

Curo Group (Albion) Ltd.

Annual Report and Financial Statements
Year ended 31 March 2024

Registered Society with Financial Conduct Authority 7945
Regulator of Social Housing registration number LH4336



Curo Group (Albion) Ltd.

Year ended 31 March 2024

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Curo Group (Albion) Ltd.

Board, Executive Officers and Advisors

Non-Executive Directors

Jane Tabor (Chair)

Elaine Barnes

Resigned 31 July 2023

Chris Wilson

Resigned 31 July 2023

Michael Petter

Neil Sexton

Joe Webster

Kerri Mills

Appointed 1 August 2023

Alice Cummings

Appointed 1 August 2023

Vinay Parmar

Appointed 1 August 2023

Helen Hyde

Appointed 22 January 2024 *

Sonya Chowdhury

Appointed 22 January 2024 *

Executive Directors

Victor da Cunha

Simon Gibbs

Executive Officers

Victor da Cunha

Group Chief Executive

Simon Gibbs

Chief Finance Officer

Paul Harris

Chief Customer Officer

Julie Evans

Chief Property Officer

Jane Smith

Chief People Officer

Katherine Gullon

Chief Governance Officer (to 18 June 2024)

Sean Hird

Interim Chief Governance Officer (from 18 June 2024, resigned 22 July 2024)

Secretary

Katherine Gullon

Resigned 18 June 2024

Sean Hird

Appointed 18 June 2024, resigned 22 July 2024

Victor da Cunha

Appointed 22 July 2024

* Note: During the year the composition of the Combined Board changed, moving away from a model with one independent subsidiary director for Curo Places Ltd and Curo Choice Ltd to all directors sitting on all three boards comprising the Combined Board.

Board, Executive Officers and Advisors (continued)

Registered Office	The Maltings River Place Lower Bristol Road Bath BA2 1EP Tel: 01225 366000
Group Members	Curo Group (Albion) Ltd. Curo Places Ltd. Curo Choice Ltd. Curo Enterprise Ltd. (08103621) Curo Market Rented Services Ltd. (4705482) Mulberry Park Community Benefit Society Curo Finance Ltd. (13596265)
Solicitors	Anthony Collins Solicitors LLP Devonshires Solicitors LLP
Bankers	Barclays Bank plc Lloyds Banking Group plc Barclays Bank plc Santander UK plc M&G Investment Management Limited Orchardbrook Limited Massachusetts Mutual Life Insurance Company Scottish Widows Limited
Independent Auditors	BDO LLP 55 Baker Street London W1U 7EU

Curo Group (Albion) Limited is a community benefit society registered under the Co-operative and Community Benefit Society Act 2014. It is registered with the Financial Conduct Authority (reference 7945).

Report of the Board

The Board presents its report and audited consolidated financial statements of the Curo Group (Albion) Ltd. (the 'Group') and its subsidiary undertakings, for the year ended 31 March 2024.

Principal activities

Curo is a housing association and housebuilding organisation based in Bath, providing affordable homes and support services across the West of England. We manage over 14,000 homes for more than 25,000 people and plan to build between 250 and 300 new social homes every year over the next 5 years and deliver between 100 and 200 private market sales annually.

The group is a social enterprise, we do not pay dividends to shareholders. We reinvest surpluses from our commercial house building and lettings businesses into our core social purpose. Our main activities are as follows:

- Long term rented housing for people who are unable to afford to rent or buy on the open market.
- Low cost home ownership homes.
- Sheltered and supported housing for those who need additional support
- Building homes for sale.

Business review and future developments

Details of the Group's performance for the year and factors likely to affect its future development are contained within the Strategic Report.

The Board

The Group is led by the Combined Board that enables efficient decision making across the Group. During the year the composition of the Combined Board changed, moving away from a model with one independent subsidiary director for Curo Places Ltd and Curo Choice Ltd to all directors sitting on all three boards comprising the Combined Board.

Legal Entity/ Board Composition	Social Business			
	Curo Group (Albion) Ltd	Curo Places Ltd	Curo Choice Ltd	Combined Board
Core Board Directors (NED)	9	9	9	9
Board Directors (Executive)	2	2	2	2
Total Directors	11	11	11	11

There are four further companies within the Group that are governed outside of the Combined Board. The Board structures for these companies are as follows:

Legal Entity/ Board Composition	Curo Enterprise Ltd	Curo Market Rented Services Ltd	Mulberry Park Community Benefit Society	Curo Finance Limited
Non-Executive Directors	3	-	-	-
Executive Directors	2	2	3	2
Total Directors	5	2	3	2

The Combined Board operates a robust succession plan to ensure that continuity of experience is balanced against the maximum tenures for Board Directors stipulated in our Code of Governance.

Regulatory Framework

The Group is regulated by the Regulator of Social Housing (RSH). It has to comply with the regulatory standards framework set by the RSH. The framework retains at its core the principle of co-regulation. Boards are responsible for the effective performance of their organisations, compliance with the standards and being transparent and accountable to stakeholders.

The RSH framework retains seven standards set out in two primary areas; Economic and Consumer. For the reporting period, these were as follows:

Economic

- Governance and financial viability
- Value for money (VFM)
- Rent

Consumer

- Tenant involvement and empowerment
- Home
- Tenancy
- Neighbourhood and community

Curo operates a robust regulatory compliance framework, and each year completes a self-assessment of regulatory compliance, which is considered (with appropriate evidence) by both the Combined Board and its Audit and Assurance Committee. The Combined Board considered the self-assessment in July 2024 and noted that it demonstrated compliance in respect of the regulatory standards for 2023/24.

During this reporting period, following an annual stability check, the Regulator of Social Housing awarded Curo the ratings of G1 for Governance and V2 for Viability.

National Housing Federation (NHF) Code of Governance

For the relevant period, Curo Group (Albion) Ltd, Curo Places Ltd and Curo Choice Ltd have adopted the National Housing Federation's Code of Governance 2020, which promotes excellence for Federation members in governing their organisations and being accountable, independent and diverse. The Combined Board (and the Audit and Assurance Committee) conducted a review of these entities' performance against this Code in July 2024 and can demonstrate compliance.

Delegation

The Combined Board is responsible for strategy for the Group as well as overseeing its performance. Specific responsibilities have been delegated to committees, which have their own approved terms of reference. Day-to-day performance is delegated to the Executive Team. The major committees supporting the Combined Board and governance arrangements during the year were:

Audit and Assurance Committee – responsible for overseeing internal and external audit, the effectiveness of internal controls and the risk management framework.

Remuneration and Nominations Committee – responsible for determining matters relating to the employment, pay and benefits for Executives and Board Directors, the recruitment and succession planning for all Board and Committee Members and for making recommendations on governance matters to the Combined Board.

Statement of Board's responsibilities

Company Directors are responsible for preparing the Group Strategic Report and the financial statements in accordance with applicable law and regulations.

Curo's Combined Board of Directors have prepared the Group and parent company financial statements in accordance with UK law and the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Directors have a legal obligation to only approve the financial statements where they are satisfied that they give

a true and fair view of the state of affairs of the group and the company and of the profit or loss of the company and group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Company Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Group's Board Directors who served during the year and up to the date of signing the financial statements are listed on page 1.

Report of the Board on Internal Control

The Combined Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The internal control framework is designed to manage and reduce, rather than eliminate, the risk of failing to achieve business objectives. It can only provide the Board with reasonable, and not absolute, assurance against material mis-statement or loss.

The key features of Curo's system of internal control include:

- An established management structure operating across the Group, with clearly defined levels of responsibility.
- Delegated authorities as outlined in the Standing Orders.
- Terms of Reference.
- Financial Regulations.
- Regulator reporting and scrutiny of performance.

This is supported by established additional policies, which are designed to provide effective internal control and achieve effective corporate governance. The policies include Group-wide policies on Fraud, Health and Safety, Code of Conduct, Gifts and Hospitality, Procurement, Equality, Diversity and Inclusivity, Public Interest Disclosures ("Whistle Blowing") and Data Protection together with policies covering all aspects of Employment Law and operational policies.

Board and Committee assurance – the Audit and Assurance Committee meets regularly with the internal and external auditors, as well as members of the Executive, to review specific reporting and internal control matters, and to satisfy themselves that the internal control systems are operating effectively. Members of the committee meet with the internal and external auditors (without Executives present) at least twice a year in order to assure themselves independently about Curo's control environment. The Audit and Assurance Committee reviews Curo's risk profile (including Operational and Strategic Risks) at every meeting, and considers the findings of all internal audits. The Audit and Assurance Committee also reviews the progress of actions

identified through internal audit. All Board members receive the minutes of all Audit and Assurance Committee meetings.

Internal audit assurance – the Group's internal audit function is managed through the governance team and delivered by independent auditors, KPMG. The internal audit programme is designed to review key areas of risk and adherence to relevant law and is approved each year by the Audit and Assurance Committee.

External audit assurance – the work of the external auditors provides further independent assurance of the internal control environment, as described in their audit report. The Group also receives a letter from the external auditors identifying any internal control weaknesses. In accordance with best practice guidance, the Audit and Assurance Committee and the Board consider this letter before approving the Annual Report and Financial Statements.

Annual Assurance statements – each year colleagues with key accountabilities across the business provide assurance to the Combined Board as to systems of internal control. This process involves Service Directors reviewing and confirming to the Executive Directors (and ultimately to the Chief Executive) that throughout the year there were adequate systems of internal control in place and providing assurance in respect of legal and regulatory compliance.

The Chief Executive then provides his assurance to the Audit and Assurance Committee whose Chair then provides a report for the Combined Board. Any discrepancies or areas of concern are then reported to the Audit and Assurance Committee and the Combined Board.

Information and financial reporting systems

Financial reporting procedures include the setting of an annual budget and management accounts reporting to Management Teams and the Executive Team on a monthly basis and on a quarterly basis to the Board. Long-term Strategic Financial Plans are reviewed and approved by the Board and revised during the year if necessary. There is a fully inclusive approach with Board and colleagues in terms of updating the Business Plan and associated Financial Plan. The Board agrees key performance indicators and targets for each year, and reviews them on a quarterly basis to assess progress towards the achievement of key business objectives, targets and outcomes. Performance against those key performance indicators, including the Tenant Satisfaction Measures, is benchmarked nationally.

Our risk management approach

Risk is inherent to the environment in which we work, particularly given the fast pace of change politically and economically. The operating environment for social housing providers, which is shaped by government policy, remains challenging particularly in light of the ongoing challenge to invest more in the quality of our homes, political uncertainty and the rise in costs of living.

At Curo, our aim is to identify and then manage risks so that they can be understood, reduced, mitigated, transferred or terminated. This requires a proactive approach to risk management and an effective organisation-wide risk management framework. In response we have adopted a dynamic system of risk management, ensuring that it is the responsibility of everyone in the organisation to manage risks and be aware of all strategic risks that Curo is exposed to.

We have defined risk as "uncertain events that could influence the achievement of our strategic, operational and financial objectives", noting that an event may be positive, negative or a deviation on what was expected. We have also redefined our method of assessing risk, both in terms of probability, considering the timescales relating to risk and in respect of impact, tailoring this to specific areas of the business. We maintain a strategic risk register, as well as operational risk registers which feed into the strategic risk register as required.

We have developed and improved our approach to risk appetite in recent years, defining it as "the organisation's willingness to take risk in pursuit of strategic objectives and the extent and categories of risk, which it regards as acceptable for the company to bear". We are only willing to accept the level of risk that fits our strategy, that's in line with our values and can be understood and managed. The Combined Board reviews our risk appetite formally at least once a year to ensure that it is fit for purpose. Our approach to risk management is kept under review by the Audit and Assurance Committee, to ensure continuous improvement. Our risk and assurance framework, risk registers and approach to risk reporting have all been updated during 2023/24 in preparation for the launch of our new strategy from 1 April 2024.

The Regulator of Social Housing has given the organisation a G1 rating for Governance, the highest level available.

Directors' indemnity statement

All Board directors, committee members and colleagues of the Group are provided with Directors and Officers Liability insurance to protect them from claims made against them in their capacity as representatives of the organisation.

During the year to 31 March 2024 this was provided by AXA Insurance UK Plc.

Colleagues

Curo aims to be an excellent employer, recruiting, developing and rewarding high quality colleagues. Communication is key and Curo keeps colleagues informed on matters affecting them and on the business of the Group as a whole so that their views can be taken into account when making decisions that are likely to affect their interests. This is done in a number of ways including Executive Briefings, departmental meetings, informal briefings, through a number of special interest groups and an intranet site.

The Group is committed to equality of opportunity throughout the organisation. The Group aims to develop a workforce that reflects the diversity of the community it serves. Curo has the data to guide them on what is needed to achieve this and in recruitment, full and fair consideration is given to all candidates and Curo actively encourages applications from people in under represented groups. This involves providing positive action including attendance at job fairs, work with voluntary groups representing disadvantaged people, training and development opportunities for colleagues from particular groups within the workforce. Appropriate arrangements are made for the continued employment and training, career development and promotion of people with protected characteristics employed by the Group. Training and development is therefore provided to colleagues according to individual and organisational needs.

Residents

The Group actively seeks and encourages residents' participation, and is committed to ensuring that residents have the opportunity to shape and scrutinise our performance and the delivery of our services. During this reporting period, residents have helped to shape our thinking on important topics such as our vision for the future, the cost of living, and complaints. We continue to evolve and improve our approach to resident involvement, engagement and scrutiny and to have regard to the Regulator of Social Housing's Tenant Involvement and Empowerment Standard.

Our residents scrutinise our performance in a variety of ways, including through detailed scrutiny reports commissioned by the resident-led Oversight Group. Our Board meets formally with residents at least biannually through 'Board Connect' events to hear their views on the Group's performance and priorities.

Health & safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and procedures and provides colleague training and education on health and safety matters.

Equal opportunities

The Group is committed to equality, diversity and inclusion. It is our policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of age, gender, sex, gender reassignment, colour, pregnancy and maternity, ethnic or national origins, disability, hours of work, nationality, religion or belief, marital or civil partner status, disfigurement, political opinions or sexual orientation.

Equality, diversity and inclusion is embedded across all aspects of Curo. The group is responsive to the needs of its colleagues, residents and the community at large and we are an organisation, which uses everyone's talents and abilities and where diversity is valued.

We believe that our colleagues are essential in delivering our strategy and achieving more for our customers, and so we create a culture where colleagues feel they belong and are valued. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

Going concern

The Financial Plan includes a range of assumptions including property construction, house prices and sales activity, increases to social rents, bad debts, repairs and planned investment in our existing homes.

In addition to this base case Financial Plan, we modelled the financial impact of a more extreme case in the form of a "perfect storm". We have a mitigation plan in place in order to ensure that we will not break any loan covenants or any of our Financial Rules in the event of a perfect storm. The Financial Rules are internal parameters for us to operate within which encapsulate the Board's appetite for risk and are used to measure performance which is reported regularly to the Board.

The conclusion from the financial modelling and stress testing was that neither the base case, or extreme case stress tests will break our loan covenants or Financial Rules at any point in the foreseeable future.

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

Statement of compliance

In presenting the Strategic Report, the Board has endeavoured to follow the principles regarding purpose, audience, time-frame, reliability, comparability and financial and non-financial measures as set out in the Statement of Recommended Practice for Accounting by Registered Social Landlords 2018.

Annual General Meeting

The Annual General Meeting will be held on 16 September 2024.

Disclosure of information to auditors

At the date of making this report each of the Group's Board directors, as set out on page 1, confirm the following:

- So far as each Board director is aware, there is no relevant information needed by the group's auditors in connection with preparing their report of which the Group's auditors are unaware.
- Each Board director has taken all the steps that they ought to have taken as a Board director in order to make themselves aware of any relevant information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

Independent auditors

BDO LLP has indicated its willingness to continue in office and a resolution to note re-appointment for the coming year is proposed at the Annual General Meeting.

The Report of the Board was approved by the Board on 22 July 2024 and signed on its behalf by:



.....
Jane Tabor
Chair



.....
Victor da Cunha
Secretary



.....
Mike Petter
Board Director

Group Strategic Report for the year ended 31 March 2024

Group Structure

Our group structure includes the following legal entities:

Curo Group (Albion) Limited: is the ultimate parent and provides strategic, management and support services to the rest of the Group. Curo Group (Albion) Limited is a charitable Community Benefit Society registered with the Financial Conduct Authority and a Registered Provider of Social Housing.

Curo Places Limited is our core landlord business, managing social homes in Bath and the surrounding areas. Curo Places Ltd is a charitable Community Benefit Society registered with the Financial Conduct Authority and a Registered Provider of Social Housing.

Curo Choice Limited is a specialist support business, which provides services to both residents and non-residents. Curo Choice Ltd is a charitable Community Benefit Society registered with the Financial Conduct Authority.

Curo Enterprise Limited is a housebuilding company, generating income to cross-subsidise our core business. Curo Enterprise Ltd is a company limited by shares.

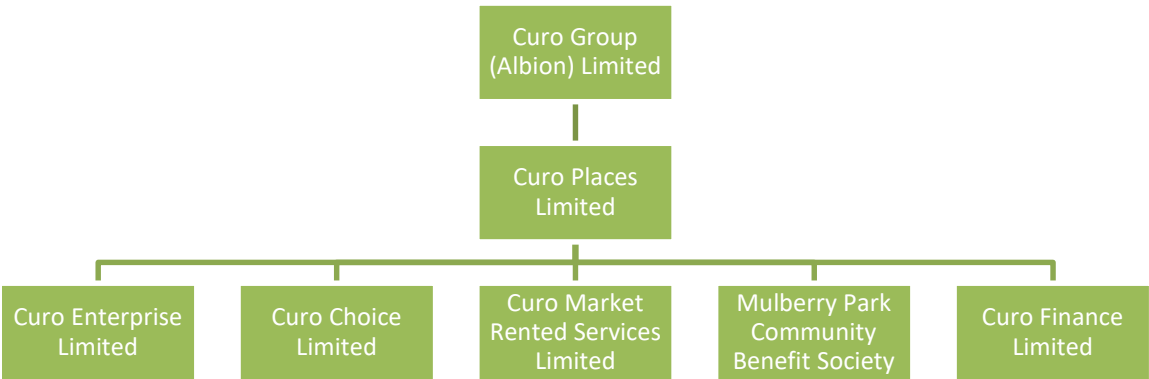
Curo Market Rented Services Limited is a private market rented company, also generating income to cross-subsidise our core business. Curo Market Rented Services is a company limited by shares.

Mulberry Park Community Benefit Society was established for the benefits of the community around Mulberry Park in Bath and provides community services and estate management services for recreational and community purposes. It is a charitable Community Benefit Society registered with the Financial Conduct Authority.

Curo Finance Limited was established in order to act as the main contractor under development agreements with Curo Places Limited. It is a company limited by shares.

Group Structure

The current group structure is summarised below:



Strategic priorities

In April 2024 we launched our new vision, that by 2034 'Everyone feels proud of the quality of our homes'. This is a statement we designed with the support of our colleagues and customers. More than 1,500 contributions were reviewed and distilled for us to create the vision, which will be our guiding light over the next ten years.

We'll make our vision come to life through the following five strategic objectives:

- Quality Homes
- Purposeful Culture

- Trusted Customer Services
- Collaboration and Growth
- Solid Foundations

Review of the Year

During the year 2023-24 we continued to deliver against our core social purpose of 'Homes for Good'. In this section, we summarise some of the headlines, picking up the challenges and the way we mitigated these in pursuit of our previous strategic goals:

- Delivering renowned customer service
- Providing great properties and places
- Supporting independent and successful lives
- Building high quality homes
- Maintaining a resilient business

Customer experience – our first strategic priority during the last year was to deliver a renowned customer service and is at the heart of everything we do.

Reactive Repairs: during the year we continued to experience unprecedented levels of reactive repair demand from customers. Whilst we delivered 99.6% of emergency repairs within targetted timescales, only 66.3% of non-emergency repairs were completed on time.

A tough recruitment market, increased awareness and a more proactive approach to tackle damp and mould issues drove up demand further resulting in much larger rises in 'work in progress' levels than we planned. Customer enquiries and complaints volumes understandably increased as a result.

To address this issue during the year we took action to increase both investment and productivity levels on repairs and maintenance. This has resulted in backlogs being reduced back to standard levels by the end of the financial year. During the next 12 months we plan to carry out a fundamental review of our repairs service, in line with the recommendations of the Better Social Housing Review, assessing all options for how we can optimise performance going forwards and improve our customers experience.

Management of arrears: cost of living increases have continued to have an adverse impact on customers ability to pay their rent. Rent charges for our general needs customers increased during the year by 7%. While this was capped at 4% lower than the standard inflation-linked methodology defined by the Government formula, it clearly represented a significant challenge to many customers.

Curo's Money Advice Service continues to provide high quality support for residents, and offers a range of advice about money management. Our team helps with managing debt, accessing the correct benefits and applying for grants and charity funding, helping customers to take back control of their finances. The average amount each customer sees money back in their pockets through using the service is £5,342.

During the year we provided more than £100,000 of additional support through our Customer Support Fund which provides practical support for customers in financial difficulty.

Our 'collecting with care' approach remains highly valued by our customers and is effective. This was evidenced through customer satisfaction levels with the service at 95%, coupled with bad debts below 0.5% of total rental income, which is top quartile performance when compared to peers in the sector.

Involving our customers – we remain committed to actively seeking and encouraging resident involvement and participation in shaping and scrutinising the delivery of our services. During the year we've continued to switch our focus to identifying the 'unheard' customers (those we rarely hear from) and have launched a Community Catch-up offer, designed to take resident involvement to the door step of our customers. Through this new offer we visited 63 different communities last year (mostly outside Bath) and engaged with 388 new customers through this channel of engagement.

Over the last year we've established further engagement groups and have involved customers in a variety of scrutiny sessions, allowing our customers to get close to service delivery and enable them to feedback and suggest ways to improve.

- Complaints Review Forum continue to review anonymised complaints; of the cases reviewed in 2023/24, 90% were given a 'Pass' rating.
- Disability Action Group members have reviewed our new ten year plan alongside colleagues; they discussed the new colleague training platform, highlighting equality training and discussing allyship.
- Tenancy Compliance Forum members have assessed anonymised fraud, hate crime, anti-social behaviour and tenancy breach cases, assessing Curo's success in supporting customer's through those cases.
- Estates Partnership Board have increased the grants awarded to our Communities, approving 33 community grants totalling more than £11,800 in funding.

We've increased use of our online feedback portal 'VoiceBox', which now has over 2,500 registered members. Between Voicebox and our other established engagement groups and forums, we had over 3,500 residents actively engaging with us last year. This means that customers from almost one in five of our homes are in regular dialogue with us about how we can drive improvements.

Another key feature of the last year is our continued efforts to bring customers closer to our Board. We've established stronger relationships through our 'Board Connect' sessions hosting regular conversations between board members and our customers on the topics that matter to them. Topics covered over the last twelve months include; relationships with customers; communication; disability; contractors and quality of repairs; personalisation of services; and consumer regulation.

In addition to this, we reviewed our customer Oversight Group giving it a stronger purpose. The group now regularly reviews all of our key performance metrics, tracks progress of our headline strategies and continues to commission scrutiny activities. The group has grown this last year to include a wider variety of customers alongside a Board member attending each meeting.

During 2023/24 we started reporting the Oversight Group's feedback on performance directly to the Board, ensuring a direct line of influence by customers. We also reviewed opportunities for customers to influence the Board more generally, and will be making changes to better facilitate this during 2024/25.

Our

In September we held our annual flagship resident involvement event, the 'Big Get Together'. More than 300 customers helped design the event which aimed for a relaxed, sociable and family-friendly gathering, while also providing customers with an opportunity to talk to teams from across Curo, share their ideas with us and hold us to account. Curo colleagues from all our services ran stalls, each providing customers with a snapshot of the services they offer, providing handouts with useful tips, and offering customers time to talk and get answers to their questions. In total more than 450 customers and stakeholders participated in the event.

Great Properties and Places: – our asset investment strategy is prioritised to ensure our existing homes are safe, healthy, affordable and warm (SHAW). This includes investment of £137m over the next five years, with £47m of that specifically linked to property safety.

Our Home Improvement Team oversaw the replacement of 51 dwelling roofs, three block roofs, windows to 288 properties, 104 kitchens, 194 bathrooms and 484 boilers. We piloted a new cyclical repairs and decoration programme to 465 dwellings in order to address damp and mould on a planned basis. This programme looked at rainwater goods, roof replacements or repairs, render repairs and decoration, re-pointing of brickwork and improved ventilation. We are now assessing how this approach can be included within our new Homes Standard that will be developed during 2024/25 and consider our approach and delivery model for this standard that will commence in 2025/26.

The planned investment programme resulted in compliance with our SHAW metric improving to 70% from 59% at the end of March 2024.

Social return on investment – our third strategic priority was to support successful independent lives. We do this through a range of services, from employment support to social prescribing and hospital step down services. Collectively, these services saved the public purse £40m during the year, ahead of target and an increase of £9m on the previous year.

Building high quality new homes – our fourth strategic priority was to build good quality new homes and during the year we added 243 new affordable homes to our portfolio. We have also agreed to deliver a further 931 affordable homes over the next five years. The affordable homes are delivered through a combination of our Strategic Partnership with Homes England, our own housebuilding company and acquisition from other property developers.

In addition to these affordable homes, we completed 112 new market sale homes and began work on a further programme of 650 market sales homes over the next five years which will be delivered by our own housebuilding company, Curo Enterprise.

Maintaining a resilient business – our fifth and final strategic priority during the year was the resilience of our business, in terms of our colleagues, sound governance and robust financial capability.

Colleague engagement at Curo remained strong during the year with a notable step change in satisfaction levels from our trades colleagues following a range of initiatives to listen and act on their ideas. Throughout the year, office-based colleagues have benefitted from our agreed working practices; everyone attends their workplace in person for a minimum of three days per week, meaning we spend more time together than apart, with the aims of reducing silos, increasing effectiveness and maintaining the strong culture that we're so proud of at Curo.

We were delighted to be ranked again by Best Companies as a 2-star organisation, meaning our colleagues rates us as an 'outstanding' place to work, further reinforced by our Gold accreditation from Investors in People. To further strengthen our approach to engagement and equality, diversity and inclusion, we also recruited a Chief People Officer.

Governance and financial viability – the Regulator of Social Housing (RSH) publishes assessments on housing associations, setting out whether the provider is complying with the relevant governance and financial viability standards. During the year we are proud to have retained our highest possible G1 rating for Governance but like many other Housing Associations we were regraded to V2 for our financial viability.

This change reflects the increased risk in our sector as a result of caps on social rents, greater planned investment in our existing homes and greater operating headwinds.

As part of our mitigation strategy, and to avoid reducing investment in maintaining and improving our existing homes, we targeted £1m of cashable savings during 2023 through a planned reduction in headcount. These efficiency savings were delivered in full during the year.

Financial performance – despite the challenges we faced on increased repairs costs during the year, financial performance was strong. We generated an operating surplus of £28.7m which was £0.6m more than budgeted due to strong property sales performance across the group.

Positively, performance in six out of nine benchmarkable Value for Money (VfM) metrics showed Curo operating above the sector median when compared to our peers.

More detailed information about our financial position and operating performance is given elsewhere in this report.

Principal risks

The Group has in place a risk management strategy and framework, which provides a guide for Board directors and colleagues on the Group's approach to risk management.

The principal risks and opportunities which may affect our business and the future performance of the Group are set out below.

Risk	Comment and Curo Response
1. Economic climate	Economic challenges could materially impact on our customers' wellbeing and their ability to pay rent, as well as Curo's financial viability. This has been particularly pertinent throughout the

	<p>reporting period, due to cost of living pressures, uncertainty around inflation and interest rates and the UK property recession. Curo mitigates this risk by:</p> <ul style="list-style-type: none"> • Applying prudent financial assumptions in our financial plans and putting in place detailed mitigation plans with all potential mitigations firmly within Curo's control. The Combined Board has agreed clear risk triggers to activate consideration of the mitigation plan. • Robustly stress testing our financial plans to understand the impact of various (and multi-variant) possible scenarios. • Maintaining Financial Rules (set by the Combined Board) as 'tramlines' within which the Group should operate. • Robustly monitoring arrears. We operate a model of 'collecting with kindness' in respect of rent arrears and have aligned our team structures, procedures and systems accordingly. • Introducing (following consultation with residents) new ways of supporting customers through difficult economic times, including by partnering with others and by piloting furnished tenancies.
2. Damp and mould	<p>Like most providers of housing, we are experiencing ongoing challenges in managing damp and mould. We were hugely saddened by the death of Awaab Ishak.</p> <p>This year, we have received increased reports of damp/mould in our homes. This is due to many factors, including increased awareness of the issue and the rise in energy costs making it more difficult for our customers to sufficiently heat their homes. We have a robust plan in place to tackle all instances of damp and mould, including increasing investment, training and recruiting more specialist surveyors, and introducing new technology to help diagnose and prevent it.</p>
3. Repairs backlog	<p>We are experiencing unprecedented demand for our repairs services, as is being reported across our sector. We have been working with customers to better understand this demand and have invested significantly more during 2023/24 in order to reduce open repairs and the wait time for our customers. During 2024/25 this will be a continued area of focus.</p>

Emerging risks

We scan the horizon for any new or emerging risks that may have a positive or detrimental impact on the business or our residents, including reviewing lessons learnt from the Social Housing Regulator's Sector Risk Profile and Regulatory Judgements. The Combined Board considers its risk appetite at least annually.

Financial Review

Financial performance for the last three years is as follows (£m).

Statement of Comprehensive Income	2024	2023	2022
Turnover	142.7	141.7	139.2
Operating costs and cost of sales	(117.2)	(114.9)	(109.0)
Surplus on sale of assets	3.2	2.9	3.7
Pension settlement credit/(charges)	-	2.6	(2.6)
Operating surplus	28.7	32.3	31.3
Net interest charge and other financing costs	(14.0)	(9.1)	(7.6)
Fair value in investment properties	(1.1)	0.7	1.4
Corporation tax	-	-	(0.1)
Net surplus for the year	13.6	23.9	25.0

Statement of Financial Position	2024	2023	2022
Housing properties at cost less depreciation	679.5	641.0	607.5
Investment properties at valuation	18.1	16.2	14.9
Other tangible fixed assets	3.3	3.6	3.6
Fixed assets	700.9	660.8	626.0
Net current assets	69.2	71.2	90.4
Creditors due after one year & provisions for liabilities	(492.8)	(467.1)	(481.1)
Net Assets	277.3	264.9	235.3
Revenue reserve	280.8	267.3	243.4
Cash flow hedge reserve	(3.5)	(2.4)	(8.1)
Total Reserves	277.3	264.9	235.3

The main accounting policies of the Group are set out on pages 30 to 38 of the financial statements.

Financial Risk Management

From a financial risk perspective, Curo apply five Financial Rules. These rules are internal parameters for us to operate within and are agreed with and reported regularly to the Board. The five Financial Rules are operating margin (social lettings), interest cover, investment in Curo Enterprise, the proportion of turnover derived from private house sales and a forward-looking funding metric which measures the length of time where sufficient funding facilities are in place against committed expenditure. We were fully compliant with four of our five Financial Rules during the year but fell short of our Social Lettings Operating Margin target of 25%. The variation to the Financial Rule was a conscious decision made during the year in order to spend more than originally planned to address the growing backlog of outstanding repairs.

Statement of Comprehensive Income

Turnover for the year totalled £143m a £0.9m (1%) increase on the previous year.

Operating surplus totalled £28.7m, £0.6m more than budgeted due to a strong year of surpluses generated from property sales.

Reserves

Surplus for the year totalled £13.6m (2023: £23.9m), increasing our revenue reserves to £280.8m as at 31 March 2024 (2023: £267.3m). We will invest this in delivery of new homes, maintaining and improving our existing homes and improving our services to residents.

Statement of Financial Position

Some key Statement of Financial Position facts as at 31 March 2024 are:

- Housing properties depreciated cost £680m (an increase of £39m in the year).
- Homes in management now total 14,215 (2023: 13,986)
- Net current assets totalled £69m (2023: £71m)

Cash flow

Cash flows for the year are set out in the cash flow statement on page 29.

During the year cash balances reduced by £27m to £12m. Key highlights include:

- Net cash inflow from operating activities of £3.1m (2023: £45m), a decrease on prior year due to reduced working capital from two large land purchases
- During the year £52m (2023: £48m) of investment was made in new and existing social homes.
- Cash inflow of £16m (2023: cash outflow of £19m) from the net drawdown of loans less payments made to cover interest charges.

Capital structure and treasury strategy

The Group has a formal treasury management strategy, which is regularly reviewed. The purpose of the policy is to ensure that we have sufficient funding for the medium term and to establish the framework within which the Group seeks to protect and control risk and exposure in respect of its borrowings and cash holdings. The treasury strategy addresses funding and liquidity risk and covenant compliance.

The Group has one active borrower; Curo Places Ltd. Curo Places Ltd is partly funded by syndicate loans provided through Curo Group (Albion) Ltd (the Group's parent company). The remaining borrowing is through bilateral bond and loan agreements.

Borrowing and arranged facilities, as at 31 March 2024, can be summarised as follows:

	Arranged £m	Drawn £m
Curo Places	618.9	378.9

During the year, a £90m five year revolving credit facility with Santander UK Plc. was arranged. Additionally during the year the drawing of £40m was made from the £100m Scottish Widows private placement loan agreement.

At 31 March 2024, the Group had £240.0m (2023: £190.0m) of arranged facilities that were not drawn. Cash held or on deposit at the year-end totalled £12.3m (2023: £39.3m), leaving net debt of £366.6m (2023: £305.6m).

The weighted average period for drawn fixed debt is 18 years 9 months (2023: 18 years 7 months). Approximately £56.1m of existing drawn loans are due to be repaid in the next five years. The weighted average cost of debt, inclusive of margins and hedging activities, as at 31 March 2024 was 4.3% (2023: 4.0%).

There are four intercompany loan arrangements currently in place, all facilities are repayable on demand;

- £25m loan facility between Curo Places Ltd (lender) and Curo Enterprise Ltd (borrower);
- £35m loan facility between Curo Places Ltd (lender) and Curo Market Rented Services Ltd (borrower); and
- £1.1m loan facilities between Curo Places Ltd (lender) and Mulberry Park Community Benefit Society (borrower).
- £1m loan facilities between Curo Places Ltd (lender) and Curo Finance Limited (borrower).

Current liquidity

The Group holds a minimum cash holding of £5 million, which is placed on instant access deposits to ensure short term liquidity. These deposits are spread over a number of banks which meet our investment criteria in respect of creditworthiness and approved limits.

Interest rate management

The Group has actively managed its loan portfolio, seeking to take advantage of low long-term interest rates. In this way the Group can achieve certainty in terms of interest rate cost but in the short term can still borrow at the very low variable rates currently on offer.

As at 31 March 2024, the percentage of fixed and variable rate loans was as follows, fixed 86% (2023: 73%) variable 14% (2023: 27%).

Loan covenant compliance

Loan covenants are primarily determined by interest cover and asset cover, based on social housing values. Both financial and non-financial covenants are monitored regularly and were met throughout the year and at the year end for all loan facilities.

Investment for the future

The Group is committed to spending approximately £43m annually over each of the next five years to maintain and improve its existing housing stock. It plans to maintain a balance of 35:65 in spreading this expenditure between day to day responsive repairs and planned works.

Environmental, social and governance reporting (ESG)

Annually the Group prepare an ESG report. The latest update for this financial year will be available on our company website from October 2024.

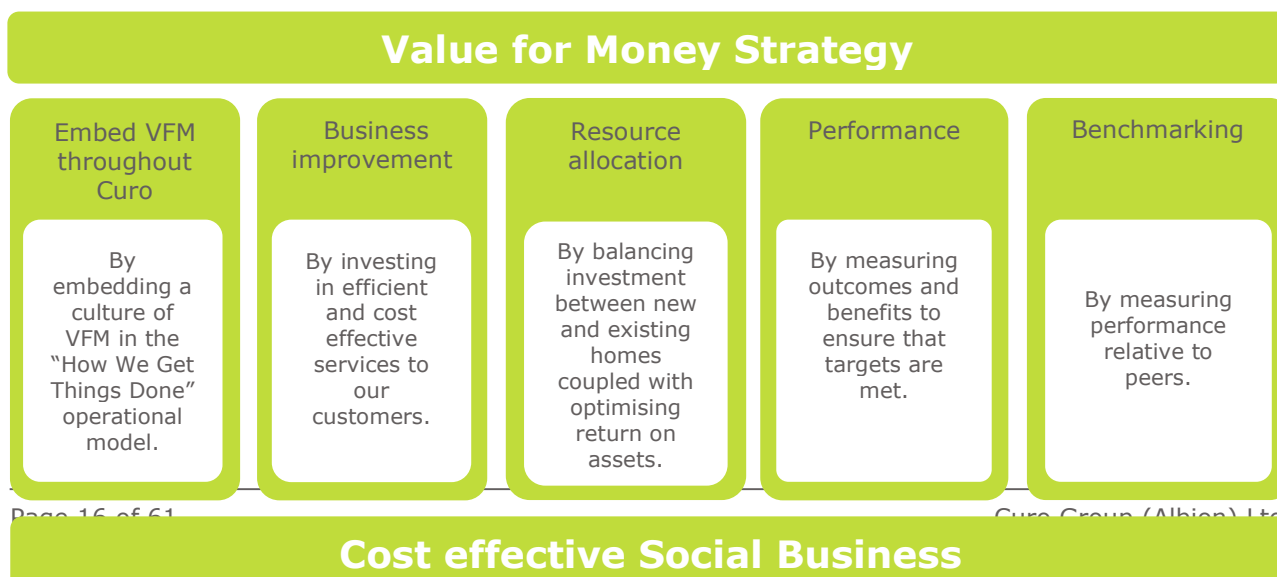
Value for Money - Strategy

Curo's VFM strategy plays an integral part of how it delivers the strategic priorities set out in the Strategic Plan. The Group is committed to delivering its strategic priorities whilst also driving value for money for the benefit of our customers and other stakeholders alike.

We have the following strategic priorities, all of which have associated strategic goals that focus on delivering Vfm:

Strategic Priorities	Key Vfm goals
1. Quality Homes	To invest in our homes and shared spaces to ensure they are well looked after, energy efficient, meet modern day standards and inspire pride. To understand the future financial return on our assets and actively manage this to optimise Vfm for our customers.
2. Purposeful Culture	To create a high-performing and engaged organisation which is always looking to operate in the most effective way for the benefit of customers.
3. Trusted Customer Services	To provide services our customers need, optimising the service standard to provide Vfm and acting on customer feedback to improve efficiency and effectiveness.
4. Collaboration and Growth	To continue to innovate, working with a range of strategic partners to build more new homes each year, deliver services our customers truly value and optimise the financial returns on our commercial activities to reinvest in our social purpose
5. Solid Foundations	To continue to operate using sound financial, governance and data led practices, maintaining our strong regulatory rating, and investing in our colleagues and technology to drive Vfm.

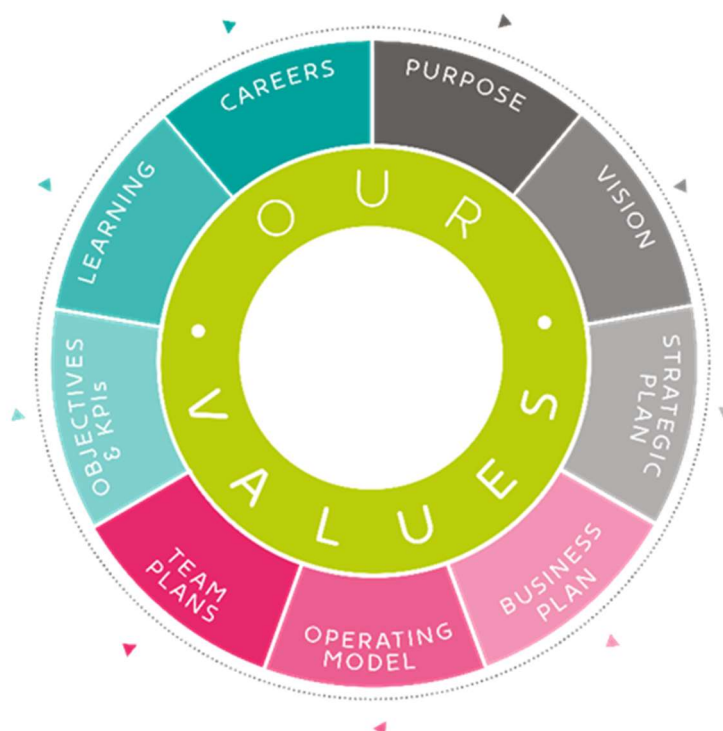
Our Vfm strategy combines 5 activities which, collectively ensure that we run a cost-effective social enterprise business by defining targets, setting plans to achieve these targets, and measuring how we perform against those targets.



Embed VfM throughout Curo

The principal aim of VfM is to ensure that the delivery of the Strategic Plan is carried out with optimum efficiency within the resources available to Curo. Each year during the financial planning cycle, the Board consider allocation of resources and the impact that has on delivering the Strategic Plan and our VfM metrics. The Board therefore are conscious at all times of the impact of strategic decisions on VfM metrics.

Once resource allocation is agreed at a strategic level, accountability and responsibility for cost and quality outcomes are translated into operational targets through budgets, team plans and individual performance objectives, which is depicted in our “How We Get Things Done” model:



Business improvement

The new Strategic Plan contains investment plans for improved IT, communications, and data services, which will improve the equipment, systems and information required for our colleagues to deliver improved services for our customers.

Resource allocation

The Board take investment decisions considering the impact on the Strategic Goals and VfM metrics. Our development and asset management strategies seek to optimise our return on assets. Decisions are taken based on both financial and qualitative analysis of our existing homes at a variety of levels (unit, block, estate, and business stream) to identify any outliers that require further investigation or intervention.

Performance

Curo uses a set of Key Performance Indicators to measure performance targets against our Strategic Goals, which aligns targets to customer, financial, growth, colleague, and asset & safety delivery aspirations. Performance is reported and discussed with the Board regularly. The performance culture with colleagues at Curo is strong with clear accountability, transparency, and a collective drive to achieve stretch targets.

Benchmarking

Benchmarking is a key part of delivering VfM within Curo whilst bearing in mind the relative differences in size, business model and composition of stock. Curo is a member of a benchmarking club where we share operational and financial information that allow cost and quality performance comparisons to be made. The Board is periodically updated with the relative performance of Curo against our peers for all VfM metrics.

Value for Money - Performance 2023/24

We measure our VfM performance against the following metrics:

Performance Metric	2023/24			
	Actual	Target	Better/ (worse)	Quartile (*)
Business health & efficiency				
Operating margin % - Social housing lettings only	23.8%	26.8%	▼	Q2
Operating margin % - Overall	17.8%	20.4%	▼	Q3
Interest cover % (EBITDA MRI)	140%	122%	▲	Q2
Headline social housing cost per unit £ CPU – Curo Places Ltd. (entity level)	£4,850	£4,664	▼	Q3
Return on capital employed %	3.3%	3.5%	▼	Q2
Development & investment				
New supply delivered % - Social housing units	1.9%	2.2%	▼	Q2
New supply delivered % - Non-social housing units	0.8%	0.8%	▶	Q1
Gearing %	57%	56%	▶	Q4
Reinvestment %	8.8%	10.4%	▼	Q2
Social return on investment (SROI)	£39.8m	£24.0m	▲	n/a

* Note: Benchmark quartile compares 2023/24 actual results against the latest published sector results (2022/23) as reported by the regulator in the Value for Money metrics and reporting 2023.

2023/24 Performance Highlights

Performance during the year has been challenging with 6 of the 10 VfM measures falling below the targets set. The key driver for the adverse variance against target is higher than planned levels of expenditure on repairs & maintenance costs during the year.

Performance when compared to our peers is generally positive, with 6 out of the 9 benchmarkable measures better than median, demonstrating that Curo perform comparatively well in the sector.

The commentary below explains the rationale why performance fell short of target on these 6 measures:

a) Increase in Repairs & Maintenance costs

Repairs and maintenance costs exceeded budgeted levels by more than £3m during the year due to a combination of increased demand, inflationary cost pressures and lower than planned levels of productivity. During the year, we took corrective action to address these issues through the creation of a Stabilisation Plan which targeted and achieved improvements in the backlog of repairs order, productivity and data quality.

Positively by the 31 March 2024, repairs order book levels and underlying productivity are greatly improved, enabling us to start the new financial year on a strong footing. These unbudgeted costs did mean that the following VfM KPI's fell short of the original targets set for Operating Margin (Social Lettings) and Headline cost per unit (CPU).

b) Increase in property sales

Despite the overspend in repairs & maintenance costs during the year, Curo outperformed its overall budgeted operating surplus due to higher than planned levels of property sales. Whilst we achieved the absolute value of budgeted surplus, the increased reliance on property sales resulted in diluted margins for both Operating Margin (Overall) and Return on Capital Employed against target.

c) Lower than planned levels of reinvestment and new housing supply

During the year we acquired 243 new social homes. This was 46 less than originally targeted due to construction and supply chain issues at a small number of sites leading to delivery delays. This resulted in us falling short of achieving the new supply delivered (social) and reinvestment targets. Performance for both of these metrics remains positive, 2nd quartile when compared to our peers.

Value for Money - Future targets

The table below shows the trajectory of results for the last three years on VFM metrics, together with our plans and targets for 2024/25:

Performance Metric	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Target	Quartile (*)
Business health & efficiency					
Operating margin % - Social housing lettings only	26.3%	25.3%	23.8%	23.1%	Q2
Operating margin % - Overall	19.9%	20.7%	17.8%	16.3%	Q3
Interest cover % (EBITDA MRI)	267%	181%	140%	122%	Q3
Headline social housing cost per unit CPU – Curo Places Ltd. (entity level)	£4,181	£4,901	£4,850	£5,308	Q3
Return on capital employed %	4.4%	4.4%	3.3%	3.6%	Q1

Performance Metric	2021/22 Actual	2022/23 Actual	2023/23 Actual	2024/25 Target	Quartile (*)
Development & investment					
New supply delivered % - Social housing units	1.9%	1.4%	1.9%	1.3%	Q2
New supply delivered % - Non-social housing units	0.8%	0.9%	0.8%	0.6%	Q1
Gearing %	48%	48%	57%	53%	Q3
Reinvestment %	9.1%	7.9%	8.8%	7.7%	Q2
Social return on investment (SROI)	£19.7m	£30.5m	£39.8m	£30.0m	n/a

* Note: Benchmark quartile compares 2024/25 budget targets against the latest published sector results (2022/23) as reported by the regulator in the Value for Money metrics and reporting 2023.

Each year during the financial planning cycle the Board consider allocation of resources and the impact that has on delivering the Strategic Plan and our VfM metrics. In order to deliver the

strategic priorities outlined in the Strategic Plan the Board agreed to retain the substantial increases in the level of investment in both new and existing stock, which whilst affordable and compliant with Curo's Financial Rules, has resulted in target metrics reducing over recent years and with some being set in the lower quartiles.

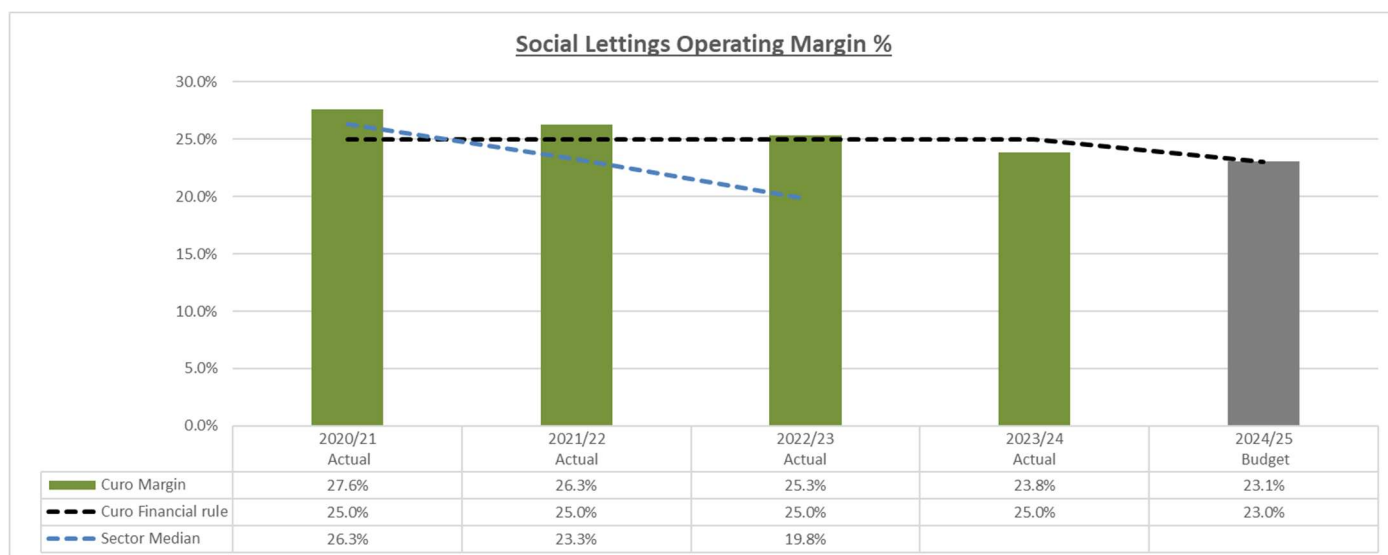
In light of the recent inflationary pressures, our focus more than ever, is to drive productivity improvements across the business to improve operating margin and mitigate increases to our cost per unit.

Key highlights relating to 2024/25 targets are explained below:

a) Operating Margin % (Social Lettings)

Maintaining a strong Social Lettings margin forms an integral part of our internal Financial Rules ensuring that our core landlord business remains financially resilient to future challenges.

The table below charts actual performance over the last 4 years demonstrating our commitment to retaining surpluses within our Financial Rule framework whilst still delivering our strategic priorities.

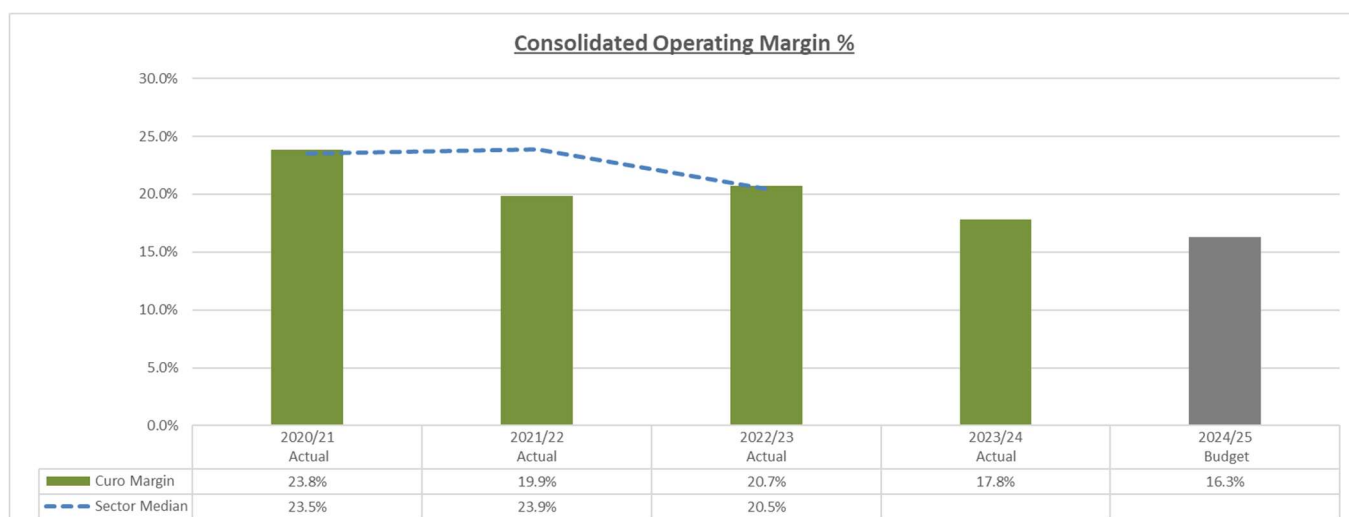


The sector median has decreased by 6.5% over the 2 year period to 2022/23. Curo's operating margin decreased by 2.3% over the same period.

Due to the increased repairs and maintenance expenditure highlighted above, we fell short of our 25% Financial Rule during 2023/24 for the first time ever. As part of the annual resource allocation process, the Board have reviewed and agreed to reduce this Financial Rule to 23% in the future to enable us to deliver our strategic objectives. The revised Financial Rule remains 3% above sector median performance.

b) Operating Margin % (Overall)

Whilst the operating margin target for our core landlord service is set at better than median levels in comparison to our peers, our overall consolidated operating margin target is set at 16.3%, in quartile 3. The main reason for this difference is the relatively lower margins generated by our house building division, Curo Enterprise.

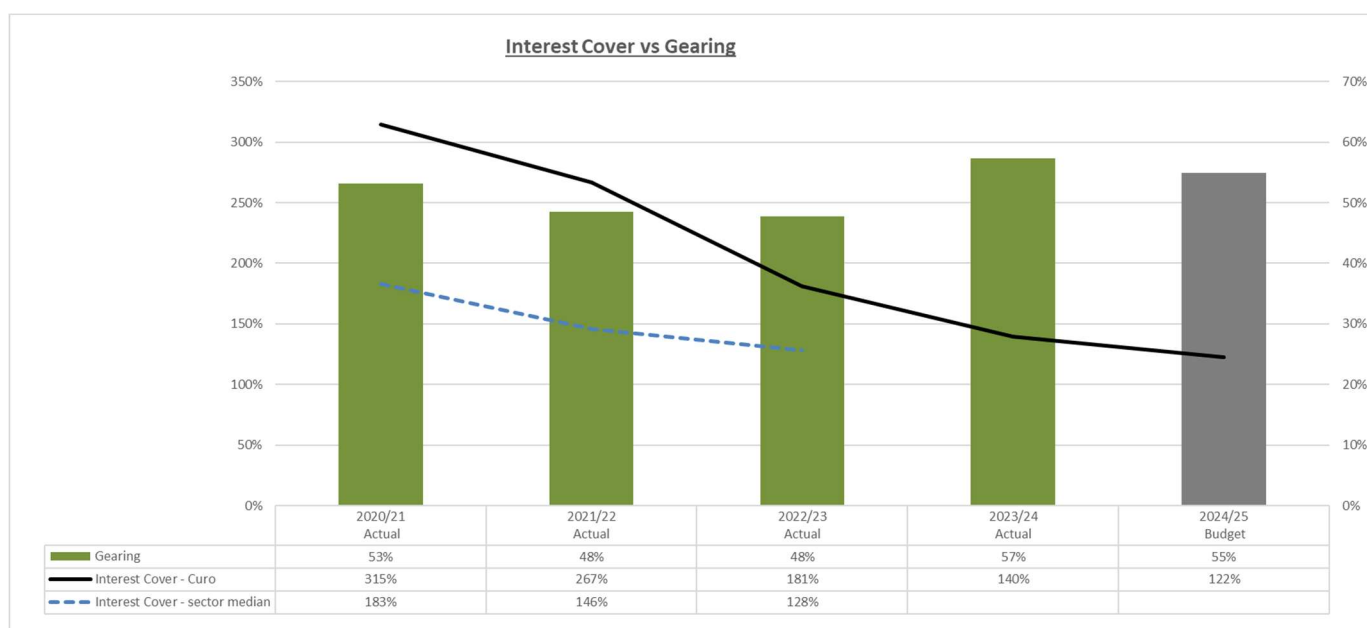


c) Interest cover and gearing

Interest cover and gearing are measures of an organisation's ability to take on more debt to support the delivery of new homes and improvements to existing stock, and its ability to cover ongoing finance costs from operating activities.

The Board is aware that gearing has remained historically high in comparison with our peers, currently borderline Q3-Q4 benchmark. This does not expose the business to undue risk as borrowing levels are maintained well within planned levels and interest cover capacity to our loan covenants remains strong demonstrating our ability to repay loans.

The graph below shows whilst Curo's interest cover has consistently remained well above the sector median, the declining trajectory mirrors the reductions being experienced elsewhere in the sector.



d) Reinvestment + new social homes % – targets set at Q1 performance

Two integral parts of our strategy include:

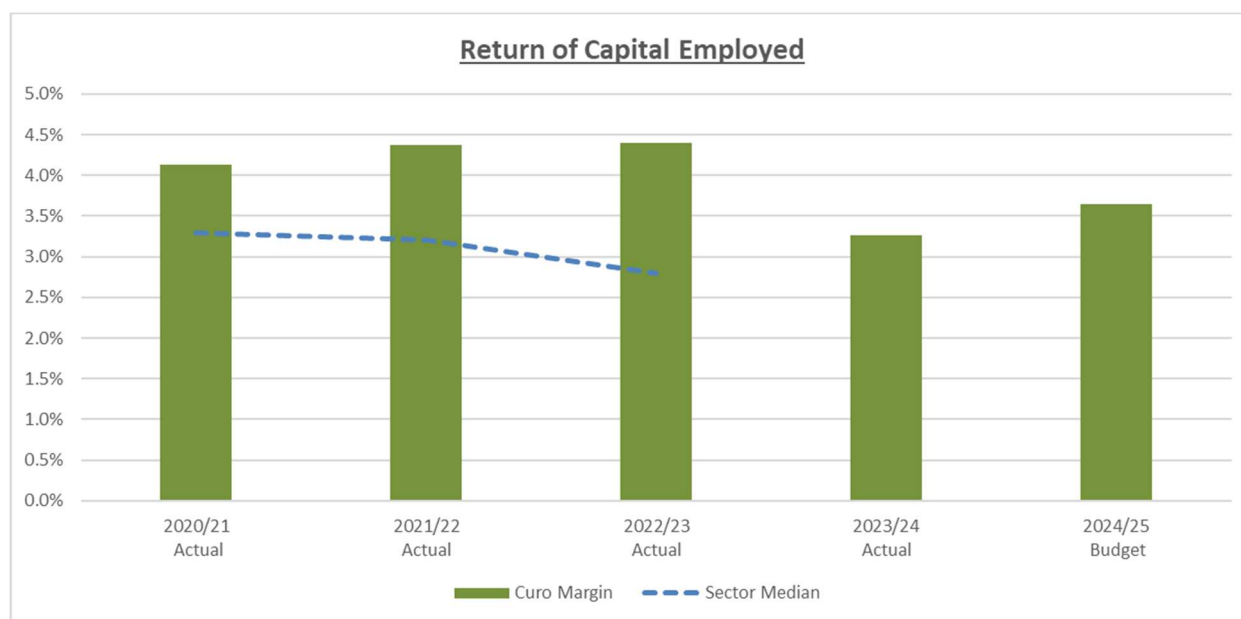
- Building high quality new homes; and
- Providing Quality Homes through investing in our existing properties

2024/25 targets for both new social homes and reinvestment are set at quartile one and two levels respectively, demonstrating our ambition to progress with these priorities.

Total investment planned next year totals £57m enabling us to acquire 172 new social homes and continue to invest in capitalised improvements to improve existing homes. Investment in our existing homes includes approximately 2,000 component replacements, the continuation of our robust fire safety investment programme as well as continuing to pilot whole-house approach to tackle energy efficiency, damp and mould issues in our homes.

e) Return on capital invested (ROCE)

Above median levels of reinvestment in new and existing homes, coupled with reduced operating margins results in lower levels of return on capital employed as experienced across the sector. The graph below shows that despite a decline in ROCE at Curo we are consistently above median performance with the target set for 2024/25 in line with top quartile performance.



The Group Strategic Report was approved by the Board on 22 July 2024 and signed on its behalf by:

Jane Tabor
Chair

Victor da Cunha
Secretary

Mike Petter
Board Director

Independent auditor's report to the members of Curo Group (Albion) Ltd

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2024 and of the Group's and the Company's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Company 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.

Conclusions relating to going concern

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

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

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

Other information

The board are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial

statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Society has not kept proper books of account;
- the Society has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Society's books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the board

As explained more fully in the Statement of Board's responsibilities, 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 members determine 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 are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management; those charged with governance and the Audit Committee; and

- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, the Accounting Direction for Private Registered Providers of Social Housing and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of Internal Audit Reports;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of Fire Safety reports.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, those charged with governance, the Audit Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and
- Revenue recognition relating to property sales.

Based on our risk assessment, we considered the areas most susceptible to fraud to be journal entries, judgements and estimates and revenue recognition relating to property sales.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing
- Assessing significant estimates made by management for bias; and
- Testing the accuracy, completeness and cut-off relating to property sales.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

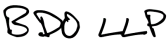
For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Use of our report

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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BDO LLP
Statutory Auditor
Gatwick, UK
Date: 28 August 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated and Company Statement of Comprehensive Income
For the year ended 31 March 2024

	Note	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Turnover	5	142,653	141,716	7,274	7,068
Operating expenditure	5	(117,222)	(114,949)	(7,270)	(7,064)
Gain on disposal of property, plant and equipment	5,7	3,237	2,878	-	-
Pension settlement release	5,26	-	2,614	-	-
Operating surplus	5	28,668	32,259	4	4
Interest receivable	8	368	841	7,337	4,116
Interest payable and similar charges	9	(14,331)	(9,918)	(7,282)	(4,086)
Other financing costs	26	(26)	-	-	-
Movement in fair value of investment properties	15	(1,082)	734	-	-
Surplus on ordinary activities before taxation		13,597	23,916	59	34
Taxation	13	(1)	5	-	-
Surplus for the year	10	13,596	23,921	59	34
Other comprehensive (loss) / income					
Change in fair value of hedged financial instruments		(1,050)	5,716	-	-
Actuarial losses in respect of pension schemes	26	(133)	-	-	-
Other comprehensive (loss) / income		(1,183)	5,716	-	-
Total comprehensive income for the year		12,413	29,637	59	34

Consolidated and Company Statement of Financial Position

As at 31 March 2024

	Note	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Fixed assets					
Housing properties	14	679,512	640,986	108	110
Investment properties	15	18,081	16,242	-	-
Other property, plant & equipment	16	3,295	3,621	-	-
Total fixed assets		700,888	660,849	108	110
Current assets					
Debtors: amounts falling due after more than one year	18	-	-	147,600	153,000
Stocks	17	126,829	81,114	-	-
Debtors: amounts falling due within one year	18	9,004	5,011	90	69
Cash and cash equivalents		12,341	39,291	2,001	1,521
		148,174	125,416	149,691	154,590
Creditors: amounts falling due within one year	19	(79,010)	(54,248)	(8,443)	(6,203)
Net current assets		69,164	71,168	141,248	148,387
Total assets less current liabilities		770,052	732,017	141,356	148,497
Creditors: amounts falling due after more than one year	20	(490,315)	(464,279)	(140,438)	(147,638)
Provision for liabilities and charges	21	(2,437)	(2,851)	-	-
Net assets		277,300	264,887	918	859
Capital and reserves					
Revenue reserve		280,768	267,305	918	859
Cash flow hedge reserve		(3,468)	(2,418)	-	-
		277,300	264,887	918	859

The financial statements on pages 27 to 61 were authorised for issue by the Board of Directors on 22 July 2024 and were signed on its behalf.



Jane Tabor
Chair



Victor da Cunha
Secretary



Mike Petter
Board Director

Consolidated and Company Statement of Changes in Equity
For the year ended 31 March 2024

Group consolidated

	Cash flow hedge reserve £000	Revenue reserve £000	Total £000
At 1 April 2022	(8,134)	243,384	235,250
Surplus for the year	-	23,921	23,921
Change in fair value of hedged financial instruments	5,716	-	5,716
At 31 March 2023	(2,418)	267,305	264,887
Surplus for the year	-	13,596	13,596
Actuarial losses in respect of pension schemes	-	(133)	(133)
Change in fair value of hedged financial instruments	(1,050)	-	(1,050)
At 31 March 2024	(3,468)	280,768	277,300

Company

	Revenue reserve £000	Total £000
At 1 April 2022	825	825
Surplus for the year	34	34
At 31 March 2023	859	859
Surplus for the year	59	59
At 31 March 2024	918	918

Consolidated Statement of Cash Flows
For the year ended 31 March 2024

	Notes	Group 2024 £000	Group 2023 £000
Net cash inflow from operating activities	32	3,129	44,984
Cash flows from investing activities			
Purchase of fixed assets – housing properties		(51,914)	(48,157)
Purchase of fixed assets – other	16	(318)	(684)
Proceeds from sale of fixed assets		133	6,895
Grant received / (repaid)		5,179	(1,731)
Interest received		368	842
Net cash used in investing activities		(46,552)	(42,835)
Cash flows from financing activities			
Interest paid		(17,598)	(13,456)
New loans		91,516	-
Repayment of borrowings		(57,471)	(5,967)
Net cash inflows / (outflows) from financing activities		16,447	(19,423)
Decrease in cash and cash equivalents in the year		(26,976)	(17,274)
Cash and cash equivalents at the beginning of the year		39,291	56,565
Cash and cash equivalents at the end of the year		12,315	39,291

Curo Group – Accounting Policies

Notes to the Financial Statements for the Year ended 31 March 2024

1) General information

Curo Group (Albion) Limited ('the Company') and its subsidiaries (together "the Group") operate a not-for-profit housing and support organisation based in Bath, providing affordable homes and high quality care and support services across the West of England.

Curo Group (Albion) Ltd. is a charitable Community Benefit Society registered with the Financial Conduct Authority. The Company is also registered with the Regulator of Social Housing as a social housing provider. Curo Group (Albion) Ltd. registered office is The Maltings, River Place, Lower Bristol Road, Bath BA2 1EP.

Curo Choice Ltd. (registered company number 24208R), Curo Market Rented Services Ltd. (company registration 4705482), Mulberry Park Community Benefit Society (registered company number 7696) and Curo Finance Ltd (company registration 13596265) also form part of the consolidated Group and are exempt from the requirements of carrying out an external audit under section 479A of the Companies Act 2016.

2) Statement of compliance

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for the Group includes the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) regulations 1969, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022.

3) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

b) Going concern

The Financial Plan includes a range of assumptions including property construction, house prices and sales activity, bad debts, repairs and planned investment in our existing homes. In addition to this base case, we modelled the financial impact of a more extreme case in the form of a "perfect storm". We have a mitigation plan in place in order to ensure that we will not break any loan covenants or any of our Financial Rules in the event of a perfect storm. The Financial Rules are internal parameters for us to operate within which encapsulate the Board's appetite for risk and are used to measure performance which is reported regularly to the Board.

The conclusion from the financial modelling and stress testing was that neither the base case, or extreme case stress tests will break our loan covenants or Financial Rules at any point in the foreseeable future. As a result, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason it continues to adopt the going concern basis in the financial statements.

3) Summary of significant accounting policies (continued)

c) Exemptions for qualifying entities under FRS 102

In preparing the separate financial statements of the parent company, advantage has been taken not to disclose a separate cash flow statement under FRS 102.

d) Basis of consolidation

The Group financial statements consolidate the financial statements of the Curo Group (Albion) Ltd. and all its subsidiaries up to 31 March 2024. Intra group sales and profits are eliminated fully on consolidation.

The accounting treatment adopted for the consolidation of Curo Group (Albion) Ltd, Curo Places Ltd, Curo Choice Ltd, Curo Enterprise Ltd, Curo Market Rented Services Ltd, Mulberry Park Community Benefit Society and Curo Finance Ltd for the preparation of the consolidated financial statements is set out below. Accounting policies are consistent across the Group.

e) Revenue recognition

Turnover

The Group generates and recognises turnover from the following material income streams:-

Income Stream	Revenue Recognition
Rental income	Recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of void loss. Rental income is deferred to a future period where it does not relate to the current period.
Service charge income	<p>The Group adopts the variable method for calculating and charging service charges to its tenants and leaseholders.</p> <p>Turnover, net of void loss, is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and revenue recognition criteria met. The cost of providing these services is recognised in operating cost.</p>
Support income	Income relating to support services funded under Supporting People is recognised as it falls due under the contractual arrangements with the Administering Authority.
Disposal proceeds of current assets such as: <ul style="list-style-type: none">• properties developed for outright sale; or• shared ownership first tranche sales.	<p>Proceeds on property sales are recognised when the risks and rewards of ownership transfer, principally on legal completion of the sale.</p> <p>Proceeds from first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income of the period in which the disposal occurs 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.</p>
Other miscellaneous income sources	Recognised as receivable on the delivery of services provided.

3) Summary of significant accounting policies (continued)

f) Employee benefits

Pensions

The Group operated three pension schemes during the year:

Defined contribution schemes (Scottish Widows and Social Housing Pension Scheme)

The Company participated in two defined contribution schemes during the year where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period. All existing and new colleagues are eligible to join this defined contribution scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Under the scheme, colleagues have been allocated their own personal pension policy and can choose their own investment fund from the many offered. The assets of the scheme are separate from the Company and are invested by independent investment managers. The pension cost charge in note 26 represents contributions payable by the company to all funds.

Defined benefit pension scheme – Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) is a defined benefit multi-employer scheme administered by TPT Retirement Solutions (formerly The Pensions Trust) ("TPT"). This pension scheme was closed to new members in 2007.

The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability.

The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus.

The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in operating surplus.

Actuarial gains and losses are recognised in the Statement of Comprehensive Income.

Full disclosure of our pension liability can be found in note 26.

g) Taxation

Corporate tax

Provision has been made for any corporation tax liabilities arising from the profits made in the year by Curo Enterprise Ltd, Curo Market Rented Services Ltd and Curo Finance Ltd. Curo Group (Albion) Ltd, Curo Places Ltd, Curo Choice Ltd and Mulberry Park Community Benefit Society have charitable status and are not liable for corporation tax on their charitable activities. The current charge or credit for taxation is based on the surplus or deficit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

3) Summary of significant accounting policies (continued)

Value added tax (VAT)

The Group's primary income stream, rent, is exempt for VAT purposes. The vast majority of expenditure is subject to VAT, which the Group is unable to reclaim and hence expenditure is shown inclusive of VAT. Some VAT can be reclaimed under the partial exemption method; this is credited to the statement of comprehensive income in the relevant cost heading. All Curo companies, with the exception of Curo Enterprise Ltd and Curo Finance Limited, operate within one VAT group.

Curo Enterprise Ltd's primary income stream, the market sale of houses, is not exempt for VAT purposes. Expenditure for Curo Enterprise Ltd is stated net of input VAT as it is wholly recoverable.

h) Fixed assets

Housing properties

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset, the costs directly attributable to bringing the asset to its working condition for its intended use and interest charges incurred during the development period.

Interest incurred during the construction of a new development from acquisition to practical completion is capitalised to each scheme at the average interest rate incurred, unless the financing of the development has been specifically hedged against, in which case that interest rate will be used.

Overhead costs relating to development activities are capitalised on an apportionment of the colleague time spent on this activity. Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when handed over for letting or sale.

Housing properties are split between the land, structure and those major components which have significantly different patterns of consumption of economic benefits. The replacement cost of components is capitalised. Each component is treated as a separate asset and depreciated over its expected useful economic life at the following annual rates:

Structure - General housing stock	100 years
Structure - Precast reinforced concrete (PRC) housing stock	30 years
Structure – Georgian housing stock	150 years
Kitchen	20 years
Bathroom	30 years
Boilers and Electrical Heating Systems	15-25 years
Heating distribution systems	30 years
Windows	30 years
Lifts	25 years
Fire alarms & fire doors	20 years

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Land is not depreciated on account of its indefinite useful economic life.

3) Summary of significant accounting policies (continued)

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the statement of comprehensive income.

Shared ownership

All shared ownership properties, including those under construction, are split between fixed assets and current assets. This split is determined by the percentage of the property to be sold under a first tranche sale, which is shown on initial recognition as a current asset, with the remainder classified as a fixed asset. Any surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or fixed assets. The overall surplus for these purposes is the difference between net present value of cash flows and cost.

Proceeds from the first tranche disposals are accounted for in the statement of comprehensive income in the period in which the disposal occurs. All subsequent tranche disposals are recognised in the statement of comprehensive income as a gain or loss on disposal of assets.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Other fixed assets

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Non housing fixed asset expenditure under £1,000 is not capitalised.

Depreciation is provided on all non-housing property, plant and equipment, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Other fixed assets

Computer equipment and IT software	3-5 years
Furniture and equipment	3-15 years
Office premises (freehold)	40 years

Impairment of fixed assets

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

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset or cash generating unit is made. Where the carrying amount of the 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.

The Group defines cash generating units as neighbourhoods. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to the statement of comprehensive income.

3) Summary of significant accounting policies (continued)

Social housing grant

Government grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the Statement of Financial Position and released to the statement of comprehensive income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2014 the useful economic life of the housing property structure has been selected.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Group to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the Statement of Financial Position under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Sale of social housing properties

Under the terms of the transfer agreement, a proportion of the proceeds from right to buy sales made by Curo Places Ltd. is shared with Bath and North East Somerset Council. On completion of a right to buy sales contract the full proceeds are credited to the Statement of Comprehensive Income and the share payable to the Council is treated as a cost of sale.

Investment properties

Investment properties consist of commercial properties and other properties, assets not held for social benefit or for use in the business. Investment properties under construction are held at cost. Investment properties are professionally valued on completion and subsequently every 5 years, with the last formal valuation taking place in 2021. The fair value of each property is assessed and updated annually using the most appropriate indexation information publicly available. Any surplus or deficit arising is recognised in the Statement of Comprehensive Income for the period. Investment properties are not depreciated.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

i) Stock

Stock

Stock and work in progress are valued at the lower of cost and net realisable value. Cost comprises of direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Land held for development, including land in the course of development, is initially recorded at cost. Where, through deferred purchase credit terms, the carrying value differs from the amount that will ultimately be paid in settling the liability, this difference is charged as a finance cost in the Statement of Comprehensive Income over the period of settlement.

Due to the scale of the company's developments, the company has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate costs to complete on such developments. In making these assessments, there is a degree of inherent uncertainty. The company has developed internal controls to assess and review carrying values and the appropriateness of estimates made.

For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Where necessary, provision is made for obsolete, slow moving and defective stocks.

3) Summary of significant accounting policies (continued)

j) Debtors and creditors

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

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and makes a provision for unrecoverable debt. When assessing the level of impairment, it considers both the value and classification of debt to apply a tiered level of provision based on a prudent estimated risk of potential non-payment.

Rent and service charge agreements

Tenants who have a payment arrangement to pay their debts over a period of longer than the group's normal terms of business are treated as having a financing transaction. These transactions are recognised at their present value rather than transaction value.

Leasehold sinking funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors, either within amounts falling due within one year, or amounts falling due after more than one year, depending on when the funds are expected to be used.

k) Cash and cash equivalents

Cash

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less. Bank overdrafts, when applicable, are shown within current liabilities.

l) Financial instruments

Financial assets

Basic financial assets such as rent arrears, trade and other receivables and cash and cash equivalents are initially recorded at transaction price. If the arrangement constitutes a financing transaction, then the transaction is measured at the present value of future receipts discounted at a market rate. The assets are subsequently carried at amortised cost using the effective interest rate method. At the end of each reporting period the amortised cost is assessed for evidence of impairment. Any impairment is recognised in the Statement of Comprehensive Income. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial Liabilities

Basic financial liabilities such as trade and other payables, bank loans and intercompany loans are initially recognised at transaction price. If the arrangement constitutes a financing transaction, then the debt instrument will be measured at the present value of the future receipts discounted at a market rate of interest. The debt instrument is subsequently carried at the amortised cost, using the effective interest rate method.

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in surplus or deficit immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in surplus or deficit depends on the nature of the hedge relationship.

3) Summary of significant accounting policies (continued)

m) Leased assets

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

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.

n) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4) Critical accounting judgements and estimation uncertainty

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

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

Significant management judgements

In preparing these financial statements, the key judgements have been made in respect of the following:

- **Impairment:** whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit, incorporating any future regeneration plans. The Group have considered the measurement basis to determine the recoverable amount of assets based on depreciated replacement cost as the primary method of measurement. The Group have also considered impairment based on their assumptions to define cash generating units.
- **Stock value:** the anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, we then determine the recoverability of the cost of properties developed for outright sale and land held for sale. This judgement is also based on the Group's best estimate of sales value based on economic conditions within the area of development.

4. Critical accounting judgements and estimation uncertainty (continued)

Estimation uncertainty

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 as follows:

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Investment properties are professionally valued every 5 years and updated annually using the most appropriate indexation information publicly available. Market values may change considerably year on year depending on fluctuations within the property market coupled with potential changes in interest rates. There is an inevitable degree of judgement involved in making this estimate that can only ultimately be reliably tested in the market itself.

Provision for liabilities

A provision for liabilities is recognised only where probable that there is a legal or constructive obligation to transfer economic benefits. The provision is recognised at the best estimate of the amount required. These provisions require management's best estimate of the costs that will be incurred determined by a combination of management information available and technical specialist opinion.

The provision recognised and disclosed in note 21 is primarily comprised of fire safety property costs.

The provision for Fire Safety property costs is based on management judgement that we have both a legal and constructive obligation to undertake corrective remedial works. Management have considered realistic alternatives and have come to the judgement these do not represent viable alternatives to settling the obligation for Curo.

Provision for bad or doubtful debts

The Group estimates the cost of irrecoverable debt linked to rent and service charge income. This provision is based on individual debtor balances, with increased levels of provision attributed to the highest risk cases primarily based on the size of the debt and dependant on whether the debtor is a remaining customer or not. Management estimates for provision levels aim to proportionately and prudently reflect the estimated cost of irrecoverable debt. We have reviewed the level of provision applied in light of the increased risk of non-payment linked to the current economic challenges that our customers face and have concluded that our existing provisions are prudent.

Defined benefit pension scheme

The costs of defined benefit pension plans are determined using actuarial valuation which involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, the estimates are subject to significant uncertainty. See note 26 for details of the valuation and underlying assumptions.

5. Particulars of turnover, operating expenditure and operating surplus

<u>Group consolidated</u>	Turnover	Operating Costs	Surplus on disposal	Pension exit costs	Operating surplus	Operating surplus
	2024	2024	2024	2024	2024	2023
	£000	£000	£000	£000	£000	£000
Social housing lettings (Note 6)	82,247	(62,651)	-	-	19,596	19,012
Other social housing activities						
First tranche low cost home ownership sales	8,355	(7,117)	-	-	1,238	1,998
Charges for support services	3,388	(3,214)	-	-	174	160
Development administration	-	(414)	-	-	(414)	(389)
Gain on disposal of property, plant and equipment	-	-	3,237	-	3,237	2,878
	<u>11,743</u>	<u>(10,745)</u>	<u>3,237</u>	<u>-</u>	<u>4,235</u>	<u>4,647</u>
Activities other than social housing						
Market renting	2,583	(1,502)	-	-	1,081	707
Community Hub	701	(825)	-	-	(124)	(126)
Commercial properties	491	(230)	-	-	261	195
Leasehold properties	1,663	(1,919)	-	-	(256)	(135)
Open market property sales	41,776	(38,923)	-	-	2,853	7,175
Garages	1,449	(427)	-	-	1,022	913
Pension settlement release	-	-	-	-	-	2,614
Stock for resale impairment	-	-	-	-	-	(2,743)
	<u>48,663</u>	<u>(43,826)</u>	<u>-</u>	<u>-</u>	<u>4,837</u>	<u>8,600</u>
Total	<u>142,653</u>	<u>(117,222)</u>	<u>3,237</u>	<u>-</u>	<u>28,668</u>	<u>32,259</u>

5. Particulars of turnover, operating expenditure and operating surplus (continued)

<u>Company</u>	Turnover	Operating expenditure	Operating surplus	Operating surplus
	2024	2024	2024	2023
	£000	£000	£000	£000
Social housing lettings activities				
Social rental homes	7	(3)	4	4
Other social housing activities				
Group services	7,267	(7,267)	-	-
Total	7,274	(7,270)	4	4

6. Income and expenditure from social housing lettings

<u>Group consolidated</u>	General needs 2024 £000	Affordable rent 2024 £000	Sheltered housing 2024 £000	Supported housing 2024 £000	Shared ownership 2024 £000	Rent to buy 2024 £000	Total 2024 £000	Total 2023 £000
Income from lettings								
Income from rents receivable	53,175	7,435	10,709	1,204	2,407	562	75,492	68,618
Service charges receivable	2,402	-	1,182	884	582	-	5,050	4,722
Amortised government grants	1,057	-	209	2	100	8	1,376	1,333
Other income from lettings	329	-	-	-	-	-	329	347
Total income from lettings	56,963	7,435	12,100	2,090	3,089	570	82,247	75,020
Service costs	2,113	-	1,040	778	512	-	4,443	3,866
Management costs	8,524	931	1,659	73	794	60	12,041	10,210
Routine maintenance	14,528	1,609	2,867	128	-	104	19,236	16,791
Rent losses from bad debts	545	73	117	22	29	6	792	403
Major repairs	7,505	831	1,481	17	-	54	9,888	9,561
Housing property depreciation	9,254	1,029	1,835	21	333	67	12,539	11,494
Estate costs	1,777	197	351	4	168	13	2,510	2,244
Other expenditure	851	94	168	2	81	6	1,202	1,439
Operating expenditure on social housing lettings	45,097	4,764	9,518	1,045	1,917	310	62,651	56,008
Operating surplus on social housing activities	11,866	2,671	2,582	1,045	1,172	260	19,596	19,012
Void losses	612	35	139	101	53	10	950	997

7. Gain on disposal of property, plant and equipment

	Right to buy 2024 £000	Shared ownership 2024 £000	Other 2024 £000	Group Total 2024 £000	Group Total 2023 £000
Proceed of sales	583	973	3,729	5,285	6,760
Cost of sales	(98)	(502)	(957)	(1,557)	(2,586)
Amount due to Bath & N.E. Somerset Council	(491)	-	-	(491)	(1,296)
	(6)	471	2,772	3,237	2,878

Cost of sales includes legal and valuation fees incurred in connection with the sale of properties as well as the net book value of the disposed properties.

Right to Buy is available to Curo Places Ltd. tenants who transferred from Bath and North East Somerset Council and who hold an assured protected tenancy and to certain tenants of the former Curo Places (Bristol) Ltd. These tenants are eligible for a percentage discount when applying to purchase their homes.

Shared ownership sales relate to subsequent tranche disposals of low cost home ownership properties.

Other property sales are derived from open market disposals through our active asset management programme and Right to Acquire sales. Tenants applying under Right to Acquire are eligible for a lump sum discount. The levels of discount are governed by statute and contract.

8. Interest receivable

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Interest receivable and similar income	368	841	-	-
Interest receivable from group undertakings	-	-	7,337	4,116
	368	841	7,337	4,116

9. Interest payable and similar charges

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Bank loans and overdrafts	17,831	12,659	7,282	4,086
Right to buy interest	22	22	-	-
	17,853	12,681	7,282	4,086
Net cost on interest rate swaps	(255)	775	-	-
Capitalised interest	(3,022)	(2,862)	-	-
	14,576	10,594	7,282	4,086
Gain on basic swap – derivative instruments	(245)	(676)	-	-
	14,331	9,918	7,282	4,086

9. Interest payable and similar charges (continued)

Interest incurred during the construction of new developments, not for resale, is capitalised based on the weighted average borrowing rate for Curo Places Ltd. for the year of 4.4% (2023: 3.6%).

10. Surplus for the year

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
This is arrived at after charging:				
Depreciation on owned tangible fixed assets	13,183	12,149	2	2
Bad debts	792	403	-	-
Other operating lease rentals	1,195	704	-	-
Auditors' remuneration as statutory auditors	78	81	17	14
Auditors' remuneration – other services certification	6	6	-	-
Auditors' remuneration – tax compliance services	22	18	-	-
Auditors' remuneration – tax advisory services	-	-	-	-

11. Directors' emoluments

Directors are defined as the members of the Board (non-Executive Directors), the Group Chief Executive and the Executive Team as disclosed on page 1.

Fees of £106,477 (2023: £91,166) were paid to non-executive Board Directors and committee members across all group entities during the year. Expenses paid during the year to board directors amounted to £10,894 (2023: £2,245).

Board/committee director	Remuneration £
Jane Tabor (Chair)	19,640
Elaine Barnes (resigned)	2,333
Sonya Chowdhury	7,031
Alice Cummings (appointed)	7,699
Helen Hyde	10,759
Jerry Loy	6,164
Kerri Anne Mills (appointed)	7,197
Vinay Parmar (appointed)	5,554
Mike Petter	15,393
Neil Sexton	7,385
Jamie Strathearn	6,250
Joe Webster	7,072
Chris Wilson (resigned)	4,000
Grand Total	106,477

All members of the Executive Team receive remuneration from Curo Group (Albion) Ltd, with the exception of the Chief Property Officer who is remunerated through Curo Places Ltd, with the associated costs presented in their entity financial statements.

11. Directors' emoluments (continued)

Details of remuneration for the Company are as follows:

	Company 2024 £	Company 2023 £
Aggregate emoluments paid or receivable by the Executive Directors (including pension contributions and benefits in kind)	738,605	595,474
Aggregate pension contributions paid for the Executive Directors (including the Group Chief Executive)	66,972	32,391
Emoluments paid to the highest paid director (Group Chief Executive Officer) excluding pension contributions	202,729	229,155

No compensation payments for loss of office were paid to directors during the year (2023: nil).

12. Employees

The average number of full-time equivalents (37 hour week) employed during the year was as follows:

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Housing, support & administration	463	436	85	98
Direct maintenance	165	130	-	-
Total	628	566	85	98

Colleague costs	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Wages and salaries	26,028	23,584	5,801	5,841
Social security costs	2,542	2,451	560	627
Other pension costs	1,989	1,834	507	468
Total	30,559	27,869	6,868	6,936

The full-time equivalent number of colleagues who received emoluments, including pension contributions and payments for loss of office, during the year were:

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
£60,000 - £69,999	16	10	7	-
£70,000 - £79,999	4	10	-	-
£80,000 - £89,999	12	8	-	2
£90,000 - £99,999	4	5	1	3
£100,000 - £109,999	2	4	-	1
£110,000 - £119,999	4	2	3	-
£120,000 - £129,999	2	3	1	1
£140,000 - £149,999	8	-	1	-
£180,000 - £189,999	-	1	-	1
£210,000 - £219,999	1	-	1	-
£220,000 - £229,999	1	1	1	1
Total	54	44	15	9

13. Taxation

a) Tax expense included in statement of comprehensive income

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
UK corporation tax charge on surpluses for the year	1	(5)	-	-

The corporation tax liability recognised during the year relates to taxable profits for Curo Enterprise Ltd.

14. Housing Properties

Company	Housing properties completed freehold
Cost	£000
At 1 April 2023	126
At 31 March 2024	126
Accumulated depreciation & impairment	
At 1 April 2023	16
Charge in year	2
At 31 March 2024	18
Net book value	
At 31 March 2024	108
At 31 March 2023	110

14) Housing properties (continued)

Group Consolidated	Housing properties completed freehold	Housing properties completed long term leasehold	Housing properties under construction	Housing properties shared ownership	Group Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2023	674,483	597	58,532	49,688	783,300
Additions	-	-	46,745	-	46,745
Components capitalised	13,372	-	-	-	13,372
Disposals	(3,317)	-	-	(7,654)	(10,971)
Transfer	39,532	-	(62,609)	22,588	(489)
At 31 March 2024	724,070	597	42,668	64,622	831,957
Accumulated depreciation & impairment					
At 1 April 2023	140,613	135	-	1,566	142,314
Charge in year	12,203	3	-	333	12,539
Disposals	(2,368)	-	-	(40)	(2,408)
At 31 March 2024	150,448	138	-	1,859	152,445
Net book value					
At 31 March 2024	573,622	459	42,668	62,763	679,512
At 31 March 2023	533,870	462	58,532	48,122	640,986

15) Investment properties

Group Consolidated	Group Total
Cost/Valuation	£000
At 1 April 2023	16,242
Revaluation in the year	(1,082)
Additions in the year	2,921
Disposals	-
At 31 March 2024	18,081

Investment properties consist of commercial properties and other properties, assets not held for social benefit or for use in the business. Investment properties are professionally valued on completion and subsequently every 5 years with the last valuation taking place in 2021. The fair value of each property is assessed and updated annually using the most appropriate indexation information publicly available.

16) Other property, plant & equipment

Group Consolidated	Computer equipment and IT software	Office premises (freehold)	Furniture and equipment	Group Total
	£000	£000	£000	£000
Cost				
At 1 April 2023	4,302	7,010	1,048	12,360
Additions	38	-	280	318
Disposals	-	-	-	-
Transfer	-	-	-	-
At 31 March 2024	4,340	7,010	1,328	12,678
Accumulated depreciation				
At 1 April 2023	3,374	4,428	937	8,739
Charge for the year	463	117	64	644
Disposals	-	-	-	-
Transfer	-	-	-	-
At 31 March 2024	3,837	4,545	1,001	9,383
Net book value				
31 March 2024	503	2,465	327	3,295
31 March 2023	928	2,582	111	3,621

17) Stocks

Group Consolidated	First tranche SO properties	Outright market sales	Group Total	Group Total
	2024	2024	2024	2023
	£000	£000	£000	£000
Properties for sale				
Properties under construction	2,352	110,446	112,798	73,613
Completed properties	2,890	10,676	13,566	7,133
	5,242	121,122	126,364	80,746
Consumable maintenance stock				
Stock			775	613
Stock provision			(310)	(245)
			465	368
Total			126,829	81,114

18) Debtors

	Group 2024	Group 2023	Company 2024	Company 2023
	£000	£000	£000	£000
Amounts falling due within one year				
Rental arrears	2,916	2,603	-	-
Net present value adjustment	(223)	(184)	-	-
Less provision for bad debts	(2,040)	(1,625)	-	-
	653	794	-	-
Other debtors	3,948	1,206	16	5
Amounts owed by group undertakings	-	-	4	4
Prepayments and accrued income	3,769	3,002	70	60
Taxation & social security	634	9	-	-
	9,004	5,011	90	69
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	147,600	153,000
	-	-	147,600	153,000

19) Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Land vendor	4,324	5,190	-	-
Rent paid in advance	2,509	2,499	-	-
Trade creditors	7,598	6,305	-	-
Amounts owed to group undertakings	-	-	337	197
Other creditors	3,942	2,064	780	478
Housing loans due within one year (note 22)	22,677	5,971	7,200	5,400
Social housing grant received in advance	16,790	17,448	-	-
Taxation and Social Security	645	587	126	128
Bank overdraft	26	-	-	-
Accruals and deferred income	17,866	11,785	-	-
Right to buy accruals	499	1,315	-	-
Sinking fund liabilities	1,503	435	-	-
Retentions	631	649	-	-
	79,010	54,248	8,443	6,203

20) Creditors: amounts falling due after more than one year

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Loans and borrowing (note 22)	356,247	338,908	140,400	147,600
Derivative financial instruments	3,805	3,001	-	-
Deferred capital grants (note 23)	119,408	114,960	38	38
Recycled capital grant fund (note 24)	3,391	3,608	-	-
Pension defined benefit liability (note 26)	616	600	-	-
Leaseholder sinking fund balances	2,058	2,736	-	-
Land Vendor	4,790	466	-	-
	490,315	464,279	140,438	147,638

Provision has been made representing the value of contributions paid in advance by leaseholders at 31 March 2024 in respect of their share of future planned maintenance.

21) Provision for liabilities and charges

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
At 1 April	2,851	4,241	-	-
Amounts provided for	819	-	-	-
Amounts utilised	(414)	(297)	-	-
Amounts released	(819)	(1,093)	-	-
At 31 March	2,437	2,851	-	-

22) Loans and borrowing

Maturity of debt:	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Banks and mortgages amounts falling due:				
Between one and two years	30,582	28,632	14,400	12,600
Between two and five years	25,546	23,730	23,400	21,600
Over five years, not payable by instalments	322,796	292,517	109,800	118,800
	378,924	344,879	147,600	153,000
Less due within one year	(22,677)	(5,971)	(7,200)	(5,400)
	356,247	338,908	140,400	147,600

Housing loans

At 31 March 2024 the Group had a borrowing facility of £618.9 million (2023: £534.9 million) of which an amount of £378.9 million (2023: £344.9 million) had been drawn at the year end. Of the £618.9 million loan facility, £528.9 all has been fully secured in fixed charges over properties owned by Curo Places Ltd, with £90.0m due to be secured in June 2024.

The interest rate profile of the Group's financial liabilities was:

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Variable Rate	53,260	92,000	112,600	118,000
Fixed Rate	325,664	252,879	35,000	35,000
	378,924	344,879	147,600	153,000

The weighted average period for loans that are fixed was 18 year 9 months (2023: 18 years 7 months) and the weighted average interest rate at the 31 March 2024 was 4.1% (2023: 3.9%).

Fair value of financial liabilities

The Group has applied FRS 102 to its financial instruments and accounted for our derivative financial instruments on the Statement of Financial Position. The following disclosures have been made in relation to its interest rate swaps. At the 31 March 2024 Curo Places Ltd. had the following swaps:

- £20 million fixed interest rate swap which matures on 29 March 2037. This swap has a fixed interest rate of 5.1%.
- £21.3 million forward starting interest rate swap which matures on 20 June 2026. This swap fixes the interest rate at 3.2%.
- £40 million fixed interest rate swap which matures on 30 June 2027. This swap has a fixed interest rate of 5.3%.

22) Loans and borrowing (continued)

The Group's interest rate risk management policy is designed to reduce volatility in cash flows and earnings over the year. Of particular importance is the reduction of potential increases in net interest payable to an acceptable level.

The currency, size and maturity of debt is matched and hedged using a combination of various interest rate hedge instruments. The Group's policy is to maintain a level of fixed rate debt of between 40% to 85% of total debt.

The Group had hedge instruments in place at year end with the following fair values:

	2024	2023
	£000	£000
Fair value of interest rate swaps	(3,805)	(3,001)

Curo Places Ltd has recognised that a portion of their interest rate swaps are ineffective and created a liability under FRS 102. At 31 March 2024, the ineffective hedge creates a cumulative liability of £0.3m (2023: £0.6m) which has been recognised in the income statement.

	£000
Ineffective hedge balance at 1 April 2023	583
Movement in income statement	(245)
Ineffective hedge balance at 31 March 2024	338

The fair value of the interest rate swaps has been determined by discounting the cash flows at prevailing interest rates and has been derived from the Group's Treasury management system.

23) Deferred capital grants

	Group	Group
	2024	2023
	£000	£000
At 1 April	114,960	113,223
Grants received during the year	5,838	3,233
Recycled capital grants	391	(162)
Grants transferred to other RPs	(404)	-
Amortisation to Statement of Comprehensive Income	(1,377)	(1,334)
At 31 March	119,408	114,960

The total accumulated amount of capital grant received or receivable, before amortisation to the statement of comprehensive income, at the balance sheet date is £140.7m (2023: £134.8m).

24) Recycled capital grant fund

	Group	Group
	2024	2023
	£000	£000
At 1 April	3,608	3,357
Inputs to recycled capital grant fund		
Grants recycled	66	351
Interest accrued	173	90
Recycling of grant		
New homes	(456)	(190)
At 31 March	3,391	3,608

24) Recycled capital grant fund (continued)

Recycled capital grant as at 31 March 2024 is less than 3 years old and relates to funding provided by Homes England (2023: all less than 3 years old).

	Group	Group
	2024	2023
	£000	£000
To be used after more than one year	3,391	3,608
At 31 March	3,391	3,608

25) Financial derivatives

The Group and the Company has the following financial instruments:

i). Financial assets that are debt instruments measured at amortised cost.

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade receivables	653	794	4	4
Other receivables	3,948	1,206	16	5
	4,601	2,000	20	9

ii). Financial instruments measured at fair value through cash flow hedge reserve.

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Derivative financial instruments	3,805	3,001	-	-
	3,805	3,001	-	-

Curo Places Ltd enters into interest rate swaps to mitigate the risk from interest rate movements on its variable rate debt. The fair value of the interest rate swaps has been determined by discounting the cash flows at prevailing interest rates and has been derived from using the Group's Treasury management system (see note 22).

iii). Financial liabilities measured at amortised cost.

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Bank loans and overdrafts	356,273	338,908	140,400	147,600
Trade creditors	7,598	6,305	-	-
Amounts owed to group undertakings	-	-	337	198
Other creditors	14,679	12,580	907	606
	378,550	357,793	141,644	148,404

26) Pensions

During the year the Group operated three pension schemes for its colleagues:-

- Defined contribution schemes:
 - Scottish Widows Services Ltd Pension Scheme
 - Social Housing Pension Scheme (SHPS)
- Defined benefit scheme:
 - Social Housing Pension Scheme

Defined contribution schemes

During the year Curo colleagues participated in two defined contribution schemes (Scottish Widows Services Ltd and SHPS) where the amount charged to surplus in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. All existing and new colleagues are eligible to join a defined contribution scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Under the schemes, colleagues have been allocated their own personal pension policy and can choose their own investment fund from the many offered. The assets of the scheme are separate from the company and are invested by independent investment managers.

Defined benefit scheme (Social Housing Pension Scheme)

Curo Places Limited 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'. Curo Places Limited 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.

This is a legacy pension scheme that was closed to new members since 2007.

26) Pensions (continued)

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

	31 March 2024 (£000)	31 March 2023 (£000)
Fair value of plan assets	2,740	2,783
Present value of defined benefit obligation	(3,356)	(3,383)
Deficit in plan	(616)	(600)
Unrecognised surplus	-	-
Defined benefit liability to be recognised	(616)	(600)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2023 to 31 March 2024 (£000)
Defined benefit obligation at start of period	3,383
Expenses	4
Interest expense	162
Actuarial losses due to scheme experience	3
Actuarial gains due to changes in demographic assumptions	(44)
Actuarial gains due to changes in financial assumptions	(10)
Benefits paid and expenses	(142)
Defined benefit obligations at end of period	3,356

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

	Period from 31 March 2023 to 31 March 2024 (£000)
Fair value of plan assets at start of period	2,783
Interest income	136
Experience on plan assets (excluding amounts included in interest income) – (loss)	(184)
Employer contributions	147
Benefits paid and expenses	(142)
Fair value of plan assets at end of period	2,740

The actual plan on assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£48,000).

26) Pensions (continued)

Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)

	31 March 2024 (£000)
Expenses	4
Net interest expense	26
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	30

Defined benefit costs recognised in Other Comprehensive Income (OCI)

	31 March 2024 (£000)
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(184)
Experience gains and losses arising on the plan liabilities – loss	(3)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	44
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	10
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – loss	(133)
Total amount recognised in Other Comprehensive Income (loss)	(133)

Assets

	31 March 2024 (£000)	31 March 2023 (£000)
Global equity	273	52
Absolute return	107	30
Distressed opportunities	97	84
Credit relative value	90	105
Alternative risk premia	87	5
Emerging markets debt	35	15
Risk sharing	160	205
Insurance linked securities	14	70
Property	110	120
Infrastructure	277	318
Private Equity	2	-
Private debt	108	124

26) Pensions (continued)

Assets (continued)

	31 March 2024 (£000)	31 March 2023 (£000)
Opportunistic illiquid credit	107	119
High yield	-	10
Cash	54	20
Long lease property	18	84
Secured income	82	128
Liability driven investment	1,115	1,282
Currency hedging	(1)	5
Net current assets	5	7
Total assets	2,740	2,783

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions:

	31 March 2024 % per annum	31 March 2023 % per annum
Discount rate	4.90	4.87
Inflation (RPI)	3.15	3.19
Inflation (CPI)	2.78	2.75
Salary growth	3.78	3.75
Allowance for commutation of pension for cash at retirement	75% of max allowance	75% of max allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

27) Capital commitments

	Group	Group
	2024	2023
	£000	£000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	76,767	74,876
Capital expenditure that has been authorised by the Board but not yet contracted for	41,499	45,300
	118,266	120,176

Capital commitments for the Group will be funded as follows:

	Group	Group
	2024	2023
	£000	£000
Social Housing Grant	5,584	2,505
Loan drawdowns	91,675	98,381
Sales of properties	21,007	19,290
	118,266	120,176

28) Operating leases

The Group holds non-cancellable operating leases for vehicles, water machines, franking machine and a storage unit. There were no leases relating to land during the financial year. At 31 March, the Group had the total of future minimum lease payments for each of the following periods:

	Group	Group
	2024	2023
	£000	£000
Not later than one year	70	644
Later than one year and not later than five years	68	663
	138	1,307

29) Related party transactions

Curo Group consists of Curo Places Ltd, Curo Choice Ltd, Curo Enterprise Ltd, Curo Market Rented Services Ltd, Mulberry Park Community Benefit Society, Curo Finance Ltd and Curo Group (Albion) Ltd.

Curo Group (Albion) Ltd is the ultimate controlling party and parent undertaking of Curo Places Ltd. It is a charitable Community Benefit Society registered with the Financial Conduct Authority and a Registered Provider of Social Housing. It has the right to appoint the Board directors of Curo Places Ltd.

The consolidated financial statements of Curo Group (Albion) Ltd are available from The Maltings, River Place, Lower Bristol Road, Bath, BA2 1EP.

Legal status of associated companies

Curo Group (Albion) Ltd. is the ultimate controlling party and ultimate parent undertaking of Curo Places Ltd, Curo Choice Ltd, Curo Enterprise Ltd, Curo Market Rented Services Ltd and Mulberry Park Community Benefit Society and Curo Finance Limited.

The consolidated financial statements of Curo Group (Albion) Ltd. are available from The Maltings, River Place, Lower Bristol Road, Bath, BA2 1EP.

29) Related party transactions (continued)

Curo Places Ltd. – a charitable Community Benefit Society registered with Financial Conduct Authority and a Registered Provider of Social Housing.

Curo Choice Ltd. – a charitable Community Benefit Society registered with the Financial Conduct Authority.

Curo Enterprise Ltd. - a company limited by shares.

Curo Market Rented Services Ltd. - a company limited by shares.

Mulberry Park Community Benefit Society – a charitable Community Benefit Society registered with the Financial Conduct Authority.

Curo Finance Ltd. - a company limited by shares.

Transactions with associated companies

Curo Group (Albion) Ltd. provides management services to the companies within the Group. The most significant element of this is staff costs for the provision of group-wide central services including the Executive Management Team, Finance, IT, Human Resources, Communications etc. Costs are apportioned within the group based on a combination of turnover and units in management. Group services are provided at arm's length based on commercial terms.

Curo Choice Ltd. and Curo Places Ltd. provide housing management services to group members. Inter company charges are based on pre-agreed resources required to deliver this service. Charges are calculated on a management cost per property basis.

Curo Places Ltd has provided an arm's length facility of up to £25m to Curo Enterprise Ltd. The funding facility is available for up to 10 years from March 2024. The interest rate on this loan has been temporarily waived. As at 31 March 2024, Curo Enterprise Ltd had drawn down £9.7m (2023: £7.2m) of the loan facility.

Curo Places Ltd has provided a loan facility of £35m to Curo Market Rented Services Ltd, £1.1m to Mulberry Park Community Benefit Society and £1m to Curo Finance Ltd. All four inter-company loan facilities are repayable on demand.

Curo Places Ltd. lease 185 market rental properties to Curo Market Rented Services Ltd. on 7 year leases.

Curo Enterprise Ltd., the commercial housebuilding company within the group, build and sell social units to Curo Places Ltd. Curo Enterprise Ltd sold 7 properties to Curo Market Rented Services Ltd during the year.

The table below summarises the intra company charges by services and by legal entity for the year:

29) Related party transactions (continued)

Intra Group Service Provided Income/(costs) - £000	Curo Group (Albion) Ltd.	Curo Places Ltd.	Curo Choice Ltd.	Curo Enterprise Ltd.	Curo Market Rented Services Ltd.	Mulberry Park CBS	Curo Finance Ltd.
Group management services	7,267	(6,733)	(229)	(257)	(43)	(5)	-
Housing management services	-	(223)	286	-	(63)	-	-
Intra group interest charges	-	(19)	19	-	-	-	-
Leased property services	-	1,691	-	-	(1,691)	-	-
Property sales	-	(604)	-	1,207	(646)	-	43
Community Hub services	(2)	(14)	-	(100)	-	116	-
Total	7,265	(5,902)	76	850	(2,443)	111	43

There are no current Board Directors who hold tenancies.

30) Fixed asset investments

Curo Group (Albion) Ltd is a member of Curo Places Ltd and has agreed to contribute £1 in the event of the winding up of Curo Places Ltd. Curo Places Ltd became a subsidiary of Curo Group (Albion) Ltd in 2002 by amending its Memorandum and Articles of Association.

Curo Group (Albion) Ltd exercises control over Curo Places Ltd by virtue of its right to appoint and remove the Board directors of the organisation, and the need for its consent to any constitutional amendments.

Curo Group (Albion) Ltd owns one of three shares in Mulberry Park Community Benefit Society.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

31) Homes and bed spaces in management

	Group 2024 Number	Group 2023 Number
General needs housing	9,049	8,955
Affordable rent	1,002	952
Sheltered housing	1,786	1,789
Supported housing	199	195
Shared ownership	855	778
Rent to buy	65	66
Total social housing units	12,956	12,735
Market renting	235	229
Leasehold	1,024	1,022
Total non-social units	1,259	1,251
Total homes in management	14,215	13,986

There were 797 social housing properties in the pipeline for development at 31 March 2024 (2023: 541). Curo Places Ltd own 30 housing properties that are managed by external organisations (2023: 38).

32) Net cash inflow from operating activities

	2024 £000	2023 £000
Operating surplus	28,668	32,259
Depreciation of tangible fixed assets	13,183	10,377
Amortisation of grant	(1,376)	(1,333)
(Increase)/decrease in stocks	(45,715)	1,053
Increase in debtors	(3,992)	(1,196)
Increase/(decrease) in trade creditors	2,900	(2,303)
Increase in accruals and provisions	9,461	6,127
Cash inflow from operations	3,129	44,984