



Statement of Accounts

2023-24

Great homes | Strong communities | Bright futures

South Liverpool Homes Limited

Registered Social Housing Provider – consolidated and entity Financial Statements

Year ended 31 March 2024

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 2024

David Jepson (Chair of Board)
Paul Diggory (Senior Independent Director)
Bethany McKeown (Board Member)
Catherine Bett (Board Member)
Debra Rees-Armstrong (Chair of Customer Services Committee)
Eric Hughes (Chair of Remuneration Committee) – resigned 21 September 2023
Jamal Wahid (Board Co-optee)
Lee Payne (Board Member)
Paul McGerty (Chair of Audit & Risk Committee)
Paula Ellis (Board Member)
Yasmin Fearon (Board Member)

Executive officers for the year ended 31 March 2024

Anna Bishop (Chief Executive)
Angela Perry (Executive Director of Assets & Development)
Catherine Biggs (Executive Director of Operations)
Colin Gibson (Executive Director of Culture & Communications)
Ian Cresswell (Executive Director of Innovation & Technology) – resigned 10 November 2023
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 2023/24 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 2024 saw continued challenges in terms of supply chains and the price of materials for the business. In addition, the local community and our customers faced growing 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 2023/24 we have delivered an operating margin of 18% and a surplus of £3.2m.

We invested over £10m 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 we have spades in the ground on the first site, the old baths in Garston, in our development programme. This scheme in the heart of Garston will provide new homes for social and affordable rent as well as 12 homes for over-55 year olds. 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.

The increased 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 arrears within our current target of 3.88%, with income collected at 99.3%.

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 has recently been refreshed 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 three years promise to be as challenging as the last two. 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 schemes on site in 2024/25 as we

reach the mid-point of the corporate plan period and our commitment to build 280 new homes.

Our business plan will help us achieve our strategic objectives but does so in a commercially viable manner. Rigorous stress testing has been carried out to assess the impact of both known and unknown risks. Escalating the scale of challenge to breaking point. The business plan is robust and can withstand significant downside risk, with plans in place to respond effectively if those risks crystallise.

The financial year 2023/24 will have been my final full year as chair of SLH. As I reach the end of my term in September, I would like to thank my fellow board members past and present, the executive and colleagues for guiding the organisation through some challenging times, especially during the covid pandemic and the aftermath as inflation soared and the cost of living crisis really hit our communities.

The last year has seen the continuation of strong financial and operational performance and I wish everyone all the success as the organisation moves forward and continues to meet the needs of the communities that we serve.



David Jepson
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 2024 was £22.6m (2023: £21.1m).
- Operating costs were £18.5m for the year (2023: £16.9m).
- Cost of sales were £nil compared to £nil in the previous year.
- Proceeds (after costs) from the sale of 11 properties through Right to Buy and Right to Acquire and one staircasing property were £0.3m (2023: 23 properties and £0.9m).
- There were no shared ownership sales, no change to the previous year.
- Surplus for the Group was £3.2m (2023: £3.7m).
- Cash and investments £3.0m (2023: £3.4m) which provides a good level of liquidity headroom.
- Borrowings totalling £26m were drawn (2023: £29m).

Group Structure

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.

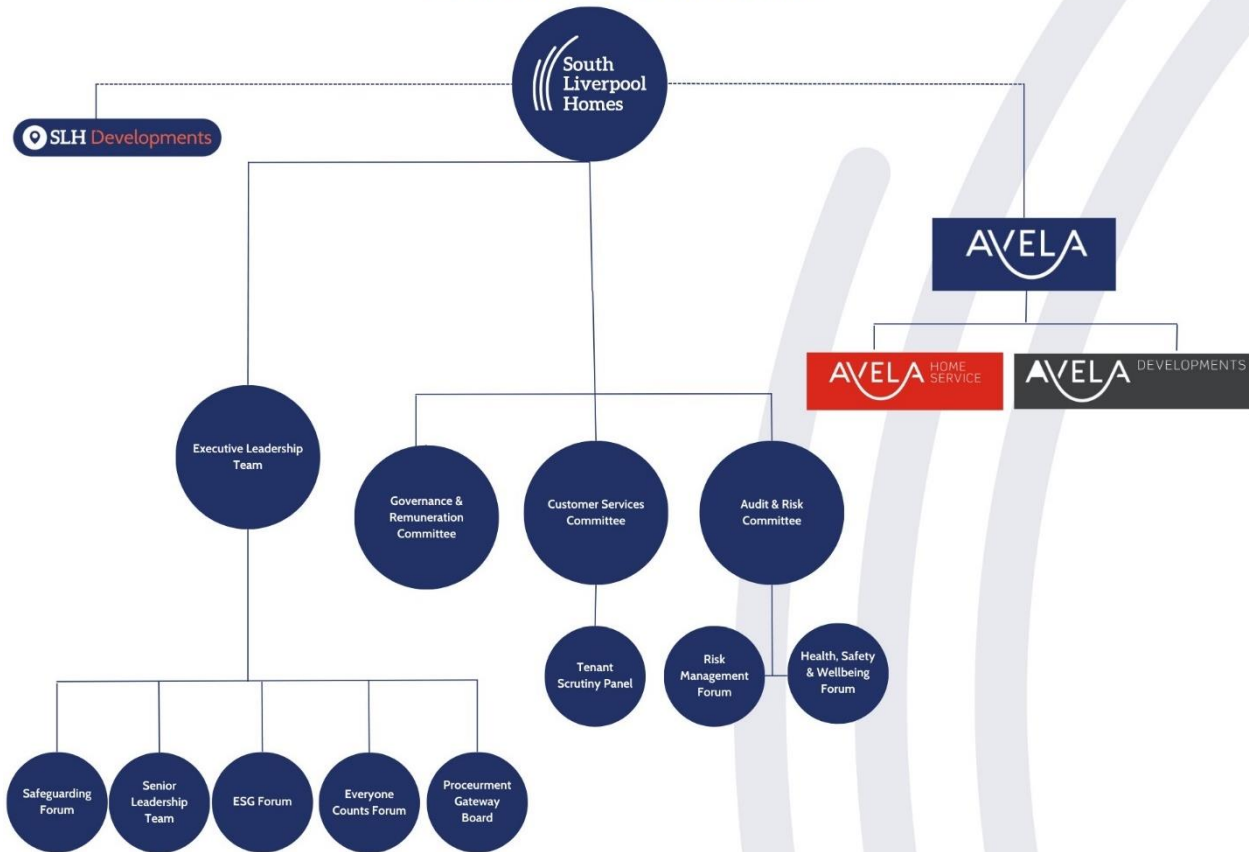
SLH is the parent to Avela Services Limited (ASL) which is a company providing non-charity works including rental of commercial properties and income from photovoltaic solar panels. Avela owns 55% of Avela Home Service Limited Liability Partnership (LLP) and 51% of Avela Developments Limited Liability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

Avela Home Service LLP (AHS) is a partnership between Avela and Penny Lane Builders Limited which provides repairs and maintenance primarily to South Liverpool Homes Limited.

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

SLH is the parent to SLH Developments Limited (SLHDL) which is a company set up during the 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 2024. The business plan has over £2.0m 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 £61.0m (2022: £58.4m). 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 2023-24, no new board members were appointed to the board. SLH currently have 59% 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 independent non-executive directors, 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, reviewed in 2023, 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 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 and safety and safeguarding.
 - Continued to review compliance with SLH's probity framework, signing off relevant returns such as fraud, speak up concerns, subject access requests, 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.
 - Undertaken a comprehensive review of the risk management processes and reporting.
 - Reviewed and obtained assurance on SLH's approach to rent setting.
 - Approved and recommended to board for approval, a number of policies and procedures including health and safety and the probity framework.
 - Reviewed SLH's cyber security arrangements, including exercises conducted by external consultants.
- 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 made decisions regarding the new chair's recruitment campaign.
 - Reviewed a number of policies and procedures including:
 - SLH standing orders
 - Board and committee member recruitment and renewal
 - Board and committee member induction, appraisal and learning and development
 - Board and committee member skills and competency framework
 - Board and committee member payment and expenses
 - Board member succession strategy in line with skills and competency framework to mitigate future risks around board member terms
 - Code of conduct
 - Reviewed SLH's continued compliance with the NHF 2020 Code of Governance and progress against the governance improvement plan.
 - Instrumental in appointing a permanent board member EDI lead.
 - Reviewed deep dives into each of the consumer standards and provided assurance to Board that SLH is compliant with these standards.
 - Reviewed pay and benefits across the group.
 - Sought advice from the audit and risk committee and agreed to review the pension offer in twelve months' time, once the SHPS valuation was available.
 - Received an update in relation to the investors in people accreditation, recognising that SLH has achieved the gold accreditation within this framework.
 - Reviewed risks pertinent to remit of the committee.
 - A joint meeting was held between the governance and remuneration committee and members of the customer services committee in October 2023. The purpose of the meeting was to provide the opportunity for members of each committee to get to know each other and to also discuss the new consumer standards consultation.

- 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 SLH policies and procedures, from a customer perspective:
 - Neighbourhood policy
 - Income management policy
 - Service charge policy
 - Adaptations policy
 - Starter tenancy policy
 - Decant policy
 - Interpretation policy
 - Stakeholder and communications policy
 - Reviewed deep dives into each of the consumer standards and provided assurance to Board that SLH is compliant with these standards.
 - Overseen progress in relation to the Better Social Housing Review (BSHR) action plan.
 - 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 performance and compliance on a quarterly basis
 - Received updates on performance against tenant satisfaction measures.
 - Reviewed risks pertinent to remit of the committee.
 - Instructed and supported the scrutiny panel to conduct three service reviews in relation to: damp, mould and condensation, anti-social behaviour and complaints. A number of recommendations were made following each review of which the committee monitors progress.

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.

In order to ensure that member succession is planned in the most effective manner, the board have agreed to extend one member term, by one year, beyond the new six-year term rule.

Regulatory Standards

The Regulator conducted an In-Depth Assessment (IDA) which concluded in June 2021 with the Regulator re-grading SLH’s governance rating from G1 to G2. The board has remained committed to addressing the weaknesses identified to ensure the organisation was able to regain its G1 status. On the 28 February 2024, the RSH published a regulatory judgement, upgrading SLH governance rating to the highest standard, G1. SLH retained the V1 rating for financial viability which affirms SLH are a financially robust organisation. This is a testament to the focus and work carried out by board and committee members.

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 September 2023. 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 September alongside the Governance and Financial Viability Standard. Each quarter, one of the consumer standards (Home Standard, Tenancy Standard, Neighbourhood and Community Standard, Tenant Involvement and Empowerment Standard) 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 that 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.



David Jepson
Chair of the Board

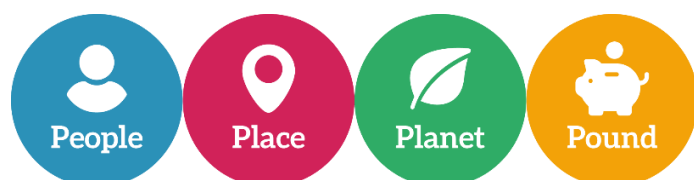
1 August 2024

Strategic Report for the year ended 31 March 2024

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 4Ps):



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 corporate and operational targets.

People (Residents)

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

Description	March 2023	March 2024			
		Target	Tolerance Level	Value	Status
% Overall satisfaction with new home / tenancy	89%	90%	85%	89%	⚠️
% Overall satisfaction with repairs service	92%	93%	89%	92%	⚠️
% Overall satisfaction with gas servicing	100%	99%	100%	100%	✅
% Overall satisfaction with planned maintenance	100%	99%	100%	100%	✅
% Satisfaction with anti-social behaviour case handling	86%	92%	84%	83%	❌
% Satisfaction with formal complaint handling	62%	90%	87%	92%	✅

Overall satisfaction with new home / tenancy has not achieved target but is within the approved tolerance level. Four respondents out of 74 submitted a neutral opinion, another four were dissatisfied, 66 were satisfied (the response rate was 60%). There have been no neutral or dissatisfied responses since October 2023.

Overall satisfaction with repairs service is 92% against a target of 93%, the same score as last year. In 2023/24, 15,936 repairs have been completed, 2,016 surveys have been sent and 365 surveys returned. 336 respondents were satisfied, two provided a neutral response and 27 were dissatisfied with the repairs service.

The main themes of dissatisfaction being:

- The quality of the works
- Further works required following the initial visit
- Poor communication
- Timescales for the repair to be completed.

Improvements during the year include:

- A text messaging service has been introduced to confirm repair appointments.
- Dynamic scheduling to be implemented by June 2024; to improve efficiency of the repairs service.
- The follow-on works process has been reviewed to improve efficiency and communication with customers.

Satisfaction with anti-social behaviour (ASB) case handling has not achieved target. In 2023/24, 239 ASB cases were closed and 53 surveys completed, a response rate of 22%. 44 respondents were satisfied, six provided a neutral response and three were dissatisfied.

Tenant satisfaction measures (TSM)

All registered providers are required to report TSMs using standardised satisfaction and management figures for the year to March 2024. 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 following table, on the next page, shows SLH's performance against the tenant perception TSMs for 2023/24, along with our position against IFF Research's benchmarking group.

Whilst the target set at the start of the year has not been achieved for any measure, it is positive to note that top quartile performance has been achieved for all but one measure. The time taken to complete a repair is in line with the median position compared to IFF's benchmarking group and this measure has had the most significant increase in performance compared to the previous year.

TSM – perception measures 2023/24

TSM code	Satisfaction measure	2022/23 combined results	2023/24							IFF benchmarking group Q4 2023/24 (LCRA only)
			Target	Tolerance level	LCHO	LCRA	Combined	Status	Trend to last year	
TP01	Overall satisfaction	77%	82%	77%	50%	79%	78%		▲	Top quartile
TP02	Overall repairs service (repair completed in last 12 months)	78%	82%	77%	N/A	80%	80%		▲	Top quartile
TP03	Time taken to complete repair (repair completed in last 12 months)	64%	76%	70%	N/A	74%	74%		▲	Median
TP04	Home is well-maintained	78%	82%	77%	N/A	78%	78%		-	Top quartile
TP05	Home is safe	86%	90%	85%	50%	86%	86%		-	Top quartile
TP06	Listening to tenants views and acting upon them	68%	75%	70%	25%	68%	67%		▼	Top quartile
TP07	Keep informed	79%	80%	75%	30%	79%	78%		▼	Top quartile
TP08	Treat you fairly & with respect	81%	85%	80%	42%	85%	84%		▲	Top quartile
TP09	Approach to complaints handling (complaint made in last 12 months)	49%	60%	50%	0%	55%	53%		▲	Top quartile
TP10	Communal areas clean and well maintained	81%	80%	77%	63%	76%	75%		▼	Top quartile
TP11	SLH make positive contribution to neighbourhood	80%	80%	77%	20%	80%	79%		▼	Top quartile
TP12	Approach to handling anti-social behaviour	73%	80%	75%	0%	80%	79%		▲	Top quartile

TSM – landlord management measures 2023/24

TSM code	TSMs generated from management information	Tenant Satisfaction Measure	2022/23 results	2023/24 results	Trend	Housemark benchmarking 2023/24
CH01	Complaints relative to the size of the landlord	Number of: 1. stage one complaints and 2. stage two complaints received per 1,000 homes	51	71	▼	Not available
			3	2.6	▲	Not available
CH02	Complaints responded to within Complaint Handling Code timescales	Proportion of: 1. stage one complaints responded to and 2. stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	95%	99%	▲	Top quartile
			100%	90%	▼	Median
NM01	Anti-social behaviour cases relative to the size of the landlord	Number of: 1. anti-social behaviour cases, of which 2. anti-social behaviour cases that involve hate incidents opened per 1,000 homes.	71	69	▲	Not available
			1.3	1.3	-	Not available
RP01	Homes that do not meet the Decent Homes Standard	Proportion of homes that do not meet the Decent Homes Standard	0.03%	0.03%	-	Median

TSM code	TSMs generated from management information	Tenant Satisfaction Measure	2022/23 results	2023/24 results	Trend	Housemark benchmarking 2023/24
RP02	Repairs completed within target timescale	Proportion of: 1. non-emergency and 2. emergency responsive repairs completed within the landlord's target timescale.	N/A	87%	N/A	Median
			N/A	97%	N/A	Median
BS01	Gas safety checks	Proportion of homes for which all required gas safety checks have been carried out.	100%	100%	-	Top quartile
BS02	Fire safety checks	Proportion of homes for which all required fire risk assessments have been carried out.	100%	100%	-	Top quartile
BS03	Asbestos safety checks	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	100%	100%	-	Top quartile
BS04	Water safety checks	Proportion of homes for which all required legionella risk assessments have been carried out.	100%	100%	-	Top quartile
BS05	Lift safety checks	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	100%	100%	-	Top quartile

There has been a 38% increase in the number of formal complaints received compared to last year. The Housing Ombudsman has indicated that high volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that residents are unable to complain.

People (Colleagues)

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

Description	March 2023	March 2024			
		Target	Tolerance Level	Value	Status
% Short term absence	0.88%	1.0%	1.5%	1.1%	
% Overall sickness absence	N/A	2.0%	2.5%	2.5%	
% Performance reviews completed	92.7%	100%	100%	95%	

Short term absence is slightly below target but within the tolerance set. There has been an increase in the number of instances of short-term sickness; in 2023/24, 47 colleagues had instances of short-term sickness compared to 30 in 2022/23. There has been an increase in the instances of cold, flu, chest and covid-19 related absences in 2023/24. Nationally there has been a rise in 'winter viruses' with hospitals experiencing three times more flu patients than the previous year (NHS National Medical Director, Professor Sir Stephen Powis – 15 February 2024).

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 2023	March 2024			
		Target	Tolerance Level	Value	Status
% New tenancies lasting >3 years	85.9%	80.0%	70.0%	82.2%	✓
% Repairs appointments kept	64.1%	99.9%	95.0%	94.9%	✗
Average number of days to re-let empty homes	23 days	28 days	28 days	23 days	✓
% Tenancy turnover	4.8%	5.5%	7.0%	3.5%	✓
% Stock condition surveys completed	N/A	20%	20%	30.8%	✓
% Follow on repairs completed within target	N/A	98%	95%	93%	✗

The performance of repair appointments kept is below the target. A text messaging service has been introduced to help deliver improved performance; text messages are sent to tenants when an operative is on their way to the appointment.

Follow on repairs completed in target has missed its target. In 2024 dynamic scheduling will improve efficiency by reducing travel time between jobs meaning the average number of jobs completed per operative will increase, from six to eight per day.

It is pleasing to note that average number of days to re-let empty homes and tenancy turnover are both out-performing their targets.

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 of our £40m refinancing project completed 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.

In addition, we have introduced reporting on two other ESG/Planet metrics which measure the number of operational solar panels on the roofs of our housing stock and the energy generated by them.

Description	March 2023	March 2024			
		Target	Tolerance Level	Value	Status
New developments EPC-B or above	100%	100%	N/A	N/A	N/A
SHIFT Assessment	Bronze	Silver	N/A	TBD	N/A
Avoided carbon emissions	122.46 tonnes	60 tonnes	N/A	61.91	✓
% PV (solar) panels in operation	93%	95%	90%	88%	✗
Total kilowatt hours generated for PV panels	1.896m KWH	1.896m KWH	N/A	1.887m KWH	✗

There has not been any completed development of new homes in 2023/24, however the Garston “Old Baths” scheme has started and is committed to build to EPC-A. The SHIFT Assessment to 31 March 2024 will be completed before 30 September 2024. There has been a drop in performance of solar panels due to a recent power outage impacting 40 homes which meant the number of kilowatt hours generated narrowly missed target.

Pound

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

Description	March 2023	March 2024			
		Target	Tolerance Level	Value	Status
VFM Gains	£150,000	£150,000	£150,000	£150,000	✓
% Void loss	0.42%	1.00%	1.25%	0.38%	✓
% Income collected	99.09%	99.2%	98%	99.3%	✓
% Current tenants rent arrears	3.55%	3.88%	4.00%	3.70%	✓
% Former tenant rent arrears	0.29%	0.33%	0.6%	0.46%	⚠
% Total arrears	5.02%	5.50%	6.00%	5.34%	✓

Income collected performance for 2023/24 is 99.3%. Former tenant arrears has not achieved target due to the termination of our debt collection provider contract in-year. A new provider has been in place since January 2024.

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 RSH Governance and Financial Viability Standard;
- Ensures that the control framework is operating effectively.

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

The risk register is approved by Board and Audit & Risk Committee every quarter. Risk management is a standard item on all Board and all committee papers, agendas and Executive Leadership Team meetings.

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. The board receives the full risk register on a quarterly basis and specific attention is focused on strategic risks and those within the reporting scoring threshold. Risk management is a standard item on all Board, committee and executive leadership team agendas, and report cover sheets.

During 2023/24 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 multi-variate stress tests. The exercise detailed the Board's response to the crystallisation of multiple risks together. This ensures that Board better 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
	Prepared only to accept the very lowest level of risk	Willing to accept some low risks, while maintaining an overall preference for safe delivery options	Tending always towards exposure to only modest levels of risk	Prepared to consider all delivery options and select those with the highest probability of productive outcomes	Eager to seek original, creative, pioneering delivery options and to accept the associated substantial risk levels
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 a 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.				
Innovation	SLH has an OPEN appetite for innovation and will take measured risks to maximise technological innovation and commercial opportunities to improve and transform services and ensure value for money. SLH is AVERSE to any risk which has the potential to compromise data security / cyber-crime.				
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 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. Comparisons are primarily made using the Regulator's global accounts analysis and sector scorecard data.

The Sector Scorecard includes the Regulator's national VFM Metrics. The scorecard is reported to Board quarterly and includes a cross section of financial and customer outcome focused indicators to provide an overview of VFM performance.

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 these services have 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 sector scorecard 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 2022/23 (which is the latest comparative data available).

VFM metrics – backward look (group)

	Measure	2022/23				2023/24			
		Sector average	Peer average	SLH	Sector Quartile	SLH Budget	SLH Actual	Variance to budget	Variance to 2022-23
1	Reinvestment %	6.7%	8.7%	4.9%	Q3	6.9%	7.4%	0.5%	2.5%
2a	Units developed (% of units social housing)	1.3%	1.3%	0.5%	Q4	0.1%	0.1%	0.0%	-0.4%
2b	Units developed (% of units non-social)	0.0%	0.0%	0.0%	Q2	0.0%	0.0%		0.0%
3	Gearing	45.3%	38.8%	23.3%	Q1	24%	20.9%	-3.1%	-2.4%
4	EBITDA-MRI (as a % of interest)	128.0%	159.0%	303.8%	Q1	308.0%	272.2%	-35.8%	-31.6%
5	Social housing cost per unit	4,586	4,112	4,210	Q4	4,403	4,631	£228	£421
5a	Management cost per unit	1,200	N/A	1,251	N/A	N/A	1,367	N/A	£157
5b	Service charge cost per unit	534	N/A	171	N/A	N/A	188	N/A	£17
5c	Maintenance cost per unit	1,386	N/A	1,317	N/A	N/A	1,501	N/A	£184
5d	Major Repairs cost per unit	1,115	N/A	1,281	N/A	N/A	1,306	N/A	£25
5e	Other social housing cost per unit	269	N/A	190	N/A	N/A	269	N/A	£79
6a	Operating Margin (social housing lettings)	19.8%	19.7%	23.1%	Q2	22.4%	22.6%	0.2%	-0.5%
6b	Operating Margin overall	18.2%	18.9%	20.0%	Q2	20.6%	18.6%	-2.0%	-1.5%
7	Return on Capital Employed	2.8%	3.6%	4.6%	Q1	4.1%	4.0%	-0.1%	-0.7%

VFM metrics – backward look (association)

	Measure	2022/23				2023/24			
		Sector average	Peer average	SLH	Sector Quartile	SLH Budget	SLH Actual	Variance to budget	Variance to 2022-23
1	Reinvestment %	8.0%	8.6%	5.3%	Q3	5.1%	7.5%	2.4%	2.2%
2a	Units developed (% of units social housing)	1.5%	1.4%	0.5%	Q4	0.0%	0.1%	0.1%	-0.4%
2b	Units developed (% of units non-social)	0.2%	0.1%	0.0%	Q1	0.0%	0.0%	0.0%	0.0%
3	Gearing	45.2%	33.5%	24.4%	Q1	23.7%	21.6%	-2.1%	-2.9%
4	EBITDA-MRI (as a % of interest)	118.8%	301.4%	252.9%	Q1	278.9%	269.0%	-9.9%	16.0%
5	Social housing cost per unit	5,027	4,124	4,287	Q2	4,375	4,645	270 (6.2%)	358 (8.4%)
5a	Management cost per unit	N/A	N/A	1,284	N/A	1,330	1,362	32 (2.4%)	78 (6.1%)
5b	Service charge cost per unit	N/A	N/A	171	N/A	198	188	-10 (-5.3%)	17 (9.8%)
5c	Maintenance cost per unit	N/A	N/A	1,337	N/A	1,530	1,519	-11 (-0.7%)	182 (13.6%)
5d	Major Repairs cost per unit	N/A	N/A	1,305	N/A	1,159	1,366	207 (17.9%)	61 (4.7%)
5e	Other social housing cost per unit	N/A	N/A	190	N/A	158	209	52 (32.9%)	19 (10.2%)
6a	Operating Margin (social housing lettings)	21.1%	21.0%	22.1%	Q2	22.7%	22.3%	-0.5%	0.3%
6b	Operating Margin overall	19.1%	19.2%	18.2%	Q3	19.8%	18.6%	-1.2%	0.4%
7	Return on Capital Employed	3.0%	3.8%	4.2%	Q1	3.9%	3.9%	0.0%	-0.3%

Reinvestment: Investment in new development and current stock is higher than the sector average but lower than peers. It has increased by 2.5% compared to last year as a result of more development activity. During the year £3.9m was spent on new developments, the majority of which was on works at the Old Baths site in Garston which commenced in autumn 2023. We also invested £4.2m in our current homes (2022: £4.2m).

Gearing and EBITDA-MRI metrics both continue to perform and compare well to sector and peer averages. Gearing is favourable to budget; interest cover is slightly below the budgeted level due to higher operational costs on day to day repairs and damp, mould and condensation. 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 6.1% (association) and 9.2% (group) compared to the previous year, this is due to an increase in the number of overall units managed, a cost of living pay award for colleagues and an additional management post Avela Home Service. Management costs are broadly in line with budget, 2% adverse due to some one-off expenditure on procurement. There has been a concerted effort to control expenditure and find in-year efficiencies which have delivered £150k in value for money efficiencies.

SLH continue to invest in our homes through an ongoing programme of major repairs and capital investment, £5.0m spent during the year. This represents a cost per unit of £1,306 for 2023/24, an increase of 1.9% on the previous year.

Service charge costs have increased following the 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 increased due to development work which could not be capitalised.

Operating margins: 2023/24 has seen a decrease in the social housing lettings (SHL) operating margin to 22.6% from 23.1% last year. This is due to the increase in repair and maintenance costs and damp, mould and condensation. However, it did outperform the budget for this metric by 0.2%.

The overall operating margin has decreased to 18.6% compared to 20.0% in 2022/23 and is below the budget target of 20.6%. As previously mentioned, this was due to additional spend on damp, mould and condensation works and on development work that could not be capitalised. The budget and target for 2024/25 is to achieve a margin of 20.6% and then maintain a margin of more than 21% over the medium term. 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 2023/24, £550k was invested in local projects such as Reach employability hub, our local Marketplace, Grow Speke and investment in financial inclusion.

Return on Capital is 4.1%, a small reduction compared to 2022/23 (4.6%) but broadly in line with the budget.

Other VFM measures from the Sector Scorecard

Theme	Measure	Sector 2021/22	2022/23	Budget 2023/24	2023/24
Development	Units developed (absolute)	N/A	20	0	4
Outcomes	Satisfaction with the service provided by the social housing provider	84.7%	76.6%	90.0%	78.5%
Delivered	Investment in community activities	N/A	£454,291	469,578	549,926
Effective	Occupancy	99.5%	99.7%	99.5%	99.3%
Asset	Ratio of responsive repairs to planned maintenance	0.70	0.42	0.53	0.47
Operating	Rent collected (Net rental income/gross rental income)	100.0%	99.1%	99.2%	99.3%
efficiencies	Overheads as a percentage of social housing turnover	14.9%	15.3%	15.3%	15.7%

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 2022 and March 2023. There has been a decline in satisfaction which is a common theme across all sectors: according to the UK Customer Satisfaction Index published in January 2023, compared to January 2022, customer satisfaction has fallen.
- Investment in communities increased during 2022/23 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 and is has improved on an already high baseline.
- Overhead costs as a percentage of turnover increased due to inflationary pressures on contracts.

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				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1	Reinvestment %	4.9%	7.4%	4.1%	4.8%	4.6%	4.5%	4.6%
2a	Units developed (% of units social housing)	0.5%	0.1%	0.0%	3.1%	3.7%	0.1%	0.0%
2b	Units developed (% of units non-social housing)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing	23.3%	20.9%	22.3%	29.5%	30.8%	29.1%	27.1%
4	EBITDA-MRI (as a % of interest)	303.8%	294.7%	226.1%	206.5%	170.6%	185.7%	210.0%
5	Social housing cost per unit	4,210	4,631	4,958	4,888	4,863	4,938	5,050
5a	Management cost per unit	1,251	1,367	1,588	1,542	1,550	1,555	1,590
5b	Service charge cost per unit	171	188	188	187	185	189	193
5c	Maintenance cost per unit	1,317	1,501	1,590	1,584	1,568	1,602	1,638
5d	Major Repairs cost per unit	1,281	1,306	1,432	1,415	1,401	1,431	1,463
5e	Other social housing cost per unit	190	269	161	160	158	162	165
6a	Operating Margin (social housing lettings)	23.1%	22.6%	26.1%	25.0%	25.1%	25.3%	25.8%
6b	Operating Margin overall	20.0%	18.6%	20.6%	22.9%	21.3%	21.1%	21.7%
7	Return on Capital Employed	4.6%	4.0%	3.4%	3.9%	3.6%	3.8%	4.0%

VFM metrics – forward look (association)

	Measure	Actuals		Forecast				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1	Reinvestment %	5.3%	7.5%	15.6%	18.1%	11.3%	3.2%	3.3%
2a	Units developed (% of units social housing)	0.5%	0.1%	0.0%	3.1%	3.7%	0.1%	0.0%
2b	Units developed (% of units non-social housing)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing	24.4%	21.6%	22.8%	29.8%	30.9%	29.1%	27.1%
4	EBITDA-MRI (as a % of interest)	252.9%	269.0%	210.3%	193.5%	158.9%	174.8%	198.2%
5	Social housing cost per unit	4,287	4,645	4,922	4,853	4,829	4,905	5,016
5a	Management cost per unit	1,284	1,362	1,552	1,507	1,516	1,521	1,556
5b	Service charge cost per unit	171	188	188	187	185	189	193
5c	Maintenance cost per unit	1,337	1,519	1,590	1,584	1,568	1,602	1,638
5d	Major Repairs cost per unit	1,305	1,366	1,432	1,415	1,401	1,431	1,463
5e	Other social housing cost per unit	190	209	161	160	158	162	165
6a	Operating Margin (social housing lettings)	22.1%	22.3%	22.9%	22.5%	22.6%	22.9%	23.4%
6b	Operating Margin overall	18.2%	18.6%	20.1%	20.6%	18.1%	20.0%	20.9%
7	Return on Capital Employed	4.2%	3.9%	3.3%	3.7%	3.4%	3.6%	3.7%

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

- Deliver on a budget which achieves an overall operating margin over 18.6%.
- 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 / Warm Hub – 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 1 August 2024.



David Jepson
Chair of the Board

South Liverpool Homes Limited Year ended 31 March 2024

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 2024 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 2024 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- 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: **20 August 2024**

South Liverpool Homes Limited Year ended 31 March 2024

Consolidated statement of comprehensive income

	Note	2024 £'000	2023 £'000
Turnover	4	22,570	21,099
Cost of sales	4	-	-
Operating costs	4	(18,381)	(16,871)
Surplus on disposal of housing properties	12	343	905
Operating surplus		4,532	5,133
Surplus on disposal of fixed assets		2	-
Other interest receivable and similar income	13	101	19
Interest and financing costs	14	(1,307)	(1,273)
Change in fair value of investment properties	18	35	(227)
Surplus before taxation		3,363	3,652
Taxation on surplus	15	(2)	4
Surplus for the financial year		3,361	3,656
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension scheme	28	(572)	1,568
Total comprehensive income for year		2,789	5,224
Surplus for the financial year attributable to:			
Non-controlling interest	19	143	201
Parent company		2,646	3,455
Surplus for the financial year		2,789	3,656
Total comprehensive income attributable to:			
Parent company		2,646	5,023
Non controlling interest		143	201
Total comprehensive income for year		2,789	5,224

Included within total comprehensive income is the operating surplus of the discontinued operation of Avela Developments Limited. 2024: £Nil (2023: £68k). Refer to Note 19.

The notes on pages 35 to 80 form part of these financial statements.

South Liverpool Homes Limited Year ended 31 March 2024

Association statement of comprehensive income

	Note	2024 £'000	2023 £'000
Turnover	4	22,177	20,683
Cost of sales	4	-	-
Operating costs	4	(18,048)	(16,800)
Surplus on disposal of housing properties	12	343	905
Operating surplus		4,472	4,788
Gift aid receipt from subsidiary		53	20
Surplus on disposal of fixed assets		2	-
Other interest receivable and similar income	13	181	147
Interest and financing costs	14	(1,307)	(1,273)
Surplus before taxation		3,401	3,682
Taxation on surplus	15	-	-
Surplus for the financial year		3,401	3,682
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension scheme	28	(572)	1,568
Total comprehensive income for year		2,829	5,250

The notes on pages 35 to 80 form part of these financial statements.

South Liverpool Homes Limited Year ended 31 March 2024

Consolidated and association statement of financial position

	Note	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Fixed assets					
Tangible fixed assets – housing properties	16	110,454	106,662	111,563	107,661
Tangible fixed assets - other	17	1,956	2,084	348	334
Property for resale	20	232	81	232	81
Investment properties	18	305	270	-	-
		112,947	109,097	112,143	108,076
Current assets					
Property for resale	20	-	-	-	-
Stocks		366	336	-	-
Debtors receivable within one year	21	1,720	1,307	1,573	1,230
Debtors receivable after one year	21	-	-	2,140	2,023
Cash and cash equivalents		3,043	3,413	2,198	2,737
		5,129	5,056	5,911	5,990
Creditors: amounts falling due within one year	22	(3,797)	(3,480)	(3,474)	(3,334)
Net current assets		1,332	1,576	2,437	2,656
Total assets less current liabilities		114,279	110,673	114,580	110,732
Creditors: amounts falling due after more than one year	23	(51,875)	(51,053)	(51,803)	(50,980)
Net assets excluding pension liability		62,404	59,620	62,777	59,752
Pension liability	28	(1,445)	(1,249)	(1,445)	(1,249)
Net assets		60,959	58,371	61,332	58,503
Capital and reserves					
Income and expenditure reserve		60,816	58,170	61,332	58,503
Revaluation reserve		-	-	-	-
Equity attributable to owners of the parent company		60,816	58,170	-	-
Non-controlling interest	19	143	201	-	-
		60,959	58,371	61,332	58,503

The financial statements on pages 29 to 80 were approved by the Board of Directors and authorised for issue on 1 August 2024.

Dave Jepson
Chair



Paul McGerty
Director



Mark Chambers
Company Secretary



South Liverpool Homes Limited Year ended 31 March 2024

Group 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 2022	52,945	202	53,147	164	53,311
Surplus for the year	3,657	(202)	3,455	201	3,656
Actuarial gain/(loss) on defined benefit pension scheme	1,568	-	1,568	-	1,568
Drawings by non- controlling interests	-	-	-	(164)	(164)
Balance at 31 March 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

South Liverpool Homes Limited Year ended 31 March 2024

Association statement of changes in reserves

	Income and expenditure reserve £'000
Balance at 1 April 2022	53,253
Surplus for the year	3,682
Actuarial gain/(loss) on defined benefit pension scheme	1,568
Balance at 31 March 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

South Liverpool Homes Limited Year ended 31 March 2024

Consolidated statement of cash flows

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Surplus for the financial year before tax		3,363	3,652
Depreciation of fixed assets - housing properties	16	4,119	4,218
Depreciation of fixed assets - other	17	342	395
Amortised grant	5	(667)	(690)
Interest payable and finance costs	14	1,307	1,273
Interest received	13	(101)	(19)
Pension costs less contributions paid	28	(279)	(223)
Impairment/(gain) on investment properties	18	(35)	227
Write down - development assets	18	153	102
Surplus on the sale of fixed assets	12	(343)	(905)
Decrease / (increase) in property for resale		(151)	(28)
Decrease / (increase) in trade and other debtors		(373)	(74)
Decrease / (increase) in stocks		(30)	(21)
Increase / (decrease) in trade creditors and accruals		53	(76)
Cash from operations		7,358	7,831
Taxation paid		-	-
Net cash generated from operating activities		7,358	7,831
Cash flows from investing activities			
Proceeds from sale of fixed assets – housing properties	12	634	1,551
Proceeds from sale of fixed assets – other	12	2	-
Purchase of fixed assets – housing properties	16	(8,041)	(5,923)
Purchases of fixed assets – other	17	(219)	(265)
Receipt of grant	24	3,734	200
Interest received	13	101	17
Net cash from investing activities		(3,789)	(4,420)
Cash flows from financing activities			
New loans – bank	26	-	5,000
Debt issue costs incurred	26	(54)	(454)
Interest paid	14	(1,135)	(1,090)
Repayment of loans - bank	26	(2,750)	(6,000)
Net cash used in financing activities		(3,939)	(2,544)
Net increase / (decrease) in cash and cash equivalents		(370)	867
Cash and cash equivalents at beginning of year		3,413	2,546
Cash and cash equivalents at end of year		3,043	3,413

South Liverpool Homes Limited Year ended 31 March 2024

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South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

1 Legal Status

SLH is registered in England with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator for Social Housing as a social housing provider.

2 Accounting Policies

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for South Liverpool Homes Ltd includes the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland”, the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, “Accounting by registered social housing providers” 2014, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments in compliance with FRS 102 and are presented in sterling £'000 for the year ended 31 March 2024.

Disclosure exemptions

In preparing the separate financial statements of South Liverpool Homes Limited, 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
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements present the results of South Liverpool Homes Limited – Registered provider of social housing and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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 2024. 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 report and financial statements are signed. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

Non-controlling interest

Non-controlling interests consist of subsidiaries identifiable assets, liabilities and contingent liabilities. The proportions of profit or loss and changes in equity, allocated to the parent and to the non-controlling interest are determined on the basis of existing ownership interests.

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
- 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 balance sheet 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 include 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 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 2023/24 the Group participated in one multi employer defined benefit scheme, the Social Housing Pension Scheme (SHPS). SLH exited a second defined benefit scheme with Merseyside Pension Fund effective 31 March 2023 and fund performance is included for comparative purposes. 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 balance sheet 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 for the prior 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
Building 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

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 profit or loss 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
Computers	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 balance sheet and released to the income and expenditure account 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	100

Grants relating to revenue are recognised in income and expenditure 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.

Impairment of fixed assets

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. Any impairment loss is charged to the Statement of Comprehensive Income. 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.

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 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 income statement in other operating expenses

Recoverable amount of rental and other trade receivables

The Group estimates the recoverable value of rental and other receivables and 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 balance sheet 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 Balance Sheet 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 2024

Notes to the financial statements

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies, the following judgements and key estimates have had the most significant effect on amounts recognised in the financial statements:

- A gain of £35k was recognised in respect of investment properties as compared to an impairment in the prior year (2023: £227k).
- Pension costs: In the year ended 31 March 2023, the Group recognised actuarial losses of £0.6m on the defined benefit pension schemes (2023: gain of £1.6m). 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.
- 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 a £35k increase in value.
- Tangible fixed assets, other than investment properties, 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 £4.2m (2022: £4.6m).
- 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 2024, a provision of £356k is held against current tenant arrears balances of £1,039k (34% compared to 38% in 2023). The charge in the year related to bad debt provision and write offs is £91k (2023: £109k).

South Liverpool Homes Limited Year ended 31 March 2024

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)
	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

GROUP	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	2023 £'000	2023 £'000	2023 £'000	2023 £'000
Social housing lettings (Note 5)	20,155	-	(15,497)	4,658
Other social housing activities				
First tranche shared ownership sales	-	-	-	-
Community investment activity	23	-	(454)	(431)
Other (including development costs)	17	-	(274)	(257)
	20,195	-	(16,225)	3,970
Activities other than social housing				
Properties developed for outright sales	-	-	-	-
Commercial & market rental	34	-	13	47
Other*	870	-	(659)	211
	21,099	-	(16,871)	4,228

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

South Liverpool Homes Limited Year ended 31 March 2024

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)
	2024	2024	2024	2024
	£'000	£'000	£'000	£'000
Social housing lettings (Note 5)	21,520	-	(16,736)	4,784
Other social housing activities				
First tranche shared ownership sales	-	-	-	-
Community investment activity - grants	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

ASSOCIATION	Turnover	Cost of sales	Operating costs	Operating surplus/ (deficit)
	2023	2023	2023	2023
	£'000	£'000	£'000	£'000
Social housing lettings (Note 5)	20,155	-	(15,584)	4,571
Other social housing activities				
First tranche shared ownership sales	-	-	-	-
Community investment activity	23	-	(454)	(431)
Other (including development costs)	17	-	(274)	(257)
	20,195	-	(16,312)	3,883
Activities other than social housing				
Properties developed for outright sales	-	-	-	-
Other**	488	-	(488)	-
	20,683	-	(16,800)	3,883

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

South Liverpool Homes Limited Year ended 31 March 2024

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
				2024	2023
GROUP	£'000	£'000	£'000	£'000	£'000
Income					
Rents receivable net of identifiable service charges	19,338	602	107	20,047	18,695
Service charge income	435	328	43	806	770
Amortised government grants	656	-	11	667	690
Turnover from social housing lettings	20,429	930	161	21,520	20,155
Expenditure					
Management	(4,758)	(159)	(26)	(4,943)	(4,504)
Service charge costs	(356)	(301)	(61)	(718)	(654)
Routine maintenance	(3,329)	(143)	(10)	(3,482)	(2,938)
Planned maintenance	(2,132)	(120)	(3)	(2,255)	(2,104)
Major repairs expenditure	(766)	(3)	-	(769)	(681)
Bad debts	(91)	-	-	(91)	(109)
Depreciation of housing properties	(3,874)	(218)	(27)	(4,119)	(4,218)
Lease costs	(280)	(2)	-	(282)	(289)
Operating expenditure on social housing lettings	(15,586)	(946)	(127)	(16,659)	(15,497)
Operating surplus on social housing lettings	4,843	(16)	34	4,861	4,658
Void losses (being rental income lost as a result of property not being let although it is available for letting)	(60)	(17)	-	(77)	(82)

South Liverpool Homes Limited Year ended 31 March 2024

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
				2024	2023
ASSOCIATION	£'000	£'000	£'000	£'000	£'000
Income					
Rents receivable net of identifiable service charges	19,338	602	107	20,047	18,695
Service charge income	435	328	43	806	770
Amortised government grants	656	-	11	667	690
Turnover from social housing lettings	20,429	930	161	21,520	20,155
Expenditure					
Management	(4,758)	(159)	(26)	(4,943)	(4,504)
Service charge costs	(356)	(301)	(61)	(718)	(654)
Routine maintenance	(3,371)	(143)	(10)	(3,524)	(2,983)
Planned maintenance	(2,158)	(120)	(3)	(2,281)	(2,136)
Major repairs expenditure	(775)	(3)	-	(778)	(691)
Bad debts	(91)	-	-	(91)	(109)
Depreciation of housing properties	(3,874)	(218)	(27)	(4,119)	(4,218)
Lease costs	(280)	(2)	-	(282)	(289)
Operating expenditure on social housing lettings	(15,663)	(946)	(127)	(16,736)	(15,584)
Operating surplus on social housing lettings	4,766	(16)	34	4,784	4,571
Void losses (being rental income lost as a result of property not being let although it is available for letting)	(60)	(17)	-	(77)	(82)

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

6 Particulars of turnover from non-social housing lettings

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Commercial rented properties	29	34	-	-
	29	34	-	-

South Liverpool Homes Limited Year ended 31 March 2024

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 2023:	3,271	377	19	3	118	42	3,830
Additions:							
New developments	-	-	-	-	-	-	-
Open market purchase	-	4	-	-	-	-	4
Market purchase	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
RTB/RTA disposals	(11)	-	-	-	-	-	(11)
Other disposals	-	-	-	-	-	(1)	(1)
At 31 March 2024	3,260	381	19	3	118	41	3,822

Units under development:

At 1 April 2023	-	-	-	-	-	-	-
Completed	-	-	-	-	-	-	-
Start on site	27	12	35	-	-	-	74
Adapted unit conversion	-	-	-	-	-	-	-
At 31 March 2024	27	12	35	-	-	-	74

All units are owned and managed.

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

8 Operating surplus

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
This is arrived at after charging/(crediting):				
Depreciation of housing properties:				
- annual charge	3,820	3,787	3,820	3,787
- accelerated depreciation on replaced components	299	431	299	431
Depreciation of other tangible fixed assets	342	395	205	254
Amortised government grants	(667)	(690)	(667)	(690)
Operating lease charges – land & building	253	256	253	256
Operating lease charges – other	28	33	28	33
Surplus on sale of fixed assets	343	905	343	905
Auditors' remuneration (excluding VAT):				
- fees payable to the Group's auditor for the audit of the Group's annual accounts	29	27	29	27
- fees payable to the Group's auditor for the audit of the subsidiary accounts	22	19	-	-
- fees for tax computations and advice	6	6	2	2
- fees for other services	-	-	-	-

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

9 Employees

Staff costs (including Executive Leadership Team) consist of:

	Group	Group	Association	Association
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	7,124	5,828	3,953	3,551
Social security costs	653	584	421	388
Pension contributions	604	513	553	471
Other pension costs	(79)	(37)	(79)	(37)
	8,302	6,888	4,848	4,373

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
	2024	2023	2024	2023
	No.	No.	No.	No.
Administration	61	55	47	44
Development	2	2	2	2
Housing, Support and Care	46	48	46	48
Maintenance operatives	70	59	7	7
	179	164	102	101

South Liverpool Homes Limited Year ended 31 March 2024

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 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Executive and Senior Leadership Team				
Wages and salaries (including performance related pay for the period)	573	560	573	560
Employer pension contributions	141	116	141	116
	714	676	714	676

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Board Members				
Gross salary	108	90	94	74
	108	90	94	74

The Chief Executive was the highest paid director for the year ended 31 March 2024 and received emoluments of £123,800 (2023: £46,023 mid-year appointment).

Pension contributions of £27,400 were made to a defined benefit pension on their behalf (2023: £10,227 mid-year appointment). This included £13,700 of employer contributions and £13,700 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 2024

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 2024 No.	Group 2023 No.	Association 2024 No.	Association 2023 No.
£60,000 - £69,999	-	1	-	1
£70,000 - £79,999	3	2	3	2
£80,000 - £89,999	1	-	1	-
£90,000 - £99,999	-	-	-	-
£100,000 - £109,999	-	1	-	1
£110,000 - £119,999	2	1	2	1
£120,000 - £129,999	2	3	2	3
£130,000 - £139,999	-	-	-	-
£140,000 - £149,999	-	-	-	-
£150,000 - £159,999	1	-	1	-
£160,000 - £169,999	-	-	-	-
£170,000 - £179,999	-	-	-	-
£180,000 +	-	-	-	-

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

11 Board and committee members

	Remuneration 2024	Remuneration 2023
	£	£
Paul Diggory	5,691	5,691
Elaine Eades	4,800	4,800
Yasmin Fearon	5,270	4,800
Christopher Heath	4,800	4,800
Eric Hughes	2,710	5,691
Danielle James	-	2,845
David Jepson	11,496	11,496
Karen Lowe	4,800	4,800
Graham Pink	-	2,400
David Simons	4,000	4,800
John Tague	-	2,073
Derek Gibbon	4,800	4,800
Jamal Wahid	4,800	4,800
Catherine Bett	4,800	4,800
Peter Johnson	4,800	4,800
Paul McGerty	5,691	5,245
Bethany McKeown	4,800	2400
Lee Payne	5,036	2400
Paula Ellis	4,800	2400
Debra Rees-Armstrong	5,691	1142
Adenson Gumbo	4,800	964
Michael Gore	4,800	964
Michael Rickett	4,800	964
Tracy Hindley	4,800	964
Total	107,985	90,839

South Liverpool Homes Limited Year ended 31 March 2024

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	
Christopher Heath					Y
Eric Hughes		L		L	
David Jepson				Y	Y
Karen Lowe	Y				Y
David Simons					L
Derek Gibbon	Y				
Jamal Wahid (co-optee)				Y	
Catherine Bett	J			Y	
Peter Johnson	Y				
Paul McGerty	Y			Y	
Bethany McKeown		Y		Y	
Lee Payne				Y	J
Paula Ellis			Y	Y	
Debra Rees-Armstrong			Y	Y	
Adenson Gumbo			Y		
Michael Gore			Y		
Michael Rickett			Y		
Tracy Hindley			Y		

Y = member all year

J = joined during the year

L = left during the year

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

12 Surplus on disposal of housing properties

GROUP AND ASSOCIATION	Right to Buy/Right to Acquire 2024 £'000	Low Cost Home Ownership 2024 £'000	Total 2024 £'000	Total 2023 £'000
Disposal proceeds	552	93	645	1,593
Cost of disposals	(214)	(77)	(291)	(646)
Selling costs	(11)	-	(11)	(42)
Surplus on disposal of housing properties	327	16	343	905

13 Interest receivable and income from investments

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Interest receivable from Group undertakings	-	-	95	128
Interest receivable and similar income	101	19	86	19
	101	19	181	147

14 Interest payable and similar charges

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
All other loans (excluding loans from Group entities)	1,112	1,095	1,112	1,095
Amortisation of loan fees	121	104	121	104
Interest on pension schemes	59	89	59	89
Interest capitalised on housing properties under construction	(3)	(25)	(3)	(25)
Other fees	18	10	18	10
	1,307	1,273	1,307	1,273

The weighted average interest on borrowings of 3.78% (2023: 3.54%) was used for calculating capitalised finance costs.

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

15 Taxation on surplus on ordinary activities

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'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	(5)	30	-	-
Investment property revaluation	7	(34)	-	-
Taxation on charge on ordinary activities	2	(4)	-	-

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 2024 £'000	Group 2023 £'000
Surplus/(deficit) on ordinary activities before tax	3,363	3,652
Surplus/(deficit) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022: 19%)	639	694
Effects of:		
Surplus not within the charge to corporation tax	(639)	(694)
Deferred tax charge/(credit)	2	(4)
Adjustment to current tax charge in relation to prior periods	-	-
Total tax charge for period	2	(4)

The aggregate current and deferred tax relating to items recognised in other comprehensive income is £Nil (2023: £Nil).

South Liverpool Homes Limited Year ended 31 March 2024
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	Land & Freehold Buildings	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:								
At 31 March 2023		140,727	1,410	3,644	-	7,693	1,150	154,624
Additions:	completed scheme transfers	321	(321)	-	-	-	-	-
	ongoing construction costs	1	2,997	-	-	-	918	3,916
	capitalised interest	-	-	-	-	-	-	-
	replaced components	4,198	-	11	-	15	-	4,224
Disposals:	RTB & RTA	(295)	-	(78)	-	-	-	(373)
	replaced components	(1,222)	-	-	-	(8)	-	(1,230)
	other	-	-	-	-	-	-	-
At 31 March 2024		143,730	4,086	3,577	-	7,700	2,068	161,161
Depreciation:								
At 1 April 2023		(45,219)	-	(258)	-	(2,485)	-	(47,962)
Charge for the year		(3,874)	-	(27)	-	(218)	-	(4,119)
Eliminated on disposals:								
- RTB & RTA disposals		142	-	3	-	-	-	145
- replaced components		1,228	-	-	-	1	-	1,229
At 31 March 2024		(47,723)	-	(282)	-	(2,702)	-	(50,707)
Net book value at 31 March 2024		96,007	4,086	3,295	-	4,998	2,068	110,454
Net book value at 31 March 2023		95,508	1,410	3,386	-	5,208	1,150	106,662

South Liverpool Homes Limited Year ended 31 March 2024
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	Land & Freehold Buildings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:							
At 31 March 2023	141,655	1,456	3,644	-	7,693	1,174	155,622
Additions: completed scheme transfers	367	(367)	-	-	-	-	-
ongoing construction costs	1	3,039	-	-	-	918	3,958
capitalised interest	-	-	-	-	-	-	-
replaced components	4,266	-	11	-	15	-	4,292
Disposals: RTB & RTA	(295)	-	(78)	-	-	-	(373)
replaced components	(1,222)	-	-	-	(8)	-	(1,230)
other	-	-	-	-	-	-	-
At 31 March 2023	144,772	4,128	3,577	-	7,700	2,092	162,269
Depreciation:							
At 1 April 2023	(45,218)	-	(258)	-	(2,485)	-	(47,961)
Charge for the year	(3,874)	-	(27)	-	(218)	-	(4,119)
Eliminated on disposals:							
- RTB & RTA disposals	142	-	3	-	-	-	145
- replaced components	1,228	-	-	-	1	-	1,229
At 31 March 2024	(47,722)	-	(282)	-	(2,702)	-	(50,706)
Net book value at 31 March 2024	97,050	4,128	3,295	-	4,998	2,092	111,563
Net book value at 31 March 2023	96,437	1,456	3,386	-	5,208	1,174	107,661

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

17 Other tangible fixed assets

GROUP	Plant, machinery and vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 April 2023	2,838	1,165	4,003
Additions	-	219	219
Disposals	(8)	(135)	(143)
At 31 March 2024	2,830	1,249	4,079
Depreciation			
At 1 April 2023	(1,087)	(832)	(1,919)
Charge for year	(138)	(204)	(342)
Disposals	3	135	138
At 31 March 2024	(1,222)	(901)	(2,123)
Net book value			
At 31 March 2024	1,608	348	1,956
At 31 March 2023	1,751	333	2,084

In the year plant and machinery was disposed of resulting in surplus of £2k (2023: £Nil).

ASSOCIATION	Plant, machinery and vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 April 2023	90	1,165	1,255
Additions	-	219	219
Disposals	-	(135)	(135)
At 31 March 2024	90	1,249	1,339
Depreciation			
At 1 April 2023	(89)	(832)	(921)
Charge for year	(1)	(204)	(205)
Disposals	-	135	135
At 31 March 2024	(90)	(901)	(991)
Net book value			
At 31 March 2024	-	348	348
At 31 March 2023	1	333	334

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

18 Investment properties

GROUP	Commercial £'000
At 1 April 2023	270
(Impairment)/ valuation gain	35
At 31 March 2024	305

The Group's investment properties are valued annually at fair value. The valuations for the year ended were determined by Eddisons Commercial Limited, 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 £143k (2023: £167k).

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 2024, 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 £0k (2023: £34k).

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 2023
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 Ltd.	England	100%	Non charity works	Commercial company limited by shares
SLH Projects Limited	England	100%	Development company (dissolved – 31 January 2023)	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 Company	Commercial Company Limited by shares

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

19 Fixed asset investments (cont.)

	Note	2024 Continuing Operations	2024 Discontinued Operation	2024 Total £'000	2023 Continuing Operations	2023 Discontinued Operation	2023 Total £'000
Turnover	4	22,570	-	22,570	20,382	717	21,099
Cost of sales	4	-	-	-	-	-	-
Operating costs	4	(18,538)	-	(18,538)	(16,222)	(649)	(16,871)
Surplus on disposal of housing properties	12	343	-	343	905	-	905
Operating surplus		4,375	-	4,375	5,065	68	5,133
Surplus on disposal of fixed assets		2	-	2	-	-	-
Other interest receivable and similar income	13	101	-	101	19	-	19
Interest and financing costs	14	(1,358)	-	(1,358)	(1,273)	-	(1,273)
Change in fair value of investment properties	18	35	-	35	(227)	-	(227)
Surplus before taxation		3,155	-	3,155	3,584	68	3,652
Taxation	15	(2)	-	(2)	4	-	4
Surplus for the financial year		3,153	-	3,153	3,588	68	3,656
Other comprehensive income							
Actuarial gain/(loss) on defined benefit pension scheme	28	-	-	-	1,568	-	1,568
Total comprehensive income for year		3,153	-	3,153	5,156	68	5,224
Surplus for the financial year attributable to:							
Non-controlling interest	19	143	-	143	167	34	201
Parent company		3,010	-	3,010	3,421	34	3,455
Surplus for the financial year		3,153	-	3,153	3,588	68	3,656
Total comprehensive income attributable to:							
Parent company		3,010	-	3,010	4,989	34	5,023
Non controlling interest		143	-	143	167	34	201
Total comprehensive income for year		3,153	-	3,153	5,156	68	5,224

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

20 Properties for sale

GROUP AND ASSOCIATION	Total 2024 £'000	Total 2023 £'000
Shared ownership properties:		
Completed properties	-	-
Work in progress	-	-
Properties developed for outright sale	-	-
Commercial properties:		
Properties developed for outright sale	232	81
	232	81

21 Debtors

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Due within one year				
Rent and service charge arrears	1,039	908	1,039	908
Less: Provision for doubtful debts	(356)	(343)	(356)	(343)
	683	565	683	565
Other debtors	556	257	400	178
Prepayments and accrued income	482	485	479	475
Amounts owed by Group undertakings	-	-	11	12
	1,721	1,307	1,573	1,230
Due after one year				
Amounts owed by Group undertakings	-	-	2,140	2,023
Total debtors	1,721	1,307	3,713	3,253

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

22 Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Trade creditors	(1,177)	(816)	(319)	(274)
Rent and service charges received in advance	(401)	(391)	(401)	(391)
Amounts owed to Group undertakings	-	-	(1,225)	(682)
Taxation and social security	(118)	(95)	(52)	(35)
Deferred capital grant (Note 24)	(679)	(693)	(679)	(693)
Recycled capital grant fund (Note 25)	(94)	(117)	(94)	(117)
Disposal proceeds funds	-	-	-	-
Accruals and deferred income	(1,328)	(1,368)	(704)	(1,142)
Total	(3,797)	(3,480)	(3,474)	(3,334)

23 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Loans and borrowings (Note 26)	(25,566)	(28,261)	(25,566)	(28,261)
Deferred capital grant (Note 24)	(25,436)	(22,202)	(25,436)	(22,202)
Recycled capital grant fund (Note 25)	(352)	(411)	(352)	(411)
Deferred taxation (Note 29)	(75)	(73)	-	-
Leaseholders sinking fund	(142)	(106)	(142)	(106)
Other provisions	(304)	-	(200)	-
Amounts owed to Group undertakings	-	-	(107)	-
Total	(51,875)	(51,053)	(51,803)	(50,980)

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

24 Deferred capital grant

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
At 1 April	22,895	23,392
Grants received during the year	3,954	300
Disposal of grant during the year	(67)	(107)
Released to income during the year	(667)	(690)
At 31 March	26,115	22,895
Amount due in less than one year	679	693
Amount due in more than one year	25,436	22,202

25 Recycled capital grant fund

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
At 1 April	528	403
Grants recycled	120	215
Interest accrued	18	10
Recycling: investment in new build stock	(220)	(100)
At 31 March	446	528
Amounts due to be utilised < 1 year	94	117
Amounts due to be utilised > 1 year	352	411

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

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

26 Loans and borrowings

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 2024	(10,732)	(14,834)	(25,566)

GROUP AND ASSOCIATION	Bank loans 2023 £'000	Other loans 2023 £'000	Total 2023 £'000
In one year or less, or on demand	-	-	-
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	(14,000)	(1,500)	(15,500)
In more than five years	-	(13,500)	(13,500)
Loans payable at maturity	(14,000)	(15,000)	(29,000)
Less loan issue costs	554	185	739
As at 31 March 2023	(13,446)	(14,815)	(28,261)

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

Undrawn facilities – As at 31 March 2024 undrawn loans available to SLH amounted to £38,750.

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

27 Financial instruments

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

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Financial assets				
Investment properties measured at fair value	305	270	-	-
Financial assets measured at historical cost				
- Trade receivables	683	565	683	565
- Other receivables	1038	742	890	653
- Cash and cash equivalents	3043	3,413	2,198	2,737
Loans receivable	-	-	2,140	2,023
Total financial assets	5,069	4,990	5,911	5,978
Financial liabilities				
Financial liabilities measured at historical cost				
- Loans payable	(25,566)	(28,261)	(25,566)	(28,261)
Financial liabilities measured at historical cost				
- Trade creditors	(1,177)	(816)	(319)	(274)
- Other creditors	(2,479)	(2,287)	(3,083)	(2,061)
Total financial liabilities	(29,222)	(31,364)	(28,968)	(30,596)

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

28 Pensions

SLH operated one defined benefit pension scheme in 2023/24: the Social Housing Pension Scheme. SLH exited the Merseyside Pension Fund effective 31 March 2023.

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 £337k (2023: £320k).

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 the end of 2024 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.

	2024 £'000	2023 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	(7,247)	(11,090)
Current service cost	(83)	(122)
Administration expense	(9)	(8)
Interest cost	(350)	(309)
Contributions by plan participants	(2)	(2)
Actuarial (losses)/gains due to scheme experience	(108)	273
Actuarial (losses)/gains due to changes in demographic assumptions	68	14
Actuarial (losses)/gains due to changes in financial assumptions	149	3,918
Benefits paid and expenses	122	79
At the end of the year	(7,460)	(7,247)

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

28 Pensions (cont.)

	2024	2023
	£'000	£'000
Reconciliation of fair value of plan assets		
At the beginning of the year	5,998	9,922
Interest income	300	281
Experience on plan assets	(681)	(4,619)
Employer contributions	518	491
Contributions by plan participants	2	2
Benefits paid and expenses	(122)	(79)
At the end of the year	6,015	5,998
Fair value of plan assets	6,015	5,998
Present value of plan liabilities	(7,460)	(7,247)
Net pension scheme liability	(1,445)	(1,249)

Amounts recognised in other comprehensive income are as follows:

	2024	2023
	£'000	£'000
Current service cost	(83)	(122)
Administration expense	(9)	(8)
Amounts charged to operating costs	(92)	(130)
Net interest cost	(50)	(28)
Amounts charged to other finance costs	(142)	(28)
Non cash net benefit asset/(liability) arising from current service cost	89	49

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

Experience on plan assets	(681)	(4,619)
Experience on plan liabilities	(108)	273
Changes in demographic assumptions	68	14
Changes in financial assumptions	149	3,918
	(572)	(414)

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

28 Pensions (cont.)

	2024 £'000	2023 £'000
Composition of plan assets		
Global equities	599	112
Absolute return	235	65
Alternative risk premia	191	11
Infrastructure	607	685
Liability driven investment	2,447	2,763
Other	1,935	2,362
Total plan assets	6,014	5,998
Actual return on plan assets	(381)	(4,338)

	2024 £'000	2023 £'000
Principal actuarial assumptions	%	%
Discount rates	4.92	4.83
Future salary increases	3.79	3.81
Future pension increases	2.79	2.81
Inflation assumption	3.09	3.16
Mortality rates	No. of years	No. of years
for a male aged 65 now	20.5	21.0
at 65 for a male member aged 45	21.8	22.2
for a female aged 65 now	23.0	23.4
at 65 for a female member aged 45	24.4	24.9

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 2024
Notes to the financial statements

28 Pensions (cont.)

Merseyside Pension Fund

The Merseyside Pension Fund (MPF) is a multi-employer scheme. The MPF is administered by the regulations governing Local Government Pension Schemes.

The SLH Board approved a decision to exit the MPF effective 31 March 2023. At this point the assets and liabilities become zero.

The total employer contributions for the year ending 31 March 2024 were £Nil (2023: £42k) with the employer's contribution rate at 0% (2023: 41.7%) of pensionable pay, including risk premium of 0% (2023: 23.1%).

	2024 £'000	2023 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	-	(9,220)
Current service cost	-	(33)
Interest cost	-	(255)
Past service cost	-	-
Benefits paid	-	199
Member Contributions	-	(11)
Gain / (loss) on assumptions	-	3,679
Settlements	-	5,641
At the end of the year	-	-
Composition of plan liabilities:		
Schemes wholly or partly funded	-	-

	2024 £'000	2023 £'000
Reconciliation of fair value of plan assets		
At the beginning of the year	-	7,283
Interest income on plan assets	-	202
Remeasurements	-	(748)
Administration expenses	-	(1)
Employer contributions	-	42
Member contributions	-	11
Benefits paid	-	(199)
Settlements	-	(6,590)
At the end of the year	-	-
Fair value of plan assets	-	-
Present value of plan liabilities	-	-
Net pension scheme liability	-	-

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

28 Pensions (cont.)

Amounts recognised in Statement of Comprehensive Income are as follows:

	2024 £'000	2023 £'000
Current service cost	-	(33)
Past service cost	-	-
Administration expense	-	(1)
Amounts charged to operating costs	-	(34)
Net interest cost	-	(53)
Amounts charged to other finance costs	-	(53)

Analysis of actuarial gain/(loss) recognised in Other Comprehensive Income

Changes in assumptions underlying the present value of the scheme liabilities	-	2,931
Effect of settlement	-	(949)
	-	1,982

	2024 £'000	2023 £'000
Composition of plan assets		
Equities	-	-
Government bonds	-	-
Other bonds	-	-
Property	-	-
Cash	-	-
Other	-	-
Total plan assets	-	-
Actual return on plan assets	-	(211)

	2024 £'000	2023 £'000
Principal actuarial assumptions used at the balance sheet date	%	%
Discount rates	-	4.8
Future salary increases	-	4.2
Future pension increases	-	2.8
Inflation assumption	-	2.7
Mortality rates	No. of years	No. of years
for a male aged 65 now	-	21.2
at 65 for a male member aged 45 now	-	22.6
for a female aged 65 now	-	23.7
at 65 for a female member aged 45 now	-	25.5

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

29 Deferred taxation

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Fixed asset timing differences	(80)	(80)	-	-
Unutilised losses	12	7	-	-
Capital gains on revaluation	(7)	-	-	-
Deferred tax (liability)	(75)	(73)	-	-

30 Contingent liabilities

The Group and Association had £Nil contingent assets at March 2024 (2023: £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 2023. The amount of employer debt on withdrawal for SLH has been calculated as £3,156,159 based on membership at 30 September 2023.

The Group and Association had £Nil other contingent liabilities at March 2024 (2023: £Nil).

South Liverpool Homes Limited Year ended 31 March 2024
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 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Land and buildings				
Not later than 1 year	256	-	256	-
Between 2 and 5 years	522	-	522	-
Later than 5 years	-	-	-	-
Others:				
Not later than 1 year	2	19	2	19
Between 2 and 5 years	-	4	-	4
Later than 5 years	-	-	-	-
Total	780	23	780	23

32 Grant and financial assistance

GROUP AND ASSOCIATION	2024 £'000	2023 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant	26,115	22,896
Recognised as income in statement of comprehensive Income	13,556	12,942
Total	39,671	35,838

South Liverpool Homes Limited Year ended 31 March 2024
Notes to the financial statements

33 Capital commitments

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Commitments contracted but not provided for	(10,281)	(99)	(10,590)	(99)
Commitments approved by the Board but not contracted for	(22,160)	(22,883)	(22,824)	(22,883)
	(32,441)	(22,982)	(33,414)	(22,982)

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

	Group 2024 £'000	Group 2023 £'000	Association 2024 £'000	Association 2023 £'000
Social housing grant	8,050	6,445	8,050	6,445
Shared ownership proceeds	3,283	3,987	5,033	3,987
Drawdown of existing facilities	18,937	9,831	18,160	9,831
Utilisation of cash reserves	2,171	2,719	2,171	2,719
	32,441	22,982	33,414	22,982

34 Non-equity share capital

GROUP AND ASSOCIATION	2024 No.	2023 No.
Allotted issued and fully paid:		
At the start of the year	10	8
Issued during the year	-	4
Repaid during the year	(1)	(2)
At the end of the year	9	10

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 2024

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 £10k (2023: £9k). There are £210 of arrears on their tenancies at the reporting period end attributable to timing of receipts (2023: £Nil).

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, Asset Management, Finance, HR and Business Assurance and is allocated based on a proportion of staff time. The total charge for the year ended March 2024 was £55k (2023: £54k).
- An intra-group loan has been granted by SLH to ASL. The balance at 31 March 2024 was £1,720k (2023: £2,023k). Interest was charged in the year of £94k (2023: £128k). Interest is charged at 5.391%.
- In the year ended 31 March 2024, ASL paid gift aid of £53k to SLH (2023: £20k).
- As at 31 March 2024, ASL owed SLH £7k from trading balances (2023: £8k).

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

- AHS carried out work on behalf of SLH with a value of £9.661m in the year ended March 2024 (2023: £8.869m). This work included repairs, voids, gas servicing, planned works, call centre costs and refurbishment work.
- As at 31 March 2024, SLH owed AHS £0.907m (2023: £0.621m).

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

- AD carried out construction work with a value of Nil which was invoiced to SLH (2023: £717k).
- As at 31 March 2024, SLH owed AD £Nil (2023: £61k).

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 £77k (2023: £67k).
- In the year, AHS paid £167k of profit share to AS relating to the year ended March 2024 (2023: £151k).
- As at 31 March 2024, ASL owed AHS £Nil (2023: £Nil).

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

- In the year, AD paid £34k of profit share to ASL relating to the year ended March 2024 (2023: £12k).
- As at 31 March 2024, AS owed AD £Nil (2023: £Nil).

South Liverpool Homes Limited Year ended 31 March 2024

Notes to the financial statements

35 Related party disclosures (cont.)

Transactions between Avela Home Service (AHS) and Avela Developments (AD)

- As at 31 March 2024, AD owed AHS £Nil (2023: £Nil).

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

- SLHDL carried out construction work with a value of £1,456k which was invoiced to SLH (2023: £Nil).
- 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 2024 was £218k (2023: £Nil).
- An intra-group loan has been granted by SLH to SLHDL. The balance at 31 March 2024 was £420k (2023: £Nil). Interest was charged in the year of £1k (2023: £Nil). Interest is charged at SONIA +1.25%.
- As at 31 March 2024, SLH owed SLHDL £422k (2023: £Nil).

36 Capital and reserves

The Revaluation Reserve represents the difference between market value and historical cost. The valuation of commercial property conducted by Jones Lang deSalle in 2023 resulted in an impairment. The Revaluation Reserve at 31 March 2023 was fully utilised and written off. The valuation gain of £35k as at the year ended 31 March 2024 has been recognised fully in Statement of Comprehensive Income.

37 Post balance sheet events

There are no post balance sheet events to report.