



Statement of Accounts

2024-25

South Liverpool Homes Limited

Registered Social Housing Provider – consolidated and entity Financial Statements

Year ended 31 March 2025

Registered Community Benefit Society No 31210R

Registered with the Regulator of Social Housing as a social landlord L4230

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Board members for the year ended 31 March 2025

David Jepson (Chair of Board) – resigned September 2024
Paul Diggory (Chair of the Board from September 2024)
Bethany McKeown (Board Member)
Catherine Bett (Board Member)
Debra Rees-Armstrong (Board Member and Chair of Customer Services Committee)
Ian Kelly (Board Member) – appointed September 2024
Jamal Wahid (Board Co-optee)
Lee Payne (Board Member)
Maggie Shannon (Board Member) – appointed September 2024
Paul McGerty (Board Member and Chair of Audit & Risk Committee)
Paula Ellis (Board Member)
Yasmin Fearon (Board Member and Chair of Governance & Remuneration Committee)
Yvonne McDermot (Board Member) – appointed September 2024

Executive officers for the year ended 31 March 2025

Anna Bishop (Chief Executive)
Angela Perry (Executive Director of Assets & Development)
Catherine Biggs (Executive Director of Operations) – resigned 31 January 2025
Colin Gibson (Executive Director of Culture & Communications)
Mark Chambers (Executive Director of Finance)

Company Secretary

Mark Chambers

Registered Office	South Liverpool Homes Parklands Speke Liverpool L24 0TY
External Auditors	Beever and Struthers Statutory Auditors One Express 1 George Leigh Street Manchester M4 5DL
Bankers	National Westminster Bank Liverpool City Office 22 Castle Street Liverpool L2 OUP Barclays Bank UK Plc 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF

Statement from the Chair of the Board

Welcome to the 2024/25 annual accounts for South Liverpool Homes. As you will see they provide a picture of continuing financial strength and stability.

The 12 months ending in March 2025 saw continued challenges in terms of supply chains and the price of repairs and maintenance labour and materials for the business. In addition, the local community and our customers faced continuing pressure on their ability to fund day to day cost of living. As a result, we continue to focus on the needs of the communities we serve in Speke and Garston and aim to provide as comprehensive and supportive service as we can, consistent with ensuring the long-term viability of the organisation.

The financial results presented in these statements show that as a group of businesses we were able to withstand the pressures placed on the sector and the economy in general. In 2024/25 we have delivered an operating margin of 16.1%.

We invested over £13m improving and maintaining our homes and £0.5m on community services to support our tenants in a variety of ways. There have been challenges to ensure we deliver our legal responsibilities around landlord compliance, but we are pleased that both SLH and Avela Home Service have continued to meet these challenges – in particular regarding the response to damp, mould and condensation and fire safety – and worked tirelessly to keep our tenants safe.

This year our development programme continues to grow and we ended the year on site at four schemes (two in Speke and two in Garston). The “Old Baths” in the heart of Garston will provide new homes for social and affordable rent as well as 12 homes for over-55 year olds. Our Church Road and Window Lane developments will see 24 homes built on two small infill sites in Garston Under the Bridge, which include a mix of two, three, and four-bedroom houses, plus two bungalows. Our Western Avenue project in Speke will redevelop derelict shops and apartments on the southern end of Western Avenue, plus two houses on Hale Road, replacing them with a purpose-built shop and 8 one-bedroom apartments for older people, for affordable rent. South Parade is a major redevelopment project consisting of 92 homes in the heart of Speke, which will regenerate dormant sites in and around South Parade. The board take a careful and responsible approach to development, making sure that the schemes that are brought forward for consideration can be delivered effectively whilst taking into account the inevitable risks development brings.

Continuing economic uncertainty has led to predictable pressure on our communities. SLH’s Income Team continue to adopt a supportive role in encouraging payment and offering financial advice and referral to our benefits advice team where appropriate. All this hard work meant we were able to contain total arrears below 5%, and collect 100% of income.

During the year the Governance & Remuneration Committee have completed a series of deep dives into each of the four principles of the National Housing Federation’s 2020 Code of Governance, which we adopted in April 2022, to provide assurance of compliance.

Our Customer Services Committee, which consists of five tenant members and two other SLH board members, has provided additional focus on residents’ needs. This gives our communities a voice and helps strengthen customer focused scrutiny of the organisation’s performance. The chair of the committee is one of our tenants and also a full member of the SLH board which has ensured that the tenant voice is at the heart of our decision making.

Our new Corporate Plan was launched in May 2022 and was refreshed at the start of 2024/25 to reflect the progress made and our ambitions for the next three years. It is still focused on the four P’s: People (our tenants and SLH colleagues); Place (how we can continue to enhance the communities of Garston and Speke); Planet

(how we can make our homes as energy efficient as possible); Pound (how we can best demonstrate value for money).

The next two years promise to be as challenging as the last three. In order to take charge of events that are within our control we are working with our customers, partners and suppliers to secure our income going forward, and mitigate our cost increases. We expect to have three more development schemes on site in 2025/26 as make good progress on our commitment to build 280 new homes by the end of 2027.

As part of business planning for 2025/26 and future years, and following robust and thorough stress testing of known and unknown risks, the board has approved plans to build 780 new homes across Speke and Garston by 2032. The new target includes the original corporate plan target of 280 homes by 2027 and further 500 homes by 2032.

I joined SLH as a board member in 2018 and the financial year 2024/25 is my first as the chair of SLH. I would like to thank my fellow board members and the previous chair, the executive and colleagues for guiding the organisation through some challenging times during the last few years. I am immensely proud that the Regulator of Social Housing has recognised this hard work in its recent inspection. SLH has been awarded the highest possible ratings for governance (G1), financial viability (V1) and consumer (C1). The inspection took place earlier this year, and we are proud to have retained our G1 and V1 ratings. The new consumer standards are all about the customer - ensuring they are safe, listened to and have access to good services, so we are extremely pleased to have achieved a C1 grading for this standard.

We will continue working with our tenants, colleagues, board and partners to maintain these standards, and continually improve the quality of our services.



Paul Diggory
Chair of the Board

Report of the Board

Principal activities and review of business

South Liverpool Homes (SLH) principal activity is the provision of social and affordable rented accommodation for people in housing need. However, the Group has a wider remit to contribute to the overall sustainable regeneration of Speke and Garston through the development and support of appropriate activities and initiatives.

- Turnover for the year ended 31 March 2025 was £24.1m (2024: £22.6m).
- Operating costs were £20.2m for the year (2024: £18.5m).
- Cost of sales were £nil compared to £nil in the previous year.
- Proceeds (after costs) from the sale of 12 properties through Right to Buy and Right to Acquire and one staircasing property were £0.6m (2024: 23 properties and £0.3m).
- There were no shared ownership sales, no change to the previous year.
- Surplus for the Group was £3.4m (2024: £2.8m).
- Cash and investments £26.2m (2024: £3.0m) due to the drawdown of £30m loan in September 2024.
- Borrowings totalling £55m were drawn (2024: £26m).

Group Structure

South Liverpool Homes Limited (SLH) is a charitable community benefit society limited by guarantee and a housing association registered with and regulated by the Regulator of Social Housing (RSH). SLH's primary activity is housing and property management.

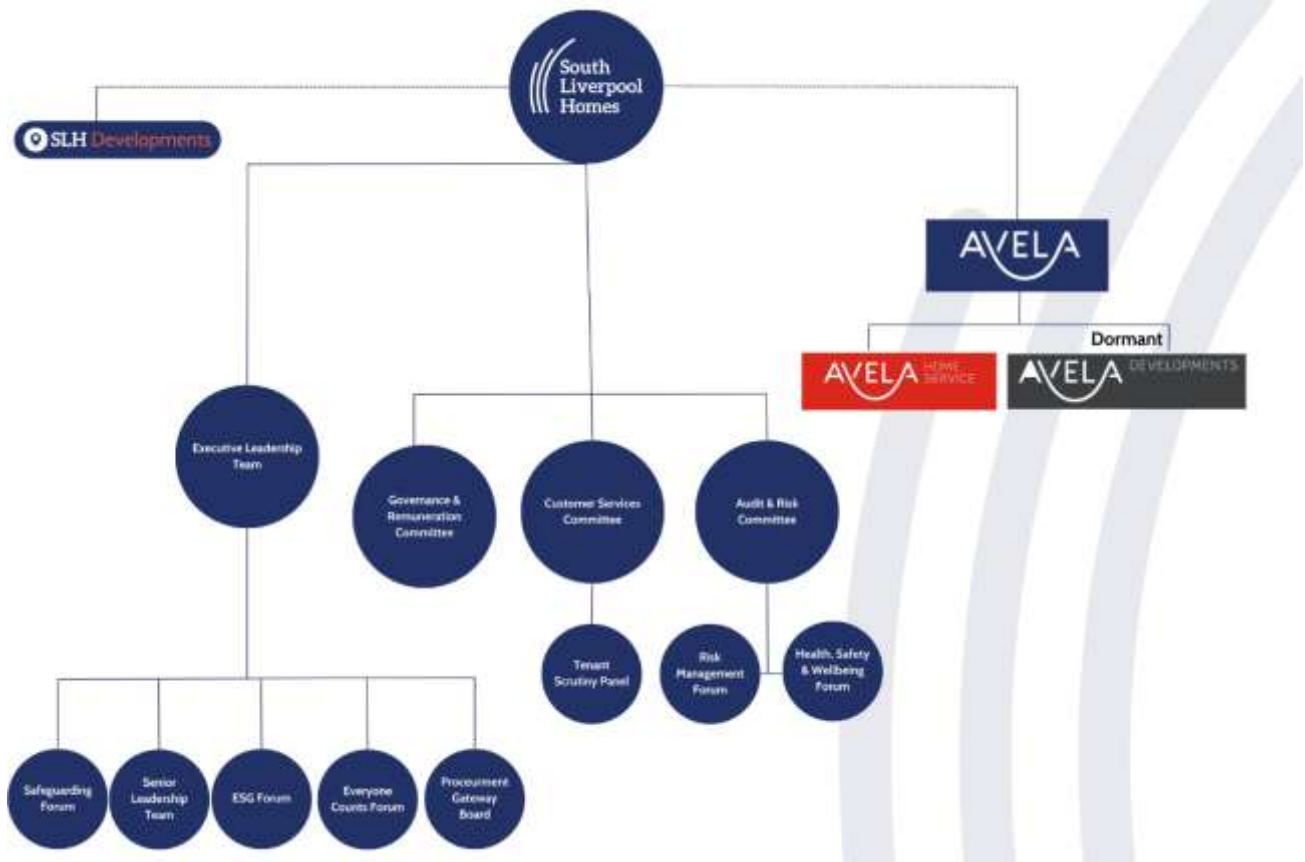
SLH is the parent to Avela Services Limited (ASL) which is a company providing non-charity works including rental of commercial properties and income from photovoltaic solar panels. Avela owns 55% of Avela Home Service Limited Liability Partnership (LLP) and 51% of Avela Developments Limited Liability Partnership (LLP).

Avela Home Service LLP (AHS) is a partnership between ASL and Penny Lane Builders Limited which provides repairs and maintenance services, primarily to SLH.

Avela Developments LLP (AD) is a partnership between ASL and Penny Lane Builders Limited. It exists for the development and construction of affordable housing mainly for and on behalf of SLH. AD is currently dormant.

SLH is the parent to SLH Developments Limited (SLHDL) which is a company set up during the previous financial year to provide the most effective way from a value for money perspective to manage the group's development programme.

Governance Structure



Going concern

The Board approves a 30 year business plan at least annually giving consideration to the group's forecast surplus, ability to repay debts and comply with financial covenants. The plan is subject to stress testing which demonstrates the ability to withstand significant risks, both in isolation and combined. The business plan was last approved in March 2025. The business plan has over £4.0m headroom on the tightest covenant, interest cover, in each of the next two years. The stress testing process demonstrated that the group has adequate resources available to withstand considerable economic challenges.

The group has a strong net asset position of £64.2m (2024: £61.0m). Cash collection in the year was positive and the bad debt position remained below budget despite the challenging economic conditions.

After making enquiries, the Board has a reasonable expectation that South Liverpool Homes has adequate resources to continue in existence for the foreseeable future, being a period of at least 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 preparing the financial statements.

Assessment of the effectiveness of internal control

The Board has overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness. This responsibility applies for all organisations within SLH, including those not registered with the Regulator of Social Housing (RSH).

SLH's system of internal control is designed to manage, rather than eliminate the risk of failure to achieve aims and objectives, to comply with statutory requirements, and to safeguard and make best use of public

funds and assets. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The Board has adopted a 'four lines of defence' model when establishing and maintaining internal controls, which are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the group is exposed and is consistent with the expectations of the RSH standard on Governance and Financial Viability.

Assurance on the effectiveness of internal controls was provided across a number of specific areas by a series of internal audits and external reviews. The Audit and Risk Committee has received the Annual Report of the Internal Auditor and has reported its findings to the Board.

The system of internal control continues to be maintained through an ongoing process designed to:

- Identify and evaluate strategic, principal and operational risks to the achievement of SLH policies, aims and objectives.
- Evaluate the likelihood of those risks being realised.
- Mitigate the impact should they be realised.
- Manage these risks efficiently, effectively, economically, and as far as is reasonably practicable.

Effective Governance Arrangements

SLH is governed by a Board of non-executive directors. The core purpose of the Board is to determine vision and strategy whilst also directing, controlling and scrutinising SLH, and its subsidiaries, affairs and performance. Operational management is the responsibility of SLH's Executive Leadership Team who remain accountable to the Board.

During 2024-25, three new board members were appointed to the board. SLH currently has 74.70% of all lead/joint tenant data. Work is progressing to obtain more information, via the knowing our customer campaign. Based on current data, the board composition does reflect SLH's communities. This will be monitored throughout all future recruitment to ensure board is reflective of the customers it serves.

The Avela Services Limited Board comprises of non-executive directors nominated by the SLH Board and SLH executive directors.

The SLH Developments Board comprises of two SLH executive directors.

The rules of SLH allow the board to delegate authority to sub-committees. SLH operate three sub-committees which have their own terms of reference setting out the powers and responsibilities delegated to them by SLH board.

- Audit and Risk Committee – The overall purpose of the committee is to ensure that SLH, ASL, AHS, AD and SLHDL internal control systems operate satisfactorily and that each organisation has adequate risk management arrangements in place. The committee has over the last 12 months:
 - Monitored the ongoing effectiveness of the internal reporting.
 - Considered reports from external audit including the annual financial statements before submission to the board.
 - Reviewed internal audit reports and issues arising and sought assurance that action was taken through a mechanism of exception and follow up reporting.
 - Approved the internal auditor's annual plan.
 - Ensured effective arrangements exist between internal and external audit and recommended the

- appointment of the internal and external auditors for the year.
 - Met with and considered the reports of external auditors, reviewed the financial statements, and monitored management action in response to issues raised.
 - Reviewed and obtained assurance on landlord compliance, health, safety and wellbeing and safeguarding.
 - Continued to review compliance with SLH's probity framework, signing off relevant returns such as fraud, speak up concerns, subject access requests, data protection declarations of interest and gifts and hospitality registers at each meeting.
 - Ensured that the company's assets are protected through regular reviews of the insurance arrangements.
 - Reviewed the asset and liability register.
 - Received comprehensive reporting on risks facing the organisation, risk management controls and areas of internal and external assurance. Providing board with assurance that risk is being managed effectively.
 - Reviewed the Groups risk appetite statement, for onward reporting and approval by the board.
 - Reviewed and obtained assurance that SLH is meeting the requirements of the regulator's economic standards (governance and financial viability, rent setting and value for money).
 - Approved and recommended to board for approval, a number of policies and procedures including the health, safety and wellbeing policy; merger position and service charge policy.
 - Reviewed SLH's cyber security arrangements.
 - Reviewed and approved SLH's pension strategy from a financial and viability perspective.
- Governance and Remuneration Committee – the overall purpose of the committee is to ensure effective governance arrangements are in place at SLH, ASL, AHS, AD, SLHDL and relevant assurance of this is provided to the SLH board. This includes ensuring the boards and committees have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their respective duties and responsibilities effectively. The committee has over the last 12 months:
 - Overseen the members appraisal process and received a detailed update on the skills and competency framework and members assessment against this.
 - Overseen and made recommendations to board regarding the appointment of the new chair.
 - Reviewed a number of policies and procedures including:
 - SLH standing orders
 - Chief executive appraisal procedure
 - Modern slavery statement
 - Redeployment and redundancy policy
 - Reviewed SLH's continued compliance with the NHF 2020 Code of Governance and progress against the governance improvement plan.
 - Overseen the independent review of governance, including monitoring progress against recommendations arising from the review.
 - Reviewed deep dives into each of the consumer standards and provided assurance to Board that SLH is compliant with these standards.
 - Reviewed remuneration for 2025/26 and pensions provision across the group.
 - Reviewed risks pertinent to remit of the committee.
 - Monitored board and committee member terms of service and supported Board succession planning through detailed reporting and planning.
 - Overseen the SLH Board Chair's completion of the Chief Executive's appraisal.
 - Considered and approved the SLH board Chair's recommendation for short-, medium- and longer-term objectives and targets for the Chief Executive.
 - Overseen the SLH board chair's appraisal.
 - Received regular reports from the EDI board member lead.

- Reviewed use of the company seal, noting reporting has now transferred to the audit and risk committee.
- Customer Services Committee – the purpose of the committee is to provide a diverse cross-section of views and insight to the Board from a customer perspective. To influence board’s decision-making on key customer-related issues as defined by the board relating to the organisation’s responsibilities as a landlord; and enable the customer voice to shape and continuously improve the homes and services that SLH provides. The committee has over the last 12 months:
 - Considered and influenced changes to SLH policies and procedures, from a customer perspective:
 - Customer Feedback policy
 - Income management policy
 - Stakeholder communication policy
 - Customer voice policy
 - Equality, diversity and inclusion policy
 - Interpretation policy
 - Safeguarding policy
 - Neighbourhood policy
 - Domestic Abuse policy
 - Volunteer policy
 - Interpretation procedure
 - Allocations policy
 - Adaptations policy
 - Service charge policy
 - Reviewed deep dives into each of the consumer standards and provided assurance to board that SLH is compliant with these standards.
 - Reviewed on a quarterly basis risks pertinent to customers and the committee.
 - Received the customer feedback report on a quarterly basis and made recommendations for improving the reporting information, to ensure it is focused on lessons learned.
 - Provided unique customer insight into a number of aspects of the business, including:
 - Reviewed the SLH performance dashboard and compliance on a quarterly basis
 - Received updates on performance against tenant satisfaction measures.
 - Instructed and supported the scrutiny panel to conduct service reviews in relation to: complaints and planned maintenance. A number of recommendations were made following each review of which the committee monitors progress.
 - Quarterly reports are received from the scrutiny panel.
 - Overseen progress against SLH’s response to the Better Social Housing Review
 - Supported the development of the customer voice framework, enhancing processes to hear the customer voice throughout SLH’s governance structure.
 - Received updates on the ‘knowing out customer’ campaign and how SLH will continue to collate data and use this to deliver services.

Code of Governance

The board is pleased to have adopted the National Housing Federation (NHF) 2020 Code of Governance and can report compliance with the applicable principles and provisions of the adopted code. Compliance with the code is reviewed by the governance and remuneration committee at each quarterly meeting and assurance is reported to the board. The self-assessment against each element of the code is reported on annual basis to the board for approval.

Regulatory Standards

SLH recently underwent a regulatory inspection by the Regulator of Social Housing (RSH), resulting in a top-tier rating for compliance with the new consumer standards. The inspection, completed earlier this year, assessed SLH's governance, financial viability, and adherence to consumer standards. The RSH found SLH to be well-managed, financially robust, and compliant with all relevant regulations.

Consumer Standards (C1): SLH was found to treat tenants fairly and respectfully and is actively increasing its understanding of tenant needs.

Governance (G1): SLH's board is rigorously monitoring performance against strategic targets and implementing clear improvement plans.

Viability (V1): SLH's financial plans are consistent with its financial strategy, demonstrating adequate funding, security, and financial capacity to manage various scenarios.

Compliance with Governance and Financial Viability Standard

SLH assess compliance with the Governance and Financial Viability Standard at least once a year and last certified compliance with the standard in November 2024. In addition, the board consider annually compliance with all the economic and consumer standards through self-assessments at least once a year. The value for money standard and rent standard were reviewed as compliant in November 2024 alongside the governance and financial viability standard. Each quarter, one of the consumer standards were reviewed at the customer services committee and the governance and remuneration committee and then compliance confirmed at the following board meeting.

Board members' responsibilities and information for auditors

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations including the Statement of Recommended Practice (SORP): Accounting by registered social housing providers 2018.

Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members 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 and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 has 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 the group and association will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time their financial position. The financial statements must 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 2019. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the group and association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.



Paul Diggory
Chair of the Board
7 August 2025

Strategic Report for the year ended 31 March 2025

Vision: Great homes. Strong communities. Bright futures.

This vision supports our mission to provide homes and services to those in need. As a social landlord and a major stakeholder in the communities where we work, we see it as our duty to tackle societal issues. This plan will include closing the gap on the multiple inequalities that our communities face. Fundamental to this is the provision of good quality housing that people are proud to call their home.

We will achieve our vision through the delivery of four key objectives:



The vision is underpinned by our values, which run through everything we do, enabling us to run the business effectively to meet the objectives within the 4Ps as set out in the corporate plan.

Performance during the year

The Board and management have agreed a Performance Management Framework which is part of our approach to business assurance; it exists to manage performance across the group. Board consider performance quarterly, benchmarking against an agreed comparator group and also approve annual targets.

People (Residents)

Engaged and included residents who can access a range of services to support their health, wellbeing and economic aspirations.

Description	March 2024	March 2025			
		Target	Tolerance Level	Value	Status
% Overall satisfaction with new home / tenancy	89%	90%	85%	85%	⚠️
% Overall satisfaction with repairs service	92%	93%	88%	89%	⚠️
% Overall satisfaction with gas repairs	New	98%	89%	90%	⚠️
% Overall satisfaction with planned maintenance	100%	99%	90%	100%	✅
% Satisfaction with anti-social behaviour case handling	83%	90%	80%	96%	✅
% Satisfaction with formal complaint handling	92%	92%	85%	50%	❌

Overall satisfaction with new home / tenancy has not achieved our target but is within the approved tolerance level. Four responders were dissatisfied, 14 respondents provided a neutral opinion 100 were satisfied (the response rate was 72%).

Overall satisfaction with repairs service is 89% against a target of 93%. In 2024/25, 14,359 repairs have been completed and 600 satisfaction surveys were returned.

Satisfaction with formal complaint handling is not meeting our target. There have been 246 complaints closed in 2024/25. Each complainant is sent a satisfaction survey following the closure of their case. The response rate from surveys sent out is 5.7%. The reasons for dissatisfaction include works remaining incomplete and the timescale to complete repairs.

Tenant satisfaction measures (TSM)

All registered providers are required to report TSMs using standardised satisfaction and management figures for the year to March 2025. There are 12 TSM perception measures and ten landlord management measures.

Our relationship-based Tenant Satisfaction Survey is conducted on our behalf by IFF Research, a social and market research agency. They complete 50 telephone surveys each month.

The table below shows SLH’s performance against the tenant perception TSMs for 2024/25, along with our position against IFF Research’s benchmarking group. Whilst 11 of the 12 measures are not achieving the SLH target (six are within our tolerance range), our annual performance remains strong relative to the 32 other housing providers IFF Research works with. For eight of the 12 TSM measures (including overall satisfaction), we are in the top (first) quartile.

TSM – perception measures 2024/25



TSM code	Satisfaction measure	2023/24 LCRA	2024/25					Status	Trend to last year	IFF benchmarking group Q4 2024/25 (LCRA only)
			Target	Tolerance level	LCHO	LCRA	Combined			
TP01	Overall satisfaction	79%	82%	77%	88%	78%	78%		▼	1st quartile
TP02	Overall repairs service (repair completed in last 12 months)	80%	82%	77%	TBC	76%	77%		▼	3rd quartile
TP03	Time taken to complete repair (repair in the last 12 months)	74%	78%	72%	TBC	70%	72%		▼	3rd quartile
TP04	Home is well-maintained	78%	82%	77%	TBC	77%	77%		▼	2nd quartile
TP05	Home is safe	86%	90%	85%	75%	82%	82%		▼	2nd quartile
TP06	Listening to tenants views and acting upon them	68%	75%	70%	86%	70%	70%		▲	1st quartile
TP07	Keep informed	79%	80%	75%	75%	78%	78%		▼	1st quartile
TP08	Treat you fairly & with respect	85%	85%	80%	88%	85%	85%		▲	1st quartile
TP09	Approach to complaints handling (complaint made in last 12 months)	55%	60%	50%	50%	47%	47%		▼	1st quartile
TP10	Communal areas clean and well maintained	76%	80%	77%	80%	79%	79%		▲	1st quartile
TP11	SLH make positive contribution to neighbourhood	80%	80%	77%	50%	79%	79%		▼	1st quartile
TP12	Approach to handling anti-social behaviour	80%	80%	75%	75%	73%	73%		▼	1st quartile

TSM – landlord management measures 2024/25

TSM code	TSMs generated from management information	Tenant Satisfaction Measure	2023/24 results	2024/25 results	Trend	Other housing associations (median score) 2024/25
CH01	Complaints relative to the size of the landlord	Number of: 1. stage one complaints and	69	76	▼	50
		2. stage two complaints received per 1,000 homes	2	6.4	▼	8.4
CH02	Complaints responded to within Complaint Handling Code timescales	Proportion of: 1. stage one complaints responded to and	98%	95%	▼	92%
		2. stage two complaints responded to within the Housing Ombudsman’s Complaint Handling Code timescales.	100%	87%	▼	91%
NM01	Anti-social behaviour cases relative to the size of the landlord	Number of: 1. anti-social behaviour cases, of which	69	67	▲	35
		2. anti-social behaviour cases that involve hate incidents opened per 1,000 homes.	1.3	1.3	-	0.7
RP01	Homes that do not meet the Decent Homes Standard	Proportion of homes that do not meet the Decent Homes Standard	0.03%	0.00%	▲	0.4%
RP02	Repairs completed within target timescale	Proportion of: 1. non-emergency and	87%	90%	▲	83%
		2. Emergency responsive repairs completed within the landlord’s target timescale.	97%	94%	▼	96%
BS01	Gas safety checks	Proportion of homes for which all required gas safety checks have been carried out.	100%	100%	-	100%
BS02	Fire safety checks	Proportion of homes for which all required fire risk assessments have been carried out.	100%	100%	-	100%
BS03	Asbestos safety checks	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	100%	100%	-	100%
BS04	Water safety checks	Proportion of homes for which all required legionella risk assessments have been carried out.	100%	100%	-	100%
BS05	Lift safety checks	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	100%	100%	-	100%

People (Colleagues)








Colleagues who are engaged and empowered to deliver SLH’s objectives.

Description	March 2024	March 2025			
		Target	Tolerance Level	Value	Status
% Short term absence	1.1%	2.0%	2.5%	1.1%	
% Overall sickness absence	2.5%	3.0%	3.5%	3.3%	

We have seen an increase across the business in the instances of long-term absences in 2024/25 which has affected overall sickness absence.

Place

Building homes to meet current and future needs whilst investing in existing homes. Building strong communities, places where people choose to live and stay. A good quality home will be the foundation to tackling social inequality.

Description	March 2024	March 2025			
		Target	Tolerance Level	Value	Status
% New tenancies lasting >3 years	82.2%	80.0%	70.0%	86.5%	
% Repairs appointments kept	94.9%	98%	95%	99.6%	
Average number of days to re-let empty homes	23 days	28 days	28 days	32 days	
% Tenancy turnover	3.5%	4%	5%	4.6%	
% Stock condition surveys completed	30.8%	20.0%	20.0%	26.4%	
% Follow on repairs completed within target	93%	95%	90%	98%	
Homes empty and not available	0.29%	0.13%	0.15%	0.40%	

The average number of days to re-let empty homes and homes empty and not available are outside of our targets. This year we have seen a rise in turnover and a number of properties have required significant work to be undertaken before being relet affecting the overall average time to relet homes in 2024/25. From April 2025 an additional in-house team has been approved to help to bring our performance back into target.

Planet

Preparing our business, our homes and our communities to meet net-zero carbon targets; going a step further by providing cleaner, greener neighbourhoods and helping our customers navigate the energy challenges they face.

Economic, Social and Governance (ESG)

As part our £40m loan refinancing in September 2022, the loan facilities agreement included three ESG metrics which, if achieved would save 0.05% of interest payable each year.

The three metrics are:







- The percentage of new developments (which have reached practical completion during the relevant Financial Year) that have an Energy Performance Certificate rating of "B" or above.
- SHIFT accreditation of "SILVER" which measures the energy efficiency of all our housing stock.
- The avoided carbon emissions resulting from operation of Market Place and other foodbanks which obtain food from local suppliers / manufacturers that would otherwise be disposed.

Description	March 2024	March 2025			
		Target	Tolerance Level	Value	Status
New developments EPC-B or above	100%	100%	N/A	N/A	N/A
SHIFT Assessment	Silver	Silver	N/A	Silver	
Avoided carbon emissions	62 tonnes	60 tonnes	N/A	68 tonnes	

There has not been any completed development of new homes in 2024/25, however all development schemes currently on site are committed to build to EPC-A.

Pound

Creating a sound financial platform to deliver our vision, maximising investment opportunities and working together with others to deliver more.

Description	March 2024	March 2025			
		Target	Tolerance Level	Value	Status
VFM Gains	£150,000	£200,000	£200,000	£200,579	
% Void loss	0.38%	0.50%	0.50%	0.74%	
% Income collected	99.3%	99.3%	98.0%	100.04%	
% Current tenants rent arrears	3.70%	3.96%	4.17%	3.45%	
% Former tenant rent arrears	0.46%	0.33%	0.60%	0.35%	
% Total arrears	5.34%	5.56%	6.10%	4.94%	

The void loss key performance indicator has been influenced by the time taken to relet empty homes, as described in the place section above.

Principal risks and uncertainties

SLH's Risk Management Framework (RMF) forms part of the approach to business assurance; it exists to identify, manage and mitigate risk across the group to support delivery of our corporate plan. The RMF:

- Provides a systematic process of understanding, evaluating and reducing risks in order to maximise our chances of achieving our objectives;
- Provides Board with the necessary assurance that risk is being managed effectively;
- Identifies risk in relation to the business planning process and defines the Board risk appetite and tolerance against each strategic risk;
- Produces real time, accurate and relevant risk information;
- Ensures compliance with the Regulator of Social Housing Governance and Financial Viability Standard;
- Ensures that the control framework is operating effectively.

Board retains overall responsibility for risk. However, the framework is managed by the Audit & Risk Committee and the Risk Management Forum (a group made up of members of the senior leadership team and several other managers). The forum meets quarterly to review risk registers and consider other items such as changes in legislation, data protection, insurance, procurement and business continuity.

Risk management is a standard item in all board and committee papers and agendas.

The risk register is reviewed in detail, as a minimum, on a quarterly basis by lead risk owners. The risk register is reviewed by the risk management forum and approved by the audit and risk committee on a quarterly basis. Board receives the risk register on a quarterly basis and specific attention is focused on strategic risks and those within the reporting scoring threshold.

During 2024/25 the risks within the risk register have evolved with the changing requirements of the sector. Alongside a review of risk scores, the reviews show that internal controls are in place and assurance is adequately evidenced and an action plan is in place to address any gaps.

As part of the business plan approval process, Board conducted a number of stress tests. The exercise detailed the Board’s response to the crystallisation of multiple risks together. This ensures that Board understand what stresses and combinations of stresses could put our business at risk, that they have rehearsed a range of difficult decisions, and have developed a detailed contingency plan. As part of this process, Board set the risk appetite and tolerance against each of the key strategic, principal and operational risks.

Risk Appetite – the Risk Appetite Statement represents the agreed view of the Board of South Liverpool Homes, it provides direction, guidance, and parameters on the risk appetite for all SLH’s activities.

Risk theme	AVERSE	CAUTIOUS	BALANCED	OPEN	HUNGRY
	<i>Prepared only to accept the very lowest level of risk</i>	<i>Willing to accept some low risks, while maintaining an overall preference for safe delivery options</i>	<i>Tending always towards exposure to only modest levels of risk</i>	<i>Prepared to consider all delivery options, selecting those with the highest probability of productive outcomes</i>	<i>Eager to seek original, creative, pioneering delivery options and to accept the associated substantial risk levels</i>
Repairs and maintenance	The Board recognises that the repairs and maintenance service is at the core of what SLH does as a Registered Provider. The Board considers that SLH’s tenants must be able to expect good quality services. The Board recognises that SLH must meet and avoid any breaches of regulatory and statutory standards. The Board considers that in delivering these priorities some cautious risks might need to be taken. The Board requires that such exposures must be properly appraised and assessed before they are taken. Members agreed for the risk response to be noted as CAUTIOUS.				
Compliance / Regulatory	The Board feels that SLH must adopt an averse approach to this risk, as it will not take any risks which will impact on its ability to meet regulatory requirements. The Board has an AVERSE appetite in relation to regulatory compliance.				
Finance / Value for Money	The Board recognises the need for measured risk taking and has a CAUTIOUS approach to support growth whilst making best use of resources, delivering value for money and minimising the possibility of financial loss allowing SLH to develop and provide the highest standards of housing. However, the Board will not take any financial risks which will have a negative impact on the overall sustainability of the organisation and has an AVERSE appetite.				
Health and Safety Obligations	The Board considered that this risk is of the highest priority and that all necessary measures are adopted to manage this risk to ensure that breaches are avoided. The Board has an AVERSE appetite regarding health and safety of tenants, colleagues and members.				
Environmental management / energy	The Board has a CAUTIOUS appetite as SLH adheres to statutory targets associated with environmental and energy management, whilst also listening to and prioritising the interests of its tenants in such matters. The Board recognises that the timeline for meeting statutory targets will enable SLH to prepare well informed plans to address these challenges. The Board accepts that in working towards these objectives it should be able to accept a cautious approach to such risks. The Board requires that such exposures must be properly appraised and assessed before they are taken.				
Development programme	The Board considers that if SLH is unable to deliver the planned development programme this would present significant risks to its reputation generally and specific risks regarding SLH’s relationship with Homes England. The Board accepts that pursuing a development programme brings certain risks and that the delivery of a programme relies on many factors, many of which will be outside the control of SLH. The Board accepts that a cautious approach to risk is appropriate. The Board expects that appropriate mitigations are established and that these will be deployed as necessary. The Board has a CAUTIOUS appetite in relation to the development programme.				
Quality Improvement	SLH has an OPEN appetite for innovation and will take measured risks to maximise innovation, quality improvement and commercial opportunities to improve and transform services and ensure value for money.				
Information technology	The board recognises that information technology is a key enabler to the delivery of SLH services. The board has an AVERSE appetite for risks relating to the availability of systems, including prolonged outage of core systems that impact service delivery. It also has an AVERSE appetite for security related risks, in terms of cyber-attacks. However, the board understands that information technology can create opportunities and therefore has an OPEN appetite for innovation, to maximise technological solutions to improve customer experience, transform services and ensure value for money.				
Workforce	The Board values our people and aims to engage and empower colleagues to deliver the SLH objectives. The Board recognises that to achieve the necessary workforce objectives in terms of recruitment, training and culture, equality, diversity and inclusion and creating an agile workforce, we need to have a CAUTIOUS approach to risk.				
Customers	The Board is committed to engage and include residents, to enable them to access a range of services to support their health, wellbeing and economic aspirations. The Board is prepared to consider all delivery options in terms of tenant engagement. The Board has a CAUTIOUS appetite.				

Value for Money

SLH aim to deliver Value for Money (VFM) through our ‘Pound’ strategy. We seek to strike the right balance between relatively low costs, high productivity and successful outcomes.

Comparing our costs with others is an integral part of managing our performance and ensuring delivery of this strategy. We report our value for money performance using the Regulator of Social Housing’s national VFM Metrics. Performance is reported to Board quarterly. Comparison of value for money metrics is made by analysing the Regulator’s global accounts of all housing associations.

We compare ourselves with organisations of a similar size (statistical neighbours) or those that operate in similar geographical areas who will experience the same issues such as deprivation, crime and unemployment. We know some of the services we deliver are higher cost compared to similar organisations or indeed are services that are not delivered by other landlords. However, decisions to deliver these services have been taken in an informed way, based upon the needs of our customers and our business. For example, our employability and benefits advice service supports customers to become more financially resilient and helps protect our income from increasing exposure and volatility. The impact of these services is monitored so that decisions regarding service levels can be kept under review to ensure they continue to be relevant and based on the needs of our customers and neighbourhoods.

The Board understand that investment in these areas will complement other areas of the business, like rent collection and the development programme. Investment in new supply offers less value without continued community investment. Our costs are reflective of a community-based landlord and the Board is clear on the cost base and continue to provide challenge through their quarterly review of performance against both the value for money and corporate plan performance metrics.

The Board also understand that if we were to move to a median or lower cost organisation, it would compromise our ability to deliver our vision. We stress test our capacity and risks and have mitigations in place to respond to adverse social and economic conditions.

The following tables show SLH’s performance for the last two years against the national VFM metrics, together with a comparison to sector and peer results for 2023/24 (which is the latest comparative data available).

VFM metrics – backward look (group)

	Measure	2023/24				2024/25			
		Sector average	Peer average	SLH	Sector Quartile	SLH Budget	SLH Actual	Variance to budget	Variance to 2023-24
1	Reinvestment %	7.6%	9.6%	7.4%	Q2	4.1%	12.4%	8.3%	5.0%
2a	Units developed (% of units social housing)	1.9%	1.5%	0.1%	Q4	0.0%	0.1%	0.1%	-0.1%
2b	Units developed (% of units non-social)	0.0%	0.0%	0.0%	Q2	0.0%	0.0%	0.0%	0.0%
3	Gearing	48.9%	39.8%	20.9%	Q1	22.3%	23.3%	1.0%	2.4%
4	EBITDA-MRI (as a % of interest)	88.3%	137.2%	294.7%	Q1	226.1%	152.7%	-73.4%	-142.0%
5	Social housing cost per unit	5,855	4,490	4,631	Q4	4,958	5,223	5.4%	12.8%
5a	Management cost per unit	N/A	N/A	1,367	N/A	N/A	1,519	N/A	11.1%
5b	Service charge cost per unit	N/A	N/A	188	N/A	N/A	194	N/A	3.3%
5c	Maintenance cost per unit	N/A	N/A	1,501	N/A	N/A	1,668	N/A	11.2%
5d	Major Repairs cost per unit	N/A	N/A	1,306	N/A	N/A	1,674	N/A	28.2%
5e	Other social housing cost per unit	N/A	N/A	269	N/A	N/A	168	N/A	-37.7%
6a	Operating Margin (social housing lettings)	21.8%	17.7%	22.6%	Q2	26.1%	19.0%	-7.2%	-3.7%
6b	Operating Margin overall	16.9%	19.1%	18.6%	Q2	20.6%	16.1%	-4.5%	-2.4%
7	Return on Capital Employed	2.5%	2.9%	4.0%	Q1	3.4%	3.3%	-0.1%	-0.7%

VFM metrics – backward look (association)

	Measure	2023/24				2024/25			
		Sector average	Peer average	SLH	Sector Quartile	SLH Budget	SLH Actual	Variance to budget	Variance to 2023-24
1	Reinvestment %	9.0%	11.0%	7.5%	Q2	16.9%	12.8%	-4.1%	5.3%
2a	Units developed (% of units social housing)	1.6%	1.3%	0.1%	Q4	0.1%	0.1%	-0.1%	-0.1%
2b	Units developed (% of units non-social)	0.1%	0.0%	0.0%	Q1	0.0%	0.1%	0.1%	0.1%
3	Gearing	46.4%	36.6%	21.6%	Q1	21.1%	24.1%	3.1%	2.6%
4	EBITDA-MRI (as a % of interest)	110.1%	154.1%	269.0%	Q1	181.2%	140.7%	-40.5%	-128.2%
5	Social housing cost per unit	5,549	4,877	4,645	Q3	5,060	5,351	5.7%	15.2%
5a	Management cost per unit	N/A	N/A	1,362	N/A	1,486	1,594	7.2%	17.0%
5b	Service charge cost per unit	N/A	N/A	188	N/A	186	194	4.3%	3.4%
5c	Maintenance cost per unit	N/A	N/A	1,519	N/A	1,642	1,666	1.5%	9.7%
5d	Major Repairs cost per unit	N/A	N/A	1,366	N/A	1,582	1,732	9.5%	26.8%
5e	Other social housing cost per unit	N/A	N/A	209	N/A	164	165	0.7%	-21.2%
6a	Operating Margin (social housing lettings)	21.1%	19.1%	22.3%	Q2	22.0%	19.6%	-2.5%	-2.8%
6b	Operating Margin overall	19.2%	18.5%	18.6%	Q3	19.1%	16.6%	-2.5%	-2.0%
7	Return on Capital Employed	3.4%	11.4%	3.9%	Q1	3.1%	3.3%	0.2%	-0.6%

Reinvestment: Investment in new development and current stock is higher than the sector and peer average. It has increased by 5.0% compared to last year as a result of more development activity. During the year £8.8m was spent on new developments, the majority of which was on works at the Old Baths, Window Lane and Church Road sites all in Garston. We also invested £5.3m in our current homes.

Gearing and EBITDA-MRI metrics both continue to perform and compare well to sector and peer averages. There is comfortable headroom above funders' covenants and the opportunity to invest in new developments and to address the decarbonisation agenda in coming years.

SLH cost per unit overall has increased compared to last year and reflects the pressure from the rising volume and cost of repairs and maintenance in particular.

Management costs have increased by 11.1% (group) compared to the previous year, this is due to a decrease in the number of overall units managed, whilst costs have increased, mainly due to one-off costs of additional ICT resources and a cost of living pay award for colleagues. There has been a concerted effort to control expenditure and find in-year efficiencies which have delivered £200k in value for money efficiencies.

SLH continue to invest in our homes through an ongoing programme of major repairs and capital investment, £6.4m spent during the year. This represents a cost per unit of £1,674 for 2024/25, an increase of 28% on the previous year.

Service charge costs have increased following the 6.7% increase to fixed charges, in line with Government guidance, and increases on variable charges to ensure contributions meet the cost of providing the services provided.

Other social housing expenditure, which includes community investments, the environmental team and new development programme design and feasibility, has decreased due to less development work which could not be capitalised.

Operating margins: 2024/25 has seen a decrease in the social housing lettings (SHL) operating margin to 19% from 22.6% last year. This is due to the increase in repair and maintenance costs. In addition, there has

been significant cost in-year to support ICT work.

The overall operating margin has decreased to 16.1% compared to 18.6% in 2023/24 due to the factors already mentioned. The budget and target for 2025/26 is to achieve a margin of 18%. The association and group is performing well. The “net surplus” is comparable to previous years and includes right to buy and right to acquire sales which contribute to the net surplus (or bottom line) but are excluded from the “operating surplus” figure used to calculate this metric.

Another factor identified which impacts on overall margins is that SLH invests heavily in community activity and Board appreciate that this has an associated cost. In 2024/25, over half a million pounds was invested in local projects such as Reach employability hub, our local Market Place, Grow Speke and investment in financial inclusion.

Return on Capital is 3.3% which was marginally lower than the budgeted 3.4%.

Other VFM measures from the Sector Scorecard

Theme	Measure	2023/24	Budget 2024/25	2024/25
Development	Units developed (absolute)	4	4	2
Outcomes Delivered	Satisfaction with the service provided by the social housing provider	78.5%	82.0%	77.9%
	Investment in community activities	549,926	485,077	567,241
Effective Asset	Occupancy	99.3%	99.5%	99.2%
	Ratio of responsive repairs to planned maintenance	0.47	0.42	0.44
Operating efficiencies	Rent collected (Net rental income/gross rental income)	99.3%	99.3%	100.0%
	Overheads as a percentage of social housing turnover	15.7%	15.3%	16.7%

Headlines from the other VFM indicators are as follows:

- Customer satisfaction was measured throughout the year by IFF Research who conducted telephone interviews with 600 representative tenants between April 2024 and March 2025.
- Investment in communities increased during 2024/25 and in addition to the expenditure is the staff time spent supporting our most vulnerable tenants throughout the year.
- Occupancy is above the sector median.
- Overhead costs as a percentage of turnover increased due increased management costs (which includes overheads) on additional ICT resources.

The following table sets out the VFM metrics for the next three years taken from SLH's 30-year Business Plan.

VFM metrics – forward look (group)

	Measure	Actuals		Forecast				
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
1	Reinvestment %	7.4%	12.4%	23.3%	18.9%	16.8%	10.6%	14.5%
2a	Units developed (% of units social housing)	0.1%	0.1%	2.8%	2.4%	2.4%	2.9%	0.9%
2b	Units developed (% of units non-social housing)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing	20.9%	23.3%	34.4%	38.2%	43.1%	38.1%	40.1%
4	EBITDA-MRI (as a % of interest)	294.7%	152.7%	154.5%	139.3%	144.0%	160.7%	132.3%
5	Social housing cost per unit	4,631	5,223	5,074	4,990	4,993	4,958	5,344
5a	Management cost per unit	1,367	1,519	1,634	1,638	1,636	1,631	1,650
5b	Service charge cost per unit	188	194	188	190	190	189	191
5c	Maintenance cost per unit	1,501	1,668	1,661	1,682	1,684	1,669	1,690
5d	Major Repairs cost per unit	1,306	1,674	1,471	1,359	1,361	1,349	1,691
5e	Other social housing cost per unit	269	168	119	121	121	120	121
6a	Operating Margin (social housing lettings)	22.6%	19.0%	18.7%	20.1%	22.8%	24.1%	25.1%
6b	Operating Margin overall	18.6%	16.1%	17.9%	16.9%	21.6%	15.8%	24.6%
7	Return on Capital Employed	4.0%	3.3%	3.4%	3.0%	3.3%	3.7%	3.5%

VFM metrics – forward look (association)

	Measure	Actuals		Forecast				
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
1	Reinvestment %	7.5%	12.8%	22.2%	18.7%	16.9%	10.6%	14.6%
2a	Units developed (% of units social housing)	0.1%	0.1%	2.8%	2.4%	2.4%	2.9%	0.9%
2b	Units developed (% of units non-social housing)	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing	21.6%	24.1%	34.7%	38.1%	42.8%	37.6%	39.5%
4	EBITDA-MRI (as a % of interest)	269.0%	140.7%	154.1%	130.4%	137.8%	155.4%	127.2%
5	Social housing cost per unit	4,645	5,351	5,138	4,906	4,903	4,859	5,246
5a	Management cost per unit	1,362	1,594	1,548	1,554	1,546	1,532	1,552
5b	Service charge cost per unit	188	194	188	190	190	189	191
5c	Maintenance cost per unit	1,519	1,666	1,811	1,682	1,684	1,669	1,690
5d	Major Repairs cost per unit	1,366	1,732	1,471	1,359	1,361	1,349	1,691
5e	Other social housing cost per unit	209	165	119	121	121	120	121
6a	Operating Margin (social housing lettings)	22.3%	19.6%	19.2%	20.6%	23.3%	24.6%	25.5%
6b	Operating Margin overall	18.6%	16.6%	18.2%	16.1%	20.9%	15.3%	24.0%
7	Return on Capital Employed	3.9%	3.3%	3.4%	2.8%	3.2%	3.6%	3.3%

To achieve our 2024/25 targets above we aim to:

- Deliver on a budget which achieves an overall operating margin over 18%.
- Continuously review and improve how we operate, seeking opportunities to work in partnership with others in our communities, and giving customers a voice in decision-making.
- Update our Treasury Management Strategy to maintain the most effective approach to management of cash flows.
- Continue to use all entities in the group to provide the most efficient and effective way to maintain existing homes, build new homes and support tenants and local communities through community investment services.
- Commence on site with three schemes to build new homes in Speke and Garston.

Resident involvement

SLH is committed to involving tenants and the community in how our homes and neighbourhoods are

managed. Community involvement is vital to delivering better services and providing South Liverpool with great homes, strong communities and bright futures. There are a variety of ways to get involved with SLH:

- Scrutiny Panel – the Scrutiny Panel is a group of tenants who work on behalf of all tenants to ensure that the services provided are achieving high levels of customer satisfaction and represent good value for money.
- Customer Services Committee – reviews operational performance and how we are performing against the consumer standards. It provides recommendations to the SLH Board.
- Satisfaction surveys – SLH actively seek customer views through surveys. The Satisfaction Framework exists to both test the feelings of customers about SLH (relationship surveys) and their views after they have received services (transactional surveys). These are an important way of assessing views but critically using the information to influence future service delivery.
- Grow Speke offers the community a chance to come together for activities, to learn new skills and to grow food.
- Coffee and Chat mornings at the Market Place Social – these sessions take place to support residents to come together, socialise and improve wellbeing.

Approval

This Strategic Report was approved by order of the Board on 7 August 2025.



Paul Diggory
Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SOUTH LIVERPOOL HOMES LIMITED

Opinion

We have audited the financial statements of South Liverpool Homes Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2025 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated Statement of Changes in Equity (Reserves), Association Statement of Changes in Equity (Reserves), Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 10, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

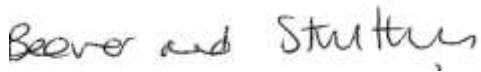
- We obtained an understanding of laws, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of noncompliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

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



Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M5 4DL

Date: 27 August 2025

South Liverpool Homes Limited Year ended 31 March 2025

Consolidated statement of comprehensive income

	Note	2025 £'000	2024 £'000
Turnover	4	24,066	22,570
Cost of sales	4	-	-
Operating costs	4	(20,184)	(18,381)
Surplus on disposal of housing properties	12	593	343
Operating surplus		4,475	4,532
Surplus on disposal of fixed assets		-	2
Impairment	20b	(53)	-
Other interest receivable and similar income	13	703	101
Interest and financing costs	14	(1,952)	(1,307)
Change in fair value of investment properties	18	-	35
Surplus before taxation		3,173	3,363
Taxation on surplus	15	19	(2)
Surplus for the financial year		3,192	3,361
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension scheme	28	206	(572)
Total comprehensive income for year		3,398	2,789
Surplus for the financial year attributable to:			
Non-controlling interest	19	(35)	143
Parent company		3,433	2,646
Surplus for the financial year		3,398	2,789
Total comprehensive income attributable to:			
Parent company		3,433	2,646
Non controlling interest		(35)	143
Total comprehensive income for year		3,398	2,789

The notes on pages 35 to 75 form part of these financial statements.

South Liverpool Homes Limited Year ended 31 March 2025
Association statement of comprehensive income

	Note	2025 £'000	2024 £'000
Turnover	4	23,663	22,177
Cost of sales	4	-	-
Operating costs	4	(19,736)	(18,048)
Surplus on disposal of housing properties	12	593	343
Operating surplus		4,520	4,472
Gift aid receipt from subsidiary		76	53
Surplus on disposal of fixed assets		-	2
Impairment		(53)	-
Other interest receivable and similar income	13	791	181
Interest and financing costs	14	(1,952)	(1,307)
Surplus before taxation		3,382	3,401
Taxation on surplus	15	-	-
Surplus for the financial year		3,382	3,401
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension scheme	28	206	(572)
Total comprehensive income for year		3,588	2,829

The notes on pages 35 to 75 form part of these financial statements.

South Liverpool Homes Limited Year ended 31 March 2025

Consolidated and association statement of financial position

	Note	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Fixed assets					
Tangible fixed assets – housing properties	16	120,904	110,454	121,985	111,563
Tangible fixed assets - other	17	2,018	1,956	553	348
Property for resale	20	-	232	-	232
Investment properties	18	305	305	-	-
		123,227	112,947	122,538	112,143
Current assets					
Property for resale	20a	451	-	451	-
Stocks		501	366	-	-
Debtors receivable within one year	21	2,016	1,720	2,246	1,573
Debtors receivable after one year	21	-	-	1,285	2,140
Cash and cash equivalents		26,156	3,043	25,802	2,198
		29,124	5,129	29,784	5,911
Creditors: amounts falling due within one year	22	(15,611)	(3,797)	(14,910)	(3,474)
Net current assets		13,513	1,332	14,874	2,437
Total assets less current liabilities		136,740	114,279	137,412	114,580
Creditors: amounts falling due after more than one year	23	(71,687)	(51,875)	(71,634)	(51,803)
Net assets excluding pension liability		65,053	62,404	65,778	62,777
Pension liability	28	(858)	(1,445)	(858)	(1,445)
Net assets		64,195	60,959	64,920	61,332
Capital and reserves					
Income and expenditure reserve		64,230	60,816	64,920	61,332
Revaluation reserve		-	-	-	-
Equity attributable to owners of the parent company		64,230	60,816	-	-
Non-controlling interest	19	(35)	143	-	-
		64,195	60,959	64,920	61,332

The financial statements on pages 28 to 75 were approved by the Board of Directors and authorised for issue on 7 August 2025.

Paul Diggory
Chair



Paul McGerty
Director



Mark Chambers
Company Secretary



South Liverpool Homes Limited Year ended 31 March 2025

Consolidated statement of changes in reserves

	Income and expenditure reserve	Revaluation reserve	Equity attributable to owners of the parent company	Non- controlling interest	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	58,170	-	58,170	201	58,371
Surplus for the year	3,218	-	3,218	143	3,361
Actuarial gain/(loss) on defined benefit pension scheme	(572)	-	(572)	-	(572)
Drawings by non- controlling interests	-	-	-	(201)	(201)
Balance at 31 March 2024	60,816	-	60,816	143	60,959
Surplus for the year	3,208	-	3,208	(35)	3,173
Actuarial gain/(loss) on defined benefit pension scheme	206	-	206	-	206
Drawings by non- controlling interests	-	-	-	(143)	(143)
Other	-	-	-	-	
Balance at 31 March 2025	64,230	-	64,230	(35)	64,195

South Liverpool Homes Limited Year ended 31 March 2025

Association statement of changes in reserves

	Income and expenditure reserve £'000
Balance at 1 April 2023	58,503
Surplus for the year	3,401
Actuarial gain/(loss) on defined benefit pension scheme	(572)
Balance at 31 March 2024	61,332
Surplus for the year	3,382
Actuarial gain/(loss) on defined benefit pension scheme	206
Balance at 31 March 2025	64,920

South Liverpool Homes Limited Year ended 31 March 2025

Consolidated statement of cash flows

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Surplus for the financial year before tax		3,173	3,363
Depreciation of fixed assets - housing properties	16	4,211	4,119
Depreciation of fixed assets - other	17	317	342
Amortised grant	24	(685)	(667)
Interest payable and finance costs	14	1,952	1,307
Interest received	13	(703)	(101)
Pension costs less contributions paid	28	(451)	(279)
Impairment/(gain)	20b	53	(35)
Write down - development assets	18	-	153
Surplus on the sale of fixed assets	12	(593)	(343)
Decrease / (increase) in property for resale		(248)	(151)
Decrease / (increase) in trade and other debtors		(290)	(373)
Decrease / (increase) in stocks		(135)	(30)
Increase / (decrease) in trade creditors and accruals		299	53
Cash from operations		6,900	7,358
Taxation paid		-	-
Net cash generated from operating activities		6,900	7,358
Cash flows from investing activities			
Proceeds from sale of fixed assets – housing properties	12	875	634
Proceeds from sale of fixed assets – other	12	-	2
Purchase of fixed assets – housing properties	16	(14,006)	(8,041)
Purchases of fixed assets – other	17	(420)	(219)
Receipt of grant	24	2,287	3,734
Interest received	13	625	101
Net cash from investing activities		(10,639)	(3,789)
Cash flows from financing activities			
New loans – bank	26	30,000	-
Debt issue costs incurred	26	-	(54)
Interest paid	14	(1,898)	(1,135)
Repayment of loans - bank	26	(1,250)	(2,750)
Net cash used in financing activities		26,852	(3,939)
Net increase / (decrease) in cash and cash equivalents		23,113	(370)
Cash and cash equivalents at beginning of year		3,043	3,413
Cash and cash equivalents at end of year		26,156	3,043

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

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South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

1 Legal Status

South Liverpool Homes is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider. The registered office is Parklands, Speke, Liverpool, L24 0TY.

The Group comprises of the following entities:

Name	Incorporation	Registered / Non-registered
South Liverpool Homes	Co-operative and Community Benefit	Registered
Avela Services Limited	Companies Act 2006	Non-registered
Avela Home Service LLP	Limited Liability Act 2000	Non-registered
Avela Development LLP	Limited Liability Act 2000	Non-registered
SLH Developments Limited	Companies Act 2006	Non-registered

2 Principal Accounting Policies**Basis of accounting**

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of financial instruments and are presented in sterling £'000 for the year ended 31 March 2025.

Parent company disclosure exemptions

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

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and parent company would be identical;
- No cash flow statement has been presented for the parent company.

Basis of consolidation

The consolidated financial statements incorporate the results of South Liverpool Homes and all of its subsidiary undertakings as at 31 March 2025 as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Going Concern

The Board approves a 30 year business plan at least annually giving consideration to the Group's ability to repay debts and comply with financial covenants. The plan is subject to stress testing which demonstrates the ability to withstand significant risks, both in isolation and combined. The business plan was last approved in June 2025. Stress testing demonstrated that the Group has adequate resources available to withstand considerable economic challenges.

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future, being a period of at least twelve months after the date on which the financial statements are signed. Therefore, it continues to adopt the going concern basis in the financial statements.

Income

Income is measured at the fair value of the consideration received or receivable. The group generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting).
- Service charges receivable (after deducting lost service charges from void properties available for letting).
- Revenue grants and proceeds from the sale of land and property.
- First tranche sales of shared ownership housing properties developed for sale.
- Sales of properties developed for outright sales.
- Revenue from third party contracts with other housing associations to provide outsourced services and consultancy.
- Feed in tariff (FIT) from the energy generated from solar photovoltaic panels.
- Rental income is recognised from the point when properties under development reach practical completion and are formally let, income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Service charges

SLH adopts both the fixed and variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

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

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements are inclusive of VAT to the extent that it is suffered by the

Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises and is credited to the Statement of Comprehensive Income.

Loan Finance costs

Loan interest costs are charged to the Statement of Comprehensive Income over the term of the loan using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Loan issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension costs

In 2024/25 the Group participated in one multi employer defined benefit scheme, the Social Housing Pension Scheme (SHPS). The Group participate in a number of defined contribution pension schemes.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Tangible fixed assets – Housing Properties

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

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.

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are held at cost less any impairment, and are transferred to completed properties when ready for letting.

Capitalised Interest

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. The interest capitalised is either on borrowing specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. Interest is capitalised at the weighted average effective interest rate in the period.

Low cost home ownership (including shared ownership properties)

Under low cost home ownership (LCHO) arrangements, SLH dispose of a long lease on LCHO housing units for a share ranging between 10% and 75% of value. The Buyer has the right to purchase further proportions and up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Shared ownership properties, including those under construction, are split between fixed assets and current assets. The split is determined by the percentage of the property sold under the first tranche disposal which is shown on initial recognition as a current asset, with the remainder classified as a fixed asset within property, plant and equipment (fixed assets) in the Statement of Financial Position. The exception to this is where this would result in a surplus on the disposal of the current asset that exceeds the anticipated overall surplus. In

this circumstance any surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or fixed assets.

Sales of subsequent tranches are treated as a part disposal of housing properties. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

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

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Description	Economic useful life (years)
Structure	100
Kitchen	20
Bathroom	35
Roofs (pitched)	55
Roofs (flat)	55
External doors	30
Boilers domestic	15
Specialist Electrical	10
Rewires	35
Windows	30
External Boundaries Work	50
Boiler commercial	30
Adaptations	15
Tile flooring	30
Central Heating	30
Lifts	30
Solar Photovoltaic Panels	25
Garden Pump	10
Heat Pump	20
Decarbonisation Works	25

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease; when the lease and building elements are depreciated separately over their expected useful economic lives.

Tangible fixed assets – Other

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation of other tangible fixed assets

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)
Plant, machinery and vehicles	3
Fixtures, fittings, tools and equipment	3 - 8
IT Hardware	3 - 5
IT Software	5
Office Improvements	3
FIT generating Solar Photovoltaic Panels	20

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within in the Statement of Comprehensive Income.

Government grants

Grant received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. 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 2018 the useful economic life of the housing property structure has been selected (see table of useful economic lives below).

Description	Economic useful life (years)
Structure	100

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised as income or expenditure.

Stock and properties held for sale

Stocks of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Properties developed for outright sale and the share of unsold shared ownership to be sold are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Debtors and creditors

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

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rent and service charge agreements

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, investments and short term deposits

All loans, investments and short term deposits held by the Group, are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instrument are stated on the Statement of Financial Position at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

Leasehold Sinking Funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable. All financial assets and liabilities are measured at historic cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Significant judgements

Capitalisation of property development costs

The Group capitalises development expenditure in accordance with the accounting policy on housing properties. Initial capitalisation of costs is based on management's judgement that a development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

Impairment

The Group considers whether indicators of impairment exist in relation to tangible assets at each reporting date. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Group also considers expected future performance of the asset.

Following a trigger for impairment, the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the assets' performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. The Group has identified a cash generating unit for impairment assessment purposes at a scheme level for completed properties and schemes for properties in developments.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements**Estimation Uncertainty****Tangible fixed assets**

Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. 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. The Group has recorded a depreciation charge of £4.1m (2024: £4.2m).

Revaluation of investment properties

The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset and subsequent valuation at fair value. The commercial properties held in Avela Services have been valued independently at the end of the year resulting in no change compared to an impairment in the prior year of £35k.

Defined benefit obligation

In the year ended 31 March 2025, the Group recognised actuarial gain of £0.2m on the defined benefit pension schemes (2024: loss of £0.6m). The critical underlying assumptions in relation to the pension scheme valuations are the standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual gains or losses. Independent advisors have reviewed the assumptions and confirmed that they are reasonable and within normal expected ranges.

Bad debt provision

The estimate for rental and other receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. As at 31 March 2025, a provision of £365k is held against current tenant arrears balances of £1,201k (39% compared to 43% in 2024). The charge in the year related to bad debt provision and write offs is £111k (2024: £91k).

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

4 Particulars of turnover, cost of sales, operating costs and operating surplus

GROUP	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	2025 £'000	2025 £'000	2025 £'000	2025 £'000
Social housing lettings (Note 5)	22,999	-	(18,635)	4,364
Other social housing activities				
First tranche shared ownership sales	-	-	-	-
Community investment activity	153	-	(567)	(414)
Other (including development costs)	19	-	(73)	(54)
	23,171	-	(19,275)	3,896
Activities other than social housing				
Properties developed for outright sales	-	-	-	-
Commercial & market rental	29	-	(6)	23
Other*	866	-	(903)	(37)
	24,066	-	(20,184)	3,882

GROUP	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	2024 £'000	2024 £'000	2024 £'000	2024 £'000
Social housing lettings (Note 5)	21,520	-	(16,659)	4,861
Other social housing activities				
First tranche shared ownership sales	-	-	-	-
Community investment activity	114	-	(550)	(436)
Other (including development costs)	31	-	(478)	(447)
	21,665	-	(17,687)	3,978
Activities other than social housing				
Properties developed for outright sales	-	-	-	-
Commercial & market rental	29	-	(6)	23
Other*	876	-	(688)	188
	22,570	-	(18,381)	4,189

* Other activities include outsourcing of back office services to other organisations and external income in subsidiaries.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

4 Particulars of turnover, cost of sales, operating costs and operating surplus (cont.)

ASSOCIATION	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	2025 £'000	2025 £'000	2025 £'000	2025 £'000
Social housing lettings (Note 5)	22,999	-	(18,615)	4,384
Other social housing activities				
First tranche shared ownership sales	-	-	-	-
Community investment activity	153	-	(567)	(414)
Other (including development costs)	19	-	(62)	(43)
	23,171	-	(19,244)	3,927
Activities other than social housing				
Properties developed for outright sales	-	-	-	-
Other**	492	-	(492)	-
	23,663	-	(19,736)	3,927

ASSOCIATION	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	2024 £'000	2024 £'000	2024 £'000	2024 £'000
Social housing lettings (Note 5)	21,520	-	(16,736)	4,784
Other social housing activities				
First tranche shared ownership sales	-	-	-	-
Community investment activity	114	-	(550)	(436)
Other (including development costs)	31	-	(250)	(219)
	21,665	-	(17,536)	4,129
Activities other than social housing				
Properties developed for outright sales	-	-	-	-
Other**	512	-	(512)	-
	22,177	-	(18,048)	4,129

** Other activities include outsourcing of back office services to other organisations.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

5 Income and expenditure from social housing lettings

	General needs	Supported and Housing for older people	Shared Ownership	Total	Total
				2025	2024
GROUP	£'000	£'000	£'000	£'000	£'000
Income					
Rents receivable net of identifiable service charges	20,714	657	112	21,483	20,047
Service charge income	460	321	50	831	806
Amortised government grants	674	-	11	685	667
Turnover from social housing lettings	21,848	978	173	22,999	21,520
Expenditure					
Management	(5,601)	(165)	(30)	(5,796)	(4,943)
Service charge costs	(354)	(350)	(36)	(740)	(718)
Routine maintenance	(3,834)	(106)	(8)	(3,948)	(3,482)
Planned maintenance	(2,345)	(69)	(3)	(2,417)	(2,255)
Major repairs expenditure	(1,069)	(3)	(27)	(1,099)	(769)
Bad debts	(111)	-	-	(111)	(91)
Depreciation of housing properties	(3,969)	(29)	(213)	(4,211)	(4,119)
Lease costs	(311)	(2)	-	(313)	(282)
Operating expenditure on social housing lettings	(17,594)	(724)	(317)	(18,635)	(16,659)
Operating surplus on social housing lettings	4,254	254	(144)	4,364	4,861
Void losses (being rental income lost as a result of property not being let although it is available for letting)	(147)	(14)	-	(161)	(77)

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

5 Income and expenditure from social housing lettings (cont.)

	General needs	Supported and Housing for older people	Shared Ownership	Total	Total
ASSOCIATION	£'000	£'000	£'000	2025 £'000	2024 £'000
Income					
Rents receivable net of identifiable service charges	20,714	657	112	21,483	20,047
Service charge income	460	321	50	831	806
Amortised government grants	674	-	11	685	667
Turnover from social housing lettings	21,848	978	173	22,999	21,520
Expenditure					
Management	(5,601)	(165)	(30)	(5,796)	(4,943)
Service charge costs	(354)	(350)	(36)	(740)	(718)
Routine maintenance	(3,823)	(106)	(8)	(3,937)	(3,524)
Planned maintenance	(2,339)	(69)	(3)	(2,411)	(2,281)
Major repairs expenditure	(1,066)	(3)	(27)	(1,096)	(778)
Bad debts	(111)	-	-	(111)	(91)
Depreciation of housing properties	(3,969)	(29)	(213)	(4,211)	(4,119)
Lease costs	(311)	(2)	-	(313)	(282)
Operating expenditure on social housing lettings	(17,574)	(724)	(317)	(18,615)	(16,736)
Operating surplus on social housing lettings	4,274	254	(144)	4,384	4,784
Void losses (being rental income lost as a result of property not being let although it is available for letting)	(147)	(14)	-	(161)	(77)

6 Particulars of turnover from non-social housing lettings

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Commercial rented properties	29	29	-	-
	29	29	-	-

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

7 Units of housing stock – Group and Association

Rent type	General needs housing			Supported	Housing for Older People	Shared Ownership	Total
	Social	Affordable	Rent to Buy	Social	Social	% equity	
At 1 April 2024	3,260	381	19	3	118	41	3,822
Additions:							
New developments	-	-	-	-	2	-	2
Open market purchase	-	5	-	-	-	-	5
Market purchase	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
RTB/RTA disposals	(12)	-	-	-	-	-	(12)
Other disposals	(1)	-	-	-	-	(1)	(2)
Conversions	-	1	(1)	-	-	-	-
At 31 March 2025	3,247	387	18	3	120	40	3,815

Units under development:

At 1 April 2024	27	12	35	-	-	-	74
Completed	-	-	-	-	(2)	-	(2)
Start on site	35	46	23	-	2	20	126
Adapted unit conversion	-	-	-	-	-	-	-
At 31 March 2025	62	58	58	-	-	20	198

All units are owned and managed.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

8 Operating surplus

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
This is arrived at after charging/(crediting):				
Depreciation of housing properties:				
- annual charge	3,906	3,820	3,906	3,820
- accelerated depreciation on replaced components	305	299	305	299
Depreciation of other tangible fixed assets	316	342	177	205
Amortised government grants	(685)	(667)	(685)	(667)
Operating lease charges – land & building	279	253	279	253
Operating lease charges – other	45	28	34	28
Surplus on sale of fixed assets	593	343	593	343
Auditors' remuneration (excluding VAT):				
- fees payable to the Group's auditor for the audit of the Group's annual accounts	32	29	32	29
- fees payable to the Group's auditor for the audit of the subsidiary accounts	24	22	-	-
- fees for tax computations and advice	6	6	2	2
- fees for other services	6	-	2	-

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

9 Employees

Staff costs (including Executive Leadership Team) consist of:

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Wages and salaries	7,659	7,124	4,367	3,953
Social security costs	736	653	465	421
Pension contributions	665	604	608	553
Other pension costs	(37)	(79)	(37)	(79)
	9,023	8,302	5,403	4,848

The association's employees were members of the Social Housing Pension scheme (SHPS). The employees of other group members are members of a NEST defined contribution scheme. Further information on each scheme is given in note 28.

The average number of employees (including Executive Leadership Team) expressed as full time equivalents (calculated based on a standard working week of 35-40 hours) during the year was as follows:

	Group	Group	Association	Association
	2025	2024	2025	2024
	No.	No.	No.	No.
Administration	62	61	48	47
Development	3	2	3	2
Housing, Support and Care	50	46	50	46
Maintenance operatives	73	70	6	7
	188	179	107	102

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

10 Directors' and senior executive remuneration

The key management personnel are defined as the members of the Board of Management, the Chief Executive and the Executive Leadership Team disclosed on page 3.

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Executive and Senior Leadership Team				
Wages and salaries (including performance related pay for the period)	566	573	566	573
Employer pension contributions	158	141	158	141
	724	714	724	714

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Board Members				
Gross salary	110	108	104	94
	110	108	104	94

The former Executive Director of Operations was the highest paid director, receiving emoluments of £147,917 (2024: £123,800, which reflects Chief Executive's emoluments). The emoluments include: £81,828 (2024/25 Salary) £56,338 (in lieu of 6 months' notice due under the service agreement) £9,751 (redundancy payment).

Pension contributions of £23,005 were made to a defined benefit pension on their behalf (2024: £27,400, which reflects Chief Executive's pension contributions). This included £9,390 of employer contributions and £13,615 of additional pension costs to reflect salary sacrifice.

As a member of the Social Housing Pension scheme, the Chief Executive is an ordinary member of the pension scheme and no special terms apply. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

10 Directors' and senior executive remuneration (cont.)

The remuneration (including pension costs) paid to staff (including Executive Leadership Team) earning £60,000 upwards:

	Group 2025 No.	Group 2024 No.	Association 2025 No.	Association 2024 No.
£60,000 - £69,999	1	-	1	-
£70,000 - £79,999	1	3	1	3
£80,000 - £89,999	4	1	4	1
£90,000 - £99,999	-	-	-	-
£100,000 - £109,999	-	-	-	-
£110,000 - £119,999	1	2	1	2
£120,000 - £129,999	-	2	-	2
£130,000 - £139,999	2	-	2	-
£140,000 - £149,999	-	-	-	-
£150,000 - £159,999	-	1	-	1
£160,000 - £169,999	1	-	1	-
£170,000 - £179,999	1	-	1	-
£180,000 +	-	-	-	-

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

11 Board and committee members

	Remuneration 2025	Remuneration 2024
	£	£
Paul Diggory	9,243	5,691
Elaine Eades	5,122	4,800
Yasmin Fearon	6,071	5,270
Christopher Heath	-	4,800
Eric Hughes	-	2,710
David Jepson	6,036	11,496
Karen Lowe	5,122	4,800
David Simons	-	4,000
Derek Gibbon	5,122	4,800
Jamal Wahid	5,122	4,800
Catherine Bett	5,122	4,800
Peter Johnson	5,122	4,800
Paul McGerty	6,072	5,691
Bethany Hyams (McKeown)	5,122	4,800
Lee Payne	6,635	5,036
Paula Ellis	5,604	4,800
Debra Rees-Armstrong	6,072	5,691
Adenson Gumbo	5,122	4,800
Michael Gore	5,122	4,800
Michael Rickett	5,122	4,800
Tracy Hindley	5,122	4,800
Maggie Shannon	2,988	-
Ian Kelly	2,601	-
Yvonne McDermott	2,601	-
Total	110,265	107,985

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

11 Board and committee members (cont.)

Board member	Audit & Risk Committee	Governance & Remuneration Committee	Customer Service Committee	SLH Board	Avela Board
Paul Diggory		Y		Y	
Elaine Eades		Y			
Yasmin Fearon		Y		Y	
David Jepson				L	L
Karen Lowe	Y				Y
Derek Gibbon	Y				
Jamal Wahid (co-optee)				Y	
Catherine Bett	Y			Y	
Peter Johnson	Y				
Paul McGerty	Y			Y	
Bethany McKeown	Y			Y	
Lee Payne				Y	Y
Paula Ellis			Y	Y	
Debra Rees-Armstrong			Y	Y	
Adenson Gumbo			Y		
Michael Gore			Y		
Michael Rickett			Y		
Tracy Hindley			Y		
Maggie Shannon		J		J	
Ian Kelly	J			J	
Yvonne McDermott	J			J	

Y = member all year

J = joined during the year

L = left during the year

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

12 Surplus on disposal of housing properties

GROUP AND ASSOCIATION	Right to Buy/Right to Acquire 2025 £'000	Low Cost Home Ownership 2025 £'000	Total 2025 £'000	Total 2024 £'000
Disposal proceeds	917	65	982	645
Cost of disposals	(314)	(58)	(372)	(291)
Selling costs	(15)	(2)	(17)	(11)
Surplus on disposal of housing properties	588	5	593	343

13 Interest receivable and income from investments

Interest receivable from Group undertakings	-	-	108	95
Interest receivable and similar income	703	101	683	86
	703	101	791	181

14 Interest payable and similar charges

All other loans (excluding loans from Group entities)	1,913	1,112	1,913	1,112
Amortisation of loan fees	77	121	77	121
Interest on pension schemes	70	59	70	59
Interest capitalised on housing properties under construction	(117)	(3)	(117)	(3)
Other fees	9	18	9	18
	1,952	1,307	1,952	1,307

The weighted average interest on borrowings of 4.70% (2024: 3.78%) was used for calculating capitalised finance costs.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

15 Taxation on surplus on ordinary activities

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
UK corporation tax				
Current tax on surplus for the year	-	-	-	-
Adjustment to current tax charge in relation to prior periods	-	-	-	-
Total current tax	-	-	-	-
Deferred tax				
Timing differences	(12)	(5)	-	-
Investment property revaluation	(7)	7	-	-
Taxation on charge on ordinary activities	(19)	2	-	-

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to surplus/(deficit) before tax. The differences are explained below:

	Group 2025 £'000	Group 2024 £'000
Surplus/(deficit) on ordinary activities before tax	2,932	3,363
Surplus/(deficit) on ordinary activities at the standard rate of corporation tax in the UK of 25% (2022: 19%)	733	639
Effects of:		
Surplus not within the charge to corporation tax	(733)	(639)
Deferred tax charge/(credit)	(19)	2
Adjustment to current tax charge in relation to prior periods	-	-
Total tax charge for period	(19)	2

The aggregate current and deferred tax relating to items recognised in other comprehensive income is £Nil (2024: £Nil).

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

16 Tangible fixed assets - housing properties

GROUP	General needs completed	General needs under construction	Shared Ownership completed	Shared Ownership under construction	Supported and Housing for older people completed	Supported and Housing for older people under construction	Land & Freehold Buildings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:								
At 1 April 2024	143,730	4,086	3,577	-	7,700	-	2,068	161,161
Additions:								
completed scheme transfers	1,514	(1,514)	-	-	180	(180)	-	-
ongoing scheme costs	6	9,418	-	-	-	179	-	9,603
capitalised interest	-	104	-	-	-	1	-	105
components capitalised	4,970	-	210	-	107	-	-	5,287
Disposals:								
RTB & RTA	(451)	-	(59)	-	-	-	-	(510)
components capitalised	(1,298)	-	(5)	-	(67)	-	-	(1,370)
other	(99)	-	-	-	-	-	-	(99)
At 31 March 2025	148,372	12,094	3,723	-	7,920	-	2,068	174,177
Depreciation:								
At 1 April 2024	(47,723)	-	(282)	-	(2,702)	-	-	(50,707)
Charge for the year	(3,969)	-	(29)	-	(213)	-	-	(4,211)
Eliminated on disposals:								
- RTB & RTA disposals	197	-	2	-	-	-	-	199
- components capitalised	1,393	-	5	-	-	-	-	1,398
- other	48	-	-	-	-	-	-	48
At 31 March 2025	(50,054)	-	(304)	-	(2,915)	-	-	(53,273)
Net book value at 31 March 2025	98,318	12,094	3,419	-	5,005	-	2,068	120,904
Net book value at 31 March 2024	96,007	4,086	3,295	-	4,998	-	2,068	110,454

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

16 Tangible fixed assets - housing properties (cont.)

ASSOCIATION	General needs completed	General needs under construction	Shared Ownership completed	Shared Ownership under construction	Supported and Housing for older people completed	Supported and Housing for older people under construction	Land & Freehold Buildings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:								
At 1 April 2024	144,772	4,128	3,577	-	7,700	-	2,092	162,269
Additions:								
completed scheme transfers	1,514	(1,514)	-	-	180	(180)	-	-
ongoing scheme costs	6	9,390	-	-	-	179	-	9,575
capitalised interest	-	104	-	-	-	1	-	105
components capitalised	4,971	-	211	-	107	-	-	5,289
Disposals:								
RTB & RTA	(451)	-	(59)	-	-	-	-	(510)
components capitalised	(1,299)	-	(5)	-	(67)	-	-	(1,371)
other	(99)	-	-	-	-	-	-	(99)
At 31 March 2025	149,414	12,108	3,724	-	7,920	-	2,092	175,258
Depreciation:								
At 1 April 2024	(47,722)	-	(282)	-	(2,702)	-	-	(50,706)
Charge for the year	(3,969)	-	(29)	-	(214)	-	-	(4,212)
Eliminated on disposals:								
- RTB & RTA disposals	197	-	2	-	-	-	-	199
- components capitalised	1,393	-	5	-	-	-	-	1,398
- other	48	-	-	-	-	-	-	48
At 31 March 2025	(50,053)	-	(304)	-	(2,916)	-	-	(53,273)
Net book value at 31 March 2025	99,361	12,108	3,420	-	5,004	-	2,092	121,985
Net book value at 31 March 2024	97,050	4,128	3,295	-	4,998	-	2,092	111,563

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

17 Other tangible fixed assets

GROUP	Plant, machinery and vehicles	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2024	2,830	1,249	4,079
Additions	6	378	384
Disposals	(10)	(109)	(119)
At 31 March 2025	2,826	1,518	4,344
Depreciation			
At 1 April 2024	(1,222)	(901)	(2,123)
Charge for year	(139)	(177)	(316)
Disposals	5	108	113
At 31 March 2025	(1,356)	(970)	(2,326)
Net book value			
At 31 March 2025	1,470	548	2,018
At 31 March 2024	1,608	348	1,956

In the year plant and machinery was disposed of resulting in surplus of £Nil (2024: £2k).

ASSOCIATION	Plant, machinery and vehicles	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2024	90	1,249	1,339
Additions	6	378	384
Disposals	-	(109)	(109)
At 31 March 2025	96	1,518	1,614
Depreciation			
At 1 April 2024	(90)	(901)	(991)
Charge for year	(2)	(177)	(179)
Disposals	-	109	109
At 31 March 2025	(92)	(969)	(1,061)
Net book value			
At 31 March 2025	4	549	553
At 31 March 2024	-	348	348

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

18 Investment properties

GROUP	Commercial £'000
At 1 April 2024	305
(Impairment)/ valuation gain	-
At 31 March 2025	305

The Group's investment properties are valued annually at fair value. The valuations for the year ended were determined by Thomson Associates Ltd, an independent, professionally qualified valuers. There are no investments in the Association accounts.

19 Fixed asset investments

There was no premium on acquisition relating to the associated undertakings or joint venture.

As required by statute, the financial statements consolidate the results of Avela Services Limited, SLH Developments Limited, Avela Home Service LLP and Avela Development LLP which were subsidiaries of South Liverpool Homes Limited at the end of the year.

SLH Developments Limited is a development company 100% owned by South Liverpool Homes Limited and was formed in the year ending 31 March 2024 to undertake development activities for construction of new properties.

Avela Services Limited activity includes the rental of commercial properties and income from photovoltaic solar panels.

Avela Home Service LLP is a repairs and maintenance business which is 55% owned by Avela Services Limited and 45% owned by Penny Lane builders Limited. Avela Home Service LLP performs repairs for South Liverpool Homes Limited and third party customers. The minority interest is -£35k (2024: £143k).

Avela Development LLP is a development company which is 51% owned by Avela Services Limited and 49% owned by Penny Lane builders Limited. As development activity ceased and the company became dormant in the year ending 31 March 2025, the entity's operations are reported as discontinued operations as required by FRS 102. Prior to the current financial year, Avela Development LLP carried out development activity for South Liverpool Homes. The minority interest is £Nil (2024: £Nil).

South Liverpool Homes Limited has the right to appoint members to the Board of the subsidiaries and thereby exercises control over them. The subsidiaries are not registered social landlords and South Liverpool Homes Limited is the ultimate parent undertaking.

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

19 Fixed asset investments (cont.)

Details of Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the Association has an interest in are as follows:

Name	Country of incorporation or registration	Proportion of voting rights / ordinary share capital held	Nature of business	Nature of entity
Avela Services Limited	England	100%	Non charity works	Commercial company limited by shares
Avela Home Service LLP	England	55%	Repairs and maintenance activities	Limited Liability Partnership
Avela Development LLP	England	51%	Development activities	Limited Liability Partnership
SLH Developments Limited	England	100%	Development activities	Commercial Company Limited by shares

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

20(a) Properties for sale

GROUP AND ASSOCIATION	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Shared ownership properties:				
Completed properties	-	-	-	-
Work in progress	-	-	-	-
Properties developed for outright sale	-	-	-	-
Commercial properties:				
Properties developed for outright sale	451	232	451	232
	451	232	451	232

20(b) Properties for sale - Impairment

Impairment of Properties for sale

Developments are assessed at each reporting date to determine whether an indicator of impairment exists, where there is evidence of impairment an assessment is carried out to estimate the recoverable amount of the asset.

The recoverable amount is the higher of fair value less costs to sell and value in use.

The recoverable amount is compared with the book value of the asset (or cash generating unit) and any write down is charged to the Statement of Comprehensive Income.

Value in use is defined as value in use – service potential (VIU-SP), this is the present value of the asset's remaining service potential plus the net amount the entity will receive from its disposal.

ASSOCIATION	Number of units	Forecast Book value at 31 March 2025 £'000	Recoverable value at 31 March 2025 £'000	Amount of impairment recognised £'000
Scheme name				
Western Avenue	1	1,003	950	53

GROUP	Number of units	Forecast Book value at 31 March 2025 £'000	Recoverable value at 31 March 2025 £'000	Amount of impairment recognised £'000
Scheme name				
Western Avenue	1	1,003	950	53

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

21 Debtors

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Due within one year				
Rent and service charge arrears	1,186	1,039	1,186	1,039
Less: Provision for doubtful debts	(365)	(356)	(365)	(356)
	821	683	821	683
Other debtors	525	556	376	400
Prepayments and accrued income	670	482	639	479
Amounts owed by Group undertakings	-	-	410	11
	2,016	1,721	2,246	1,573
Due after one year				
Amounts owed by Group undertakings	-	-	1,285	2,140
Total debtors	2,016	1,721	3,531	3,713

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

22 Creditors: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Loans and borrowings	(10,697)	-	(10,697)	-
Trade creditors	(1,218)	(1,177)	(347)	(319)
Rent and service charges received in advance	(398)	(401)	(398)	(401)
Amounts owed to Group undertakings	-	-	(1,413)	(1,225)
Taxation and social security	(97)	(118)	(35)	(52)
Deferred capital grant (Note 24)	(712)	(679)	(712)	(679)
Recycled capital grant fund (Note 25)	(36)	(94)	(36)	(94)
Disposal proceeds funds	-	-	-	-
Accruals and deferred income	(2,363)	(1,328)	(1,182)	(704)
Other provisions	(90)	-	(90)	-
Total	(15,611)	(3,797)	(14,910)	(3,474)

23 Creditors: amounts falling due after more than one year

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Loans and borrowings	(43,675)	(25,566)	(43,675)	(25,566)
Deferred capital grant (Note 24)	(27,181)	(25,436)	(27,181)	(25,436)
Recycled capital grant fund (Note 25)	(307)	(352)	(307)	(352)
Deferred taxation (Note 29)	(57)	(75)	-	-
Leaseholders sinking fund	(179)	(142)	(179)	(142)
Other Creditors	(181)	(104)	-	-
Other provisions	(107)	(200)	(107)	(200)
Amounts owed to Group undertakings	-	-	(185)	(107)
Total	(71,687)	(51,875)	(71,634)	(51,803)

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

24 Deferred capital grant

GROUP AND ASSOCIATION	2025	2024
	£'000	£'000
At 1 April	26,115	22,895
Grants received during the year	2,576	3,954
Disposal of grant during the year	(113)	(67)
Released to income during the year	(685)	(667)
At 31 March	27,893	26,115
Amount due in less than one year	712	679
Amount due in more than one year	27,181	25,436

25 Recycled capital grant fund

GROUP AND ASSOCIATION	2025	2024
	£'000	£'000
At 1 April	446	528
Grants recycled	176	120
Interest accrued	9	18
Recycling: investment in new build stock	(288)	(220)
At 31 March	343	446
Amounts due to be utilised < 1 year	36	94
Amounts due to be utilised > 1 year	307	352

Grants recycled relate to Right to Buy, Right to Acquire and Staircasing sales.

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

26 Loans and borrowings

GROUP AND ASSOCIATION	Bank loans 2025 £'000	Other loans 2025 £'000	Total 2025 £'000
In one year or less, or on demand	(10,000)	(750)	(10,750)
In more than one year but not more than two years	-	(750)	(750)
In more than two years but not more than five years	-	(2,250)	(2,250)
In more than five years	(30,000)	(11,250)	(41,250)
Loans payable at maturity	(40,000)	(15,000)	(55,000)
Less loan issue costs	434	194	628
As at 31 March 2024	(39,566)	(14,806)	(54,372)

GROUP AND ASSOCIATION	Bank loans 2024 £'000	Other loans 2024 £'000	Total 2024 £'000
In one year or less, or on demand	-	-	-
In more than one year but not more than two years	(10,000)	(750)	(10,750)
In more than two years but not more than five years	(1,250)	(2,250)	(3,500)
In more than five years	-	(12,000)	(12,000)
Loans payable at maturity	(11,250)	(15,000)	(26,250)
Less loan issue costs	518	166	684
As at 31 March 2023	(10,732)	(14,834)	(25,566)

Security – bank and other loans are secured by fixed charges on individual properties.

Undrawn facilities – As at 31 March 2025 undrawn loans available to SLH amounted to £10m

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

27 Financial instruments

The Group's and Association's financial instruments may be analysed as follows:

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Financial assets				
Investment properties measured at fair value	305	305	-	-
Financial assets measured at historical cost				
- Trade receivables	821	683	821	683
- Other receivables	1,195	1,038	1,065	890
- Cash and cash equivalents	26,156	3,043	25,802	2,198
Loans receivable	-	-	1,645	2,140
Total financial assets	28,477	5,069	29,333	5,911
Financial liabilities				
Financial liabilities measured at historical cost				
- Loans payable	(54,372)	(25,566)	(54,372)	(25,566)
Financial liabilities measured at historical cost				
- Trade creditors	(1,218)	(1,177)	(347)	(319)
- Other creditors	(3,482)	(2,479)	(2,120)	(3,083)
Total financial liabilities	(59,072)	(29,222)	(56,839)	(28,968)

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

28 Pensions

SLH operated one defined benefit pension scheme in 2024/25: the Social Housing Pension Scheme.

Social Housing Pension Scheme (SHPS)

The association participates in SHPS, a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a 'last man standing arrangement', which means the association 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.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation showed a deficit of £1.56bn. To eliminate the funding shortfall deficit contributions increased from £150m to £175m a year from April 2022 and the payments will increase by 5.5% a year from April 2023. SLH's deficit contribution for the year was £355k (2024: £337k).

The Trustee of the Scheme has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before summer 2025 at the earliest. It is recognised that this could potentially impact the value of scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

	2025 £'000	2024 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	(7,460)	(7,247)
Current service cost	(75)	(83)
Administration expense	(9)	(9)
Interest cost	(363)	(350)
Contributions by plan participants	(2)	(2)
Actuarial (losses)/gains due to scheme experience	(334)	(108)
Actuarial (losses)/gains due to changes in demographic assumptions	-	68
Actuarial (losses)/gains due to changes in financial assumptions	1,182	149
Benefits paid and expenses	249	122
At the end of the year	(6,812)	(7,460)

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

28 Pensions (cont.)

	2025 £'000	2024 £'000
Reconciliation of fair value of plan assets		
At the beginning of the year	6,015	5,998
Interest income	302	300
Experience on plan assets	(642)	(681)
Employer contributions	527	518
Contributions by plan participants	2	2
Benefits paid and expenses	(249)	(122)
At the end of the year	5,954	6,015
Fair value of plan assets	5,954	6,015
Present value of plan liabilities	(6,812)	(7,460)
Net pension scheme liability	(858)	(1,445)

Amounts recognised in other comprehensive income are as follows:

	2025 £'000	2024 £'000
Current service cost	(75)	(83)
Administration expense	(9)	(9)
Amounts charged to operating costs	(84)	(92)
Net interest cost	(61)	(50)
Amounts charged to other finance costs	(145)	(142)
Non cash net benefit asset/(liability) arising from current service cost	87	89

Analysis of actuarial (loss)/gain recognised in other comprehensive income

Experience on plan assets	(642)	(681)
Experience on plan liabilities	(334)	(108)
Changes in demographic assumptions	-	68
Changes in financial assumptions	1,182	149
	206	(572)

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

28 Pensions (cont.)

	2025 £'000	2024 £'000
Composition of plan assets		
Global equities	667	599
Absolute return	-	235
Alternative risk premia	-	191
Liquid alternatives	1,104	-
Infrastructure	1	607
Liability driven investment	1,803	2,447
Other	2,379	1,935
Total plan assets	5,954	6,014
Actual return on plan assets	(340)	(381)
	2025 £'000	2024 £'000
Principal actuarial assumptions		
	<u>%</u>	<u>%</u>
Discount rates	5.92	4.92
Future salary increases	3.80	3.79
Future pension increases	2.80	2.79
Inflation assumption	3.05	3.09
Mortality rates		
	<u>No. of years</u>	<u>No. of years</u>
for a male aged 65 now	20.5	20.5
at 65 for a male member aged 45	21.7	21.8
for a female aged 65 now	23.0	23
at 65 for a female member aged 45	24.5	24.4

Defined contribution schemes**The Pensions Trust**

South Liverpool Homes operated SHPS defined contribution scheme during the year.

NEST

Avela Services Ltd and Avela Home Service LLP operate the NEST defined contribution scheme.

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

29 Deferred taxation

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Fixed asset timing differences	(57)	(80)	-	-
Unutilised losses	-	12	-	-
Capital gains on revaluation	-	(7)	-	-
Deferred tax (liability)	(57)	(75)	-	-

30 Contingent liabilities

The Group and Association had £Nil contingent assets at March 2025 (2024: £Nil).

The Association received capital grant from Homes England, which is used to fund the acquisition and development of new housing properties and their components. In certain circumstances upon disposal of grant funded properties the group is required to recycle this grant by crediting the Recycled Capital Grant Fund. As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements. See note 32 for details of grants received and recognised as income.

The Association has been notified by the Pension Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme at 30 September 2024. The amount of employer debt on withdrawal for SLH has been calculated as £2,813,771 based on membership at 30 September 2024.

The Group and Association had £Nil other contingent liabilities at March 2025 (2024: £Nil).

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

31 Operating leases

The Group and the Association had minimum lease payments under non-cancellable operating leases as set out below:

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Land and buildings				
Not later than 1 year	273	256	273	256
Between 2 and 5 years	354	522	354	522
Later than 5 years	-	-	-	-
Others:				
Not later than 1 year	18	2	2	2
Between 2 and 5 years	9	-	-	-
Later than 5 years	-	-	-	-
Total	654	780	629	780

32 Grant and financial assistance

GROUP AND ASSOCIATION	2025 £'000	2024 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant	27,893	26,115
Recognised as income in statement of comprehensive Income	14,178	13,556
Total	42,071	39,671

South Liverpool Homes Limited Year ended 31 March 2025
Notes to the financial statements

33 Capital commitments

Commitments contracted but not provided for	(31,013)	(10,281)	(31,013)	(10,590)
Commitments approved by the Board but not contracted for	(23,131)	(22,160)	(23,131)	(22,824)
	(54,144)	(32,441)	(54,144)	(33,414)

Capital commitments for the Group and association will be funded as follows:

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Social housing grant	14,210	8,050	14,210	8,050
Sale proceeds	1,608	3,283	3,533	5,033
Drawdown of existing facilities	12,518	18,937	10,946	18,160
Utilisation of cash reserves	25,808	2,171	25,455	2,171
	54,144	32,441	54,144	33,414

34 Non-equity share capital

GROUP AND ASSOCIATION	2025	2024
	No.	No.
Allotted issued and fully paid:		
At the start of the year	9	10
Issued during the year	2	-
Repaid during the year	(1)	(1)
At the end of the year	10	9

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements

35 Related party disclosures

During the year the Group had a co-optee on the Board and a Board member who are tenants. It is the Company's policy that board members who are tenants hold their tenancies and tenancy agreements on normal Association terms and they are not able to use their position to their advantage, the same applies to co-optees. Total rent charged to the co-optee and Board member was £13k (2024: £10k). There are £130 of arrears on their tenancies at the reporting period end attributable to timing of receipts (2024: £210).

Transactions between South Liverpool Homes (SLH) and its subsidiary Avela Services Limited (ASL):

- Intra-group management fees are receivable by the association from its subsidiary to cover the running costs the association incurs relating to the subsidiary. The management fee includes Company Secretarial, Executive Management, Governance, Asset Management, Developments, Finance, Payroll, HR, and Business Assurance and is allocated based on a proportion of staff time. The total charge for the year ended March 2025 was £107k (2024: £55k).
- An intra-group loan has been granted by SLH to ASL. The balance at 31 March 2025 was £1,160k (2024: £1,720k). Interest was charged in the year of £80k (2024: £94k). Interest is charged at SONIA + 1.25%.
- In the year ended 31 March 2025, ASL paid gift aid of £76k to SLH (2024: £53k).
- As at 31 March 2025, ASL owed SLH £19k from trading balances (2024: £7k).

Transactions between SLH and a Group subsidiary, Avela Home Service (AHS)

- AHS carried out work on behalf of SLH with a value of £11.045m in the year ended March 2025 (2024: £9.661m). This work included repairs, voids, gas servicing, planned works, scheduling team costs and refurbishment work.
- As at 31 March 2025, SLH owed AHS £0.359m (2024: £0.907m).

Transactions between SLH and a Group subsidiary, Avela Development (AD)

- AD carried out construction work with a value of Nil in the year (2024: £Nil).
- As at 31 March 2025, SLH owed AD Nil (2024: £Nil).

Transactions between Avela Services Limited (ASL) and Avela Home Service (AHS)

- AHS carried out maintenance work on the PV panels in ASL with costs in the year of £82k (2024: £77k). AHS also carried out repairs and servicing to the commercial properties with costs in the year of £3k (2024: £Nil).
- In the year, AHS paid £143k of profit share to AS relating to the year ended March 2024 (2024: £167k).
- As at 31 March 2025, ASL owed AHS Nil (2024: £Nil).

Transactions between Avela Services Limited (ASL) and Avela Developments (AD)

- In the year, AD paid profit share with value of £Nil to ASL relating to the year ended March 2024 (2024: £34k).
- As at 31 March 2025, AS owed AHS Nil (2024: £Nil).

South Liverpool Homes Limited Year ended 31 March 2025

Notes to the financial statements**35 Related party disclosures (cont.)****Transactions between Avela Home Service (AHS) and Avela Developments (AD)**

- As at 31 March 2025, AD owed AHS Nil (2024: £Nil).

Transactions between SLH and a Group subsidiary, SLH Developments (SLHDL)

- SLHD carried out construction work with a value of £8,768k which was invoiced to SLH (2024: £1,500k).
- Intra-group salary recharges are receivable by the association from its subsidiary to cover the Development teams time. Management fees are also receivable by the association from its subsidiary to cover the running costs the association incurs relating to the subsidiary. The management fee includes Finance and Business Assurance and is allocated based on a proportion of staff time. The total charge for the year ended March 2025 was £239k (2024: £218k).
- An intra-group loan has been granted by SLH to SLHD. The balance at 31 March 2025 was £485k (2024: £420k). Interest was charged in the year of £28k (2024: £1k). Interest is charged at SONIA +1.25%.
- As at 31 March 2025, SLH owed SLHD £1,224k (2024: £422k).

36 Capital and reserves

The valuation of commercial property conducted by Thomson Associates Limited in 2025 resulted in no change.

37 Post balance sheet events

There are no post balance sheet events to report.