

Group Report and Financial Statements

Year ended 31st March 2025



Halton
Housing

Halton Housing is a charitable housing association registered under the
Co-operative and Community Benefit Societies Act 2014

Community Benefit Society: 7744
Regulator of Social Housing registered number: L4456

Contents

Section	Page
Board Members, Executive Directors, Advisors and Bankers	1
Report of the Board	
• Strategic Report	3
• Value for Money Statement	13
• Statement of Board's responsibilities in respect of the Financial Statements	29
Independent Auditor's Report to the Members of Halton Housing	31
Group and Association Statement of Comprehensive Income	35
Group and Association Statement of Financial Position	36
Group and Association Statement of Changes in Reserves	37
Consolidated Statement of Cash Flows	38
Notes to the Financial Statements	40

Halton Housing

Board Members, Executive Directors, Advisors and Bankers

Halton Housing Board

Chair	Clive Deadman
Vice Chair	Kevin Williams (resigned 21 st September 2024) Jennifer Halliday (appointed 21 st September 2024)
Other Members	Jo Fallon (appointed 30 th September 2024) Ian Gardner (appointed 30 th September 2024) Ian Hayhoe Peter Lunio (resigned 7 th February 2025) Sharon Pennington Norman Plumpton-Walsh (resigned 9 th January 2025) Marie Wright Leigh Wylie

Open Solutions (OSUK) Limited Board

Chair	Ian Hayhoe
Other Members	Jo Fallon (appointed 30 th September 2024) Jennifer Halliday (resigned 30 th September 2024) Geoff Linnell Neil McGrath Susan Smith

HHT Development Limited Board

Chair	Kevin Williams (resigned 21 st September 2024) Sam Scott (appointed 25 th September 2024)
Other Members	Neil McGrath Paul Mullane (appointed 25 th September 2024) Leigh Wylie (resigned 25 th September 2024)

Executive Directors

Group Chief Executive	Sam Scott
Deputy Group Chief Executive and Chief Financial Officer	Neil McGrath
Chief Operating and Transformation Officer	Debbie Trust-Dickinson
Company Secretary	Neil McGrath

Registered office Waterfront Point, Warrington Road, Widnes, WA8 0TD

Registered number Registered as a Community Benefit Society: 7744
Registered with the Regulator of Social Housing: L4456

Halton Housing

Auditors	Bankers	Solicitors
RSM UK Audit LLP	Lloyds	Trowers and Hamlins
Landmark	Horsemarket Street	55 Princess Street
St Peter’s Square	Warrington	Manchester
1 Oxford Street	WA1 1TP	M2 4EW
Manchester		
M1 4PB		

Halton Housing

Report of the Board

The Board presents its report and the audited Financial Statements for the year ended 31st March 2025. The information contained in this report together with the Strategic Report complies with the requirements of the Statement of Recommended Practice (SORP 2018).

The Directors of the Association are defined as the Board of Management, as defined by the Accounting Direction for Private Registered Providers of Social Housing 2022. The Board of Management's responsibilities are as stated below. This statement should be read in conjunction with the audit report on pages 31 to 34.

Halton Housing ("the Association") is a charitable housing association registered under the Co-operative and Community Benefit Societies Act 2014. On 31st March 2025 there were eight members who guaranteed £1 each.

STRATEGIC REPORT

The Strategic Report has been prepared in accordance with the applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice "Accounting for Registered Providers" (2018) and The Accounting Direction for Private Registered Providers of Social Housing 2022.

The Business Model

Halton Housing (HH) is a charitable housing association registered under the Co-operative and Community Benefit Societies Act 2014 and a Registered Provider of social housing that was formed to take transfer of the housing stock of Halton Borough Council (HBC) on 5th December 2005. We operate predominantly in the Cheshire towns of Widnes and Runcorn.

We have two wholly owned subsidiary companies:

- HHT Development Limited (HDL) – a company limited by shares and a VAT efficient group development vehicle.
- Open Solutions (OSUK) Limited (OSUK) – a company limited by shares which has been established to undertake activity that will generate a profit that can be reinvested in the Association to subsidise its social housing activity.

The Group (Halton Housing, HHT Development Limited and Open Solutions (OSUK) Limited) owns and manages 7,810 (2024: 7,798) homes and has an additional 234 (2024: 127) homes under development on 31st March 2025. Most of the homes are for rent and provided to people on low incomes.

Strategy and Objectives

Our financial and non-financial objectives are included from page 13 as part of our Value for Money Statement.

The Group has identified the key risks to achieving its strategy and objectives and these are shown from page 8 within the section entitled "principal risks and uncertainties".

The Group remunerates its Board and details of the remuneration are shown within Note 10 on pages 57 and 58. Remuneration enables the Group to continue to attract and retain board members with the appropriate skills, knowledge, and experience.

A Fair Review of the Business

Operating Review (Group)

Our Corporate Plan (“Our Future Focus 2025-28”) outlines our commitment to our customers and communities. Our purpose at Halton Housing is “improving people’s lives.” We want to provide customers with a safe place to call home, and the opportunity to lead happier, healthier, and more fulfilled lives.

Our Future Focus sets out where we want our focus to be; on creating homes that are fit for the future, doing what we say we will, working together to create great places to live, employing passionate people achieving great outcomes and to be an ambitious, resilient and responsible business.

Our key achievements for 2024/25 include:

- Customer satisfaction levels across all 12 Tenant Satisfaction Measures (TSMs) perception measures have increased compared to 2023/24 performance.
- There has been significant and sustained improvement in repairs service delivery.
- Compliance across five out of six building safety measures was 100% at the end of March 2025.
- Performance against our target to have 86% of our homes with a stock condition survey of no more than five years old has been achieved with a year-end figure of 89.5%.
- We co-ordinated many community events such as community clean up days, spruce up your streets activities, tree and bulb planting, digital arts and technology sessions, welfare benefits and advice sessions, tree and bulb planting, school uniform support, Christmas hampers, funding and donations, cookery sessions and keep warm, keep well events.
- Financial performance has been good, and we were regraded to V1 by the Regulator for Social Housing (RSH).
- We exited and closed both defined benefit pension schemes whilst maintaining high levels of colleague satisfaction, low turnover, and sickness absence.
- Our information technology (IT) systems have continued to be reliable with no successful cyber-attack.
- External accreditations include a gold award by the HBC Health Inclusion Team, nominations for Employer of the Year and Outstanding Contribution to the Local Community at the Halton Business Awards, retained our IIP Gold award and renewed the Cyber Essentials+ certification.
- Board approved to decommission Churchill Mansions and Brunswick House.

Our main challenges include:

- Customer complaints and anti-social behaviour (ASB) volumes have increased compared to the previous year.
- An increase in the number of determinations by the Housing Ombudsman Service during the year.
- The implementation of Awaab’s Law from October 2025.
- Additional investment is needed in our existing homes.
- The delivery of new homes impacted by contractor delays, contractor availability, planning delays and high build costs.
- Uncertainty of what the future rent settlement agreement and other government funding will be.

Financial Review (Group)

The Financial Statements demonstrate the Group delivered balance sheet growth, underpinned by strong financial operating performance. The cost of fixed assets increased by £22.8m, to £302.2m. The value of investment properties increased by £6.1m, from £39.8m to £45.9m. Cash increased by £0.7m, from £6.5m to £7.2m. Debt increased by £9.4m from £164.3m to £173.7m.

Financial Review (continued)

A loss of £4.0m was recorded due to non-cash pension cessation costs of £11.8m reflecting the decision to close our defined benefit pension schemes to future accrual to protect the Group from future unknown liabilities attached to these schemes. Closing the Cheshire Pension Scheme, a Local Government Pension Scheme (LGPS) triggered a cessation and settlement event, and the Group re-assessed its right to refund of the £11.8m actuarial surplus reported at the date of exiting the scheme. Initial settlement discussions with the scheme and its administrators have indicated that a refund is unlikely and therefore the surplus on the LGPS at the date of cessation, of £11.8m, has been derecognised in full. Excluding these non-recurring pension costs the Group achieved a surplus of £7.8m.

The £22.8m growth in the cost of housing properties from £271.7m to £294.5m is predominantly driven by the development of new homes. The growth in housing properties was funded through cash, debt and the re-investment of operating surpluses supplemented by grant of £7.1m.

Investment in existing housing properties in the year is £6.0m. Housing properties with a value of £1.1m were sold, reducing the net book value of the properties, but providing cash receipts for reinvestment.

The Group invested £4.3m in acquiring additional investment properties. The Association's investment in OSUK increased by £4.2m to £38.6m (£15.4m equity and £23.2m loan). The Group investment properties have a value of £45.9m (2024: £39.8m). The Group has recognised a gain of £2.1m (2024: gain of £2.2m) during the year because of the revaluation of its investment properties.

Stock has increased by £0.9m in the year from £1.4m to £2.3m. There have been both shared ownership and outright property sales during the year. Total sale proceeds achieved from the sale of properties was £2.7m (£2.3m Shared Ownership and £0.4m Outright Sales).

The total balance of drawn debt was £175.1m (2024: £165.5m). £30.0m of debt was drawn and £20.5m was repaid in the year.

Turnover reduced by 2.0% to £51.1m. 87.5% of turnover is from social housing lettings activity which has increased by 10.7%. Other turnover is from shared ownership first tranche sales (4.5%); market renting (7.2%) and outright sales (0.7%). The operating margin reduced to 4.8% due to non-cash pension costs recognised in year, excluding these it increased to 27.7% as revenue increased greater than costs.

The Group has continued to focus on the delivery of its priorities, directing its surpluses and additional private finance into the delivery of new and acquired homes. £8.1m has been invested into the existing housing stock.

A summary of the Group's income and expenditure account over the past five years is shown below.

Group	2024/25 £'000	2023/24 £'000	2022/23 £'000	2021/22 £'000	2020/21 £'000
Turnover	51,139	52,158	51,418	40,922	43,495
Operating costs	(35,662)	(33,830)	(34,698)	(30,556)	(26,384)
Cost of sales	(2,158)	(6,362)	(10,188)	(3,112)	(6,520)
Pension Cessation Costs	(11,776)	-	-	-	-
Gain on disposals	917	603	840	1,037	634
Operating surplus	2,460	12,569	7,372	8,291	11,225
(Loss)/Surplus before tax	(3,976)	7,218	265	1,492	5,083
Surplus before tax (excluding pension cessation costs)	7,800	7,218	265	1,492	5,083

Financial Review (continued)

Turnover includes income from rents and service charges which has increased by £4.5m to £44.1m. This is because of additional properties developed and acquired during the year and rent increases on existing properties which were applied from April 2024. Other turnover comprises shared ownership first tranche sales (£2.3m), market renting (£3.1m), shops and garages (£0.5m), outright sales income (£0.4m), other income (£0.3m) and grant released as income (£0.4m).

Operating costs have increased by £1.9m to £35.7m due to increases in routine and planned maintenance costs (£1.0m), management costs (£0.8m), depreciation of housing properties (£0.4m), service charge costs (£0.2m) and impairment of housing properties (£0.1m) offset by decreases in major repairs costs (£0.5m) and other costs (£0.2m).

The Group also recognised non-cash pension cessation costs of £11.8m relating to the Cheshire Pension Scheme. Our defined benefit pension schemes were closed to future accrual in the year and ceasing our participation in this scheme triggered a cessation and settlement event. The scheme actuarial valuation at exit indicated an asset of £11.8m. The Group is awaiting final confirmation of the exit position, but initial discussions have indicated that a refund is unlikely and therefore the asset has been reduced to nil. Further information is included within notes 12 and 24 on pages 59 and 72 respectively.

A summary of the Group's Statement of Financial Position over the past five years is shown below:

Group	2024/25 £'000	2023/24 £'000	2022/23 £'000	2021/22 £'000	2020/21 £'000
Housing Properties (net book value)	234,140	215,771	208,398	199,195	181,495
Other fixed assets and investments	50,660	44,602	40,438	32,323	29,166
Net current assets/(liabilities)	1,711	(2,277)	6,093	8,309	29,707
Creditors falling due after more than one year	(218,531)	(197,498)	(200,394)	(187,082)	(191,267)
Pension (provision) / asset	(302)	(486)	9,229	(4,060)	(10,360)
Reserves	67,678	60,112	63,764	48,685	38,742

Fixed assets comprise of mainly housing properties held for letting. The values are based on the historic cost less depreciation. During the year, the gross value of the Group's housing properties increased by £22.8m. The depreciation charge for housing properties in the year was £5.5m. An impairment charge of £0.1m was also recognised in the year.

At the year end the Group held investment properties of £45.9m, £44.2m within OSUK and £1.7m within the Association.

Net current assets have increased by £4.0m due to a decrease in creditors falling due within one year of £6.6m, an increase of £0.9m in stock and an increase of £0.7m in cash offset by a decrease of £4.2m in debtors. The Group has also previously invested £0.1m in Beacon Savings & Loans (previously Halton Credit Union).

Creditors falling due after more than one year include £173.7m of loans drawn by the Group, £44.6m of deferred social housing grant and £0.2m recycled capital grant fund.

The Group has positive reserves of £67.7m. The reserves have increased during the year by £7.6m. The level of reserves is in line with those expected within the Group's long-term financial plan. It reflects the loss for the year of £4.0m, plus the surplus brought forward from the previous years of £60.1m and actuarial gains in respect of the defined pension schemes of £11.5m.

Financial Review (continued)

The cash flow statement on page 38 shows that during the year the Group generated a net cash inflow from operating activities of £17.2m. The Group also received £29.7m from newly secured loans, £1.3m of proceeds from sale of tangible fixed assets and £8.6m in grants. The Group used this income and a brought forward cash balance to repay loans of £20.5m, purchase properties with a cost of £27.7m and interest payments of £7.9m.

The Group is financed by a £75m loan facility from Lloyds, a £30m fixed term loan facility with the Affordable Homes Guarantee Scheme (AHGS) and £120m from the capital markets in the form of three private placements of £30m, £40m and £50m, respectively. The Lloyds facility is in two tranches. Tranche A is a £25m term loan facility, Tranche B is a £50m revolving credit facility. The term loan facility is fully drawn, and the revolving credit facilities are available up to October 2029. On 31st March 2025 there had been no amounts drawn from Tranche B. All the AHGS and capital market funds have been drawn.

The treasury management activity is operated within strict policies and guidelines, approved by the Board, designed to maintain an efficient capital structure whilst managing the Group's liquidity and interest rate risks. The Group is operating within its guideline limit for the proportion of fixed and variable rate debt within its Treasury Management Policy. The Group has fixed £175m (100%) of borrowings. We can meet our financing requirements over the next three years by drawing on existing loan facilities.

The Group has drawn £175m of its £225m agreed loan facilities on 31st March 2025. The Group's lending agreements include financial covenants. The Group has been within the limits set by lenders during the year.

The existing loan facilities provide adequate resources to finance planned investment and development programmes alongside the Group's day to day operations. The Group's long-term business plan has been updated for 2025/26 and has sufficient headroom to deal with a reasonable range of adverse scenarios. It shows that it can service these debt facilities whilst continuing to comply with lenders' covenants and meet all other financial obligations as they fall due for the next 30 years.

The business plan and results of stress testing undertaken supported by satisfactory VFM metrics, good asset values and significant headroom in loan covenants, has led to the Board's judgement that the Group has adequate resources to continue operations for the foreseeable future. For this reason, the Group has adopted the going concern basis in preparing the Financial Statements.

Future Developments (Group)

Our key priorities for the future include:

- Prioritise the improvement of our repairs service
- Implement a new approach to tenancy and neighbourhood management service
- Co-create a new Halton Housing Deal to re-set the relationship with our customers
- Implement our new Customer Influence Framework
- Review how we communicate with our customers
- Work with partners to further improve our approach to tackling anti-social behaviour
- Co-create Community Improvement Plans where they are most needed
- Review our service standards for internal and external shared space
- Identify and build relationships with key partners and stakeholders to improve access to health & wellbeing, employment, skills and training opportunities
- Increase our investment in existing homes
- Create a 5-year Investment Programme
- Develop the Halton Home Standard
- Deliver new homes

Future Developments (Group) (continued)

- Progress our ambitions to grow and develop
- Consider options for the regeneration of Runcorn Waterfront
- Embed our new values and behaviours
- Review our approach to colleague engagement, feedback, and communication
- Review our pay and benefits to ensure we are well placed to retain, develop and attract the best talent
- Review our approach to leadership development
- Review our subsidiary company OSUK
- Improve IT systems focused on health & safety, customer contact, repairs
- Improve data management capabilities

The delivery of most of these objectives will require additional investment of some kind. We need to create additional financial capacity to meet this requirement and to increase our financial resilience in the event of future economic shocks.

We cannot deliver on these objectives alone and will need rely on the support of key partners. Likewise key partners will need to rely on us to deliver their objectives. We need to continue to be clear on what our strategic partnerships are, their purpose, expected outcomes and who is taking the lead role in developing each relationship.

Principal Risks and Uncertainties (Group)

Board has ultimate responsibility for risk management. It has delegated the responsibility for examining the effectiveness of the Risk Management Policy to the Audit and Risk Committee.

Risk Appetite Statement - Our core business is general needs renting, which forms most of our stock. Our purpose is to improve people's lives. We want to provide customers with a safe place to call home, and the opportunity to lead happier, healthier, and more fulfilled lives.

We have a strong focus on complying with all landlord health and safety requirements. We aim to achieve 100% compliance wherever possible. If our performance should fall below our target, then we will take immediate action to improve performance as quickly as possible. We have a range of performance indicators that are reported to Board quarterly. We also have an internal executive led compliance committee which also reviews performance.

The safety of our colleagues and others who work for and with us is important. We employ dedicated resources to ensure that we meet our legislative requirements along with leaders across the organisation whose responsibilities are set out within our health and safety policy and procedures. We monitor performance closely and this is reported to Board quarterly. Our internal director led health and safety committee also reviews performance.

Our financial plans will have sufficient headroom to deal with a reasonable range of adverse scenarios, and we will manage material risks to ensure compliance with external loan covenants. There is moderate refinancing risk within our business plan, we aim to have a period of at least 18 months before additional funding is required. Funding arrangements are of moderate complexity.

We will continue to invest in our homes to make them safe, warm, and secure using innovative ways to do this as efficiently as we can. Our aim is to have 90% of our homes with a stock condition survey no older than five years and 100% of our homes compliant with the decent homes' standard. We are also aiming to have 100% of our homes with an EPC C rating and above by 2030 (unless achieving the target is not feasible due to technical, financial, or legal constraints) and we are developing a plan for how we will achieve net zero by 2050.

Principal Risks and Uncertainties (continued)

We will maintain and repair homes in a cost-efficient way to agreed standards that is affordable. We will be clear about what we will do and when we will do it. We aim to complete all emergency repairs within target and achieve high customer satisfaction performance.

We will pursue a balanced development programme including homes for social rent, affordable rent, shared ownership, rent to buy, outright market sale, and market rent that achieves our financial appraisal targets. However, if there is a compelling reason to undertake a project that does not meet these criteria then such exceptions may be pursued, so long as there is an overall balance within the project portfolio to counteract it.

Our non-social housing activity within HH is around 1% of turnover and is carried out in such a way to minimise the risk to our social housing assets. We will only undertake new non-social housing activity within HH that is robustly appraised and is compliant with our constitution.

We will only invest in non-social activities outside of HH (e.g., OSUK) that are close to our key skills and competency to achieve profits that can be invested for social purpose. We will agree an expected return on investment. When considering any such investment we will make sure it is in line with our Rules, investment policy, loan agreements, our financial golden rules, financial regulations, and that appropriate advice is obtained. We will manage the risks in such a way that minimises the risk of an adverse impact on the HH Group.

We will actively explore merger or acquisition opportunities that come our way in line with our merger and acquisitions policy. We will regularly review our approach to merger and acquisition.

We will listen to our customers, acting on what they say and provide a range of opportunities to have their voices heard. We are committed to understanding the needs of our customers and ensuring that customers have a meaningful say in the homes and communities that they live in and the services that they receive. We will continue to assess how our responsibility to our existing customers and the environment is balanced with our responsibility to those on the waiting list or who will want homes in the future.

We will be easy to deal with and keep customers informed. We will tailor our services to meet customers' needs. We will listen and act on what customers say. We will support customers to live in their homes. We will have a clear service offer. We will balance the required outcomes with the resources that we are prepared to invest to achieve this.

We will put in place effective assurance and governance frameworks. We aim to comply with all relevant law and the regulations that we need to. If for whatever reason we do not comply, then we will explain the reasons for this and, if appropriate, we will take immediate action to achieve compliance as soon as possible.

We will keep abreast of emerging policy making every effort to influence change through responses to government consultations and other channels. We will assume a reasonable assessment of the implications in our financial projections, etc

We will invest in IT systems to improve the customer and colleague experience. We will manage the cost of doing this closely and be prepared to change tack if investment does not go as planned. We aim to have our IT systems available for 99.8% of the time.

Almost all our work is conducted using computer systems. We will continue to improve the quality of data so that we can maximise the benefits of our information and our systems but in doing so we will not compromise the security of the data that we hold. We will put in place effective cyber and data protection frameworks. We will support this by internal audit reviews, self-assessments, and reasonable insurance cover and resources.

Principal Risks and Uncertainties (continued)

We will be conscious of our brand and reputation, and we will not knowingly do anything that brings ours or the housing sector's reputation into disrepute. We will not knowingly do anything that puts our social housing assets at risk.

We will make sure our colleagues are engaged, equipped, and empowered to do the right thing for our customers. We aim to be regarded as a good employer, achieving high levels of colleague satisfaction and low levels of sickness absence. We will work with our colleagues on an 'adult to adult' basis. We will recruit based on skill and attitude.

We will work with customers and partners to contribute to thriving neighbourhoods and opportunities that improve our customers health and wellbeing.

The highest rated risks identified by the Group's risk management system are as follows:

- There is a risk that we do not develop and use systems effectively, so they remain fit for purpose, allow for efficient working practices and support growth of the Group.
- There is a risk that a change in national and local housing policy will have an adverse impact on us.
- There is a risk that key third-party contractors fail resulting in a major adverse impact on our ability to complete key projects.
- There is a risk that rent regimes could have a negative impact on the long-term business plan.

Board has approved a set of performance measures and financial golden rules to assist it to monitor and control potential risks. However, these are not the only mechanisms for monitoring compliance with our risk appetite statement. Other mechanisms include the regulatory and health and safety compliance reporting frameworks, financial planning processes, stress testing, code of governance and code of conduct.

Health and Safety Compliance

We have continued to demonstrate strong control in the management of health and safety compliance. Compliance, health and safety performance measures are reported to Board quarterly. We have also established a Compliance Committee to monitor progress. A summary of our performance is included in the table below:

Measure	2024/25	Comments
Gas safety – percentage of homes with a valid gas safety certificate (LGSR)	100%	We had no properties which did not have an up-to-date certificate at the end of March 2025.
Percentage of up-to-date fire risk assessments (FRA's)	100%	All FRA's are up to date with no FRA actions outstanding at the end of March.
Percentage of homes with a valid electrical condition survey (EICR) (within five years)	99.6%	31 properties did not have a valid EICR dated within the last five years.
Percentage of homes with an asbestos survey	100%	100% of communal areas have an asbestos survey
Planned legionella controls completed	100%	100% of planned legionella inspections and tests were completed.

Health and Safety Compliance (continued)

Measure	2024/25	Comments
Number of passenger lifts that have an up-to-date certification	100%	The inspection programme is up to date.
Percentage of eligible properties compliant with CO and fire detector regulations	100%	100% of eligible properties are compliant with carbon monoxide and fire detector regulations

On 31st March 2025 we reported 11 properties as not meeting the decent homes standard. Eight of these properties are due to category 1 HHSRS hazards being identified within the home and work is continuing to remove these hazards. In addition, there were three strategic vacant properties that will be brought up to a lettable standard, with the aim of bringing into management during 2025/26.

Tenant Satisfaction Measures (TSMs)

All registered providers are required to report TSMs using standardised satisfaction and management figures. There are 22 measures covering areas like repairs, safety and complaints. 12 of these measures come directly from customer feedback surveys.

Our TSM results for 2024/25 demonstrate that customer satisfaction levels across all 12 TSM perception measures have increased compared to 2023/24 performance.

The percentage of non-emergency repairs completed in target time has increased from 70% to 85% which is a significant improvement.

Compliance across five out of six building safety measures was 100% at the end of March 2025.

Complaints and ASB volumes have increased compared to the previous year due to changes to reporting, in line with the Housing Ombudsman complaints handling code. The percentage of complaints responded to within target time at 97% exceeds our target of 95%.

Streamlined Energy and Carbon Reporting (SECR)

Working alongside SHIFT we have completed our SECR Statement for the year ended 31st March 2025 and the previous year as shown below.

Some of the key energy efficiency measures we have completed in this financial year include:

- A retrofit pilot scheme successfully delivered, forming the foundation for a wider programme of works under the next phase of our retrofit works
- 331 properties received upgraded A-rated boilers as part of our heating improvement programme.
- 90 roof replacements completed, each incorporating loft insulation to a minimum depth of 300mm, reinforcing our commitment to the insulation standard.
- 31 properties benefited from new, energy-efficient window upgrades.
- 61 properties had new composite doors installed to improve thermal performance and security.
- 131 Loft insulation top ups were installed.
- Introduction of 3 electric fleet vehicles as part of our transition to low-carbon operations and to inform future fleet decarbonisation planning.

Streamlined Energy and Carbon Reporting (SECR) (continued)

Reported emissions and energy use data for 1st April 2024 – 31st March 2025		
	Current reporting year 1st April 2024 – 31st March 2025	Comparison year 1st April 2023 – 31st March 2024
Emissions from combustion of gas tCO ₂ e (Scope 1)	782.59 tonnes CO₂e 335.02 tonnes CO ₂ e communal areas 447.57 tonnes CO ₂ e communal heating systems	841.12 tonnes CO₂e 243.79 tonnes CO ₂ e communal areas 597.33 tonnes CO ₂ e communal heating systems
Emissions from combustion of fuel for transport purposes (Scope 1)	292.91 tonnes CO₂e From in house maintenance fleet	272.87 tonnes CO₂e From in house maintenance fleet
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	31.70 tonnes CO₂e	24.14 tonnes CO₂e
Emissions from purchased electricity (Scope 2, location-based)	170.31 tonnes CO₂e 33.01 tonnes CO ₂ e office usage 137.30 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>	225.43 tonnes CO₂e 31.60 tonnes CO ₂ e office usage 193.83 tonnes CO ₂ e communal areas <i>See below for transmission and distribution losses</i>
Total gross CO ₂ e based on above	1,277.52 tonnes CO₂e <i>Excludes Scope 3 emissions</i>	1,339.42 tonnes CO₂e <i>Excludes Scope 3 emissions</i>
Energy consumption used to calculate above emissions: kWh	Gas: 4,278,809 kWh Electricity: 822,547 kWh Transport fuel: 1,155,242 kWh Business Mileage: 131,384 kWh Total: 6,387,982 kWh	Gas: 4,598,047 kWh Electricity: 1,088,664 kWh Transport fuel: 1,141,222 kWh Business Mileage: 99,570 kWh Total: 6,927,503 kWh
Intensity ratio: tCO ₂ e gross figure based on mandatory fields above (e.g., £100,000 revenue)	174.45 kg CO₂e per home managed (exc. office emissions) Office intensity: 19.26 kg CO₂e per m²	191.14 kg CO₂e per home managed (exc. office emissions) Office intensity: 20.03 kg CO₂e per m²
Methodology	SECR Reporting SHIFT Environment Using Defra 2024 Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2024. Comparison data from the previous year's SECR used Defra 2023 Conversion Factors.	

VALUE FOR MONEY STATEMENT

Achieving and demonstrating Value for Money (VFM) is integrated into the way we work; it is part of our values. We aim to deliver the best we can, making the best use of the resources available to us. For this reason, we do not have a separate, standalone VFM strategy. We want to ensure we deliver VFM for our customers, our communities, and our neighbourhoods.

Our Corporate Plan ("Our Future Focus 2025-28") outlines our commitment to our customers and communities. Our purpose at Halton Housing is "improving people's lives." We want to provide customers with a safe place to call home, and the opportunity to lead happier, healthier, and more fulfilled lives.

Our Future Focus sets out where we want our focus to be; on creating homes that are fit for the future, doing what we say we will, working together to create great places to live, employing passionate people achieving great outcomes and to be an ambitious, resilient and responsible business.

The financial framework, performance framework and risk register are aligned to Our Future Focus so that there is a 'golden thread' which runs through our corporate governance. The priorities are communicated to both internal and external stakeholders.

We focus on 'lifeblood' measures which are critical to the successful delivery of our priorities. Linked to these measures are a series of operational performance measures for each service area. Our 'lifeblood' measures and our performance for 2024/25 is set out in the table below:

Our Future Focus Theme	Measure	Actual 2023/24	Target 2024/25	Actual 2024/25	Benchmark Median (source)	Comments
Customer	Customer Satisfaction	72.9%	75%	74.4%	76% (HouseMark)	Customer Satisfaction for 2024/25 was 74.4% which is an increase of 1.5% from the previous year. This is based on the TSM survey question 'Taking everything into account, how satisfied or dissatisfied are you with the service provided by HH?'
Homes	Decent Homes	99.7%	100%	99.8%	98.8%	At the end of March 2025, 99.8% of homes met the Decent Homes Standard. This equates to 11 homes not meeting the Decent Homes Standard.
	H&S/Compliance	All measures achieving target	All measures achieving target	All measures achieving target	n/a	At the end of March 2025, we were fully compliant with gas safety, fire safety asbestos, water hygiene and lift safety regulations while achieving target for the percentage of properties with a valid electrical safety certificate.
Business	Void Rent Loss	£230,626	£259,000	£226,224	£630,049 (HouseMark)	Void rent loss for 2024/25 was £226,224 compared to a target of £259,000. Tenancy turnover was lower than expected and reduced from the previous year and the average relet time was below our 30-day target.
	Current Arrears (as a % of rent debit)	Current Arrears at year end: £1.14m (2.85%)	Current Arrears at year end: £1.4m (3.18%)	Current Arrears at year end: £1.04m (2.35%)	£1.37m (3.12%) (HouseMark)	Current customer arrears at the end of 2024/25 were £1.04m, outperforming the target by £365k, despite rising inflation and cost of living pressures.
	Return on Investment in OSUK	4.7%	5%	5.2%	n/a	HH's investment in OSUK returned 5.2% in the year achieving the target set and the return from the previous year.

Halton Housing

Our Future Focus Theme	Measure	Actual 2023/24	Target 2024/25	Actual 2024/25	Benchmark Median (source)	Comments
	Colleague Satisfaction	58.5%	80%	77.7%	80.2% (HouseMark)	77.7% of colleagues stated they were satisfied with us as an employer when they completed the "iSay" survey in Quarter 4 against a target of 83%. This has increased from 58.5% in the Q4 23/24 survey.
	Colleague Sickness Absence	8.1 days	8.1 days	8.1 days	10.4 days (HouseMark)	The average number of working days lost due to sickness absence for 2024/25 was 8.1 days against a target of 8.1 days. The average short-term days lost was 2.4 days compared to 2.0 days in 2023/24, and the average long-term days lost was 5.7 days compared to 6.1 days in 2023/24.
	Financial Health	All measures achieving target	All measures achieving target	One Amber Measure	n/a	Liquidity, EBITDA MRI, and net debt per unit all achieved the targets set in the budget. The investment in OSUK was £100k over what was expected due to an increase in capital spend and delay in a sales receipt.
Development	New Homes Delivered	95	41	25	n/a	25 new homes were built or acquired in 2024/25. There were 11 shared ownership properties and 14 affordable Rent properties.
	Unsold Homes	£1.15m	£0	£72k	n/a	There was one shared ownership property that had been unsold for more than six months at the end of March 2025. This was at the Hazlehurst Independent Living Scheme and was all handed over in October 2022. This had been reserved but, for unforeseen circumstances, the sale could not be completed. It has since been reserved again with the sale expected to complete in Q1 2025/26.

We have developed a suite of performance reports which are reported quarterly to Board covering finance, development and sales, homes, health and safety compliance, customer experience, business, and OSUK.

Our most recent performance:

We assess our performance against the Global Accounts published for all housing associations each year.

Our past performance and trend against the VFM metrics and the comparison to Global Accounts can be seen in the tables below:

VALUE FOR MONEY STATEMENT (continued)

Our past performance						
Measure	Benchmark Source (medians)	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
1. Reinvestment	Halton Housing	5.23%	11.80%	14.47%	7.56%	7.49%
	Global Accounts	7.20%	5.80%	6.50%	6.70%	7.70%
2a. New Supply Delivered (Social Housing Units)	Halton Housing	0.78%	1.28%	1.12%	2.60%	1.27%
	Global Accounts	1.50%	1.30%	1.40%	1.30%	1.40%
2b. New Supply Delivered (Non-Social Housing Units)	Halton Housing	0.54%	1.10%	0.41%	1.09%	0.13%
	Global Accounts	0.00%	0.00%	0.00%	0.00%	0.00%
3. Gearing (Net Book Value of Housing Properties)	Halton Housing	77.98%	72.73%	77.28%	78.62%	74.18%
	Global Accounts	44.00%	43.90%	44.10%	45.30%	45.60%
4. EBITDA MRI Interest Cover	Halton Housing	120.8%	159.9%	106.7%	107.1%	155.8%
	Global Accounts	170.0%	183.0%	146.0%	128.0%	122.0%
5. Headline social housing cost per unit	Halton Housing	3,632	3,237	3,793	4,070	4,222
	Global Accounts	3,830	3,730	4,150	4,590	5,136
Management cost per unit	Halton Housing	1,251	1,135	1,493	1,483	1,180
	Global Accounts					
Service charge cost per unit	Halton Housing	222	215	232	294	349
	Global Accounts					
Maintenance cost per unit	Halton Housing	1,131	1,180	1,245	1,403	1,427
	Global Accounts					
Major repairs cost per unit	Halton Housing	890	620	727	733	1,019
	Global Accounts					
Other cost per unit	Halton Housing	139	87	97	156	247
	Global Accounts					
6a. Operating Margin (Social Housing Lettings only)	Halton Housing	20.80%	27.95%	17.35%	11.08%	21.88%
	Global Accounts	25.70%	26.30%	23.30%	19.80%	20.40%
6b. Operating Margin	Halton Housing	20.00%	24.35%	17.73%	12.70%	22.94%
	Global Accounts	23.10%	23.90%	20.50%	18.20%	18.50%
7. Return on capital employed (ROCE)	Halton Housing	4.47%	4.70%	3.39%	2.89%	4.87%
	Global Accounts	3.40%	3.30%	3.20%	2.80%	2.80%

Our defined benefit pension schemes were closed to future accrual in the year and ceasing our participation in this scheme triggered cessation. The scheme asset of £11.8m has been capped at nil to reflect the uncertainty over recoverability of the scheme surplus.

As a result, a loss of £4.0m was recorded due to non-cash pension cessation costs of £11.8m. Excluding these non-recurring pension costs the Group achieved a surplus of £7.8m. The summary below recognises the impact that this has had on our metrics in the year and provides them both before and after the adjustment in the accounts.

There are three metrics that are impacted by this adjustment: EBITDA MRI interest cover, Operating Margin and Return on Capital Employed.

VALUE FOR MONEY STATEMENT (continued)

Our past performance	Forecast and Actual for the year		
	2025 Forecast	2025 Actual (before pension adjustment)	2025 Actual (with pension adjustment)
1. Reinvestment	11.29%	9.53%	9.53%
2a. New Supply Delivered (Social Housing Units)	0.38%	0.33%	0.33%
2b. New Supply Delivered (Non-Social Housing Units)	0.21%	0.19%	0.19%
3. Gearing (Net Book Value of Housing Properties)	72.61%	71.04%	71.04%
4. EBITDA MRI Interest Cover	141.1%	147.5%	14.1%
5. Headline social housing cost per unit	4,649	4,525	4,525
Management cost per unit	1,492	1,294	1,294
Service charge cost per unit	319	375	375
Maintenance cost per unit	1,468	1,560	1,560
Major repairs cost per unit	1,186	1,094	1,094
Other cost per unit	184	202	202
6a. Operating Margin (Social Housing Lettings only)	23.64%	25.30%	25.30%
6b. Operating Margin	25.73%	26.04%	3.02%
7. Return on capital employed (ROCE)	4.94%	4.97%	0.84%

Reinvestment: For the year ending March 2025, our investment was slightly lower than we forecast. This is mainly due to the timing of spend on our development schemes and lower than forecast capital investment in existing properties. Our reinvestment activity is higher than the weighted average from Global Accounts. Reinvestment into existing homes of 2.3% (weighted average 1.7%) and development of 7.2% (weighted average 5.9%). Investment includes £19.5m (2024: £14.9m) development of new homes, £6.1m (2024: £5.0m) capitalised major repairs and £0.3m (2024: £0.4m) capitalised interest.

New Supply (social housing): Over the last seven years we have developed 800 new homes including 25 new homes in 2024/25. Due to the timing of our development schemes, this year we delivered less than the benchmark. The focus remains on planning future investment. We continue to have a buoyant pipeline of 200 homes at the year end.

New Supply (non-social housing): In 2024/25 we increased the investment in our subsidiary company, OSUK, by £4.3m. OSUK acquired a further 15 homes for market rent, disposed of five homes and invested in its existing portfolio.

Gearing: We are more highly geared than our benchmark. As an LSVT the historic cost value of our homes is relatively low at an average NBV of £32k per home which has the impact of increasing the gearing percentage. The estimated EUV-SH value of our homes is £360m. Using this value instead of the historic cost would reduce gearing to 48.3% which would be more in line with our benchmark.

EBITDA MRI interest cover: Excluding the pension adjustment, our interest cover is higher than forecast and slightly lower than the previous year.

- Overall turnover has decreased by £1.0m. Social housing lettings income has increased by £4.3m, proceeds from shared ownership property sales has decreased by £6.0m and other non-social housing income is £0.6m higher than the previous year. This is because of a combination of the positive impact of additional properties developed for rent and the application of annual rent increases and an additional week of rent (due to the 53rd week that occurs every seven years).
- Cost of sales has decreased by £4.2m due to a decrease in the number of first tranche shared ownership sales.
- Operating expenditure has increased from 2023/24 to 2024/25 by £1.8m.
 - Management costs have increased by £0.8m. The total reduction in operating costs for the defined benefit pension costs is £0.2m. This year there has been a reduction in the charge of £0.9m compared to a reduction of £0.7m in the previous year.
 - Routine maintenance costs have increased by £0.6m, planned maintenance costs have increased by £0.4m and major repairs have reduced by £0.5m.
 - Service charge costs have increased by £0.2m in line with service charge income.
 - Whilst the charge to the bad debt provision has increased by £0.2m compared to the previous year at it still represents continued excellent arrears performance.

VALUE FOR MONEY STATEMENT (continued)

- Depreciation charges have increased by £0.4m, other costs have reduced by £0.2m and there is £0.1m of impairment costs recognised this year.

Social Housing cost per unit: Our overall headline social housing cost per unit at £4,525 is lower than the 2023/24 available global accounts benchmark at £5,136 and the weighted average cost for the North West of England of £5,300. It is slightly higher than our result for the previous year of £4,222. The main contributor to the increase in our cost per unit this year has been an increase in both management costs and routine maintenance. We continue to see an increased demand for work, scarcity of resources, increased insurance costs, coupled with rising materials and sub-contractor costs.

We committed to realise savings over the two years of 2023/24 and 2024/25. A summary of the £2.2m savings that were identified is as follows.

- Staffing £1,400k
- Management £300k
- Projects £200k
- Apprenticeships £140k
- Development £75k
- Repairs £65k

Savings of £1.8m were achieved during 2023/24 with the balance of £400k achieved during 2024/25. Within these targets there was no overall reduction in repairs, investment programme or energy efficiency works costs. However, it was necessary to defer £1.9m (6%) of investment works from the four years commencing 2023/24 to later years. No additional income has been included for relets, catch up rents or rent convergence.

Management cost per unit: Our overall management cost per unit is £114 more than the previous year but £198 less than our forecast. We budgeted for additional costs but have controlled them well throughout the year, directing any savings or underspends towards maintenance of and investment in our properties. A contributor to our cost per unit in previous years has been the non-cash pension charge to management costs from the defined benefit pension schemes. In the past, this charge has had an impact of increasing the overall cost per unit. In the last two years it has led to a reduction to our management cost, this year of £12 per unit. Our forecast did not include any adjustment for FRS102 pension adjustments as they have been volatile and difficult to predict. We have spent less on management costs than we expected during 2024/25, and we have achieved the savings that we committed to make in 2023/24.

Maintenance and repairs cost per unit: During 2023/24 we spent £2,654 per unit on maintenance and repairs, as we had forecast. Both our maintenance and major repairs costs are higher than the previous year. We have taken action to improve our repairs service. Like others across the sector, we have experienced increased costs in relation to inflation, health and safety and compliance work. There has also been a focus on delivering emergency jobs, clearing the repairs backlog, and reducing follow on work to ensure a 'right first time' approach.

Operating Margin: Our operating margin for social housing lettings (SHL) has increased from 23.4% to 25.3%. As expected, this metric has improved, it is better than the forecast of 23.6% and the Global Accounts benchmark for 2023/24 at 20.4%. Despite increased challenges and rising costs, we have managed our operating performance well and delivered savings.

Return on capital employed: Before the pension adjustment, this is higher than our benchmark because of the lower historic cost value of our homes. It is better than our forecast and the previous year because of the improvement in our operating surplus. The reduction in operating surplus, due to the pension cessation costs significantly reduces this figure in the year to a level that is not consistent with our past results or future expectations.

Our Future Focus 2025-28

Following a consultation and engagement programme with customers, colleagues, stakeholders, and the Board our Corporate Plan ("Our Future Focus 2025-28") was launched in April 2025.

VALUE FOR MONEY STATEMENT (continued)

Our Future Focus sets out where we want our focus to be; on creating homes that are fit for the future, doing what we say we will, working together to create great places to live, employing passionate people achieving great outcomes and to be an ambitious, resilient and responsible business.

Each year we will develop annual commitments aligned to Our Future Focus. These commitments will be underpinned by Strategic Action Plans to ensure we have the resources and focus to deliver the commitments.

The delivery of these commitments will require additional investment of some kind. To create additional financial capacity, we have reviewed our golden rules to enable the use of more headroom but still retaining sufficient headroom to mitigate any adverse impact of our most likely risks crystallising.

Golden Rules are agreed by Board to constrain its own decisions on spending. We will never approve a Business Plan or set a Budget that does not achieve our Golden Rules.

1. **Liquidity** (at least 18 months)
2. **Interest Cover** – sufficient headroom to mitigate any adverse financial impact of any one of our most likely risks crystallising.
3. **Net Debt per unit** – at least 5% lower than funder calculated limit.
4. **Investment in OSUK** – at least 5% lower than funder calculated limit.

Our future targets:

When we set our performance targets we consider current performance, our ambition and strategies and benchmarking information. We are working towards upper median or top quartile performance compared to the benchmark used for each measure. Our performance targets for the next year are shown in the table below:

Corporate Plan Theme	Performance Measure	Target 2025/26
Quality Homes	New Homes Delivered	120
	% of homes that meet the Decent Homes Standard	100%
	H&S Compliance	All measures Green
Excellent Services	Customer Satisfaction	76%
	Satisfaction with Repairs completed in the last 12 months	76%
Thriving Neighbourhoods	Satisfaction that the landlord makes a positive contribution to neighbourhoods	74%
Great People	Colleague Satisfaction	81%
Strong Business	Current Arrears	£1.3m (2.88%)
	Void Rent Loss	£249k (0.55%)
	OSUK – Return on Investment	5%
	Financial Health	All measures Green
	Unsold Homes	£0m for 6 months

Based on these plans, our strategy, and our day-to-day operational activities we have developed our long-term financial plan. The forecasts in plan demonstrate achievement of our Financial Golden Rules and the loan covenant targets agreed with all funders, and that there remains sufficient headroom within the Plan to tolerate the crystallisation of any of the most likely scenario tests.

Our value for money metrics for the next five years is shown in the table below:

VALUE FOR MONEY STATEMENT (continued)

Group Value for Money metrics	2024 Global Accts	2025 (before pension adjustment)	2025 (with pension adjustment)	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Metric 1 Reinvestment	7.70%	9.54%	9.54%	7.33%	9.67%	12.35%	6.86%	6.15%
Metric 2a New Supply Delivered (Social housing units)	1.40%	0.33%	0.33%	0.98%	1.30%	1.28%	1.26%	1.25%
Metric 2b New Supply Delivered (Non-Social Housing)	0.00%	0.19%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%
Metric 3 Gearing (NBV Housing Properties)	45.60%	71.04%	71.04%	69.97%	68.49%	68.78%	67.07%	66.30%
Metric 4 EBITDA MRI Interest Cover	122.0%	147.5%	14.1%	145.4%	139.8%	126.9%	134.0%	133.9%
Metric 5 Headline Social Housing Cost Per unit	5,136	4,525	4,525	4,818	4,930	5,159	5,154	5,169
Management Cost per unit		1,294	1,294	1,516	1,460	1,458	1,463	1,481
Service Cost per unit		375	375	344	346	348	351	353
Routine Maintenance cost per unit		1,560	1,560	1,559	1,573	1,589	1,609	1,628
Major Repairs cost per unit		1,094	1,094	1,227	1,377	1,589	1,556	1,531
Other costs per unit		202	202	172	174	175	175	176
Metric 6a Operating Margin (Social Housing Lettings only)	20.40%	25.30%	25.30%	23.42%	23.00%	23.33%	26.72%	27.73%
Metric 6b Operating Margin	18.50%	26.04%	3.02%	25.24%	24.88%	23.83%	27.07%	26.53%
Metric 7 Return on capital employed (ROCE)	2.80%	4.97%	0.84%	4.78%	4.06%	3.80%	4.23%	3.99%

Reinvestment: At an average 8.5% over the next five years, our planned reinvestment in both our existing and new homes is higher than the norm across the sector. In the North West of England, the median reinvestment as a proportion of the value of existing homes is 9.7% due to the lower value of housing assets (the denominator in this calculation). We will spend £111m and £6.2m in capitalised interest over the next five years on the development and acquisition of new homes. We have used the 89.5% stock condition survey data that we hold to inform our future cost provision for our existing stock. This has informed our provision to spend £39.6m on capitalised major repairs over the same period including £2.5m to achieve EPC C requirements (by 2030).

New Supply (Social Housing): We will build 575 new homes over the course of the next five years, at a total build cost of £154m. These will be for shared ownership and affordable rent. On 31st March 2025, 234 of these homes were under construction.

New Supply (non-social housing): The investment in our subsidiary company OSUK has almost reached the limit of £40m previously agreed by Board at £38.6m on 31st March 2025. OSUK will return £9.7m to HH over the next five years. This is an average Return on Investment (ROI) of 5.0%. Profits from OSUK will be re-invested into Halton Housing and used to subsidise the provision of social housing.

EBITDA MRI interest cover: This is forecast to be higher than our benchmark through the next five years. Our headroom against our tightest covenant over the next five years is £1.8m in 2026/27 and 2027/28.

Social Housing cost per unit: We expect our cost per unit to increase in 2025/26 and beyond compared to the actual for 2024/25. We have committed to invest in our core housing management system to improve our effectiveness and efficiency, and we are investing in our homes. We are using the Global Accounts benchmarks from 2023/24, but we expect these to increase due to higher inflation and an increased focus on the maintenance of homes. Our ongoing cost per unit is much lower than the benchmark and is expected to remain below it (allowing for inflationary increases) by 2030.

Operating Margin (social housing lettings only): We expect this to remain steady over the next five years averaging 24.8%. We are applying rent increases in accordance with the regulations. Our assumptions around voids and bad debts remain prudent at 0.5% and 1% respectively compared to the past three years performance.

Operating Margin (overall): Our operating margin is expected to average 25.5% over the next five years. We are not expecting large surpluses from the sale of shared ownership homes. Excluding the costs and revenue from property sales our operating margin would average 26.6% over the next five years.

VALUE FOR MONEY STATEMENT (continued)

Gearing: As we continue to invest in the development of new homes, our debt is forecast to increase by £57m over the next five years. We will need to secure additional funding to deliver our ambition as some of our current loan portfolio matures and additional funding is required to fund new homes. We have more than sufficient security to achieve this based on our estimated EUV-SH valuation of £360m. Our gearing is forecast to reduce as the net book value of our properties (valued at cost) increases from £231m to £347m.

Return on Capital Employed: Our plans anticipate a return on capital employed at an average 4.2% over the next five years, as our asset base grows through the reinvestment of our surpluses and using our security to raise finance to build new homes.

Corporate Governance

The Board confirms that the Association has adopted the National Housing Federation's (NHF's) Code of Governance (2020). A full review of compliance with the 2020 Code of Governance for 2024/25 has been carried out. An assessment of full compliance has been made.

Our Board Membership Policy confirms that board members (for any group entities) will typically be appointed for two terms of three years. However, there is flexibility to extend the total term up to a maximum of nine years, to be reviewed annually, if Board agrees that is in the Group's best interest.

The Group has used this flexibility to reappoint Geoff Linnell to the OSUK Board to September 2025. Geoff was first appointed to the HH Board in May 2018 and retired in September 2022. Geoff was appointed to the OSUK Board in September 2020. The Group will review the membership of the OSUK Board during 2025/26.

OSUK and HHT Development Ltd have not adopted the NHF code because it was felt that it would be most appropriate for them to continue to adopt the Institute of Directors' Corporate Governance Guidance and Principles for Unlisted Companies in the UK (Phase 1), which is better aligned to their structure and purpose. OSUK and HHT Development Ltd have completed a review of their compliance and are satisfied that they have good governance processes and procedures in place to assist them in achieving their objectives.

Board Composition

The Association Board consists of eight non-executive board members. The Rules of the Association have been amended during the year to remove the requirement to appoint up to two board members nominated by HBC (Local Authority Board Members).

The purpose of the Board Membership Policy is to ensure an inclusive and diverse Board and Committee Membership resulting in optimal decision-making and assisting in the development and execution of a strategy which promotes the success of the Group. The Policy confirms that we will use positive action to benefit the Group. This will ensure a wider pool of talented, skilled, and experienced people from which to recruit board members and a better understanding of the needs of a diverse range of customers.

Professor Clive Deadman (Chair) - Clive has a background in engineering and private equity, and he has held senior leadership roles for over 20 years in a range of utilities and infrastructure companies. Clive holds several other non-executive positions and brings extensive experience from within the social housing sector, the NHS, the Ombudsmen, and a range of other performance driven not-for-profit organisations. He is also a Professor of Energy & Water at Cranfield University. He has recently published a new book, Risk, Opportunity & Performance: The Art of Taking Worthwhile Risks.

Jo Fallon - Jo is an experienced housing and property development professional with over 20 years' working for Registered Providers, Local Authorities and Developers. During this time, Jo has spent several years at senior leadership level overseeing the delivery of affordable homes, strategic asset management, sales and lettings. Jo is currently Director of FLN Development Solutions, a housing development and regeneration consultancy working with the RP and private sector. Jo has previously chaired the Cheshire and Warrington Housing Alliance and was the former Vice-Chair of Imagine Independence, a Liverpool-based mental health charity.

Jennifer Halliday (Vice Chair) (Chair of Remuneration and Nominations Committee) - Jennifer has over 30 years of executive experience leading finance and risk teams operating in both manufacturing and financial services industries. She is currently CFO at Wienerberger for the UK and Ireland. Wienerberger is the world's largest producer of bricks and supplies construction products and services to the housing construction market. She also works with Manchester Business School where she is member of the North West Productivity Forum, part of the Productivity Institute working with business and government with a focus on education and skills and part of the North American board of Manchester University.

Halton Housing

Board Composition (continued)

Ian Gardner - Ian has undertaken a range of strategic and operational roles within the housing and construction sector for over 20 years. He has progressed via technical engineering positions and senior management posts to become a strategic leader in social housing. He has extensive experience in leading large complex housing organisations – including succession planning and developing apprenticeship and graduate programmes – as well as leading in-house repairs and maintenance organisations, delivering strategic asset management and major investment programmes and implementing new building safety and asset compliance arrangements. Ian also has wider non-executive board member experience in organisations across the Midlands and previously held the position of Chair of the Audit and Assurance Committee at a registered housing provider. Ian holds several technical and leadership qualifications, has a master's degree in construction project management and is a Chartered Member of both the Chartered Institute of Building and Chartered Institute of Housing.

Ian Hayhoe (Chair of OSUK) - Ian is well-known within the business community of Halton. Ian brings over 25 years' experience in the telecoms and financial services sectors to the Board. Ian is currently Director of Partnerships at VMO2 (Virgin Media/O2), along roles as a non-executive director for Durham Lane, and Chair of the Halton and Wides Chamber of Commerce and Enterprise.

Sharon Pennington - Sharon is an experienced housing professional who has worked within the social housing sector for over 30 years. She is currently Assistant Director of Housing and Communities at Cobalt Housing. Sharon is passionate about delivering person-centred services to customers and ensuring that the voice of the tenant is heard, listened to and acted upon.

Marie Wright - Marie is a local councillor and is currently the Executive Board Member for Health and Well-being, she is also Chair of Halton's Health and Well-being Board. Marie has volunteered in the community for over 35 years helping to develop Credit Unions and Food Co-ops, she is passionate about all aspects of Housing, especially Homelessness and Tenant issues, she is a Trustee of Nightstop Communities North West. She has worked as a Training Co-ordinator/Tenant Support Officer with young people in Homeless projects. Marie was Chair of Halton Tenants Federation for 10 years.

Leigh Wylie (Chair of Audit and Risk Committee) - Leigh is a Chartered Accountant and has held senior leadership roles for over 20 years across a range of large financial services organisations. Leigh brings extensive experience in finance, risk management and audit, gained in a highly regulated sector. Leigh's current role as Chief Internal Auditor within the insurance sector includes providing oversight to the Board and Audit Committee in protecting the assets, reputation, and sustainability of the organisation, as well as providing oversight and challenge to the leadership team. Leigh brings a breadth of experience across financial, customer, regulatory and operational risks as well as transformation oversight.

Geoff Linnell (OSUK Board Member) - Geoff is a Non-Executive Chair and Director with measurable business transformation success and over 40 years' experience ensuring companies deliver more business value. Geoff has a strong governance and risk management background with consensus stakeholder management. Geoff's key strengths are strategy development, digital innovation, governance and risk management, transformation programme delivery, organisation design and talent management. He has vast experience within many sectors including information technology, NHS, care services, adult learning, investment banking, wealth management, retail banking, building societies and insurance. Geoff is also a Governance advisor being chair of a Combined Authority Standards Committee and local Parish Council Councillor.

Committees of the Board

The Board has overall responsibility for the organisation of the following Committees:

- Audit and Risk Committee
- Remuneration and Nominations Committee
- Urgency Committee

Audit and Risk Committee

The Committee will carry out its duties on behalf of each entity within the Group.

The responsibilities of the Audit and Risk Committee are as follows:

External Audit

- a) Agree the scope of the external audit and the provision of other services by the external auditor. The engagement letter should be reviewed at intervals of at least three years.
- b) Consider the audit plan and discuss issues that are likely to affect the audit and financial statements with the auditors.
- c) Review the external audit management report and receive both formal and informal feedback from the external auditor.
- d) Review the Letter of Representation to the External Auditor.
- e) Review the financial statements and satisfy itself as to the integrity of financial information.
- f) Advise the HH Board on the soundness of financial systems in the light of the external audit.
- g) Consider the management letter and the draft response to it and advise the HH Board accordingly.
- h) Monitor to ensure the implementation of external audit recommendations.
- i) Confirm and determine the fee to be paid to the external auditor.
- j) Review the performance of the external auditor and determine if value for money is being provided and whether the external auditor is independent and effective.
- k) Recommend to the HH Board the re-appointment of the external auditor or recommend that the service be re-tendered. Any period of re-tendering should be in accordance with guidelines issued by HH's regulator and as agreed by the HH Board.
- l) Oversee the tendering and selection of the external auditor.

Internal Audit

- a) Ensure that the Group has appropriate internal audit arrangements. This involves making the key judgements about the level of risks and, in the light of them, the level of resources that are deployed. The internal audit programme must cover all systems and must involve compliance testing.
- b) Approve the appointment (and termination) of the internal auditor or external provider of the internal audit service.
- c) Consider and approve the internal audit plan and audit programme for each period.
- d) Commission special studies and investigations.
- e) Receive and review internal audit reports, taking appropriate action and report to the HH Board on the adequacy and effectiveness of the Group's internal controls.
- f) Consider draft responses and internal audit reports and advise the HH Board accordingly.
- g) Monitor to ensure the implementation of internal audit recommendations.
- h) Advise the HH Board on the soundness of the Group's financial, operational and compliance systems in the light of the internal audit.
- i) Confirm and determine the fee to be paid to any external provider of internal audit service.
- j) Review the performance of the internal auditor and determine if value for money is being provided and whether the internal auditor is independent and effective. The Audit and Risk Committee must ensure the internal auditor has no conflicts of interest with the external auditor.
- k) Make policy recommendations to the HH Board.

Committees of the Board (continued)

Risk Management

- Review and approve the Risk Management Policy.
- Examine the effectiveness of the Risk Management Policy, receiving regular reports on risk management activity.
- Monitor status against risk appetite as agreed by Board
- Review the effectiveness of stress testing against identified risks and combinations of risks across a range of scenarios, and the risk mitigations put in place as a result.

Annual Advisory Report to the Board

The Committee will commission from the Group Chief Executive an annual advisory report which shall then be presented to the HH Board. The report shall be used as a source document for the Board's report on internal controls, which it includes alongside the Group's annual financial statements. The report will cover:

- A summary of risk management activities undertaken
- Changes in significant risks since the previous annual report
- Forms of assurance previously approved by the HH Board/ Audit and Risk Committee, together with a summary of findings from each form of assurance
- External audit matters
- All significant control failings reported in the year
- Any fraudulent activity that has taken place
- Use of the Whistleblowing Policy

Other

- Agree the write-off of irrecoverable rent arrears
- Agree the appropriate accounting policies to be adopted
- Review and approve the Group policies for preventing and detecting fraud
- Review and approve the Whistleblowing Policy
- Ensure the organisation complies with all statutory duties placed on it
- Examine the independence of the Committee periodically

Remuneration and Nominations Committee

The responsibilities of the Remuneration and Nominations Committee are as follows:

Pay and Other Benefits

- a) Ensure compliance with best practice, legal and regulatory requirements in relation to staff, executive directors and board member pay and other benefits.
- b) Obtain reliable, up to date information about pay and other benefits in other organisations of comparable scale and complexity.
- c) Review and establish Board Member remuneration levels at a frequency determined in the Board Remuneration Policy.
- d) Review and make recommendations to Board on the total individual reward package of the Group Executive Team members, typically every three years, considering:
 - e) The responsibilities required of them in their contracts of employment
 - f) The context of the approved Business Plan
 - g) Resources available to HH
- h) Review the on-going appropriateness and relevance of the Group Executive Team and Board Member Reward and Remuneration policies
- i) Consider the annual employee pay award, including any performance awards and make recommendations to Board
- j) Review proposed changes to the employee pay and benefits framework and make recommendations to Board.
- k) Act in relation to disciplinary and grievance proceedings against the Group Executive Team members in accordance with their contract of employment

Committees of the Board (continued)

Nominations

- a) Regularly review the structure, size and composition of the Board and make recommendations to Board regarding any changes
- b) Consider succession planning for Board Members, considering the challenges and opportunities facing the organisation, and the skills and expertise needed on the Board in the future
- c) Be responsible for identifying and nominating for approval by the Board, candidates to fill Board vacancies as and when they arise
- d) Be responsible for identifying and nominating for approval by the Board, candidates for appointment as Board Chair, OSUK Board Chair and HDL Board Chair as and when the vacancy arises
- e) Make recommendations to Board on the re-appointment of any Board Member at the end of their current fixed term of office and permitted to re-stand for a further term in accordance with the Articles of Association, having considered their performance and ability to continue to contribute to the Board considering the knowledge, skills and experience required
- f) Make recommendations to Board on membership of the Audit and Risk Committee, Remuneration and Nominations Committee, and any other Committee of the Board as appropriate
- g) Make recommendations to Board on appointments to Committee Chair and Vice Chair positions
- h) Where required by Board, make recommendations to Board on appointment to Lead Member roles
- i) Make recommendations to Board on appointment to the position of Board Vice Chair
- j) Make recommendations to Board on appointments to the OSUK Board
- k) Make recommendations to Board on appointments to the HDL Board
- l) Recommend procedures for the appointment of Group Executive Team members

Urgency Committee - Where a decision is required from HH Board/Committee outside the agreed meeting schedule, and there is an urgent need to proceed with a course of action, the Urgency Committee shall be convened.

Regulatory Compliance

The Board confirms that the Association is fully compliant with all aspects of the Regulator of Social Housing's Governance and Financial Viability Standard.

Voluntary Code on Mergers, Group Structures and Partnerships

The Association has adopted the National Housing Federation's Voluntary Code on Mergers, Group Structures and Partnerships.

The Association would consider acquisition or merger. Notwithstanding this, one of the risks of the Code is that it could potentially lead to the Board becoming overwhelmed by considering several approaches rather than focussing on the strategic direction of the business.

To avoid this, the Association has implemented a gateway mechanism. In summary only those potential partnerships that meet the criteria agreed by Board and have a reasonable chance of being developed further would be escalated to Board. This initial assessment will be made by the Group Chair and Group Chief Executive.

The Association has developed its own Mergers, Group Structures and Partnerships Policy which amplifies certain aspects of the Code.

No merger opportunities were explored during 2024/25.

Modern Slavery Act 2015

The Group complies with its obligations under the Modern Slavery Act 2015. As required by the Transparency in Supply Chain provision, the Group confirms that no instances of slavery and human trafficking occur within the organisation and that it expects the same standards from all its contractors, suppliers, and other business partners.

The Group's standard tender documentation requires potential suppliers to confirm that they comply with the Modern Slavery Act 2015.

The Group will not intentionally support or deal with any business involved in slavery or human trafficking.

Investment Policy

Board recognises that the Investment Policy must be kept under review. It will be reviewed formally once every three years and more often if changes in the external environment, for example legal, tax or market changes, mean it requires more urgent review.

The constitutional power of the Association to invest is set out in its Rules at B2.6 and B2.7.

"The Association shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve any of its objects, except as expressly prohibited in the Rules:

B2.6 subject to rule F15, invest the funds of the Association and monies borrowed by the Association.

B2.7 lend money (including monies borrowed) on such terms as the Association shall think fit.

In relation to investment, the Rules state:

F15 The funds of or monies borrowed by the Association may be invested by the Board in such manner as it determines."

This power will be exercised to ensure that the financial returns from such investments are used to further the Association's aims.

The Investment Policy only applies to significant investment decisions of the Association and is not intended to prevent or contradict the exercise of the delegated authority in the Association's Treasury Management Policy.

Internal Controls

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

Board have reviewed the findings from the external audit for the year ending 31st March 2025. This did not raise any issues, which are fundamental to the system of internal control or have a potential material effect on the financial statements.

Key elements of the control framework include:

- Regulation.
- External review and customer scrutiny.
- Standing orders and financial regulations setting out clearly the system of delegation.
- An adopted code of governance and codes of conduct.
- An appropriate governance structure, which is regularly reviewed to ensure that it remains fit for purpose.
- Board approved terms of reference and delegated authorities its committees.
- Detailed financial budgets and forecasts for subsequent years.
- Corporate Plan.
- Clearly defined management and reporting structures.
- The performance management framework, which is reported upon to Board and its committees.

Internal Controls (continued)

- A programme of internal reviews undertaken by an externally provided internal audit team.
- Careful staff recruitment and training.
- An approved treasury management policy.
- Board approved whistleblowing policy.
- Detailed policies and procedures.
- Asset and liability register.
- Financial golden rules.
- Business Continuity Plan.
- Cyber security processes and procedures.
- Risk management policy and procure included a risk appetite statement.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives a key issues report from each Audit and Risk Committee meeting, and the minutes are available for all board members to see.

The means by which the Audit and Risk Committee reviews the effectiveness of the system of internal control include:

- Internal audit reports including Annual Statement of Assurance
- Management assurances.
- The external audit management letter.
- Other stakeholder reports.

The internal audit program agreed for the year included:

- Corporate governance and risk management areas.
- Strategic and business areas.
- Core financial areas.
- Main support and operational areas.
- ICT environment and information areas.

The Group has an Anti-Fraud Policy, which has been approved by the Audit and Risk Committee. One case of attempted fraud was reported during 2024/25. This related to unauthorised transactions on a company credit card. All amounts were reimbursed with no financial loss suffered by the Group.

The Group's Executive Team has submitted to the Board a detailed report on the operation of internal controls during the year under review and up to the date of approval of this report. The Board has considered this report and the evidence that supports the statements made and considers this to be a true and accurate reflection of the Group's current position. The Board can also confirm that it is satisfied that all necessary action is being taken to remedy the control failings identified in its review.

Equality, Diversity and Inclusion (EDI)

We are committed to developing a culture where the principles of EDI are embedded in everything we do, across all parts the organisation. EDI is integral to our social purpose and is embedded within the ambitions set out in Our Future Focus as follows:

- Ensure our investment decisions deliver the right outcomes
- Provide an accessible, responsible and considerate customer experience every time
- Listen, learn and design service improvements with our customers
- Communicate effectively
- Provide additional support to our customers when it is needed

Halton Housing

Equality, Diversity and Inclusion (EDI) (continued)

- Support initiatives to improve the wellbeing of our communities
- Invest in the development of our people
- Develop an inclusive, supportive and creative culture
- Be a trusted anchor organisation in the community

Gender Pay. Halton Housing remains in a positive Gender Pay gap, this is mainly due to the high number of females in the middle and upper quartile.

At Halton Housing:

- Women earn £1.05 for every £1 that men earn when comparing median hourly pay. Their median hourly pay is 5.0% higher than men's. When comparing mean (average) hourly pay, women's mean hourly pay is 0.1% lower than men's.
- Women occupy 46.8% of the highest paid jobs and 46.2% of the lowest paid jobs.
- 85.0% of women received bonus pay, compared with 75.9% of men. Women's bonus pay was 0.6% lower than men's (comparing median bonus pay).

Diversity Profile. We completed an analysis of the diversity profile of our customers, workforce, and Board.

- Younger age groups are under-represented on the Board.
- The workforce and Board are broadly representative of the ethnic make-up of our customer base.
- A considerable proportion of customers identify as having a disability in comparison to the workforce, Board, and wider Halton population.
- A considerable proportion of the customer base is single in comparison to the wider Halton population.

Our customer insight function is capturing and utilising data to help us better understand our customers, their needs, expectations, and behaviours. Our customer insight framework will enable us to identify opportunities for improvements which offer the greatest impact to our customers. This in turn will allow us to deliver services which feel more personalised, and coordinate communication campaigns that are tailored and personalised using customer segmentation, with evaluation of improvement initiatives ensuring we continue to meet the needs and expectation of our customers.

People and Culture

We will deliver through our people. We will create an environment where colleagues are valued and listened to, and where they have a strong voice which shapes our future direction. We will recruit and retain people with the right skills, but more importantly the right behaviours to help us deliver our plans. We will invest in our leaders, our people and our IT and create a healthy organisation where everyone can do a great job in an innovative, collaborative, and agile business.

What we deliver is incredibly important but how we go about our work is what makes us Halton housing. So, to underpin and guide our behaviours, our attitudes and our actions we have developed three Halton Housing values.

- We are honest
- We are dynamic
- We care

Our Great People priority is designed to develop passionate people achieving great outcomes.

Halton Housing

People and Culture (continued)

We will

- Invest in the development of our people
- Develop an inclusive, supportive and creative culture
- Recognise and value great work
- Inspire our people through values-based leadership

Social Value

As a housing association we are an anchor institution within our communities. We are an employer, builder, partner, and place maker. We are at the beating heart of communities across Halton – and we are there to stay.

Housing is not just about 'bricks and mortar.' Having a decent, affordable home is an important determinant of people's health and well-being, has a positive effect on children's education, can help people get and sustain employment and can provide a route out of poverty. Housing's carbon footprint can also be reduced through the right energy efficiency and construction measures.

We are a locally based social landlord operating predominantly within Halton and the Liverpool City Region. We recognise we have an important role in investing in and tackling the challenges faced by the place in which we operate. We will work together to create great places to live.

We will

- Be visible and work with our customers to agree community improvements
- Work with partners to tackle community issues including anti-social behaviours
- Keep our communal areas clean, safe and secure
- Support initiatives to improve the wellbeing of our communities

We have adopted the Sustainability Reporting Standard for Social Housing, and we report against the Standard annually.

Statement of Board's responsibilities in respect of the Financial Statements

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

The Co-operative and Community Benefit Societies Act 2014, and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and association and of the Income and Expenditure for the period of account.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

Statement of Board's responsibilities in respect of the Financial Statements (continued)

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Group and Association and to prevent and detect fraud and other irregularities.

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

Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with applicable reporting standards, legislation and the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers. The Board can also confirm that the Group has complied with the Regulator of Social Housing's Governance and Financial Viability Standard.

Disclosure of information to auditors

The Board members who held office at the date of approval of this Board report, confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

At the AGM, the Association will be seeking to re-appoint RSM as the Group's external auditors.

The Report of Board/Strategic Report was approved on 8th August 2025 and signed on behalf of the board by:

Clive Deadman

Chair

Independent Auditor's Report to the Members of Halton Housing Year Ended 31st March 2025

Opinion

We have audited the financial statements of Halton Housing (the 'Association') and its subsidiaries (the 'Group') for the year ended 31st March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Consolidated Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. 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 Association's affairs as at 31st March 2025 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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

Other information (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception.

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

- proper books of account have not been kept by the association in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the association in accordance with section 75; or
- the income account and the balance sheet are not in agreement with the books of account of the association; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 29, 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud.

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

The extent to which the audit was considered capable of detecting irregularities, including fraud. (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and the Association operate in and how the group and the Association are complying with the legal and regulatory frameworks.
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud.
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, the Data Protection Act and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

The engagement partner on the audit resulting in this independent auditor's report is Lucy Robson.

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

Halton Housing

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

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RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB
Date: 8th August 2025

Halton Housing

Group and Association Statement of Comprehensive Income For the year ended 31st March 2025

	Notes	Year ended 31-Mar-25		Year ended 31-Mar-24	
		Group £'000	Association £'000	Group £'000	Association £'000
Turnover	2	51,139	47,932	52,158	49,255
Cost of sales	2	(2,158)	(2,158)	(6,362)	(6,387)
Operating expenditure	2	(35,662)	(34,111)	(33,830)	(32,358)
Pension Cessation Costs	12/24	(11,776)	(11,776)	-	-
Gain on disposal of property, plant and equipment (fixed assets)	6	917	942	603	603
Operating surplus		2,460	829	12,569	11,113
Gift aid donation from subsidiary companies		-	91	-	362
Interest receivable		32	1,644	-	1,414
Interest and financing costs	7	(8,570)	(8,570)	(7,556)	(7,556)
Gain in valuation of investment properties	14	2,102	110	2,205	145
(Loss) / Surplus before tax	8	(3,976)	(5,896)	7,218	5,478
Taxation	9	-	-	-	-
(Loss) / Surplus for the year after tax		(3,976)	(5,896)	7,218	5,478
Other comprehensive income					
Actuarial gain / (loss) in respect of pension schemes	12/24	11,542	11,542	(10,870)	(10,870)
Total comprehensive income / (loss) for the year		7,566	5,646	(3,652)	(5,392)

Historical cost surpluses and deficits were identical to those shown in the Statement of Comprehensive Income. All turnover and operating costs are attributable to continuing operations. The notes on pages 40 to 75 form part of these Financial Statements.

These Financial Statements were approved by the Board of Directors/Trustees and authorised for issue on 8th August 2025 and were signed on its behalf by:

Board/Trustee
Clive Deadman

Board/Trustee
Jennifer Halliday

Company Secretary
Neil McGrath

Halton Housing

Group and Association Statement of Financial Position As at 31st March 2025

		Year ended 31-Mar-25		Year ended 31-Mar-24	
	Notes	Group £'000	Association £'000	Group £'000	Association £'000
Fixed assets					
Tangible fixed assets	13	238,924	240,307	220,536	221,829
Investment properties	14	45,876	1,740	39,837	1,630
Investment in subsidiaries	15	-	15,400	-	14,500
		284,800	257,447	260,373	237,959
Long term debtors					
Debtors due in more than one year	17	-	23,200	-	19,850
Current assets					
Stock	16	2,290	2,291	1,367	1,367
Trade and other debtors	17	4,106	3,764	8,337	8,261
Investments	18	131	131	131	131
Cash and cash equivalents	19	7,233	7,112	6,481	6,404
		13,760	13,298	16,316	16,163
Less: Creditors: amounts falling due within one year	20	(12,049)	(11,807)	(18,593)	(18,329)
Net current assets /(liabilities)		1,711	1,491	(2,277)	(2,166)
Total assets less current liabilities		286,511	282,138	258,096	255,643
Creditors: amounts falling due after more than one year	21a	(218,531)	(218,531)	(197,498)	(197,498)
Provisions for liabilities					
Pension liability	12/24	(302)	(302)	(486)	(486)
Total net assets		67,678	63,305	60,112	57,659
Reserves					
Non-equity share capital	25	-	-	-	-
Income and expenditure reserve		67,678	63,305	60,112	57,659
Total reserves		67,678	63,305	60,112	57,659

The notes on pages 40 to 75 form part of these Financial Statements. These Financial Statements were approved by the Board of Directors/Trustees and authorised for issue on 8th August 2025 and were signed on its behalf by:

Board/Trustee
Clive Deadman

Board/Trustee
Jennifer Halliday

Company Secretary
Neil McGrath

Halton Housing

Group and Association Statement of Changes in Reserves As at 31st March 2025

	Group	Association
	Income and expenditure reserve £'000	Income and expenditure reserve £'000
Balance as at 1 April 2023	63,764	63,051
Surplus from Statement of Comprehensive Income	7,218	5,478
Actuarial loss in respect of pension schemes	(10,870)	(10,870)
Balance at 31 March 2024	60,112	57,659
Loss from Statement of Comprehensive Income	(3,976)	(5,896)
Actuarial gain in respect of pension schemes	11,542	11,542
Balance at 31 March 2025	67,678	63,305

The notes on pages 40 to 75 form part of these Financial Statements.

Halton Housing

Consolidated Statement of Cash Flows at 31st March 2025

	Notes	Year ended 31-Mar-25 £'000	Year ended 31-Mar-24 £'000
Net cash generated from operating activities	(see Note i)	17,225	25,608
Cash flow from investing activities			
Purchase of tangible fixed assets		(23,462)	(13,596)
Purchase of investment properties		(4,260)	(2,159)
Proceeds from sale of tangible fixed assets		1,290	1,041
Proceeds from sale of investment properties		(12)	-
Grants received		8,624	1,497
Interest received		32	-
		(17,788)	(13,217)
Cash flow from financing activities			
Interest paid		(7,910)	(8,276)
New secured loans		29,725	(38)
Repayment of borrowings		(20,500)	(5,000)
		1,315	(13,314)
Net change in cash and cash equivalents		752	(923)
Cash and cash equivalents at beginning of the year		6,481	7,404
Cash and cash equivalents at end of the year		7,233	6,481

The notes on pages 40 to 75 form part of these Financial Statements.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

Notes to Consolidated Statement of Cash Flows at 31st March 2025

Note I

	Year ended 31-Mar-25 £'000	Year ended 31-Mar-24 £'000
Cash flow from operating activities		
(Deficit) / Surplus for the year	(3,976)	7,218
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	6,207	5,892
Impairment of tangible fixed assets	100	-
(Increase) / Decrease in stock	(818)	5,990
(Increase) / Decrease in trade and other debtors	(735)	2,663
Increase in trade and other creditors	410	184
Pension costs less contributions payable	10,915	(700)
Gain in valuation of investment properties	(2,102)	(2,205)
Adjustments for Investing or financing activities:		
Gain on disposal of property, plant and equipment (fixed assets) & investment properties	(917)	(603)
Government grants released in the year	(397)	(387)
Interest payable	8,570	7,556
Interest received	(32)	-
Net cash generated from operating activities	17,225	25,608

Note ii

Analysis of net debt - Group

	At 31 st March 2024 £000's	Cash flow £000's	Non - Cash Movements £000's	At 31 st March 2025 £000's
Cash at bank and in hand	6,481	752	-	7,233
Debt due within one year:				
Loans	(5,000)	5,000	-	-
Debt due after more than one year:				
Loans	(159,332)	(14,225)	(144)	(173,701)
Total	(157,851)	(8,473)	(144)	(166,468)

The notes on pages 40 to 75 form part of these Financial Statements.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

Legal Status

Halton Housing is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (Community Benefit Society number: 7744) and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Waterfront Point, Warrington Road, Widnes, WA8 0TD.

The Group comprises the following entities:

Name	Incorporation	Registered/Non-Registered
Halton Housing	Co-operative and Community Benefit Societies Act 2014	Registered
Open Solutions (OSUK) Limited	Companies Act 2006	Non-registered
HHT Development Limited	Companies Act 2006	Non-registered

1. Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies Act 2014 to prepare consolidated financial statements.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investment properties and are presented in sterling £'000 for the year ended 31 March 2025.

The Group's financial statements have been prepared in compliance with FRS 102. The Group meets the definition of a public benefit entity (PBE).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company,
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- 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 incorporate the results of Halton Housing and all of its subsidiary undertakings as at 31 March 2025 using the acquisition method of accounting as required. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The Group has agreed loan facilities, of £225m, in place that will provide adequate resources to finance planned investment and development programme alongside the Group's day to day operations. The Group has a long-term business plan that shows that it can service these debt facilities whilst continuing to comply with lenders' covenants for the next 30 years.

The Group's Business Plan has been updated for 2025/26, stress tested with potential mitigations identified to confirm sufficient resilience to respond to different scenarios. The Business Plan demonstrates it can service this facility and meet all other financial obligations as they fall due.

Going concern (continued)

The business plan update and results of the stress testing undertaken supported by satisfactory VFM metrics, good asset values and significant headroom in loan covenants, has led to the Board's judgement that the Group has adequate resources to continue in operational 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 the financial statements.

Judgements and key sources of estimation uncertainty

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

- a. **Development expenditure.** The Group capitalises development expenditure in accordance with the accounting policy described on page 43. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment. Housing properties are transferred to completed properties when they are ready for letting.
- b. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented property are investment properties.
- c. **Impairment.** The Group has identified a cash generating for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

- a. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying value of tangible fixed assets at 31 March 2025 was £239m (Group); £240m (Association).
- b. **Revaluation of investment properties.** The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at 31 March 2024. The valuer used a valuation technique based on a discounted cash flow model. Fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 14. The carrying value of investment properties at 31 March 2025 was £45.9m (Group); £1.7m (Association).
- c. **Impairment of housing properties.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified. We have impaired one of our flatted blocks in the year resulting from the decision to decommission the scheme as part of a development opportunity that is currently being explored. The result of this decision has resulted in a charge to the accounts of £100k in the year (2024: Nil).

- d. **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. The calculation of the obligation also incorporates the impact of the various High Court rulings; namely McCloud and GMP rulings where appropriate. Further details are given in note 12.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of first tranche shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is charged on either a weekly or monthly basis with most customers being charged weekly on either a 48-week (with 4 non-charging weeks) or 52-week basis. A standard year typically has 52 weeks, but every few years, we encounter a year with 53 weeks. The year ended 31st March 2025 was a 53-week year and therefore for rental income charged weekly there was either 49 or 53 charging weeks.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales and are recognised on legal completion.

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

Interest

Interest payable is capitalised on borrowings to finance the development of new properties, after deduction of interest receivable on Social Housing Grant (SHG) received in advance, to the extent that it accrues in respect of the period of development. Other interest payable and receivable is charged or credited against the Statement of Comprehensive Income.

Loans

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102. The Group has some fixed rate loans which have a two-way break clause (i.e. in addition to compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan's fixed rate, compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan's fixed rate). Having considered updated FRC Guidance and on the grounds that the Group believes the recognition of each debt liability at amortised cost provides a more transparent and understandable position of the Group's financial position, the Group's debt has been treated as "basic" in accordance with the requirements of paragraphs 11.8 and 11.9 of FRS 102.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, 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 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 value 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.

No corporation tax is payable on the surpluses of charitable activities of Halton Housing as it has charitable status for tax purposes. Halton Housing has not carried out any non-charitable activities which may attract taxation charges as only a small level of supplies are taxable below the thresholds.

Value Added Tax

Halton Housing is registered for Value Added Tax. A large proportion of the VAT incurred by Halton Housing cannot be recovered as the bulk of its turnover results from exempt activities. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. At the year-end VAT recoverable or payable is included in the statement of financial position. Irrecoverable VAT is accounted for in the statement of comprehensive income.

Halton Housing operates a VAT shelter arrangement in relation to an agreed schedule of qualifying works in its improvement programme whereby 100% of the VAT can be reclaimed. Under the Transfer Agreement Halton Housing has retained the first £1.1m from the Council's share of VAT Shelter receipts in recognition of half of the payment of £2.2m towards the pension deficit on transfer. Thereafter, Halton Housing recognises 50% of the VAT reclaimed from the VAT shelter arrangement in its Income and Expenditure Account, the remaining 50% is due to Halton Borough Council under the terms of the Transfer Agreement.

Tangible fixed assets and depreciation

Housing properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

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

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

Housing properties (continued)

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

Halton Housing depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Structure: Built pre-1945	50 years
Structure: Built 1946 to 1964	75 years
Structure: Built post 1964	100 years
Roofs	55 years
Roofline	30 years
Lifts	35 years
Kitchens	20 years
Bathrooms	30 years
Doors	30 years
Windows	40 years
Rewires	30 years
Boilers	15 years
Canopy	30 years
Central Heating System	30 years
Cladding	20 years
Door Entry Systems	30 years
Emergency Lighting	25 years
Fire & Security Systems	20 years
Wall Ties	50 years

Halton Housing depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation of other Tangible Assets

Expenditure in excess of £1,000, which results in an enhancement of the economic benefit of an asset is deemed to be an improvement and is capitalised. Depreciation is calculated on a straight-line basis over the useful economic life of the asset. Where an asset relates to part of a leased property this is depreciated over the term of the lease. Depreciation is charged in the year of acquisition but is not charged in the year of disposal.

Commercial Shops	30 years
Freehold Offices	40 – 60 years
Furniture and equipment	Between 4 and 10 years
Motor vehicles	4 years
Computer equipment	4 years

Low-cost home ownership properties

The costs of low-cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Properties for Sale

Shared ownership first tranche sales completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

The disposal of any housing properties through the Right to Buy is included in Statement of Comprehensive Income in the period in which the disposal occurs as the difference between the net sale proceeds and the net carrying value. Halton Housing has an obligation to repay a share of the net sales proceeds to Halton Borough Council in excess of £1.1m and after pre agreed costs.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Where costs are incurred in relation to mixed tenure schemes these are allocated directly to the tenure type where applicable or on the same basis of unit allocation based on total scheme numbers.

Property managed by agents

Where the Group carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Group. In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit and loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is 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 in the Statement of Comprehensive income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares, which have been classified as current asset investments, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Stock and properties held for sale

Stock 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 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 Statement of Comprehensive Income.

Since the year end our sales programme has remained active and we are continuing to achieve both sales completions and reservations at the original marketed prices and therefore we have not considered it necessary to recognise any impairment loss within these financial statements.

Short-term debtors and creditors

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

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social Housing Grant (SHG) received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When SHG in respect of housing properties during construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Recycling of Capital Grant

Where SHG is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

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 year end.

Retirement benefits

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

The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the Group has a participating interest.

Halton Housing participated in two funded multi-employer defined benefit pension schemes until 31st January 2025 when both schemes were closed to future accrual and all colleagues auto-enrolled onto a defined contribution scheme.

The Social Housing Pension Scheme (SHPS) is a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions (TPT). The Group is able to identify its share of the scheme assets and scheme liabilities; the scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position.

As at the year ended 31 March 2025, the net defined benefit pension deficit liability was £302k (2024: £486k).

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

A defined contribution scheme managed by the SHPS is available to all employees; this scheme is used as the auto enrolment vehicle at the Trust. Costs are recognised as a charge to comprehensive income in the period to which they relate.

The Cheshire Pension Scheme provides benefits based on final pensionable pay. The Group is able to identify its share of the scheme assets and scheme liabilities; the scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions or through refunds from the plan.

As at the year ended 31 March 2025, the net defined benefit asset was £11,776k. As the Group exited to future accrual from all Defined Benefit schemes on 31st January 2025, this asset has been capped at nil to reflect the estimated right to an exit credit/settlement amount (2024: £12,372k surplus but capped at nil).

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Statement of Financial Position date where there is no discretion to avoid or delay the expenditure.

Provisions (continued)

The Group makes a provision for rental arrears, which are considered to be non-recoverable. The full value of former tenant debt is provided for. The provision for current tenant debt is calculated based upon the value and age of the debt.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historical cost model.

Direct costs incurred in connection with the issue of a basic financial instrument are deducted from the proceeds of the issue. Finance interest, transaction costs and associated premium or discount are charged to the Statement of Comprehensive Income using either the effective interest rate (EIR) method or on a straight-line basis where not materially different.

The EIR method spreads all associated costs over the life of the instrument by comparing the borrowing amount at initial recognition and amount at maturity. On the basis that the difference produced by the two methods is not material, these costs have been amortised on a straight-line basis in this set of financial statements.

Loans

All loans held by the Group are classified as basic financial instruments in accordance with FRS 102. The are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

The following financial instruments are assessed individually for impairment:

- (a) All equity instruments regardless of significance, and
- (b) Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- (a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- (b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

- 2(a). Turnover, cost of sales, operating expenditure and operating surplus prior to pension cessation costs and gain on disposal

Group	2025			
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (Note 3a)	44,746	-	(33,468)	11,278
Other social housing activities				
First tranche low cost home ownership sales	2,321	(1,820)	(386)	115
Activities other than social housing				
Lettings (Note 4)	3,697	-	(1,805)	1,892
Properties developed for outright sale (Note 4)	375	(338)	(3)	34
Total	51,139	(2,158)	(35,662)	13,319

	2024			
	£'000	£'000	£'000	£'000
Social housing lettings (Note 3a)	40,422	-	(31,623)	8,799
Other social housing activities				
First tranche low cost home ownership sales	8,348	(6,362)	(461)	1,525
Activities other than social housing				
Lettings (Note 4)	3,388	-	(1,746)	1,642
Total	52,158	(6,362)	(33,830)	11,966

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

2(b). Turnover, cost of sales, operating expenditure and operating surplus prior to pension cessation costs and gain on disposal

Association	2025			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (Note 3b)	44,746	-	(33,361)	11,385
Other social housing activities				
First tranche low cost home ownership sales	2,321	(1,820)	(386)	115
Activities other than social housing				
Lettings (Note 4)	490	-	(361)	129
Properties developed for outright sale (Note 4)	375	(338)	(3)	34
Total	47,932	(2,158)	(34,111)	11,663

	2024			
	£'000	£'000	£'000	£'000
Social housing lettings (Note 3b)	40,422	-	(31,527)	8,895
Other social housing activities				
First tranche low cost home ownership sales	8,348	(6,387)	(461)	1,500
Activities other than social housing				
Lettings (Note 4)	485	-	(370)	115
Total	49,255	(6,387)	(32,358)	10,510

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

3(a). Turnover and operating expenditure

	General Housing	Supported Housing and Housing for Older People	Low Cost Home Ownership	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000
Group					
Income					
Rent receivable net of identifiable service charge and voids	39,056	1,962	829	41,847	37,622
Service charge income	1,619	400	192	2,211	1,983
Amortised government grants	244	73	80	397	387
Government grants taken to income	3	-	-	3	61
Other income	39	-	7	46	43
VAT Shelter Income	74	-	-	74	121
Charges for Support Services	-	168	-	168	205
Turnover from Social Housing Lettings	41,035	2,603	1,108	44,746	40,422
Operating expenditure					
Management	(8,887)	(699)	(166)	(9,752)	(8,944)
Service charge costs	(1,759)	(862)	(159)	(2,780)	(2,587)
Routine maintenance	(8,034)	(424)	(171)	(8,629)	(8,022)
Planned maintenance	(2,730)	(137)	(58)	(2,925)	(2,540)
Major repairs expenditure	(1,816)	(126)	(32)	(1,974)	(2,520)
Development costs not capitalised	(85)	-	-	(85)	(66)
Bad debts	(326)	(25)	(5)	(356)	(234)
Depreciation of Housing Properties	(5,311)	(418)	(261)	(5,990)	(5,616)
Impairment of Housing Properties	-	(100)	-	(100)	-
Other Costs	(821)	(39)	(17)	(877)	(1,094)
Operating expenditure on Social Housing Lettings	(29,769)	(2,830)	(869)	(33,468)	(31,623)
Operating Surplus/(Deficit) on Social Housing Lettings	11,266	(227)	239	11,278	8,799
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	(215)	(12)	-	(227)	(231)

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

3(b). Turnover and operating expenditure

	General Housing	Supported Housing and Housing for Older People	Low Cost Home Ownership	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000
Association					
Income					
Rent receivable net of identifiable service charge and voids	39,056	1,962	829	41,847	37,622
Service charge income	1,619	400	192	2,211	1,983
Amortised government grants	244	73	80	397	387
Government grants taken to income	3	-	-	3	61
Other income	39	-	7	46	43
VAT Shelter Income	74	-	-	74	121
Charges for Support Services	-	168	-	168	205
Turnover from Social Housing Lettings	41,035	2,603	1,108	44,746	40,422
Operating expenditure					
Management	(8,780)	(699)	(166)	(9,645)	(8,848)
Service charge costs	(1,759)	(862)	(159)	(2,780)	(2,587)
Routine maintenance	(8,034)	(424)	(171)	(8,629)	(8,022)
Planned maintenance	(2,730)	(137)	(58)	(2,925)	(2,540)
Major repairs expenditure	(1,816)	(126)	(32)	(1,974)	(2,520)
Development costs not capitalised	(85)	-	-	(85)	(66)
Bad debts	(326)	(25)	(5)	(356)	(234)
Depreciation of Housing Properties	(5,311)	(418)	(261)	(5,990)	(5,616)
Impairment of Housing Properties	-	(100)	-	(100)	-
Other Costs	(821)	(39)	(17)	(877)	(1,094)
Operating expenditure on Social Housing Lettings	(29,662)	(2,830)	(869)	(33,361)	(31,527)
Operating Surplus/(Deficit) on Social Housing Lettings	11,373	(227)	239	11,385	8,895
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	(215)	(12)	-	(227)	(231)

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

4. Turnover from activities other than social housing

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Activities other than social housing				
Shops and Garages Lettings	518	526	381	386
Market Renting	3,129	2,809	88	82
Other	50	53	21	17
Properties developed for outright sale	375	-	375	-
	4,072	3,388	865	485

5. Accommodation owned, managed and in development

Group	2025		2024	
	No. of properties		No. of properties	
	Owned	Managed	Owned	Managed
Social Housing				
<u>Under development at end of year:</u>				
General needs housing affordable rent	97	-	28	-
Supported housing and housing for older people	66	-	66	-
Low-cost home ownership	71	-	33	-
<u>Under management at end of year:</u>				
General needs housing	6,899	3	6,903	3
Supported housing and housing for older people	223	-	223	-
Low-cost home ownership	280	-	274	-
	7,636	3	7,527	3
Non-Social Housing				
<u>Under management at end of year:</u>				
Market rented	405	-	395	-
	405	-	395	-

The Group owns and manages 7,807 (2024: 7,795) homes for both Halton Housing, a Registered Social Landlord and Open Solutions (OSUK) Limited, a company limited by shares. In addition, the Group manages 3 (2024: 3) homes owned by another body.

There was an increase of 12 owned and managed properties. During the year 42 properties were acquired or developed: 2 social rent, 14 affordable rent, 11 shared ownership and 15 market rent; 30 properties were sold: 17 social rent, 3 affordable rent; 5 shared ownership and 5 market rent.

The homes owned and managed at 31 March 2025 comprise: 5,400 social rent (2024: 5,415); 1,482 affordable rent (2024: 1,471); 17 intermediate rent (2024: 17); 128 supported housing social rent (2024: 128); 95 supported housing affordable rent (2024: 95); 280 Shared Ownership (2024: 274) and 405 market rent (2024: 395).

5. Accommodation owned, managed and in development (continued)

Association	2025		2024	
	No. of properties		No. of properties	
	Owned	Managed	Owned	Managed
Social Housing				
<u>Under development at end of year:</u>				
General needs housing affordable rent	97	-	28	-
Supported housing and housing for older people	66	-	66	-
Low-cost home ownership	71	-	33	-
<u>Under management at end of year:</u>				
General needs housing	6,899	3	6,903	3
Supported housing and housing for older people	223	-	223	-
Low-cost home ownership	280	-	274	-
	7,636	3	7,527	3
Non-Social Housing				
<u>Under management at end of year:</u>				
Market rented	10	-	10	-
	10	-	10	-

Halton Housing, a Registered Social Landlord, owns and manages 7,412 (2024: 7,410) homes and manages 3 (2023: 3) homes owned by another body.

There was an increase of 2 owned and managed properties. During the year 27 properties were acquired or developed: 2 social rent, 14 affordable rent and 11 shared ownership properties; 25 properties were sold: 17 social rent, 3 affordable rent and 5 shared ownership.

The homes owned and managed at 31 March 2024 comprise: 5,400 social rent (2024: 5,415); 1,482 affordable rent (2024: 1,471); 17 intermediate rent (2024: 17); 128 supported housing social rent (2024: 128); 95 supported housing affordable rent (2024: 95); 280 Shared Ownership (2024: 274) and 10 market rent (2024: 10).

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

6. Gain on disposal of property, plant and equipment (fixed assets)

Group

	Sales of Investment Properties	Sales of Properties not developed for outright sale	Low Cost Home Ownership Staircasing Sales	Others	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	310	1,004	553	30	1,897	1,386
Other proceeds	-	22	-	-	22	-
<i>Less: Costs of sales</i>						
Halton Borough Council's share of sale proceeds	-	(80)	-	-	(80)	(290)
Carrying value of fixed assets	(323)	(156)	(392)	(10)	(881)	(471)
Incidental sale expenses	(12)	(28)	-	(1)	(41)	(22)
Surplus	(25)	762	161	19	917	603
Capital grant recycled (Note 23)	-	-	127	-	127	94

6. Gain on disposal of property, plant and equipment (fixed assets)

Association

	Sales of Properties not developed for outright sale	Low Cost Home Ownership Staircasing Sales	Others	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	1,004	553	30	1,587	1,386
Other proceeds	22	-	-	22	-
<i>Less: Costs of sales</i>					
Halton Borough Council's share of sale proceeds	(80)	-	-	(80)	(290)
Carrying value of fixed assets	(156)	(392)	(10)	(558)	(471)
Incidental sale expenses	(28)	-	(1)	(29)	(22)
Surplus	762	161	19	942	603
Capital grant recycled (Note 23)	-	127	-	127	94

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

7. Interest and financing costs

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Deferred benefit pension (income) charge	443	(455)	443	(455)
On loans repayable within five years	1,274	2,146	1,274	2,146
On loans wholly or partly repayable in more than five years	7,109	6,260	7,109	6,260
Costs associated with financing	8,826	7,951	8,826	7,951
Less: interest capitalised on housing properties under construction	(256)	(395)	(256)	(395)
	8,570	7,556	8,570	7,556

A capitalisation rate of 4.6% (2024: 4.6%) was used for calculating capitalised finance costs.

8. Surplus on ordinary activities

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
The operating surplus is stated after charging/(crediting):-				
Auditors remuneration (excluding VAT):				
Audit of the group financial statements	45	36	45	36
Audit of subsidiaries	15	10	-	-
Fees payable to the company's auditor and its associates for other services to the group:				
Taxation compliance services	7	5	2	2
Right to Buy and VAT Shelter work	2	2	3	2
Operating lease rentals:				
Vehicle Hire Costs	435	335	435	335
Office equipment	14	3	14	3
Impairment losses of housing properties	100	-	100	-
Depreciation of housing properties	5,990	5,616	5,990	5,616
Depreciation of other fixed assets	217	276	209	268

9. Tax on surplus on ordinary activities

The main activities of the Association are to provide charitable services. The Association has been registered as a Community Benefit Society (registration number: 7744) and charitable for tax purposes and therefore no corporation tax is payable on any of its surplus. There have been only a small number of taxable supplies in the financial year within the Association. The subsidiary companies' surpluses are fully liable to corporation tax, however, the amount due will be fully covered by qualifying gift aid payments.

10. Key management personnel remuneration

	2025	2024
	£'000	£'000
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors	68	69
The aggregate emoluments paid to or receivable by executive Directors and former executive directors	558	518
The emoluments paid to the highest paid Director excluding pension contributions	186	178
The aggregate amount of Directors or past Directors pensions, excluding amounts payable under a properly funded pension scheme	-	-

The Chief Executive is an ordinary member of the SHPS defined contribution pension scheme. The pension scheme is a defined contribution scheme funded by annual contributions by the employer and employee. A contribution by Halton Housing of £18k (2024: £7k) was paid in addition to the personal contributions of the Chief Executive. No enhanced or special terms apply and there are no additional pension arrangements.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Executive Management Team or its equivalent.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

10. Key management personnel remuneration (continued)

Non-executive Directors are defined as Board members of Halton Housing and/or its subsidiary companies: their pay within the year in their capacity as non-executive board members was as follows:

Board Member	Remuneration Received 2024-25 (£)	Remuneration Received 2023-24 (£)	Halton Housing	Audit and Risk Committee	Remuneration and Nominations Committee	Open Solutions (OSUK) Limited	HHT Development Limited
Clive Deadman	12,000	12,000	Chair ✓		✓		
Jo Fallon (appointed 30.09.24)	2,519	-	✓		✓	✓	
Neil McGrath	-	-				✓	✓
Paul Mullane (appointed 25.09.2024)	-	-					✓
Sam Scott (appointed 25.09.2024)	-	-					Chair ✓
Kevin Williams (resigned 21.09.24)	3,558	7,500	Vice Chair ✓	✓			Chair ✓
Ian Gardner (appointed 30.09.24)	2,519	-	✓	✓			
Geoff Linnell	5,000	5,000		✓		✓	
Peter Lunio (resigned 07.02.25)	4,263	2,558	✓	✓			
Ian Hayhoe	9,500	9,500	✓	✓		Chair ✓	
Marie Wright	5,000	5,000	✓	✓			
Norman Plumpton-Walsh (resigned 09.01.25)	3,885	5,000	✓		✓		
Jennifer Halliday	7,012	6,500	✓		Chair ✓	res 25.09.24 ✓	
Sharon Pennington	5,000	2,558	✓		✓		
Leigh Wylie	7,500	7,500	✓	Chair ✓			ret 25.09.24 ✓
Linda Levin (resigned 27.09.23)	-	2,449	✓	✓			
Matthew Harrison (resigned 27.09.23)	-	3,183	✓		✓		✓
Sue Smith	-	-				✓	
	67,756	68,748					

11. Average numbers of persons employed

	Group		Association	
	2025 No.	2024 No.	2025 No.	2024 No.
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:				
Property Services	130	127	130	127
Housing Management	90	89	90	89
Development	6	7	6	7
Support Services	82	79	82	79
	308	302	308	302
	£'000	£'000	£'000	£'000
Staff costs (for the above employees)				
Wages and salaries	12,463	12,107	12,463	12,107
Social Security costs	1,298	1,252	1,298	1,252
Other pension costs	2,145	2,231	2,145	2,231
Redundancy costs	35	10	35	10
	15,941	15,600	15,941	15,600

Aggregate number of full time equivalent staff whose remuneration (including employer pension contributions) exceeded £60,000 in the year:

	Group		Association	
	2025 No.	2024 No.	2025 No.	2024 No.
£60,000 to £69,999	28	11	28	11
£70,000 to £79,999	12	7	12	7
£80,000 to £89,999	4	3	4	3
£90,000 to £99,999	1	1	1	1
£100,000 to £109,999	-	2	-	2
£110,000 to £119,999	4	3	4	3
£120,000 to £129,999	1	-	1	-
£140,000 to £149,999	-	1	-	1
£150,000 to £159,999	1	1	1	1
£160,000 to £169,999	1	1	1	1
£180,000 to £189,999	1	-	1	-

12. Pension obligations

During the year ended 31st March 2025 Halton Housing participated in three schemes. The Cheshire Local Government Pension Scheme (LGPS) and Social Housing Pension Scheme (SHPS) are both multi-employer defined benefit (DB) schemes. The Schemes are funded and are contracted out of the state scheme. Halton also participates in the Social Housing Pension Scheme (SHPS) defined contribution (DC) scheme.

During the year ended March 2024 the Group took the decision to close both DB schemes to future accrual and formally exited both schemes on 31st January 2025 and all colleagues were auto enrolled onto the SHPS DC scheme. During the year colleagues in a DB scheme received a consideration payment as part of the scheme closure consultation. The payment had been recognised as a constructive obligation in 2023/24.

12. Pension obligations (continued)

Closing the LGPS scheme triggered a cessation and settlement event. The FRS102 valuation at the date of cessation reported a surplus of £11.8m (2024: surplus of £12.4m fully capped to nil). An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds.

On cessation the Group re-assessed its right to refund of the surplus. Initial settlement discussions with the scheme and administrators have indicated that a refund is unlikely and therefore the surplus has been capped at nil and no asset recognised within these financial statements. The impact of derecognising the surplus is a pension cessation operating cost of £11.8m which is separately disclosed on the face of the Statement of Comprehensive Income. The combined impact of changes in the effect of the movement in the reported FRS 102 asset (£12.4m) and other remeasurements (£0.9m) of £11.5m is included within Other Comprehensive Income.

Closing the SHPS DB scheme did not trigger a cessation and settlement event because the Group has contributing members to the SHPS DC Scheme.

The Trustees are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the Trustees being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation(s), the Trustees do not expect the valuation of the scheme liabilities to change.

Social Housing Pension Scheme

The Group participates in the Social Housing Pension Scheme (SHPS), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions (TPT), which provides benefits to non-associated employers.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

The accounting policies in relation to SHPS are set out on page 47.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 30 September 2023 updated to 31 March 2025 by a qualified independent actuary.

Social Housing Pension Scheme(continued)

	At 31 March 2025	At 31 March 2024
	% pa	% pa
Rate of increase in salaries	3.80	3.79
Rate of increase for pensions in payment / inflation	3.05	3.08
Discount rate for scheme liabilities	5.92	4.93

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2025 Years	At 31 March 2024 Years
<i>Retiring today</i>		
Males	20.5	20.5
Females	23.0	23.0
<i>Retiring in 20 years</i>		
Males	21.7	21.8
Females	24.5	24.4

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income

	At 31 March 2025 £'000	At 31 March 2024 £'000
Employer service cost (net of employee contributions)	24	27
Total operating charge	24	27

Analysis of pension finance costs

Net interest expenses	(20)	(16)
Amounts charged to financing costs	(20)	(16)

Amount of gains and losses recognised in the Statement of Comprehensive Income

Actuarial losses on pension scheme assets	(205)	(187)
Actuarial losses on scheme liabilities	(158)	(100)
Remeasurements	407	77
Actuarial gain / (loss) recognised	44	(210)

Social Housing Pension Scheme(continued)

	At 31 March 2025 £'000	At 31 March 2024 £'000
Movement in (deficit) during year		
Deficit in scheme at 1 April	(486)	(418)
Movement in year:		
Employer service cost (net of employee contributions)	(24)	(27)
Employer contributions	184	185
Net interest/return on assets	(20)	(16)
Remeasurements	44	(210)
Deficit in scheme at 31 March	(302)	(486)

Asset and Liability Reconciliation	At 31 March 2025 £'000	At 31 March 2024 £'000
Reconciliation of liabilities		
Liabilities at start of period	2,475	2,346
Service cost	24	27
Interest cost	122	113
Employee contributions	16	18
Remeasurements	(249)	23
Benefits paid	(31)	(52)
Liabilities at end of period	2,357	2,475

Reconciliation of assets

Assets at start of period	1,989	1,928
Interest Income	102	97
Return on plan assets	(205)	(187)
Employer contributions	184	185
Employee contributions	16	18
Benefits paid	(31)	(52)
Assets at end of period	2,055	1,989

Actual return on plan scheme assets	(302)	(486)
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The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be late 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2025 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Cheshire West and Cheshire Council. The total contributions made for the year ended 31 March 2025 were £1,983k (2024: £2,573k), of which employer's contributions totalled £1,602k and employees' contributions totalled £381k. The agreed contribution rate for the year was 28.7% for employers and ranged from 5.5% to 12.5% for employees, depending on salary.

The accounting policies in relation to the Cheshire Pension Scheme (LGPS) are set out on page 47.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 January 2025 by a qualified independent actuary.

	At 31 January 2025	At 31 March 2024
	% pa	% pa
Rate of increase in salaries	3.45	3.45
Rate of increase for pensions in payment / inflation	2.75	2.75
Discount rate for scheme liabilities	5.45	4.85
Inflation assumption (CPI)	2.75	2.75

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 January 2025	At 31 March 2024
	Years	Years
<i>Retiring today</i>		
Males	19.9	20.0
Females	23.4	23.4
<i>Retiring in 20 years</i>		
Males	21.2	21.3
Females	25.2	25.2

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income

	At 31 January 2025	At 31 March 2024
	£'000	£'000
Employer service cost (net of employee contributions)	901	1,574
Total operating charge	901	1,574

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	1,399	2,580
Interest on pension liabilities	(1,822)	(2,109)
Amounts (charged) / credited to financing costs	(423)	471

Local Government Pension Scheme (continued)

Amount of gains and losses recognised in the Statement of Comprehensive Income

Actuarial gains / (losses) on pension scheme assets	6,947	(7)
Actuarial gains on scheme liabilities	4,551	1,719
Actuarial gain recognised	11,498	1,712

	At 31 March 2025	At 31 March 2024
	£'000	£'000
Movement in (deficit) during year		
Reported Surplus / (Deficit) in scheme at 1 April	-	9,647
Movement in year:		
Employer service cost (net of employee contributions)	(901)	(1,574)
Employer contributions	1,602	2,116
Net interest/return on assets	(423)	471
Remeasurements	11,498	1,712
Surplus / (Deficit) in scheme at 31 March	11,776	12,372
Asset Ceiling Cap	(11,776)	(12,372)
Reported Surplus / Deficit in scheme at 31st March	-	-

	At 31 March 2025	At 31 March 2024
	£'000	£'000
Asset and Liability Reconciliation		
Reconciliation of liabilities		
Liabilities at start of year	45,059	44,129
Service cost	901	1,574
Interest cost	1,822	2,109
Employee contributions	381	457
Remeasurements	(5,151)	(1,719)
Benefits paid	(1,083)	(1,491)
Liabilities at end of year	41,929	45,059

Reconciliation of assets

Assets at start of year	57,431	53,776
Return on plan assets	1,399	2,580
Remeasurements	(6,025)	(7)
Employer contributions	1,602	2,116
Employee contributions	381	457
Benefits paid	(1,083)	(1,491)
Assets at end of year	53,705	57,431

Surplus / (deficit) in scheme at 31st March	11,776	12,372
Less: Non Recoverable Surplus	(11,776)	(12,372)
Reported Surplus / (deficit) in scheme at 31st March	-	-

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

13. Tangible fixed assets

Group	Housing Properties					Other fixed assets			Total fixed assets
	Social Housing Properties for Letting Completed	Social Housing Properties for letting under Construction	Low cost home ownership Properties completed	Low cost home ownership Properties under construction	Total Housing Properties	Freehold properties	Plant, machinery, fixtures & vehicles	Computer, hardware & software	
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At start of the year	246,433	2,041	23,244	1	271,719	5,781	862	1,096	279,458
Additions to properties acquired	68	12,864	6	5,963	18,901	-	56	59	19,016
Works to existing properties	5,997	-	-	-	5,997	131	-	-	6,128
Interest capitalised	-	134	-	84	218	-	-	-	218
Schemes completed	3,031	(3,032)	2,349	(2,349)	(1)	1	-	-	-
Disposals	(1,817)	(42)	(411)	-	(2,270)	(2)	(114)	(145)	(2,531)
Transfers (to)/from stock	-	-	(67)	-	(67)	-	-	-	(67)
At end of the year	253,712	11,965	25,121	3,699	294,497	5,911	804	1,010	302,222
Depreciation and impairment									
At start of the year	55,033	-	915	-	55,948	1,229	744	1,001	58,922
Charge for the year	5,217	-	260	-	5,477	97	73	47	5,694
Impairment losses	100	-	-	-	100	-	-	-	100
Disposals	(1,148)	-	(20)	-	(1,168)	(1)	(114)	(135)	(1,418)
At end of the year	59,202	-	1,155	-	60,357	1,325	703	913	63,298
Net book value at the end of the year	194,510	11,965	23,966	3,699	234,140	4,586	101	97	238,924
Net book value at the start of the year	191,400	2,041	22,329	1	215,771	4,552	118	95	220,536

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

13. Tangible fixed assets (continued)

Association	Housing Properties					Other fixed assets			Total fixed assets
	Social Housing Properties for Letting Completed	Social Housing Properties for letting under Construction	Low cost home ownership Properties completed	Low cost home ownership Properties under construction	Total Housing Properties	Freehold properties	Plant, machinery, fixtures & vehicles	Computer, hardware & software	
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At start of the year	247,412	2,052	23,572	1	273,037	5,781	807	1,096	280,721
Additions to properties acquired	84	12,930	6	5,963	18,983	-	56	59	19,098
Works to existing properties	5,997	-	-	-	5,997	131	-	-	6,128
Interest capitalised	-	134	-	84	218	-	-	-	218
Schemes completed	3,031	(3,032)	2,349	(2,349)	(1)	1	-	-	-
Disposals	(1,817)	(42)	(411)	-	(2,270)	(2)	(114)	(145)	(2,531)
Transfers (to)/from stock	-	-	(67)	-	(67)	-	-	-	(67)
At end of the year	254,707	12,042	25,449	3,699	295,897	5,911	749	1,010	303,567
Depreciation and impairment									
At start of the year	55,033	-	915	-	55,948	1,229	714	1,001	58,892
Charge for the year	5,217	-	260	-	5,477	97	65	47	5,686
Impairment losses	100	-	-	-	100	-	-	-	100
Disposals	(1,148)	-	(20)	-	(1,168)	(1)	(114)	(135)	(1,418)
At end of the year	59,202	-	1,155	-	60,357	1,325	665	913	63,260
Net book value at the end of the year	195,505	12,042	24,294	3,699	235,540	4,586	84	97	240,307
Net book value at the start of the year	192,379	2,052	22,657	1	217,089	4,552	93	95	221,829

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

13. Tangible fixed assets (continued)

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Completed Housing Properties comprise:				
Freehold	218,210	213,472	219,533	214,779
Leasehold	266	257	266	257
	218,476	213,729	219,799	215,036
Works to existing properties in the year:	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Components capitalised	6,128	5,020	6,128	5,020
Investment Works in Progress	-	(734)	-	(734)
Amounts charged to expenditure	1,974	2,520	1,974	2,520
Major Repairs Cost	8,102	6,806	8,102	6,806

14. Investment properties held for letting

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At start of year	39,837	35,473	1,630	1,485
Additions	4,260	2,159	-	-
Disposals	(323)	-	-	-
Gain from revaluation	2,102	2,205	110	145
At end of year	45,876	39,837	1,740	1,630

The total historic cost of the Investment Properties as at 31st March 2025 was £39.2m (2024: £35.1m).

The company has adopted the provisions under sections 16.1 and 16.2 of FRS102 in relation to the revaluation of their investment properties with fair value movements taken to the Statement of Comprehensive Income.

The valuation was carried out as at 31st March 2025 by Aspin and Company Limited, a firm of RICS Registered Valuers. The valuation has been undertaken in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (Effective from the 31st January 2025).

Aspin and Company Limited has a number of fully qualified Chartered Surveyors who have sufficient current local knowledge of the market and the necessary skills and understanding to undertake the valuation competently.

In valuing the assets, the following methodology/approaches were used:

- Some assets were valued using the Comparable Method of valuation whilst other assets were valued using the Investment approach.
- Where the Investment approach has been used, the economic considerations that impact upon the value of property were examined.
- The discount rate that was used for the Investment valuations considered the general performance of the property market as well as the category of building (including construction type, location, and use).
- The Investment yields chosen also considered the percentage of voids in each asset over the period of the financial year and a consistent approach was used in this regard.
- Investment yields used ranged from 6.5% to 10.0%

At 31 March 2025 there were no contractual obligations to purchase/construct/develop/repair/maintain investment properties.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

15. Fixed asset investments

Group Companies

The group comprises the following entities, all registered in England:

Name	Incorporation and ownership	Regulated/ non-regulated	Nature of Business
Open Solutions (OSUK) Limited	Company – 100%	Non-regulated	Market Renting
HHT Development Limited	Company – 100%	Non-regulated	Design and Build

The investments held in the year of £15.4m (2024: £14.5m) relates to the cost of properties that had been acquired in the year by Open Solutions (OSUK) Limited but financed by Halton Housing as an equity shareholding. During the year ended 31st March 2025 Open Solutions (OSUK) Limited issued 900,000 ordinary shares with a nominal value of £1 to Halton Housing for a sum of £900k (2024: £nil).

16. Stock

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Stock held in Vans / Stores	122	134	122	134
Properties held for sale				
Shared ownership properties:				
Completed	539	1,008	540	1,008
Work in progress	1,629	-	1,629	-
Outright sale properties:				
Completed	-	225	-	225
	2,290	1,367	2,291	1,367

17. Trade and other debtors

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Rent arrears	2,540	1,833	2,383	1,711
Less: provision for bad debts	(1,613)	(1,311)	(1,497)	(1,226)
Other taxation and social security	-	17	-	11
Intercompany debtors	-	-	57	-
Other debtors	957	803	957	803
Prepayment and accrued income	2,222	6,995	1,864	6,962
	4,106	8,337	3,764	8,261
Due after more than one year:				
Intercompany debtor	-	-	23,200	19,850
	-	-	23,200	19,850

Included within Other debtors above is £863k (2024: £nil) being an amount held within a Liquidity Reserve Account as a condition of our AHGS term loan. It is not readily available to be used by the Group and therefore it does not meet the criteria within FRS102 to be accounted for within cash and cash equivalents.

The amounts in debtors due in over one year are a loan to Open Solutions (OSUK) Limited. The loan is fully secured by specific charges on Open Solutions (OSUK) Limited properties in favour of Halton Housing. The loan is due to be repaid by 31st March 2042, and interest is payable at 7.65%.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

18. Investments

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Investments at cost:				
Listed on a recognised investment exchange	12	12	12	12
Unlisted investments	119	119	119	119
	131	131	131	131
Historic cost of investments	112	112	112	112

The unlisted investments held relate to an investment made in the Beacon Savings & Loans (previously Halton Credit Union).

19. Cash and cash equivalents

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Cash at bank	7,233	6,481	7,112	6,404
	7,233	6,481	7,112	6,404

20. Creditors: amounts falling due within one year

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade creditors	746	772	746	595
Social Housing Grant received in advance	-	3,782	-	3,782
Amounts owed to group undertakings	-	-	1,144	1,198
Rents and service charges paid in advance	674	840	537	735
Other taxation and social security payable	711	314	711	314
Accruals and deferred income	9,239	7,079	7,997	5,904
Loans and overdrafts (Note 21b)	-	5,000	-	5,000
Deferred Capital Grant (Note 22)	402	357	402	357
Recycled Capital Grant Fund (Note 23)	47	16	47	16
Other creditors	230	433	223	428
	12,049	18,593	11,807	18,329

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

21(a). Creditors: amounts falling due after more than one year

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans (Note 21b)	173,701	159,332	173,701	159,332
Deferred Capital Grant (Note 22)	44,598	38,037	44,598	38,037
Recycled capital grant fund (Note 23)	232	129	232	129
	<u>218,531</u>	<u>197,498</u>	<u>218,531</u>	<u>197,498</u>

Loans are secured by housing properties, see note 21(b).

21(b). Debt analysis

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans repayable by instalments:				
Within one year	-	5,000	-	5,000
In one year or more but less than two years	5,000	-	5,000	-
In two years or more and less than five years	10,000	15,000	10,000	15,000
In five years or more	160,130	130,000	160,130	130,000
Loans not repayable by instalments:				
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	15,500	-	15,500
In five years or more	-	-	-	-
Less: loan issue costs	(1,429)	(1,168)	(1,429)	(1,168)
Total loans	<u>173,701</u>	<u>164,332</u>	<u>173,701</u>	<u>164,332</u>

All loans are secured by specific charges on Halton Housing's individual housing properties. The loans are repayable at varying rates of interest and are due to be repaid between 2025 and 2053.

The interest rate profile of Halton Housing at 31 March 2025 was:

	Total	Variable Rate	Fixed rate	Weighted Average rate	Weighted average term
	£'000	£'000	£'000	%	Years
Instalment loans	175,130	-	175,130	4.45	13.75
	<u>175,130</u>	<u>-</u>	<u>175,130</u>		

At 31st March 2025 Halton Housing had undrawn loan facilities of £50,000,000 (2024: £34,500,000).

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

22. Deferred capital grant

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At start of the year	38,394	36,465	38,394	36,465
Grant received in the year	3,348	6,192	3,348	6,192
(Less)/Plus: Received In Advance	3,782	(3,782)	3,782	(3,782)
Released to income in the year	(397)	(387)	(397)	(387)
Released on disposal	(127)	(94)	(127)	(94)
At the end of the year	45,000	38,394	45,000	38,394
	£'000	£'000	£'000	£'000
Amount due to be released < 1 year	402	357	402	357
Amount due to be released > 1 year	44,598	38,037	44,598	38,037

23. Recycled capital grant fund

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At the start of the year	145	47	145	47
Inputs: Grants recycled	127	94	127	94
Interest accrued	7	4	7	4
At the end of the year	279	145	279	145
Amount three years or older where repayment may be required	16	-	16	-

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

24. Provision for liabilities

	Cheshire Pension £'000	Social Housing Pension Scheme £'000	Total Pension Scheme Provision £'000
Group and Association			
At the start of the year	-	486	486
Transfer from Statement of Comprehensive Income (increase in the provision of the year)	1,324	44	1,368
Deficit Contribution Paid	(1,602)	(184)	(1,786)
Re-measurement changes	(11,498)	(44)	(11,542)
At the end of the year	<u>(11,776)</u>	<u>302</u>	<u>(11,474)</u>
Non Recoverable Surplus	11,776	-	11,776
Net Pension Liability at end of the year	<u>-</u>	<u>302</u>	<u>302</u>

25. Members Guarantee

Every Member undertakes to contribute to the assets of the Company, in the event of the Company being wound up whilst they are a Member, or within one year thereafter, the amount as may be required shall be for payment of the debts and liabilities of the Company contracted before they ceased to be a Member and of the costs, charges and expenses of winding up the Company and the adjustment of the rights of the contributories among themselves. Each Member's contribution shall not exceed one pound. At the year-end there were 8 members.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

26. Capital commitments

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	20,087	11,256	21,599	13,071
Capital expenditure that has been authorised by the Board but has not yet been contracted for	33,481	27,931	31,779	21,905
	53,568	39,187	53,378	34,976

The Group/Association expects these commitments to be financed with:

Social Housing Grant	7,241	4,598	7,241	4,598
Proceeds from the sales of properties	8,374	7,701	8,374	7,701
Committed loan facilities	37,953	26,888	37,763	22,677
	53,568	39,187	53,378	34,976

The above figures include the full cost of shared ownership properties contracted for.

27. Operating leases

Halton Housing holds properties and office equipment under non-cancellable operating leases. At the end of the year HH had commitments of future minimum lease payments as follows: -

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Others:				
In less than one year	-	182	-	182
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	11	-	11	-
In five years or more	2,989	33	2,989	33
	3,000	215	3,000	215

The lease agreements do not include any contingent rent or restrictions. Other operating leases for motor vehicles include purchase options.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

28. Contingent liability

Grant on property acquisition:

In the year to 31st March 2015 the Association entered into a stock transaction with Sanctuary Housing Group, another social landlord. Housing properties with a fair value of £4.9m were received in exchange for £4.9m cash. This value includes original government grant funding of £2.3m which has an obligation to be recycled in accordance with the original grant funding terms and conditions. HH is responsible for the recycling of the grant in the event of the housing properties being disposed.

29. Grant and financial assistance

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
The total accumulated government grant and financial assistance received or receivable at 31 March:				
Held as deferred capital grant (Note 22)	45,000	38,394	45,000	38,394
Held as Recycled Capital Grant Fund (Note 23)	279	145	279	145
Recognised as income in statement of Comprehensive Income	3,559	3,159	3,559	3,159
	<u>48,838</u>	<u>41,698</u>	<u>48,838</u>	<u>41,698</u>

30. Related parties

Halton Housing (HH) is the Parent entity in the Group and ultimate controlling party.

Open Solutions (OSUK) Limited (OSUK) is registered under the Companies Act 2006 and is a private limited company (Company No. 08277732). This is a wholly owned subsidiary of HH.

HHT Development Limited (HD Ltd) is registered under the Companies Act 2006 and is a private limited company (Company No. 09740400). This is a wholly owned subsidiary of HH.

Council members at Halton Borough Council who served during the year were Marie Wright and Norman Plumpton-Walsh. HH undertakes activities with Halton Borough Council on normal commercial terms, and its members cannot use their position for their own personal or the council's advantage.

During the year there was one customer who was also a member of the Board, Marie Wright. Their tenancy is on normal commercial terms, and they are not able to use their position to their advantage. Rent charged during the year was £6,113 (2024: £5,554). There were no arrears on their tenancy at the reporting period end (2024: no arrears).

The amounts owing at the end of 31st March 2025 were a long-term debtor of £23.2 million (2024: £19.85 million) in relation to the loan by HH in OSUK and there is also a fixed asset Investment of £15.4 million (2024: £14.5 million) both of which relate to payments made to fund the purchase of the fixed assets held by OSUK.

Intra-group interest is charged by HH to OSUK at an agreed commercial rate of 7.65% on the loan of £23.2 million. The amount paid during the year amounted to £1,611,600 (2024: £1,413,554). The loan is due to be repaid by 31st March 2042 and is fully secured by specific charges on Open Solutions (OSUK) Limited properties in favour of Halton Housing.

Halton Housing
Notes to the Financial Statements
For the Year Ended 31st March 2025

30. Related parties (continued)

Intra-group management fees are receivable by HH from its subsidiaries to cover the running costs HH incurs on behalf of managing and providing services to them both. The Management fee is calculated on a service-by-service basis using varying methods of allocation. The total amount of charges payable by OSUK and HD Ltd amounted to £69,500 (2024: £58,000) and £187,234 (2024: £297,363) respectively.

At 31st March 2025 there is a debtor owed by OSUK to HH of £57,082 (2024 creditor: £14,752). This relates to the net payments and income received through HH that will be repaid during the year ended 31st March 2026 and gift aid.

HD Ltd provides Design & Build Services to HH. The total amount of design and build fees invoiced by HD Ltd during the year was £5,338,821 (2024: £3,903,974).

At 31st March 2025 HH owed £1,143,943 (2024: £1,183,138) to HD Ltd in respect of uninvoiced costs to 31st March 2025 in relation to schemes under construction.

HD Ltd provides Design & Build Services to OSUK. The total amount of design and build fees invoiced by HD Ltd during the year was £nil (2024: £27,725).

At 31st March 2025 OSUK owed £nil (2024: £nil) to HD Ltd in respect of uninvoiced costs to 31st March 2025 in relation to schemes under construction.

OSUK and HD Ltd declared gift aid payments in respect of the year ended March 2024 to HH of £43,174 (2024: £249,788) and £47,337 (2024: £111,931) respectively. These were paid during the year ended 31st March 2025. Gift aid amounts for the year ended March 2025 will be determined prior to the approval of these financial statements and payments made in the year ended March 2026. Related party balances are not secured.

31. Financial instruments

	Group		Association	
The Group's and Association's financial instruments may be analysed as follows:	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Financial assets				
(a) Financial assets that are measured at amortised cost	9,605	13,752	32,383	33,449
Financial liabilities				
(a) Financial liabilities measured at amortised cost	230,580	215,617	230,338	215,358

Financial assets measured at amortised cost comprise cash at bank and in hand, fixed asset investments, rental and service charge debtors, trade debtors, other debtors, accrued income and amounts owed by associated undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, deferred capital grant, social housing grant received in advance, rents and service charges paid in advance, other taxation and social security payable, accruals, SHPS pension agreement plan creditor, trade creditors and other creditors.