintree, regeneration activities and projects identified in the Annual Strategy. Movements in reserves are shown in the Statement of Changes in Reserves.

Social Housing Proceeds Reserve

Eastlight and Braintree District Council have an agreement that proceeds for properties sold at auction or through open market sale can be re-invested in full for properties with social or affordable rent with Braintree District Council's consent. These funds are held as a restricted reserve until they are used for this purpose. Movements in reserves are shown in the Statement of Changes in Reserves.

Revaluation reserve

The difference between historical cost depreciation and depreciation charged on the deemed cost balance is transferred from the revaluation reserve to the revenue reserve annually. The revaluation reserve represents the difference on transition between the fair value of the social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.

Significant management judgements and key sources of estimation uncertainty

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

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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. 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.

Valuation of housing properties

On the adoption of FRS102, housing assets were revalued to deemed cost as at 1 April 2014, replacing the previous historic cost valuation.

Impairment of social housing properties

Each year the Association makes an assessment as to whether an indicator of impairment exists. In making the judgement, management consider the detailed criteria set out in the SORP.

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual proceeds that would be achievable in an arm's length transaction at the reporting date.

Bad Debt Provision

Provision is made for bad and doubtful debts based upon the age of the debt and using factors recognised in the sector for that purpose.

Other Provisions

Provision is made for dilapidations and redundancy costs. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

3 – Note A – Particulars of turnover, cost of sales, operating costs and surplus

GROUP 2024	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus/ (deficit) on disposal of fixed assets £'000	Operating surplus/ (deficit) £'000
Social housing lettings (Note B)	80,277	–	(59,298)	–	20,979
Other social housing activities					
First tranche property sales	13,882	(9,663)	–	–	4,219
Charges for support services	–	–	(48)	–	(48)
Development administration	–	–	(284)	–	(284)
Other	–	–	(1,374)	–	(1,374)
Activities other than social housing activities					
Community Empowerment	–	–	(1,165)	–	(1,165)
Surplus on disposal of fixed assets	–	–	–	541	541
Other	291	21	(5)	–	307
Total	94,450	(9,642)	(62,174)	541	23,175

GROUP 2023	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus/ (deficit) on disposal of fixed assets £'000	Operating surplus/ (deficit) £'000
Social Housing Lettings	73,055	–	(54,804)	–	18,251
Other Social Housing activities					
First tranche property sales	13,578	(9,387)	–	–	4,191
Charges for support services	–	–	(40)	–	(40)
Development Administration	–	–	(520)	–	(520)
Other	–	–	(1,559)	–	(1,559)
Activities other than social housing activities					
Community Empowerment	–	–	(1,746)	–	(1,746)
Surplus on disposal of fixed assets	–	–	–	983	983
Other	199	(51)	(23)	–	125
Total	86,832	(9,438)	(58,692)	983	19,685

3 – Note A – Particulars of turnover, cost of sales, operating costs and surplus

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus/ (deficit) on disposal of fixed assets £'000	Operating surplus/ (deficit) £'000
ASSOCIATION 2024					
Social Housing Lettings (Note B)	80,277	–	(59,298)	–	20,979
Other Social Housing activities					
First tranche property sales	13,882	(9,663)	–	–	4,219
Charges for support services	–	–	(48)	–	(48)
Development Administration	–	–	(284)	–	(284)
Other	–	–	(1,374)	–	(1,374)
Activities other than social housing activities					
Community Empowerment	–	–	(1,165)	–	(1,165)
Surplus on disposal of fixed assets	–	–	–	541	541
Other	341	–	–	–	341
Total	94,500	(9,663)	(62,169)	541	23,209

	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Surplus/ (deficit) on disposal of fixed assets £'000	Operating surplus/ (deficit) £'000
ASSOCIATION 2023					
Social Housing Lettings	73,055	–	(54,804)	–	18,251
Other Social Housing activities					
First tranche property sales	13,578	(9,387)	–	–	4,191
Charges for support services	–	–	(40)	–	(40)
Development Administration	–	–	(520)	–	(520)
Other	–	–	(1,559)	–	(1,559)
Activities other than social housing activities					
Community Empowerment	–	–	(1,746)	–	(1,746)
Surplus on disposal of fixed assets	–	–	–	983	983
Other	316	–	–	–	316
Total	86,949	(9,387)	(58,669)	983	19,876

3 – Note B – Particulars of income and expenditure from social housing lettings

GROUP AND ASSOCIATION	General Needs Housing £'000	Supported Housing and Housing for Older People £'000	Shared Ownership £'000	Garages £'000	2024 Total £'000	2023 Total £'000
Income						
Rent receivable net of identifiable service charges	68,340	3,272	3,146	1,233	75,991	69,210
Service charge income	1,725	1,305	257	–	3,287	2,864
Amortised government grants	999	–	–	–	999	981
Turnover from social housing lettings	71,064	4,577	3,403	1,233	80,277	73,055
Expenditure						
Management	16,360	1,306	1,256	291	19,213	16,547
Service charge costs	2,168	1,732	154	1	4,055	3,385
Routine maintenance	9,958	549	9	109	10,625	9,701
Planned maintenance	5,459	366	–	92	5,917	5,552
Major repairs expenditure	5,018	336	–	25	5,379	6,591
Bad debts	337	18	–	2	357	202
Depreciation of housing properties	11,755	741	36	–	12,532	11,437
Depreciation of other fixed assets	461	31	35	–	527	639
Impairment of Housing Properties	693	–	–	–	693	750
Operating costs	52,209	5,079	1,490	520	59,298	54,804
Operating surplus social housing lettings	18,855	(502)	1,913	713	20,979	18,251
Void losses	1,191	208	(1)	442	1,841	1,072

4 – Surplus on disposal of property, plant and equipment

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Sale Proceeds				
Right to Buy (RTB)	99	182	99	182
Shared Ownership	759	1,713	759	1,713
Auction	-	-	-	-
Right to Acquire (RTA)	245	465	245	465
Repayment of discount	-	-	-	-
Other sales	10	11	10	11
Proceeds	1,113	2,371	1,113	2,371
Costs of sale				
Right to Buy (RTB)	(205)	(325)	(205)	(325)
Shared Ownership	(335)	(982)	(335)	(982)
Auction	-	-	-	-
Right to Acquire (RTA)	(32)	(65)	(32)	(65)
Other Fixed Asset disposal	-	(16)	-	(16)
Other sales	-	-	-	-
Cost of sale	(572)	(1,388)	(572)	(1,388)
	541	983	541	983

5 – Finance income

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank interest receivable	266	749	261	748
Net Interest on defined benefit asset	699	-	699	-
	965	749	960	748

6 – Interest and financing costs

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Bank loans and overdrafts	15,904	13,380
Net interest on defined benefit liability	–	100
Loan expenses amortised	461	487
Other interest payable	31	19
	16,396	13,986
Borrowing Costs Capitalised	(1,768)	(1,175)
	14,628	12,811

Borrowing costs on properties during construction have been capitalised based on the weighted average cost of capital of 4.09% (2023: 3.71%).

7 – Operating surplus

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Operating surplus stated after charging/(crediting):				
Depreciation of property, plant and equipment	13,034	12,058	13,034	12,058
Amortisation of Computer Software	25	18	25	18
Impairment of property, plant and equipment	693	750	693	750
Materials Expensed in the year	1,926	2,142	1,926	2,142
Operating Lease Payments	929	678	929	678
Government grants	(999)	(981)	(999)	(981)
Gain/(loss) on disposal of fixed assets	541	983	541	983
Fees Paid to current auditors				
– Statutory audit	55	45	51	42
– Non audit services	5	4	5	4

8 – Staff costs

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Wages and salaries	18,215	16,548
Social security costs	1,939	1,827
Other pension costs	1,535	1,299
	21,689	19,674

The Full Time Equivalent number of staff who received emoluments, based on a 37 hour week, including pension contributions, in excess of £60,000 were as shown below.

GROUP AND ASSOCIATION	2024 Number	2023 Number
Salary Band £		
60,000 – 69,999	12	10
70,000 – 79,999	7	7
80,000 – 89,999	5	7
90,000 – 99,999	1	1
100,000 – 109,999	2	3
110,000 – 119,999	3	2
120,000 – 129,999	1	–
130,000 – 139,999	3	–
140,000 – 149,999	–	1
150,000 – 159,999	–	2
160,000 – 169,999	2	–
170,000 – 179,999	1	–
180,000 – 189,999	–	–
190,000 – 199,999	1	–
200,000 – 209,999	–	1
210,000 – 219,999	–	–
280,000 – 299,999	1	–
	39	34

GROUP AND ASSOCIATION	2024 Number	2023 Number
The average full time equivalent number of employees was:	459	438

The average full time equivalent (FTE) number of employees was calculated taking the average of FTEs in post at the end of each calendar month.

9 – Directors’ remuneration and transactions

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Directors who are executive staff members		
Wages and salaries	899	774
Social security costs	118	106
Other pension costs	89	64
Board Members		
Fees and Expenses		
– Hattie Llewelyn-Davies	22	22
– David Russell	13	12
– Michelle Baker	13	12
– Dale Butcher	12	12
– Charanjit Patel	12	12
– Kay Vowles	11	10
– Simon Jones	11	9
– Gail Shadlock	9	8
– Catherine Turner	9	8
– Steven Bentall	9	–
– Mike Johnson	9	9
– Malcolm O’Brien	–	6
Committee Members – Fees and Expenses	30	49
	1,266	1,113

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Management Team.

	2024 £'000	2023 £'000
Remuneration of the highest paid director, excluding pension contributions:		
Emoluments	263	194
Consideration payable for loss of office	–	–
	263	194

The Chief Executive is an ordinary member of the Association’s defined contribution stakeholder type pension scheme. No enhanced or special terms apply.

10 – Taxation

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
UK Corporation Tax on surplus for the year	-	-	-	-
Adjustments in respect of prior periods	-	-	-	-
	-	-	-	-

A significant proportion of the Association's activities occurs in Group entities recognised by His Majesty's Revenue and Customs as exempt charities for tax purposes and is therefore not liable to Corporation Tax on surpluses.

The tax assessed for the year is lower than the standard rate of Corporation Tax in the United Kingdom at 25% (2023: 19%). The differences are explained as follows:

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current tax reconciliation:				
Surplus on ordinary activities before tax	9,688	8,746	9,717	8,936
Surplus on ordinary activities before tax multiplied by 25% (2023: 19%) the standard rate of UK Corporation Tax	2,422	1,662	2,429	1,698
Non-taxable charitable activities	(2,421)	(1,698)	(2,429)	(1,698)
Losses utilised	(1)	-	-	-
Group relief claimed through planned gift aid	-	36	-	-
Total tax charge for the year	-	-	-	-

11- Intangible fixed assets

GROUP AND ASSOCIATION	Computer software £'000
Cost	
At 1 April 2023	232
Additions	–
Disposals	(85)
As at 31 March 2024	147
Amortisation	
At 1 April 2023	142
Charge for the year	25
Disposals	(85)
As at 31 March 2024	82
Net book value	
As at 31 March 2024	65
As at 31 March 2023	90

Amortisation is recognised in operating expenditure in the Statement of Comprehensive Income.

12 – Tangible fixed assets

GROUP	Completed rental properties £'000	Rental properties under construction £'000	Completed shared ownership £'000	Shared ownership under construction £'000	Total £'000
Cost or valuation					
At 1 April 2023	728,311	28,211	60,050	6,867	823,439
Additions	9,349	55,200	–	18,561	83,110
Disposals	(1,726)	–	(390)	–	(2,116)
Transfers – Completed Stock	52,146	(52,146)	18,260	(18,260)	–
Transfers to Other Categories	(2,054)	94	209	2,103	352
As at 31 March 2024	786,026	31,359	78,129	9,271	904,785
Depreciation					
At 1 April 2023	108,683	–	1,698	–	110,381
Charge for the year	11,997	–	539	–	12,536
Impairment charge	654	39	–	–	693
Disposals	(1,344)	–	(21)	–	(1,365)
As at 31 March 2024	119,990	39	2,216	–	122,245
Net book value					
As at 31 March 2024	666,036	31,320	75,913	9,271	782,540
As at 31 March 2023	619,628	28,211	58,352	6,867	713,058

12 – Tangible fixed assets (continued)

ASSOCIATION	Completed rental properties £'000	Rental properties under construction £'000	Completed shared ownership £'000	Shared ownership under construction £'000	Total £'000
Cost or valuation					
At 1 April 2023	728,506	28,537	60,050	6,867	823,960
Additions	9,349	55,555	–	18,561	83,465
Disposals	(1,726)	–	(390)	–	(2,116)
Transfers – Completed Stock	52,146	(52,146)	18,260	(18,260)	–
Transfers to Other Categories	(2,054)	94	209	2,103	352
As at 31 March 2024	786,221	32,040	78,129	9,271	905,661
Depreciation					
At 1 April 2023	108,683	–	1,698	–	110,381
Charge for the year	11,997	–	539	–	12,536
Impairment charge	654	39	–	–	693
Disposals	(1,344)	–	(21)	–	(1,365)
As at 31 March 2024	119,990	39	2,216	–	122,245
Net book value					
As at 31 March 2024	666,231	32,001	75,913	9,271	783,416
As at 31 March 2023	619,823	28,537	58,352	6,867	713,579

The carrying value of assets with restricted title or held as security against liabilities at 31 March 2024 was £382.9 million (2023 £422.4 million). All properties are held on a freehold basis. £9.3 million was spent during the year on existing property components with a further £21.9 million charged to the Statement of Comprehensive Income.

13 – Property, plant and equipment (other)

GROUP	Freehold £'000	Long/short leasehold £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation				
At 1 April 2023	8,362	–	1,935	10,297
Additions	–	–	138	138
Disposals	–	–	(48)	(48)
Transfers	(142)	–	142	–
As at 31 March 2024	8,220	–	2,167	10,387
Depreciation				
At 1 April 2023	2,613	–	1,348	3,961
Charge for the year	217	–	236	453
Disposals	–	–	–	–
Transfer	–	–	–	–
As at 31 March 2024	2,830	–	1,584	4,414
Net book value				
As at 31 March 2024	5,390	–	583	5,973
As at 31 March 2023	5,749	–	587	6,336
ASSOCIATION				
Cost or valuation				
At 1 April 2023	8,362	–	1,935	10,297
Additions	–	–	138	138
Disposals	–	–	(48)	(48)
Transfers	(142)	–	142	–
As at 31 March 2024	8,220	–	2,167	10,387
Depreciation				
At 1 April 2023	2,613	–	1,348	3,961
Charge for the year	217	–	236	453
Disposals	–	–	–	–
Transfer	–	–	–	–
As at 31 March 2024	2,830	–	1,584	4,414
Net book value				
As at 31 March 2024	5,390	–	583	5,973
As at 31 March 2023	5,749	–	587	6,336

14 – Fixed Asset Investments

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Share Capital				
Interest in Emerald New Homes Limited	-	-	-	-
Interest in Icení Homes Limited	-	-	-	-
Interest in MORhomes Plc	180	180	180	180
	180	180	180	180
Contingent Convertibles				
MORhomes CoCo	345	345	345	345
	345	345	345	345
Deposits				
Held on behalf of Affordable Housing Finance Plc	1,397	1,397	1,397	1,397
	1,397	1,397	1,397	1,397
	1,922	1,922	1,922	1,922

On 1 November 2007, the Association acquired one ordinary share of £1 in Emerald New Homes Limited, being 100% of the issued share capital. During the year under review the company has been dormant and has no assets. The accounting period is the year ended 31 March 2024.

Interest in Icení Homes Limited

Icení was established as a joint venture company owned by a group of registered providers including Eastlight. Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society, which led to Icení Homes Limited becoming a wholly owned subsidiary of Eastlight on 1 August 2021.

Icení was incorporated on 16 March 2004 and commenced trading on 1 July 2004 and became an Eastlight subsidiary on 1 August 2021. Its profit before tax and Gift Aid for the year ended 31 March 2024 was £325k (2023: £137k).

Interest in MORhomes plc

At the start of the year, Eastlight held 240,000 £1 ordinary shares in MORhomes plc, a public limited company incorporated on 21 September 2017 and registered in England and Wales. The shares were issued at an average discount of 25% giving a cash price of £180,000. An additional investment of £345k in respect of a Contingent Convertible (CoCo) agreement was also made at time of the additional drawing.

MORhomes is a bond aggregating vehicle for the UK social housing sector and provides funding to registered provider groups in England and Wales.

Eastlight may utilise MORhomes to issue fixed rate debt in future subject to funding need and market conditions.

Deposits

Deposits held on behalf of Eastlight represent the liquidity fund reserve held in trust in respect of funding received from Affordable Housing Finance plc, totalling £1.40 million.

15 – Stocks

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Completed properties for sale	4,027	1,450	4,027	1,450
Properties under development	6,752	5,461	6,752	5,461
Raw materials and consumables	651	652	651	652
	11,430	7,563	11,430	7,563

During the year, £1,925,617 of raw materials were expensed (2023 £2,142,486)

16 – Debtors

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts falling due within one year:				
Rent arrears	2,721	2,208	2,721	2,208
Provision for bad debts	(802)	(687)	(802)	(687)
Other debtors	253	835	245	833
Prepayments and accrued income	3,176	2,542	3,176	2,542
	5,348	4,898	5,340	4,896

17 – Creditors: amounts falling due within one year

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Rents received in advance	1,289	1,119	1,289	1,119
Trade creditors	2,159	3,198	2,166	3,225
Other taxation and social security	564	482	564	482
Accruals and deferred income	9,175	9,776	9,175	9,776
Other creditors	–	1	–	1
VAT	98	24	55	24
Loans due within one year	3,559	43,410	3,559	43,410
	16,844	58,010	16,808	58,037

18 – Creditors: amounts falling due after more than one year

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans	443,579	336,944	443,579	336,944
Other creditors	949	916	949	916
AHF Bond Deferred Income	4,419	4,632	4,419	4,632
MORhomes Bond Deferred Income	2,470	2,662	2,470	2,662
Government grants	59,796	58,884	59,796	58,884
Recycled Capital Grant	44	240	44	240
Disposal Proceeds Fund	58	56	58	56
Less Debt Refinancing Costs	(3,386)	(2,909)	(3,386)	(2,909)
	507,929	401,425	507,929	401,425

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred income – AHF Bond at 1 April				
Income Received	4,843	5,050	4,843	5,050
Amortisation to Statement of Comprehensive Income	(211)	(207)	(211)	(207)
As at 31 March	4,632	4,843	4,632	4,843
Due within one year	(213)	(211)	(213)	(211)
Due after one year	4,419	4,632	4,419	4,632

The deferred income represents a premium received on the issue of fixed coupon debt and is being amortised over the remaining term of that debt to 2043.

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred income – MORhomes Bond at 1 April	2,854	3,045	2,854	3,045
Loan Coupon	–	–	–	–
Amortisation to Statement of Comprehensive Income	(192)	(191)	(192)	(191)
As at 31 March	2,662	2,854	2,662	2,854
Due within one year	(192)	(192)	(192)	(192)
Due after one year	2,470	2,662	2,470	2,662

The deferred income represents a premium received on the issue of fixed coupon debt and is being amortised over the remaining term of that debt to 2038.

18 – Creditors: amounts falling due after more than one year (continued)

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred income – Government grants at 1 April	59,868	59,993	59,868	59,993
Grants received	1,721	866	1,721	866
Transferred to RCGF on disposal	(19)	(10)	(19)	(10)
Allocation from RCGF	226	–	226	–
Amortisation to Statement of Comprehensive Income	(999)	(981)	(999)	(981)
As at 31 March	60,797	59,868	60,797	59,868
Due within one year	(1,001)	(984)	(1,001)	(984)
Due after one year	59,796	58,884	59,796	58,884

The gross amount of grant received prior to amortisation as at 31 March 2024 was £75.3 million (2023: £75.3 million).

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Recycled Capital Grant Fund at 1 April	240	226	240	226
Inputs to RCGF	19	10	19	10
Recycling of grant	(226)	–	(226)	–
Interest accrued	11	4	11	4
As at 31 March	44	240	44	240
Amounts three years or older where repayment may be required	–	164	–	164

	GROUP		ASSOCIATION	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Disposal Proceeds Fund (DPF) at 1 April	56	55	56	55
Interest accrued	2	1	2	1
At 31 March	58	56	58	56
Amounts three years or older where repayment may be required	58	56	58	56

The disposal of a fixed asset in a prior year activated a restrictive covenant that requires Eastlight to reinvest into an asset of a similar nature.

18 – Creditors: amounts falling due after more than one year (continued)

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Borrowings are repayable as follows:		
Between one and two years	7,466	2,462
Between two and five years	105,649	38,663
After five years	330,464	295,819
	443,579	336,944
On demand or within one year	2,479	42,468
	446,058	379,412
Housing loans		
Between one and two years	7,466	2,462
Between two and five years	105,649	38,663
After five years	330,464	295,819
	443,579	336,944
On demand or within one year	2,479	42,468
	446,058	379,412

Loans drawn are either on a fixed (82%) or variable (18%) rate basis, with interest rates ranging from 1.899% to 11.169%, with an average weighted cost of capital of 4.09% (2023: 3.71%).

19 – Analysis of changes in net debt

GROUP	At beginning of the year 2023–24 £'000	Cash Flows £'000	Non-Cash Movements £'000	At end of the year 2023–24 £'000
Cash and Cash Equivalents	(14,967)	(156)	–	(15,123)
Housing Loans Due in One Year	42,468	(39,989)	–	2,479
Housing Loans Due after One Year	336,944	106,635	–	443,579
	364,445	66,490	–	430,935

20 – Retirement benefit schemes

Defined contribution schemes

Eastlight provides a defined contribution stakeholder type pension scheme for employees. Employees choose their own contribution and the Association double-matches this up to a maximum employer contribution of 10%, increased from 8% during 2023–24. The assets of the scheme are kept separately from those of the Association and are invested in independently managed funds as chosen by the employee. From May 2014, those employees not already in a pension scheme are automatically enrolled in this stakeholder scheme unless they are entitled and choose to join the LGPS or SHPS. There is a minimum employee contribution of 3% although employees can choose to opt out. Eastlight has no long-term pension liabilities under the defined contribution scheme. Following the transfer of Iceni staff to Eastlight in August 2021, there are additional stakeholder pension schemes.

The total expense charged to Statement of Comprehensive Income in the period ended 31 March 2024 was £1,002,000 (2023: £830,000).

Defined benefit schemes – LGPS

Eastlight is a member of the Local Government Pension Scheme, administered by Essex County Council, with 38 employees contributing to the scheme, which is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. In September 2008, the scheme was closed to new entrants. This note relates only to the obligations on Eastlight from the Scheme.

The most recent triennial actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2022 by Barnett Waddingham. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. Annual updates on the valuation of the scheme assets and liabilities are provided by the scheme actuary on an interim basis.

	2024 %	2023 %
Key assumptions used:		
Discount rate	2.03%	4.80%
Future pension increases	2.37%	2.85%
Salary increases	2.37%	3.35%
RPI increases	3.20%	3.25%
CPI increases	2.37%	2.85%

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These assumptions are based upon the Continuous Mortality Investigation's model CMI-2021, which shows a slight reduction in life expectation post-retirement. The assumed life expectations on retirement at age 65 are:

	VALUATION AT	
	2024 Years	2023 Years
Retiring today:		
Males	21.1	21.1
Females	23.6	23.5
Retiring in 20 years:		
Males	22.4	22.3
Females	25.1	25.0

Defined benefit costs recognised in Statement of Comprehensive Income

Amounts recognised in the Statement of Comprehensive Income in respect of these defined benefit schemes are as follows:

	2024 £'000	2023 £'000
Service cost	275	761
Net interest cost	(740)	78
Plan introductions, changes, curtailments and settlements	33	27
	(432)	866
Recognised in other comprehensive income	(367)	(401)
Total cost relating to defined benefit scheme	(799)	465

Present values of defined benefit obligation, fair value of assets and defined benefit liability

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2024 £'000	2023 £'000
Present value of defined benefit obligations	(48,979)	(31,796)
Fair value of scheme assets	48,979	46,991
Surplus/(Deficit)	–	15,195
Net asset recognised in the Statement of Financial Position	–	15,195

Reconciliation of opening and closing balances of the defined benefit obligation

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

	2024 £'000	2023 £'000
At 1 April	31,796	49,815
Service cost	275	761
Interest cost	1,487	1,284
Actuarial gains and losses	16,982	(20,526)
Change in demographic assumptions	–	(1,236)
Experience loss/(gain) on defined benefit obligation	98	2,578
Contributions from scheme participants	96	124
Benefits paid	(1,755)	(1,004)
Past service costs, including curtailments	–	–
At 31 March	48,979	31,796

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

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

	2024 £'000	2023 £'000
At 1 April	46,991	46,574
Interest income	2,227	1,206
Actuarial gains and losses	–	689
Return on plan assets (excluding amounts included in net interest cost)	3,482	(1,042)
Administration Expenses	(33)	(27)
Contributions from the employer	440	471
Contributions from scheme participants	96	124
Benefits paid	(1,755)	(1,004)
At 31 March	51,448	46,991
Scheme Surplus/(Deficit)	2,469	15,195
Scheme Surplus not recognised	(2,469)	–
Recognised Scheme Balance	–	15,195

Scheme surplus not recognised due to uncertainty of recovery on cessation.

Analysis of scheme assets

The analysis of the scheme assets at the Statement of Financial Position date was as follows:

	FAIR VALUE OF ASSETS			
	2024		2023	
	£'000	%	£'000	%
Equity instruments	28,498	56	27,130	58
Debt instruments	919	2	689	1
Property	3,551	7	3,857	8
Cash	1,269	2	1,411	3
Alternative assets	7,822	15	7,454	16
Other managed funds	9,389	18	6,450	14
	51,448	100	46,991	100

Re-measurement of the net assets/(defined liability) included in Other Comprehensive Income

	2024 £'000	2023 £'000
Return on fund assets in excess of interest	3,482	(1,042)
Other actuarial gains / (losses) on assets	–	689
Other actuarial gains and losses on defined benefit obligation	(16,982)	20,526
Change in demographic assumptions	–	1,236
Experience gain / (loss) on defined benefit obligation	(98)	(2,578)
Restriction on pension asset	(2,469)	–
	(16,067)	18,831

Defined benefit schemes – SHPS

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a ‘last-man standing arrangement’. Therefore, the company is potentially

liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

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

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

Defined benefit costs recognised in Statement of Comprehensive Income

Amounts recognised in the Statement of Comprehensive Income in respect of these defined benefit schemes are as follows:

	2024 £'000	2023 £'000
Expenses	7	7
Net interest cost	41	22
	48	29

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2024 £'000	2023 £'000
Present value of defined benefit obligations	(6,828)	(5,657)
Fair value of scheme assets	4,569	4,682
Deficit	(2,259)	(975)
Net liability recognised in the Statement of Financial Position	(2,259)	(975)

Reconciliation of opening and closing balances of the defined benefit obligation

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

	2024 £'000	2023 £'000
At 1 April	5,657	8,311
Service cost	7	7
Interest cost	271	230
Experience loss/(gain) on defined benefit obligation	(22)	65
Change in demographic assumptions	(74)	(13)
Actuarial gains and losses	1,138	(2,792)
Benefits paid	(149)	(151)
At 31 March	6,828	5,657

Re-measurement of the net assets / (defined liability) included in Other Comprehensive Income

	2024 £'000	2023 £'000
Return on fund assets in excess of interest	(453)	(3,019)
Other actuarial gains/(losses) on assets	–	–
Experience gain/(loss) on defined benefit obligation	22	(65)
Change in demographic assumptions	74	13
Other actuarial gains and losses on defined benefit obligation	(1,138)	2,792
	(1,495)	(279)

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

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

	2024 £'000	2023 £'000
At 1 April	4,682	7,400
Interest income	230	208
Return on plan assets (excluding amounts included in net interest cost)	(453)	(3,019)
Contributions from the employer	259	244
Contributions from scheme participants	–	–
Benefits paid	(149)	(151)
At 31 March	4,569	4,682

21 – Financial Instruments

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Financial Assets		
Measured at amortised cost – Rent arrears and other debtors	2,164	2,354
Measured at cost – Cash and cash equivalents measured at cost	15,123	14,967
	17,287	17,321

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Financial Liabilities		
Measured at fair value and designated in an effective hedging relationship – Derivative financial liabilities	(1,044)	(2,204)
Measured at fair value through the surplus for the year – Ineffective interest rate swaps	323	499
	(721)	(1,705)
Measured at amortised cost		
– Loans payable (Note 18)	218,620	214,437
– Bonds payable (Note 18)	224,959	164,975
Measured at undiscounted amount payable		
– Trade and other creditors (Note 17)	12,690	15,087
	455,548	392,794

The Association's income, expense, gains and losses in respect of financial instruments are summarised below:

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Interest income and expense		
Total interest income for financial assets at amortised cost	960	748
Total interest expense for financial liabilities at amortised cost	14,628	12,811
	15,588	13,559
Fair value gains and losses		
On derivative financial liabilities designated as an effective hedge	(1,160)	2,660
On financial liabilities measured at fair value through surplus for the year	176	1,123
	(984)	3,783

22 – Hedging Financial Instruments

Derivative financial liabilities designated as an effective hedge

GROUP AND ASSOCIATION	Due within 1 year		Due after 1 year	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest rate swaps	–	(113)	(1,044)	(2,091)

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Cash flow hedges

The following table details the notional principal amounts and the remaining terms of interest rate swap contracts designated as cash flow hedges outstanding at the reporting date:

GROUP AND ASSOCIATION	Average contract fixed rate		Notional principal value		Fair value	
	2024 %	2023 %	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within 1 year	–	2.03%	–	5,000	–	(113)
Between 1 and 2 years	4.67%	–	1,500	–	14	–
Between 2 and 5 years	1.92%	2.66%	27,000	6,500	(1,946)	(208)
More than 5 years	3.85%	2.41%	51,500	23,500	888	(1,883)
			80,000	35,000	(1,044)	(2,204)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three month's SONIA. Eastlight settles the difference between the fixed and floating interest rate on a net basis.

All interest rate swaps reduce Eastlight's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect surplus and deficit over the period to maturity of the interest rate swaps. £5m of the cashflow swaps mature in 2025, £22m in 2028, £1.5m in 2031, and £50m in 2032.

23 – Share capital

GROUP	2024 £	2023 £
Issued and fully paid shares of 10p each:		
At beginning of year	478	502
Issued during the year	3	2
Cancelled during the year	(26)	(26)
At end of year	455	478
Issued and fully paid shares of £1 each:		No
At 1 April	–	6
Leaving during the year	–	(6)
At 31 March	–	–

The shares do not have a right to any dividend or distribution in a winding up and are not redeemable. Each share has full voting rights. All shares are uncalled.

24 – Financial commitments

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
Contracted for but not provided for	77,181	103,306
Approved by the directors but not contracted for	58,727	61,124
	135,908	164,430

The proposed funding for these commitments is as follows:

	2024 £'000	2023 £'000
Cash	15,123	14,712
Operating Cashflow (years 1–3)	73,411	71,014
Existing loan facility	47,374	78,704
	135,908	164,430

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £'000	2023 £'000
Payments due:-		
– within 1 year	862	684
– between one and five years	1,484	1,467
– after five years	532	719
	2,878	2,870

	2024 £'000	2023 £'000
Payments due for:-		
– Premises	1,409	1,535
– Equipment	16	26
– Vehicles	1,453	1,309
	2,878	2,870

25 – Housing Stock

GROUP AND ASSOCIATION	2024 Units	2023 Units
Owned and managed:		
General needs housing accommodation	8,502	8,508
Housing accommodation at affordable rent	2,620	2,347
Housing accommodation at intermediate rent	77	77
Housing for Older People accommodation	637	637
Shared ownership accommodation	863	726
Supported Housing	116	116
Managed by others	39	39
	12,854	12,450
Managed stock		
Leasehold properties (freehold owned)	571	566
Leasehold properties (managed for others)	16	16
Ground leases	11	11
Managed on behalf of others	–	–
Commercial	2	2
	600	595
Total	13,454	13,045

26 – Related Party Transactions

The Board comprises ten members. During the year, three tenants have been a member of the Board.

Michelle Baker	Tenant
Catherine Turner	Tenant
Steve Bentall	Tenant

All tenancies and lease agreements are on normal commercial terms and tenant members are not able to use their position to their advantage.

The amount of rent and service charges charged to tenant board members during the year was £16,186 (2023: £11,278) and the amount of rent and service charges prepaid by members at the end of the year was £38 (2023: £38).

Emerald New Homes Limited is a wholly owned subsidiary of the Association. Emerald New Homes Limited is not registered with the Regulator of Social Housing. It has not traded during the year and there have been no transactions between it and the Association. Two Executive Directors of the Association are directors of Emerald New Homes Limited.

Iceni Homes Limited is a development service company providing new build programme management services to social housing providers. Iceni was established as a joint venture company owned by a group of registered providers including Eastlight, until 31 July 2021, and Eastlight held a 50% share in Iceni. Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society, leading to Iceni Homes Limited becoming a wholly owned subsidiary of Eastlight on 1 August 2021. Iceni Homes Limited is not registered with the Regulator of Social Housing. Two Executive Directors of the Association are directors of Iceni Homes Limited.

Iceni provides development design and build services on behalf of Eastlight. During the year, Eastlight paid Iceni £0.4m (2023: £0.5m) in development costs and associated fees.

No Gift Aid payment was received from Iceni in the year to 31 March 2024 (2023: £59k).

26 – Events after the End of the Reporting Period

Defined Benefit Pension

Eastlight instructed the scheme administrators of its intention to exit both its defined benefit pension schemes with the Local Government Pension Scheme administered by Essex County Council and the Social Housing Pension Scheme administered by TPT Retirement Solutions on 30 April 2024. The intention is that Eastlight will have exited both schemes by the end of 2024. The schemes have been measured as at 31 March 2024 on the basis of this potential exit which considers the overall recoverability of any pension asset which may materialise taking into account that

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