



Soho Housing  
Annual Report and Accounts  
2023-2024




## Group Information

<b>Chair</b>	Andrew Billany	
<b>Board members</b>	Barbara Brownlee – ex officio	
	Flora Charatan	Appointed 13 September 2023
	Mark Ewing	Membership ceased 13 September 2023
	Rosemary Farrar	
	Tony Ganio	Appointed 13 September 2023
	Mark Gilkes	
	Wendy Hardcastle	Membership ceased 13 September 2023
	Harry Harris	
	Khevyn Limbajee	Appointed 13 September 2023
	Rachel Miller	
	Dickon Robinson	Membership ceased 13 September 2023
	Kath Scanlon	
	Kerry Tromanhauser	
<b>Secretary</b>	Jane Harrison	
<b>Executive team</b>	Barbara Brownlee	Chief Executive
	Jane Harrison	Finance Director
	Richard Smith	Operations Director (to 13 July 2023)
	Caroline James-Ford	Operations Director (from 1 July 2023)
	John Wallace	Commercial Director
<b>Registered office</b>	18 Hanway St, London W1T 1UF	
<b>Principal solicitors</b>	Devonshires	30 Finsbury Circus, London EC2M 7DT
<b>Principal bankers</b>	Lloyds Bank	39 Threadneedle Street, London EC2R 8AU
<b>External auditors</b>	Buzzacott LLP	130 Wood Street, London, EC2V 6DL
<b>Registrations</b>	Registered with Regulator of Social Housing: LH1321	
	Registered Co-operative & Community Benefit Society: 20784R	

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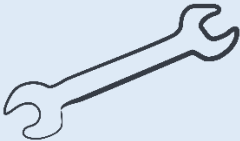
## Performance Highlights 2023-24



27% Operating margin

18% Operating margin – social housing lettings

£1.9m  
Repairing homes

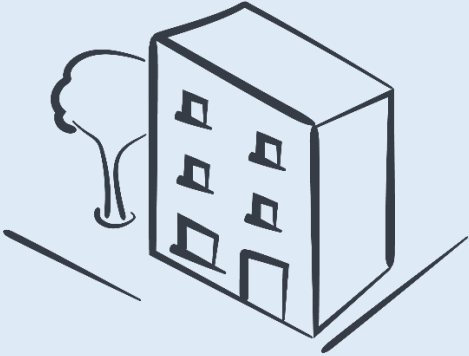


1,872  
Repairs

£4.8m Investment works  
to individual homes and  
blocks

43 new  
kitchens and  
bathrooms

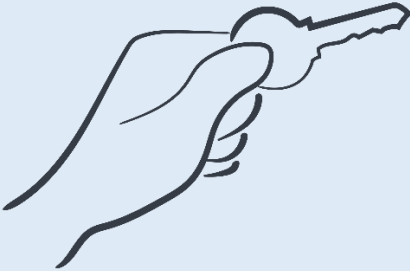
162  
homes  
with new  
windows



10 new  
boilers

139 new  
front  
doors


1 new roof



31 homes let

100%  
complete fire  
risk  
assessments

100% gas compliance



## Chair's Report

In this milestone year Soho Housing has celebrated its 50<sup>th</sup> anniversary. It has been great to reflect with pride on our vibrant and unique history but also how relevant we remain as an organisation committed to providing affordable homes, jobs and premises for people living in the heart of London.

Our celebrations included an excellent and well-attended Affordable Housing conference in June 2023. Held in Soho, the conference brought together residents, board members, shareholders and community representatives and proved to be a lively affair, debating the future of affordable housing in the city centre. It closed with a resolution to highlight Soho and Covent Garden as residential areas: "My home in .....". As a major social landlord in our areas, listening to our residents, we've taken a strong line alongside the Covent Garden Community Society in relation to Camden Council's Evening and Night-time strategy, speaking up when this adversely impacts residents, as well as successfully opposing selected licence extensions in Soho.

I'm delighted to report that our performance 2023-24 has been strong in a year of continuing economic challenges for us, our residents and commercial tenants. Our rent collection remains strong, we've carried out more repairs and demand for our homes remains high.

Our performance in the crucial areas of gas and electrical safety and fire risk has remained consistent at 100% compliance. We've continued to focus on damp and mould, progressing any cases that arise promptly, whilst implementing checks to confirm there are no significant issues affecting our properties.

An area of concern is the satisfaction of our residents: it remains stubbornly low at between 50% and 60%. We had hoped that our programme of visiting all residents would help raise this but changes in our core housing operations team impacted our plans. We know we need to connect with all our residents and in the coming year will look for alternative ways of doing so with the aim of raising overall satisfaction levels. A new sub-committee of the board, the Resident Services Committee, will be a key conduit for the resident voice, strengthening links between residents and the board and providing a formal route to ensure resident views influence strategy and decision-making.

A combination of increased rough sleeping and anti-social behaviour has increased pressure on our front-line staff and the security of our residents. We've tackled this in a number of ways including on-site security presence and closer working with Westminster City Council's enforcement team. Given the extreme housing crisis in London it is likely this problem will continue and absorb more resources to successfully address it going forward.

A key focus for the whole team in 2023-24 has been the investment works project at Sandringham Flats including window and door replacements, electrical works and structural repairs. I visited the Charing Cross Road site on a rainy day in February with a number of my fellow Board members and we were impressed with the quality and scale of works as well as the clear commitment from the contractor and staff to get it all done on time and with minimal disruption for our residents. Now the scaffolding is almost down, just over a year after the work started – a brilliant achievement. Alongside this we have continued our major works programme across all properties, including window and boiler replacements as well as new kitchens and bathrooms in some 50 homes.

As well as investing in existing homes we have a small development programme and expect to add a further 21 homes over the next eighteen months whereby we provide affordable rented homes as part of larger residential and commercial schemes in Gloucester Place and South Molton Street delivered by private contractors. Developing new, environmentally friendly homes is one part of our approach to improving the sustainability of all our properties, alongside an active asset management programme.

An important differentiating factor for Soho Housing is our high-performing investment property portfolio comprising a small number of market rental and commercial properties. The investment returns in 2023-24 included proceeds from selling one property in Whitehall for over £4m and are essential for enabling reinvestment in existing homes as well as supporting new developments.

There have been a number of changes at board level with three long-standing members Dickon Robinson, Wendy Hardcastle and Mark Ewing standing down at the AGM last September. I am grateful to them all for their contribution to Soho Housing, with special mention of the extraordinary and immense

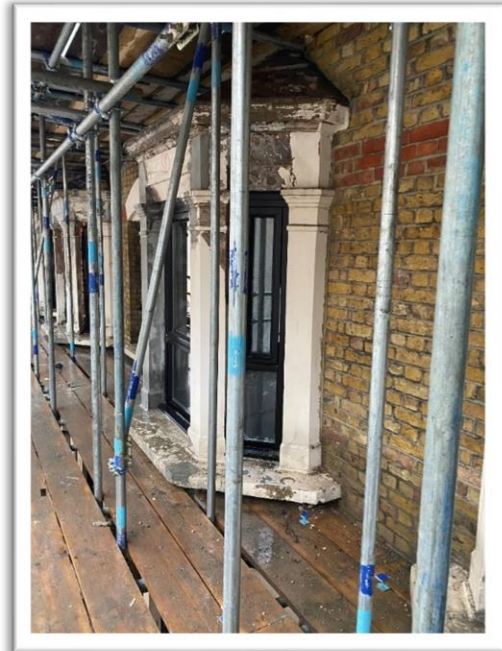
impact over many years by Dickon and Wendy who were founding members of the organisation in 1973. All three remain friends of Soho Housing. I'm delighted to welcome three new board members: Flora Charatan, Tony Ganio and Khevyn Limbajee who bring a range of skills, experience and diversity to our decision-making and are already making a positive impact.

Last but by no means least, I'd like to take this opportunity to thank Barbara and the whole staff team for all their hard and skilled work over the year and also my fellow Board members for their on-going support, wisdom and contribution to this remarkable organisation.



**Andrew Billany**  
Chair of the Board

**Sandringham Flats, February 2024**



**Sandringham Flats, August 2024**



## Report of the Board and Strategic Report

### Background

Established in 1974, Soho Housing (the Association) provides homes for some 1,500 people in Central London, across two Boroughs: Westminster and Camden. Many of our properties are in Soho and Covent Garden, as well as in the Queens Park and St John's Wood areas. The Association is a charity and most homes are at social rents, less than 50% of market rent levels, making them more affordable for people on low incomes.



The Association works closely with local community groups and stakeholders such as the Soho Society, Covent Garden Community Association, local businesses and the Soho Neighbourhood Forum to strengthen local communities. Investment income generated from the small market rent and commercial property portfolio is used to support community activities as well as investment in new and existing homes. It is this aspect, together with the focus on a tight geographic area of Central London, that differentiates the Association from other housing associations.

Launched in May 2022, the Association's Development Strategy outlines a 5-year programme to develop at least 30 new homes that will run alongside a substantial major works programme focusing on building safety and affordable warmth. The first significant investment works project will complete in August (2024) and includes window and door replacement at Sandringham Flats, alongside electrical works, structural repairs and programmed cyclical maintenance.

## Structure

The Association is the parent of a wholly owned subsidiary, Soho Limited, a company limited by shares, which was established as a brand to oversee commercial and joint venture activities. The joint venture, West Smithfield Development LLP, in which Soho Limited has a 50% share, is complete with a small residual balance to be returned to Soho Limited.



## Strategic objectives

The Association was established 50 years ago with a clear focus to improve housing conditions in Soho and protect existing home for local people and the local community. The organisation has grown, now providing more than 800 homes in central London with over 90% being social housing at affordable rents. We are a unique social business providing homes in the heart of one of the most expensive cities in the world for people who would otherwise be unable to afford to live there. Following consultation with staff and residents last year we confirmed our vision *to support the unique communities that sustain diversity in the heart of London by providing affordable homes, commercial lettings and excellent service for our residents.*

To make sure the vision is embedded we use a set of Design Principles to articulate what working and living in the community should feel like: Resident and community catalyst; Know and be close to our residents and communities; Social and commercial together; and Improve, innovate and be nimble. By adopting these principles, plans and activities are aligned and purposeful, moving us confidently into the next 50 years.

The design principles are underpinned by the Association's strategic imperatives: to provide safe, secure and affordable homes for our residents; maintain a financially sound business; manage our investment portfolio to support future developments and investments; and ensure risks are appropriately managed and mitigated.

Performance against targets for 2023-24 and plans for the new year are summarised overleaf.



**Customer**

Secure high levels of customer satisfaction and engagement through our local knowledge, expertise and commitment to customer service.

Key Target	Outcomes	Next Steps
Increase customer satisfaction year on year	<ul style="list-style-type: none"> <li>Our overall customer satisfaction, measured in line with the Regulator of Social Housing (RSH) Tenant Satisfaction Measures (TSMs) increased marginally to 57% by the year-end (2023: 55%) although this fell short of our target 70%.</li> <li>Unplanned changes in the housing team have led to some service disruption for a limited number of residents and have impacted overall satisfaction with our services. The successful appointment of a new housing manager in March is already having a positive impact on the team and resident feedback but there is some way to go.</li> </ul>	<ul style="list-style-type: none"> <li>Our main target for the new financial year is to increase overall customer satisfaction to 70% by the end of March 2025.</li> <li>A key focus for staff training is customer service, to enhance the customer experience</li> </ul>
Best in class modern customer processes	<ul style="list-style-type: none"> <li>New website delivered in May 2023</li> <li>Initial work on resident portal (Microsoft Dynamics CRM project) for improving self-serve capability and experience is still planned but our focus shifted to trialing a new repairs service where customers book and manage their repairs directly with the contractor, by app or by phone. Whilst initial results had seemed positive resident satisfaction with that service diminished during the year and alternative provision is now being explored.</li> </ul>	<ul style="list-style-type: none"> <li>Planned link from the new website to the Dynamics portal is part of a self-serve project anticipated to re-commence in 2024-25.</li> </ul>
Know our customers	<ul style="list-style-type: none"> <li>Tenancy audits recommenced, led by the housing team. As more visits are completed, customer data is recorded more consistently; the outcome will be used to drive improvements so that our services match what customers expect.</li> </ul>	Planned voids reviewed so that where over or under-occupation is identified customers are proactively offered the chance to move within our stock

**Property**

Actively managing our assets to provide safe, quality homes and business spaces.

Key Target	Outcomes	Next Steps
Complete stock condition survey and confirm major works programme	<ul style="list-style-type: none"> <li>Stock investment programme continued with investment in roofs, windows, kitchens and bathrooms as well as fire safety works. Reinvestment indicator 4.5% (2023: 4.3%)</li> <li>99.9% Decent Homes compliant</li> </ul>	<ul style="list-style-type: none"> <li>Major works programme across all properties continues alongside significant project at Sandringham Flats (due to complete August 2024), including investment in windows to improve</li> </ul>

Key Target	Outcomes	Next Steps
		thermal efficiency and sound insulation
Safe and sustainable properties and operations	<ul style="list-style-type: none"> <li>Compliance KPIs identified and reported regularly to Executive team and Board. Key areas under scrutiny include progress with fire safety actions and electrical compliance</li> <li>100% gas compliance</li> <li>100% fire risk assessments complete</li> <li>Building safety project focused on higher-risk properties</li> <li>Energy performance surveys provide base data for sustainability strategy 94% of properties surveyed.</li> </ul>	<ul style="list-style-type: none"> <li>Operations Director has taken on oversight of internal Building a Safer Future project for higher risk properties (over 18m) and is overseeing the fire safety actions</li> <li>Continuing to undertake energy performance surveys, to improve the accuracy of cloned data pending completion of surveys for every property individually.</li> </ul>
Active asset management for sustainable long-term returns	<ul style="list-style-type: none"> <li>Disposal strategy linked to portfolio management plan sets out criteria for asset disposal (covering both social and investment assets)</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of planned disposals and active asset management led by Asset and Disposals Manager</li> </ul>

### Investment and growth

Identifying new business and active investment strategies for sustainable long-term growth.

Key Target	Outcomes	Next Steps
Sustainable growth to underpin strong long-term performance	<ul style="list-style-type: none"> <li>Long-term financial model updated, reviewed, stress-tested and approved by Board</li> <li>Development strategy launched in May 2022 and on-going</li> <li>High level approach to ESG includes 'fabric first'</li> <li>Confirmation of energy efficiency targets for incorporation in new developments.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of approved development strategy that delivers modest growth across a mix of tenures funded through mix of borrowing, grant and internal subsidy from asset disposals and investment returns</li> </ul>
Manage investments to enhance long-term value	<ul style="list-style-type: none"> <li>Commercial focus of enhancing asset value through improving longer-term agreements balanced with some limited short-term lets. The strategy has proved successful with strong demand for 'prime' sites and no empty properties. A small reduction in overall investment value followed the disposal of investment assets realising £0.6m profits.</li> </ul>	<ul style="list-style-type: none"> <li>Active investment asset management to maintain long-term value of investment portfolio, within constraints confirmed in commercial strategy eg restrictions on types of business within portfolio to maintain community place and balance</li> </ul>
Robust commercial asset management	<ul style="list-style-type: none"> <li>Small uplift in value of remaining commercial estate (£0.3k) in challenging market - demonstrable impact of asset management initiatives – splitting units, increasing demand and overall rent; and strong lettings</li> </ul>	<ul style="list-style-type: none"> <li>Close management of the commercial estate will continue in order to maximise investment income and value.</li> <li>Alternative tenures explored including direct short-lets</li> </ul>

**Finance**

Growing surpluses to enhance capital value and support investment in new and existing homes.

Key Target	Outcomes	Next Steps
Strong financial management to achieve target operating margin	<ul style="list-style-type: none"> <li>Budgets scrutinised throughout the year to identify and implement cost savings delivering overall operating margin of 27% (target: 25%)</li> </ul>	<ul style="list-style-type: none"> <li>Targeting cost efficiencies across all areas of the business, in particular housing operations and central services, to deliver improved operating margin and strengthen interest cover</li> </ul>
Drive business performance and value for money	<ul style="list-style-type: none"> <li>Change in team structure impacted the effectiveness of business partnering, particularly towards the end of the year</li> <li>Review of procurement policy and practice deferred until 2024-25 although preparatory work completed including data cleanse of current suppliers and implementation of new approval process within Business Central System (BCS)</li> </ul>	<ul style="list-style-type: none"> <li>Embed business partnering across all teams to support the business and drive value for money</li> <li>Review of procurement policy and practice to identify scope for VFM savings and strengthen service quality</li> </ul>
Internal controls effectively mitigate risk and secure compliance	<ul style="list-style-type: none"> <li>New finance system: Business Central System (BCS) implemented on time with switch over from 1<sup>st</sup> October including automation of purchase to pay. Full integration with the Dynamics CRM housing management system from 1<sup>st</sup> April 2024 allowed for extensive testing.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with Esuasive (system supplier) to ensure identified issues fully resolved, although a focus continues to be staff training to ensure benefits of automation are realised.</li> </ul>

**People**

Building a high-performance culture with a clear, shared purpose in an amazing place to work.

Key Target	Outcomes	Next Steps
Exemplary team know-how and expertise to deliver purpose	<ul style="list-style-type: none"> <li>Remote working forms part of a 'hybrid' working arrangement, with most team members working two or three days a week in the office</li> <li>Mandatory training in key areas for all staff has continued, with targeted training to deliver on personal development plans (including apprenticeship in surveying)</li> </ul>	<ul style="list-style-type: none"> <li>Develop training programme to focus on technical and professional skills that enhance expertise across the team</li> </ul>
Consistently improve staff engagement	<ul style="list-style-type: none"> <li>Design principles used in developing staff and business objectives</li> </ul>	<ul style="list-style-type: none"> <li>Staff survey planned for summer 2024</li> </ul>
Give people the tools they need to do their jobs well	<ul style="list-style-type: none"> <li>IT equipment, including phones, are matched to need</li> </ul>	<ul style="list-style-type: none"> <li>On-going equipment replacement programme to ensure fit for purpose</li> </ul>

**Governance**

The Association has a committed body of shareholders including residents and people with local connections or business interests. Two shareholder meetings are held each year to consider and approve board member applications; and review organisation performance and direction.

The Association’s board comprises up to eleven non-executive members plus the chief executive with meetings taking place at least quarterly. Details of board members, who have a broad range of knowledge and experience, are included on page 1. Currently one board member is a resident and under the Association’s rules a maximum of three residents may serve as board members at one time.

Our appointments policy for non-executive board and sub-committee members is skills-based and aims to ensure appropriate representation reflecting business need and the communities in which we operate as we focus on equality, diversity and inclusion. Members undergo a comprehensive induction programme with on-going training provided through attendance at conferences as well as formal training opportunities. Each member is expected to attend at least 80% of meetings each year and all board members are subject to regular performance appraisal.

The board members who served throughout 2023-24 and up to the date of this report are listed on page 1. Non-executive board members are not remunerated and indemnity insurance is provided through our insurance brokers, AJG.



The Board, supported by the People and Governance Committee, regularly reviews Board and Committee composition and carries out an annual self-assessment of performance. One area under review is sub-committee structure and members approved the establishment of a Resident Services Committee as a sub-committee of the Board from July 2024, enhancing resident scrutiny and strengthening the resident voice. An independent review of Board Effectiveness is planned within the next year.

Recent Board recruitment has focused on local connection and under-represented groups including people from ethnically diverse backgrounds and younger people, to enhance Board diversity and complement other skills.

### ***Code of Governance***

The Association adopted the National Housing Federation's 'Code of Governance 2020' (the Code) in November 2021, committing to uphold it and keep to the high standards expected. Compliance with the Code is reviewed annually by the Audit and Risk Committee and Board. The Board has agreed a gradual reduction in board member term of office to 6 years, with provision to extend an individual member's term up to a maximum of 9 years, should this be deemed necessary. The Code sets an expectation of a 6-year term and other than in those exceptional circumstances relating to maximum terms noted above, there are no areas of non-compliance.

### ***Resident involvement***

A small group of residents, the Residents' Collaborative Assessment Panel (ReCap), formed in 2019 to provide resident perspective to strategic issues; scrutinise resident-related policies and the procurement of service contracts; assess the Association's performance in housing related issues based on resident feedback and other performance indicators; and highlight areas of service that could be considered for improvement. Membership is regularly reviewed and refreshed. During the year key areas of scrutiny and input have related to resident feedback (including the TSMs).

An internal Customer Insight project group has led a review of our approach to gathering data to understand our residents and their current and future needs. A resident engagement framework was established as part of the Sandringham Flats investment works project to ensure residents are informed and involved through a variety of methods to match their needs and this has worked well. The outcomes of this work are being used to drive further engagement across the wider resident-base.

### ***Equality and diversity***

We are committed to the Equality, Diversity and Inclusion (EDI) principles set out in the Code and to promoting equality, diversity and inclusion in all our activities, processes and culture. The Association's EDI Policy underpins our culture and operations, including board member and staff behaviours, however we recognise that the policy needs to be regularly reviewed and challenged to make sure that it remains relevant.

Our membership of the Housing Diversity Network provides access to training resources that we use in planning and delivering board and staff training as well as useful toolkits for use in day-to-day activities.

During the year, board recruitment targeted candidates beyond traditional recruitment channels with the aim of ensuring greater diversity at the highest level in the business.

Soho Housing is a member of HouseProud, a national network aiming to raise awareness of LGBTQ+ issues across the sector and is signed up to the HouseProud pledge scheme. The pledge demonstrates our commitment to LGBTQ+ resident equality and support and provides a framework aimed at increasing LGBTQ+ visibility and input into policy and procedures.

## Financial performance

The Board is pleased to report an operating surplus for the year of £2,867k (2023: £2,533k) as performance is greater than previous year although we made a loss on asset disposal of £160k. The operating surplus (excluding fixed asset disposal) has increased from 27% to 29% due mainly from an improvement in social housing income and increased returns from commercial property.

### Five-year summary:

Statement of Comprehensive Income	2023-24	2022-23	2021-22	2020-21	2019-20
	£'000	£'000	£'000	£'000	£'000
<b>Turnover:</b>					
Social housing activities	7,676	7,082	6,769	6,644	6,636
Non-social housing activities	2,850	2,449	1,812	1,561	2,574
	<b>10,526</b>	<b>9,531</b>	<b>8,581</b>	<b>8,205</b>	<b>9,210</b>
<b>Operating costs:</b>					
Social housing activities	(6,636)	(6,174)	(5,760)	(4,720)	(5,707)
Non-social housing activities	(863)	(824)	(669)	(1,345)	(1,082)
	<b>(7,499)</b>	<b>(6,998)</b>	<b>(6,429)</b>	<b>(6,065)</b>	<b>(6,789)</b>
(Loss)/gain on disposal of assets	(160)	-	573	-	-
<b>Operating surplus – social housing</b>	<b>1,040</b>	<b>908</b>	<b>1,009</b>	<b>1,924</b>	<b>929</b>
<b>Operating surplus – non-social housing</b>	<b>1,827</b>	<b>1,625</b>	<b>1,143</b>	<b>216</b>	<b>1,492</b>
<b>Operating surplus – all activities</b>	<b>2,867</b>	<b>2,533</b>	<b>2,725</b>	<b>2,140</b>	<b>2,421</b>
Income from joint venture	-	-	-	25	-
Interest	(2,081)	(1,770)	(1,563)	(1,433)	(1,524)
Movement in valuation of investment properties	(558)	2,328	3,320	(2,763)	(3,891)
<b>Surplus/(deficit) for the year</b>	<b>228</b>	<b>3,091</b>	<b>4,482</b>	<b>(2,031)</b>	<b>(2,994)</b>
Movement in valuation of pension	(133)	(101)	74	(763)	842
<b>Total comprehensive income/(expense)</b>	<b>95</b>	<b>2,990</b>	<b>4,556</b>	<b>(2,794)</b>	<b>(2,152)</b>

Statement of Financial Position at 31 March	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets:</b>					
Housing properties and other assets	101,694	98,491	96,841	97,271	97,055
Investment properties	58,894	63,677	60,043	56,429	60,173
	160,588	162,168	156,884	153,700	157,228
<b>Net current assets/(liabilities)</b>	<b>771</b>	<b>843</b>	<b>4,893</b>	<b>823</b>	<b>(453)</b>
<b>Total assets less current liabilities</b>	<b>161,359</b>	<b>163,011</b>	<b>161,777</b>	<b>154,523</b>	<b>156,775</b>
Debt	(33,269)	(34,858)	(36,220)	(32,858)	(32,342)
Deferred grant and other long-term liabilities	(47,710)	(47,269)	(47,663)	(48,327)	(48,301)
<b>Net assets</b>	<b>80,979</b>	<b>80,884</b>	<b>77,894</b>	<b>73,338</b>	<b>76,132</b>
<b>Reserves</b>	<b>80,979</b>	<b>80,884</b>	<b>77,894</b>	<b>73,338</b>	<b>76,132</b>

Statistics	2023-24	2022-23	2021-22	2020-21	2019-20
Operating margin	27%	27%	32%	26%	26%
Operating margin – social housing activities	14%	13%	15%	29%	14%
Operating margin – social housing lettings	18%	16%	18%	29%	18%
Surplus/(deficit) as % of turnover	1%	32%	52%	(25%)	(32%)
<b>Properties owned and managed</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
General needs housing	737	738	732	732	732
Market rented housing	26	25	23	23	23
Low-cost home ownership and leasehold	42	42	42	42	42
	805	805	797	797	797
Commercial properties	36	35	34	34	35

The demand for our commercial and market rent investment properties has remained strong with a consequent increase in the operating margin from non-housing (investment) activities. We have continued to invest in our existing homes, spending £5.1m on capital works, planned and cyclical maintenance during the year.

The movement in surplus from last year is summarised in the 'profit bridge' below:

	<b>£'000</b>	
Total comprehensive income 2022-23	<b>2,990</b>	
Less:		
Rent and service charge uplift – social housing	607	Inflation-linked rent increase (with government cap)
Maintenance and service cost increase – social housing	(499)	Higher planned and major works spend key factor
Management cost decrease – social housing	155	
Strengthened return from commercial properties	249	Improved performance from commercial properties
Loss on disposal of investment property	(160)	Book loss on disposal
Grant amortisation	(18)	
Increase in operating surplus	334	
Increase in net interest payable	(311)	Higher interest rates reflecting wider economy
Movement in pension valuation	(32)	
Investment property valuation loss	(2,886)	Small revaluation loss (£558k) for 2024-25 rather than the uplift (£2,328k) experienced in the prior year
Total comprehensive income 2023-24	<b><u>95</u></b>	

A focus on cost control and close cash management has delivered an overall operating surplus of 27% (increasing to 29%, excluding the book loss on disposal of investment asset). The operating margin from social housing lettings has increased to 18% (2023: 16%), in part reflecting lower cyclical spend whilst spending on capitalised investment works increased. Going forward our medium-term ambition remains to increase the operating margin from social housing activities to 30%, although this will be tempered at least in the short-term by inflationary pressures, particularly on maintenance costs.

The commercial portfolio was fully let at the year-end with a number of financially robust and exciting new brands joining as well as existing tenants entering into new, longer-term agreements. The strength of the customer base has helped us 'buck the trend' in a more generally suppressed commercial property market with a small uplift of £274k in the year-end valuation of commercial stock. The stronger performance in the commercial portfolio is offset by a lower valuation of market rent properties that are more directly affected by a volatile residential rental market, resulting in an overall loss on revaluation for the year of £558k.

Accounting treatment of the movements in valuations of pension deficit and of investment properties means that the total annual reported surplus or deficit may swing considerably from year to year, depending on the assumptions adopted at a point in time

The pensions deficit reduced to £829k (2023: £846k) but changes in actuarial assumptions resulted in an overall reduction of £133k in total comprehensive income.

### Value for Money

Value for money is about being effective in the way we plan, manage and operate our business. Our focus on sustaining the diversity of Central London by providing affordable homes and excellent service is the core of our strategy. In order to keep on delivering it is essential that we apply financial rigour to improve our operating performance and generate greater returns from our assets.

Operating performance for 2023-24 has been strong overall, with improvement in returns from investments in commercial and market rent properties a key factor. The returns from social housing activities have been better than originally planned, with changes in the nature of works at Sandringham having an impact. Rent collection improvements were targeted from the beginning of the year and arrears have continued a downward trend, with current tenant arrears finishing the year at 5.2% (2022-23: 6.4%). Following review, we plan to change our approach to rent collection, which has been outsourced for two years, bringing it back in-house by the middle of the new financial year. High service costs remain challenging and improved service cost recovery aligned with targeted cost reduction is a target for 2024-25.

The 'Sector Scorecard' performance measures for the last five years are set out below against a benchmark based on reported performance of six smaller registered providers based in London.

### Performance measures

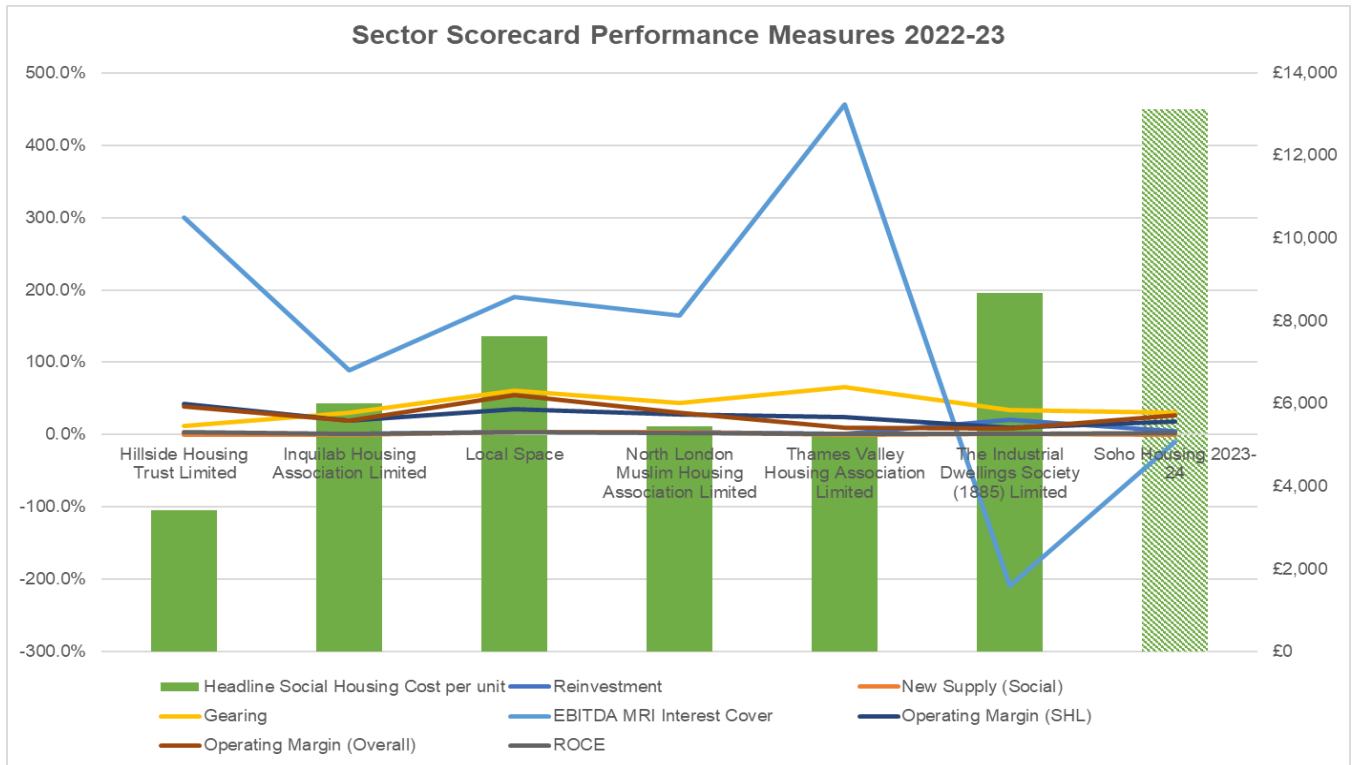
	Soho Housing						Benchmark
	Target 2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2022-23
<b>Reinvestment</b>	4.3%	<b>4.5%</b>	4.3%	1.0%	0.2%	0.5%	<b>5.0%</b>
<b>New supply – social housing units</b>	1.0%	<b>0.0%</b>	1.1%	0.0%	0.0%	0.0%	<b>1.3%</b>
<b>New supply – non-social housing units</b>	0.0%	<b>0.0%</b>	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>
<b>Gearing</b>	32%	<b>30%</b>	33%	31%	31%	31%	<b>41%</b>
<b>EBITDA-MRI</b>	121%	<b>-10%</b>	119%	119%	200%	197%	<b>165%</b>
<b>Headline social housing cost per unit</b>	£9,434	<b>£13,119</b>	£8,258	£7,342	£5,401	£6,343	<b>£6,075</b>
<b>Operating margin – social housing lettings</b>	18%	<b>18%</b>	16%	18%	29%	18%	<b>27%</b>
<b>Operating margin – overall</b>	27%	<b>29%</b>	27%	25%	26%	26%	<b>27%</b>
<b>Return on capital employed</b>	1.7%	<b>1.8%</b>	1.6%	1.7%	1.4%	1.5%	<b>2.3%</b>

\*Excludes agreed covenant carve out (see commentary below)

The comparative benchmark data is taken from the Value for Money (VfM) metrics published by the Regulator of Social Housing for 2022-23 and the comparator group was selected based on location (London) and size ( $\leq 1500$  properties): Hillside Housing, Inquilab, Local Space, North London Muslim Housing Association, Thames Valley Housing and The Industrial Dwellings Society (see chart overleaf).

Headline social housing cost per unit has increased this year, albeit by less than originally anticipated, reflecting our investment in existing homes, in particular the investment project at Sandringham Flats. That project also which contributed to the higher reinvestment measure of 4.5% (2023: 4.3%). The negative interest cover (EBITDA-MRI) had been anticipated due to the significant capital works at Sandringham as well as our on-going fire-door programme. We have agreed a covenant carve-out with our lenders to ensure compliance.





The one-off increase in social housing costs per property had been anticipated and for the new financial year, the budgeted cost per property (£9,434) is in line with prior years and closer to the levels reported by those organisations in the comparator group.

In last year’s value for money statement future plans identified included:

- Continue the major works and planned repairs programme, in particular fire door replacements, kitchen and bathroom replacements and cyclical decorating programmes – on-going with costs reflected in the year under review as well as the new financial year.
- The significant investment project at Sandringham Flats (£5m), which is drawing to a close in the summer of 2024 and has been delivered within budget.

The targets for 2023-24 are based on a budget with lower investment maintenance spend than in 2023-24, reflecting the end of the Sandringham project, although planned investment and cyclical works continue through the remainder of our housing stock, including a focus on energy performance and environmental impact. We are continuing to bear down on day-to-day housing management and maintenance costs with a view to improving value for money from services for our residents.

The Association’s long-term financial plan was updated and approved by Board in February. Stresses applied to the model focused on liquidity, cost inflation and higher interest rates. Key mitigations include maintaining cash reserves at least equivalent to 2-months expenditure; a five-year Revolving Credit Facility; and quarterly updates for Board on the long-term financial model and budget, as well as standard treasury updates each quarter.

Our on-going development strategy targets at least 30 more new homes over the next 5 years. Over the next eighteen months we expect to deliver at least 21 homes through the s106 developments at Gloucester Place and South Molton Street. Alongside that we plan to join the North River Alliance, providing development support for ‘hidden homes’ identified from our existing footprint. Our funding proposals include use of internal subsidy from investment activities as well as a planned disposals programme in line with asset management strategies and some limited grant funding, where possible. We will continue to reinvest in commercial and market rent properties to maintain the business model that relies on investment returns to support affordable housing activities and sustain local communities.

Risk

Key risks to the delivery of the Association’s plans are identified, reviewed and revised throughout the year by the Executive, Audit and Risk Committee and Board and are summarised below.

Risk	Comments	Mitigation
Asset management	<p>Strategic asset management depends on comprehensive, accurate and accessible information used to develop and monitor investment and re-investment in the property portfolio.</p> <p>Sandringham Improvement Project is significant by way of size and complexity, driven by it’s location on a main London thoroughfare.</p>	<p>Stock condition survey outputs reflected in the asset management system and underpin the major works programme which is reviewed and refreshed regularly to reflect updated quality information.</p> <p>Portfolio management plan supports investment/retention or disposal decisions. The model assumes replacement on at least a 1:1 basis.</p> <p>Project governance framework (current focus: Sandringham) established with scrutiny at Executive, Committee and Board level.</p>
Commercial portfolio	<p>Pressures in the wider economy may impact commercial tenants and in turn our investment returns. For the Association these tenancies not only deliver a commercial return but also support our social imperative.</p>	<p>The commercial strategy focuses on working with existing and new tenants to support enterprise in the community whilst delivering strong rent streams from our investments and is overseen by the Investment and Development Committee.</p>
Decarbonisation and climate change	<p>Future investment plans will need to reflect expectations regarding longer-term sustainability of the portfolio, including warmth and energy efficiency, with Zero Carbon 2050 moving closer.</p>	<p>Sustainability strategy under development with the first stage being confirmation of base data, in particular energy performance (EPC).</p>
External policy change	<p>With a change in government, uncertainties regarding both central and local government policy remain that not only affect the Association but also our residents, commercial tenants and community.</p> <p>New consumer standards require comparable performance reporting which is disclosed on our website and may impact reputational risk which is already affected by sector-wide media reports on property condition, including damp and mould.</p>	<p>Long-term financial model developed and stress-tested for a range of risks including future rent reduction, cost inflation, interest rate rises and property market collapse.</p> <p>Performance reports are easily accessible through the website and tenant newsletters.</p> <p>Retained PR agency supports with any media-related activity.</p>

Risk	Comments	Mitigation
Financing	<p>The Association’s gearing indicates adequate borrowing capacity, coupled with asset values that offer significant additional security.</p> <p>As a smaller Registered Provider, a key risk area is liquidity and this remains a focus for the Board.</p>	<p>One constraint on capacity is interest cover. The 2024-25 budget remains challenging with key areas being the Sandringham Improvement Project and other investment works including a fire-door programme. Covenant carve-outs relating to interest cover have been confirmed relating to these specific works.</p> <p>A Revolving Credit Facility mitigates liquidity risk although cash management remains a priority.</p>
Health and safety	<p>The health and safety of our residents, staff and contractors remains a key concern, particularly in light of failings (especially damp and mould) across the wider housing sector.</p> <p>Challenges within the economy including supply chain disruption and high inflation are key risks impacting contractors and in turn services to our residents.</p>	<p>A compliance dashboard is reviewed weekly by the Operations Director, with performance reporting to the Executive, Audit &amp; Risk Committee and Board (from September 2024 the Resident Services Committee will be the main conduit for health and safety reporting).</p> <p>We are small enough to develop strong working relationships with key suppliers but sufficiently nimble to move quickly should there be any disruption in our planned programme. We are 100% compliant for gas and fire risk assessments.</p>
Reputation	<p>The housing sector continues to remain under considerable media and government scrutiny, increasing reputational risk for all housing providers.</p>	<p>Data accuracy is under review and updated as part of the tenancy audit programme that is reported regularly to the Executive, Audit &amp; Risk Committee and Board.</p> <p>Knowledge of our stock is enhanced through regular void and property inspections by our in-house team. A rolling programme of stock condition surveys is due to recommence in 2024-25.</p>

## Internal Controls Assurance

The Board acknowledges its ultimate responsibility for ensuring the Association has in place a system of controls that is appropriate to the various business environments in which it operates and for monitoring its effectiveness. The system is designed to manage the risk of failure to achieve business objectives and give reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing and has been in place throughout the year under review and up to the date of approval of the report and accounts. The Board has delegated the authority for overseeing risk management and internal controls assurance to the Audit and Risk Committee but receives regular updates on risk and controls assurance. A summary of the main policies the Board has established and the processes it has adopted is set out below:

- Formal policies and procedures approved, including clearly defined management responsibilities for the identification and control of significant risks.
- Financial forecasts, budgets and business plans support the Board and management as they monitor key business risks and progress towards financial objectives set for the year and the medium term. The budget, approved by Board in advance of the financial year, is updated in July and reforecast in the second half of the financial year to ensure targets set by Board are achieved.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures by the Board, in line with clear delegations.
- The Board has approved anti-fraud, anti-bribery and anti-corruption policies.
- A treasury policy and strategy has been approved by the Board with key treasury risks including liquidity, covenant compliance, counterparty risk and interest rate risk reviewed quarterly.
- The Board has delegated responsibility to the Audit and Risk Committee to agree the strategic internal audit programme and review and report to the Board on reports from management, from the internal auditors and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. Beever and Struthers were appointed internal auditors in July 2023 for the next three financial years.

A fraud register is maintained and is reviewed by the Audit and Risk Committee at each meeting. There were no financial frauds recorded in the year but a greater focus is being placed on identifying and addressing tenancy fraud, in particular sub-letting property in highly desirable areas of central London. The Board receives and reviews the minutes of Audit and Risk Committee meetings.

## Going concern

After making enquiries, the Board has a reasonable expectation that the overall group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. Key factors considered in coming to this decision are:

- Long-term (30-year) financial model supports the Association's current and future plans
- Stress-testing of the long-term financial model included increases in inflation and interest rates; and identified mitigations
- Short-term cashflow scrutiny shows funding is in place to meet expected commitments including investment works and some limited development over the next twelve months
- Early warning 'triggers' agreed to identify emerging issues and risks; and confirm pre-emptive action
- Treasury policy 'golden rules' confirmed to aid risk management

For this reason, it continues to adopt the going concern basis in the financial statements.

## Statement of responsibilities of the Board for the Annual Report and Accounts

The Board is responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and association will continue in business; and
- State whether applicable United Kingdom Accounting Standards and the Statement of Recommended Practice: Accounting for registered social housing providers (Housing SORP: 2018 update) have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022 (Accounting Direction 2022). They are also responsible for safeguarding the assets for the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Strategic Report is prepared in accordance with the Statement of Recommended Practice for registered social housing providers (Housing SORP: 2018 update).

At the date of making this report, each of the Board members, as set out on page 1, confirms that in so far as each member is aware:

- There is no relevant information needed by the group's auditors in connection with preparing this report of which the group's auditors are unaware; and
- Each member has taken all the steps that he or she ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

## Statement of compliance

The Board has undertaken an assessment of the Association's compliance with the governance and financial viability standard as required by the Accounting Direction 2022. The Board confirms that no evidence of non-compliance has been identified since the last report.

In preparing the strategic report the Board has followed the principles set out in the Statement of Recommended Practice for registered social housing providers (Housing SORP: 2018 update).

## Annual general meeting

The annual general meeting will be held on 11<sup>th</sup> September 2024.

External auditors

Following the resignation of BDO LLP in December 2023, Buzzacotts have been appointed as external auditors and their re-appointment will be proposed at the forthcoming annual general meeting.

The report of the Board was approved by the Board on 22<sup>nd</sup> July 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A. Billany', written in a cursive style.

**Andrew Billany**  
**Chair of the Board**

## Independent auditor's report to the members of Soho Housing Association Limited

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024, and of the income and expenditure of the Group and Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 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 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 and 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 members 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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board members are 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept by the parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Association's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of the Board**

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

In preparing the financial statements, the board 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 intend 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.

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

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

- We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 ( the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.



- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- Discussions with management about actual or potential litigation and claims;
- Challenging assumptions made by management in their significant accounting estimates;
- Identifying and testing the appropriateness of journal entries and assessing whether the judgements made in making accounting estimates were indicative of a potential bias;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility; and
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditors-responsibilities](http://www.frc.org.uk/auditors-responsibilities). This description forms part of our auditor's report.

### **Use of our Report**

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



**Buzzacott LLP, Statutory Auditor**  
130 Wood Street  
London  
EC2V 6DL

30 August 2024

## Statement of Comprehensive Income

	Note	Year ended 31 March 2024		Year ended 31 March 2023	
		Group	Association	Group	Association
		£'000	£'000	£'000	£'000
<b>Turnover</b>	<b>2</b>	10,526	10,526	9,531	9,531
Operating expenditure	<b>2</b>	(7,499)	(7,499)	(6,998)	(6,998)
Loss on disposal of assets	<b>2</b>	(160)	(160)	-	-
<b>Operating surplus</b>	<b>2</b>	<u>2,867</u>	<u>2,867</u>	<u>2,533</u>	<u>2,533</u>
Interest receivable		94	94	28	28
Interest payable and financing costs	<b>6</b>	(2,175)	(2,175)	(1,798)	(1,798)
(Decrease)/increase in valuation of investment properties	<b>13</b>	(558)	(558)	2,328	2,328
<b>Surplus for the year</b>		<u>228</u>	<u>228</u>	<u>3,091</u>	<u>3,091</u>
Actuarial (loss) in respect of pension scheme	<b>10</b>	(133)	(133)	(101)	(101)
<b>Total comprehensive income for the year</b>		<u><u>95</u></u>	<u><u>95</u></u>	<u><u>2,990</u></u>	<u><u>2,990</u></u>

The notes on pages 29 to 58 form an integral part of these accounts. All activities relate to continuing operations.

The financial statements on pages 25 to 58 were approved by the Board on 22<sup>nd</sup> July 2024 and signed on its behalf by:

**Board Member:**



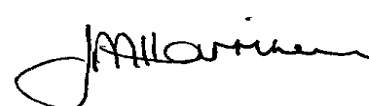
**Andrew Billany**

**Board Member:**



**Rosemary Farrar**

**Secretary:**



**Jane Harrison**

## Statement of Financial Position

	Note	31 March 2024		31 March 2023	
		Group £'000	Association £'000	Group £'000	Association £'000
<b>Fixed assets</b>					
Tangible fixed assets	12	101,694	101,694	98,491	98,491
Investment properties	13	58,894	58,894	63,677	63,677
		<u>160,588</u>	<u>160,588</u>	<u>162,168</u>	<u>162,168</u>
<b>Current assets</b>					
Trade and other debtors	14	2,014	2,014	2,099	2,099
Cash and cash equivalents	15	4,714	4,714	3,900	3,900
		<u>6,728</u>	<u>6,728</u>	<u>5,999</u>	<u>5,999</u>
<b>Creditors: amounts falling due within one year</b>	16	(5,957)	(5,986)	(5,295)	(5,324)
<b>Net current assets/(liabilities)</b>		<u>771</u>	<u>742</u>	<u>704</u>	<u>675</u>
<b>Total assets less current liabilities</b>		<u>161,359</u>	<u>161,330</u>	<u>162,872</u>	<u>162,843</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(79,551)	(79,551)	(81,142)	(81,142)
<b>Pension liability</b>	10	(829)	(829)	(846)	(846)
<b>Net assets</b>		<u>80,979</u>	<u>80,950</u>	<u>80,884</u>	<u>80,855</u>
<b>Reserves</b>					
Non-equity share capital	21	-	-	-	-
Income and expenditure reserve		47,710	47,681	46,442	46,413
Revaluation reserve		33,269	33,269	34,442	34,442
		<u>80,979</u>	<u>80,950</u>	<u>80,884</u>	<u>80,855</u>

The notes on pages 29 to 58 form an integral part of these accounts.

The financial statements on pages 25 to 58 were approved by the Board on 22<sup>nd</sup> July 2024 and signed on its behalf by:

**Board Member:**




**Andrew Billany**

**Board Member:**



**Rosemary Farrar**

**Secretary:**



**Jane Harrison**

## Statement of Changes in Reserves

Group	Note	Income and expenditure reserve	Revaluation reserve	Total
		£'000	£'000	£'000
<b>Balance at 1 April 2022</b>		<b>45,780</b>	<b>32,114</b>	<b>77,894</b>
Surplus for the year		3,091	-	3,091
Actuarial gain in respect of pension scheme		(101)	-	(101)
Transfer from income and expenditure reserve to revaluation reserve		(2,328)	2,328	-
<b>Balance at 1 April 2023</b>		<b>46,442</b>	<b>34,442</b>	<b>80,884</b>
Surplus for the year		228	-	228
Actuarial loss in respect of pension scheme		(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve – disposal of asset		615	(615)	-
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties		558	(558)	-
<b>Balance at 31 March 2024</b>		<b>47,095</b>	<b>33,884</b>	<b>80,979</b>

Association	Income and expenditure reserve	Revaluation reserve	Total
	£'000	£'000	£'000
<b>Balance at 1 April 2022</b>	<b>45,751</b>	<b>32,114</b>	<b>77,865</b>
Surplus for the year	3,091	-	3,091
Actuarial gain in respect of pension scheme	(101)	-	(101)
Transfer from income and expenditure reserve to revaluation reserve	(2,328)	2,328	-
<b>Balance at 1 April 2023</b>	<b>46,413</b>	<b>34,442</b>	<b>80,855</b>
Surplus for the year	228	-	228
Actuarial loss in respect of pension scheme	(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve - disposal of asset	615	(615)	-
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties	558	(558)	-
<b>Balance at 31 March 2024</b>	<b>47,681</b>	<b>33,269</b>	<b>80,950</b>

The notes on pages 29 to 58 form an integral part of these accounts

## Consolidated Statement of Cashflows

	Note	Year ended 31 March 2024	Year ended 31 March 2023
		£'000	£'000
<b>Net cash generated from operating activities (see below)</b>		4,754	3,391
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets – housing properties		(4,499)	(4,184)
Purchase of tangible fixed assets – other assets		(131)	(29)
Purchase of investment assets		(71)	(89)
Disposal of Investment properties		4,236	-
Grants paid/received		(112)	-
Interest received		94	28
<b>Cash flow from financing activities</b>			
Interest paid		(2,139)	(1,798)
New secured loans		2,000	-
Repayment of borrowings		(3,318)	(1,705)
<b>Net change in cash and cash equivalents</b>		814	(4,386)
<b>Cash and cash equivalents at beginning of the year</b>		3,900	8,286
<b>Cash and cash equivalents at end of the year</b>		4,714	3,900
		<b>£'000</b>	<b>£'000</b>
<b>Cash flow from operating activities:</b>			
Surplus(deficit) for the year		228	3,091
<b>Adjustments for non-cash items:</b>			
Depreciation of tangible fixed assets		1,327	1,346
Deficit on disposal of assets - land		160	-
(Increase)/decrease in trade and other debtors		85	308
Increase/(decrease) in trade and other creditors		867	(240)
Increase in leaseholder and sinking funds		93	89
Adjustment for defined benefit pension payment		(150)	(168)
Revaluation of investment properties		558	(2,328)
<b>Adjustments for investing or financing activities:</b>			
Government grants amortised		(459)	(477)
Profit from joint venture		-	-
Interest payable		2,139	1,798
Interest received		(94)	(28)
<b>Net cash generated from operating activities</b>		4,754	3,391

The notes on pages 29 to 58 form an integral part of these accounts.

## Notes to the Financial Statements

### Legal Status

Soho Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Private Registered Provider of Social Housing. The registered office is 18 Hanway St, W1T 1UF.

The group comprises the following entities:

Name	Incorporation	Registered Provider
Soho Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered
Soho Limited	Companies Act 2006	Not registered

### 1. 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: 'Accounting by registered social housing providers (Housing SORP: 2018 update)'. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

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 accounts are prepared on the historical cost basis of accounting as modified by the revaluation of investments and are presented in sterling.

The Group's financial statements have been prepared in compliance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The Group is a public benefit entity group, and the Association is a public benefit entity, as defined by FRS 102.

#### *Parent entity disclosure exemptions*

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

- No cash flow statement has been presented for the parent;
- Disclosures in respect of the parent'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 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 Soho Housing Association Limited and all of its subsidiary undertakings as at 31 March 2024 using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition, being the date, the Group obtains control.

#### Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. In arriving at this conclusion, the Board has reviewed short and longer-term forecasts (beyond twelve months from the date the financial statements are authorised for issue), including stress-testing key assumptions, to confirm adequate cash, resources and compliance with lender covenants.

## Notes to the Financial Statements

### 1. Accounting Policies (continued)

In the light of external factors such as the war in Ukraine and continuing impact of Brexit having significant impact on the wider economy, those key assumptions tested include inflation and interest rates, in particular a possible differential between rent and cost inflation. Mitigations include targeted cost reduction and extending investment and construction periods. Short-term cashflow scrutiny shows funding is in place to meet expected commitments including investment works and some limited development over the next twelve months. Early warning 'triggers' agreed to identify emerging issues and risks; and confirm pre-emptive action. Treasury policy 'golden rules' confirmed to aid risk management.

#### Judgements and key sources of estimation and 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 below. 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 may result in impairment.
- b. **Categorisation of properties as housing properties, investment properties or other fixed assets.** In determining the intended use of housing properties, the Group has considered if the asset is held for social benefit, shared ownership, market rented or to earn commercial rentals. Wherever possible costs are allocated between the units based on actual costs incurred with common costs being allocated based on a combination of floor areas and expected future net revenue streams. Components are written off at net book value when replaced. The Group has determined that market rented housing property and commercial properties are investment properties.
- c. **Impairment of housing properties and other fixed assets.** The housing property portfolio for the Group is assessed for indicators of impairment at each statement of financial position date. Where indicators are identified, a detailed assessment is undertaken to compare the carrying amounts of assets or cash generating units for which impairment is indicated to their recoverable amounts. Impairment indicators include void levels, changes in regulation that impact on future rent levels, the outcome of stock condition surveys and external changes which impact on future cash flows (for example maintenance costs). An options appraisal is carried out to determine the option that produces the highest net realisable value. Valuations on rental return or potential sale proceeds are used to inform the options. The Group considers the net realisable value, under the options available, when assessing the recoverable amount for the purposes of impairment assessment. The recoverable amount is the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them, appropriately adjusted to account for any restrictions on their use. No properties have been valued at value in use-service potential.
- d. **Financial instruments.** Consideration of whether a loan is basic under FRS102 is based on terms and conditions of the loan.

## Notes to the Financial Statements

### 1. Accounting Policies (continued)

#### Other key sources of estimation and assumptions:

- a. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- b. **Revaluation of investment properties.** Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are carried at fair value determined annually by qualified valuers and derived from market evidence for comparable properties.
- c. **Trade and other debtors.** Management exercise judgement relating to the recoverability of outstanding rental and other trade receivables. A review is performed regularly to assess the recoverability of these accounts.
- d. **Pension and other post-employment benefits.** Management's estimate of the defined benefit obligation relating to the Association's past service deficit in the Social Housing Pension Scheme is based on a number of underlying assumptions such as standard rates of inflation, mortality and discount rates. Variation in these assumptions may significantly impact the defined benefit obligation. Further details are given in note 10.

#### Joint Ventures and Associates

An entity is treated as a joint venture where the Group holds an interest and shares control under a contractual arrangement with one or more parties external to the Group.

An entity is treated as an associated undertaking where the Group has a participating interest and exercises significant influence over its operating and financial policies.

In the Group accounts, joint ventures are accounted for using the equity method whereby an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the venture. The consolidated income and expenditure account indicates the Group's share of the joint venture's turnover and includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated balance sheet, the Group's share of the identifiable gross assets (including any amortised premium paid on acquisition) and its share of the gross liabilities attributable to its joint venture are shown separately.

Any premium on acquisition is dealt with under the goodwill policy.

#### Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, income from the sale of shared ownership and other properties developed for outright sale and other income and is recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised in revenue on a time apportioned basis and is stated net of voids. Income from property sales is recognised on legal completion.

#### Support income and costs

Support charges included in rent (as service charges) are matched against the relevant costs.



## Notes to the Financial Statements

### 1. Accounting Policies (continued)

#### Service charges

Service charge income and costs are recognised on an accruals basis. The Association operates variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges may include an allowance for the surplus or deficit from prior years, with the surplus being returned to leaseholders by a reduced charge and a deficit being recovered by a higher charge.

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

#### Investment Income

Interest income is recognised using the effective interest method.

#### 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.

#### Loan finance issue costs

Issue costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue. 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 Association's activities are charitable and therefore not liable to tax, to the extent that any surpluses are applied to the charitable objects. The subsidiary distributes any taxable profits to the Association and no provisions for corporation or deferred tax have been recognised.

#### Value Added Tax

The Group charges VAT on part of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is not recoverable.

#### Tangible fixed assets and depreciation:

##### Housing properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source are included in the Statement of Financial Position at fair value less consideration paid. Property disposals are recognised on completion.

Housing properties under construction are stated at cost and are not depreciated. They are transferred to completed schemes on practical completion and depreciated accordingly.

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.

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

## Notes to the Financial Statements

### 1. Accounting Policies (continued)

UELs for identified components are as follows:

	Years
Structure	125
Roofs	70
Bathrooms	30
Windows	30
Doors	30
Lifts	50
Kitchens	20
Electrics	30
Heating source	15

The Association 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 life of the relevant component category.

Depreciation is charged on other completed tangible fixed assets on a straight-line basis over the expected useful lives which are set out below. The transferred value (from investments) is treated as land and not depreciated.

	Years
Office refurbishment	10
Fixtures & fittings	4 - 10
Computer equipment	5 - 7

#### 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.

#### 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.

#### 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 agent 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 Statement of Financial Position.

#### Leasing and hire purchase

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.

## Notes to the Financial Statements

### 1. Accounting Policies (continued)

#### 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.

#### Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 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 assistance and other government grants

Where developments have been financed wholly or partly by social housing assistance (SHA) 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 method.

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

SHA must be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHA can be used for projects approved by the Greater London Authority. SHA 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, SHA may be repayable, and, in that event, is a subordinated unsecured repayable debt.

#### Non-monetary government grant

On disposal of assets for which non-repayable government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is released as income in the Statement of Comprehensive Income.

#### Recycling capital grant

Where SHA is recycled, as described above, the SHA 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.

#### Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the balance sheet date.

## Notes to the Financial Statements

### 1. Accounting Policies (continued)

#### Pension costs

The Association has in the past participated in the multi-employer defined benefit Social Housing Pension Scheme (SHPS) although it has now closed this defined benefit scheme to new and existing members. The Association's obligation for past service deficits remains.

Under defined benefit accounting 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. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

#### Reserves

The income and expenditure reserve represent the accumulated surplus generated by the Group or Association since its formation.

The revaluation reserve represents the difference between the fair value of investment properties and their historical cost carrying value. The revaluation reserve forms part of the income and expenditure reserve but is shown separately for information.

#### Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Other financial instruments are classified as basic and are held at amortised cost.

#### 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 profit or loss 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 either individually or grouped on similar credit risk characteristics.

## Notes to the Financial Statements

### 1. Accounting Policies (continued)

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 profit or loss immediately.

## Notes to the Financial Statements

### 2(a). Turnover, cost of sales, operating expenditure and operating surplus

<b>2024</b>			
<b>Group</b>	<b>Turnover £'000</b>	<b>Operating expenditure £'000</b>	<b>Operating surplus £'000</b>
<b>Social housing lettings (note 3)</b>	7,614	(6,259)	1,355
<b>Other social housing activities</b>			
Development costs not capitalised	-	(377)	(377)
Management fees	62	-	62
	<u>62</u>	<u>(377)</u>	<u>(315)</u>
<b>Non-social housing activities</b>			
Commercial properties	2,092	(603)	1,489
Market rent housing	758	(260)	498
	<u>2,850</u>	<u>(863)</u>	<u>1,987</u>
Loss on disposal of investment asset	(160)	-	(160)
<b>Total</b>	<u><u>10,366</u></u>	<u><u>(7,499)</u></u>	<u><u>2,867</u></u>
<b>2023</b>			
<b>Group</b>	<b>Turnover £'000</b>	<b>Operating expenditure £'000</b>	<b>Operating surplus £'000</b>
<b>Social housing lettings (note 3)</b>	7,025	(5,915)	1,110
<b>Other social housing activities</b>			
Development costs not capitalised	-	(259)	(259)
Management fees	57	-	57
	<u>57</u>	<u>(259)</u>	<u>(202)</u>
<b>Non-social housing activities</b>			
Commercial properties	1,706	(501)	1,205
Market rent housing	743	(323)	420
	<u>2,449</u>	<u>(824)</u>	<u>1,625</u>
<b>Total</b>	<u><u>9,531</u></u>	<u><u>(6,998)</u></u>	<u><u>2,533</u></u>

## Notes to the Financial Statements

### 2(b). Turnover, cost of sales, operating expenditure and operating surplus

	<b>2024</b>		
<b>Association</b>	<b>Turnover</b>	<b>Operating expenditure</b>	<b>Operating surplus</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Social housing lettings (note 3)</b>	7,614	(6,259)	1,355
<b>Other social housing activities</b>			
Development costs not capitalised	-	(377)	(377)
Management fees	62	-	62
	<u>62</u>	<u>(377)</u>	<u>(315)</u>
<b>Non-social housing activities</b>			
Commercial properties	2,092	(603)	1,489
Market rent housing	758	(260)	498
	<u>2,850</u>	<u>(863)</u>	<u>1,987</u>
Loss on disposal of investment asset	(160)	-	(160)
<b>Total</b>	<u><u>10,366</u></u>	<u><u>(7,499)</u></u>	<u><u>2,867</u></u>
	<b>2023</b>		
<b>Association</b>	<b>Turnover</b>	<b>Operating expenditure</b>	<b>Operating surplus</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Social housing lettings (note 3)</b>	7,025	(5,915)	1,110
<b>Other social housing activities</b>			
Development costs not capitalised	-	(259)	(259)
Management fees	57	-	57
	<u>57</u>	<u>(259)</u>	<u>(202)</u>
<b>Non-social housing activities</b>			
Commercial properties	1,706	(501)	1,205
Market rent housing	743	(323)	420
	<u>2,449</u>	<u>(824)</u>	<u>1,625</u>
<b>Total</b>	<u><u>9,531</u></u>	<u><u>(6,998)</u></u>	<u><u>2,533</u></u>

## Notes to the Financial Statements

### 3. Turnover and operating expenditure

	<b>2024</b>	2023
<b>Group and association</b>	<b>£'000</b>	£'000
<b>Income</b>		
Rent receivable net of identifiable service charges	6,253	5,766
Service charge income	902	782
Amortised government grants	459	477
<b>Turnover from social housing lettings</b>	<u>7,614</u>	<u>7,025</u>
<b>Operating expenditure</b>		
Management	(974)	(1,125)
Service charge costs	(1,489)	(1,324)
Routine maintenance	(1,651)	(1,621)
Planned maintenance	(292)	(446)
Major repairs expenditure	(638)	(180)
Bad debts	(63)	(65)
Depreciation of housing properties	(1,152)	(1,154)
<b>Operating expenditure on social housing lettings</b>	<u>(6,259)</u>	<u>(5,915)</u>
<b>Operating surplus from social housing lettings</b>	<u>1,355</u>	<u>1,110</u>
<b>Void losses</b> (being rental income lost as a result of property not being let, although it is available for letting)	<u>40</u>	<u>45</u>



## Notes to the Financial Statements

### 4. Accommodation owned and managed, and under development

	<b>2024</b>	2023
	<b>Number</b>	Number
<b>Social Housing</b>		
Under development at end of year:		
General needs housing social rent	<u>21</u>	<u>10</u>
Under management:		
General needs housing at start of year	738	732
Transferred from development	-	8
Leased to Soho Limited as investment properties	<u>(1)</u>	<u>(2)</u>
General needs housing at end of year	<u>737</u>	<u>738</u>
Low-cost home ownership at start and end of year	<u>2</u>	<u>2</u>
	<u>739</u>	<u>740</u>
<b>Non-Social Housing</b>		
Under management at end of year:		
Market rented investment properties	<u>26</u>	<u>25</u>

### 5. Accommodation managed by others

Soho Housing owns investment property that is leased to and managed as social housing by other bodies:

	<b>2024</b>	2023
	<b>Number</b>	Number
Centrepoint Soho Limited	26	26
St Mungo's Broadway	<u>12</u>	<u>12</u>
	<u>38</u>	<u>38</u>

## Notes to the Financial Statements

### 6. Interest and financing costs

	31 March 2024		31 March 2023	
	Group	Association	Group	Association
	£'000	£'000	£'000	£'000
Defined benefit pension charge	37	37	23	23
Recycled capital grant fund	5	5	6	6
Financing costs	62	62	87	87
On loans wholly or partly repayable in more than five years	2,071	2,071	1,682	1,682
	<u>2,175</u>	<u>2,175</u>	<u>1,798</u>	<u>1,798</u>
Less: interest capitalised on housing properties under construction	-	-	-	-
	<u>2,175</u>	<u>2,175</u>	<u>1,798</u>	<u>1,798</u>

The weighted average interest on borrowings of 5.82% (2023: 4.77%) was used for calculating capitalised finance costs.

### 7. Surplus on ordinary activities

	2024	2023
	£'000	£'000
The operating surplus is stated after charging/(crediting):		
Auditor's remuneration (excluding VAT):		
Audit of the group financial statements*	35	43
Audit of subsidiaries	2	1
Fees payable to the company's auditor and its associates for other services to the group:		
Taxation services	-	4
Service charge certification	4	5
Other	1	2
Operating lease rentals:		
- Land and buildings	-	-
- Office equipment	-	-
Depreciation of housing properties	1,153	1,154
Depreciation of other fixed assets	<u>175</u>	<u>192</u>

## Notes to the Financial Statements

### 8. Board members and executive directors

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 Team.

Non-executive members of the Board are not remunerated.

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Aggregate emoluments paid to or receivable by executive directors and former executive directors, including pension contribution	<u>442</u>	<u>469</u>
Aggregate compensation paid to or receivable by Directors (key management personnel), including national insurance and pension contribution	<u>-</u>	<u>469</u>
Emoluments paid to the highest paid Director excluding pension contributions	<u>136</u>	<u>134</u>

The Association does not contribute to any pension or pension scheme for the Chief Executive.

## Notes to the Financial Statements

### 9. Employees

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>No.</b>	No.	<b>No.</b>	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Office staff	<u>21</u>	<u>20</u>	<u>21</u>	<u>20</u>

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Staff costs:</b>				
Wages and salaries	1,302	1,321	1,302	1,321
Social security costs	128	133	128	133
Other pension costs	117	60	117	60
	<u>1,547</u>	<u>1,514</u>	<u>1,547</u>	<u>1,514</u>

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>No.</b>	No.	<b>No.</b>	No.
Aggregate number of full-time equivalent staff, including the executive team, whose remuneration including pension contributions exceeded £60,000 in the period:				
£60,000 - £70,000	-	1	-	1
£70,000 - £80,000	-	-	-	-
£80,000 - £90,000	1	1	1	1
£90,000 - £100,000	2	2	2	2
£100,000 - £110,000	-	-	-	-
£110,000 - £120,000	-	1	-	1
£120,000 - £130,000	1	1	1	1
£130,000 - £140,000	1	1	1	1

## Notes to the Financial Statements

### 10. Pension obligations

The Association currently offers a defined contribution scheme run by The Pensions Trust to all employees with a choice of 4% or 8.25% matched contributions.

The Association has closed access for both new and existing employees to the Social Housing Pension Scheme (the Scheme), a multi-employer defined benefit scheme in the UK which provides benefits to some 500 non-associated employers.

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

The latest accounting valuation was carried out with effective date of 30 September 2022. The liability figures from this valuation were rolled forward for the accounting year-end 31 March 2024 and compared at that date with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

#### PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2024	31 March 2023	31 March 2022
	£'000	£'000	£'000
Fair value of plan assets	3,520	3,625	5,443
Present value of defined benefit obligation	4,349	4,471	6,356
Deficit in plan	(829)	(846)	(913)
Unrecognised surplus	-	-	-
Defined benefit liability to be recognised	<u>(829)</u>	<u>(846)</u>	<u>(913)</u>

#### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2024	Period ended 31 March 2023
	£'000	£'000
Fair value of plan assets at start of period	3,625	5,443
Interest income	179	149
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(350)	(1,765)
Employer contributions	192	197
Benefits paid and expenses	(126)	(399)
Fair value of plan assets at end of period	<u>3,520</u>	<u>3,625</u>

## Notes to the Financial Statements

### 10. Pension obligations (continued)

#### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Defined benefit obligation at start of period	4,471	6,356
Expenses	5	6
Interest expense	216	172
Actuarial (gains) losses due to scheme experience	(173)	38
Actuarial (gains) due to changes in demographic assumptions	(47)	(10)
Actuarial Losses (gains) due to changes in financial assumptions	3	(1,692)
Benefits paid and expenses	(126)	(399)
Fair value of plan assets at end of period	<u>4,349</u>	<u>4,471</u>

#### DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Current service cost	-	-
Expenses	5	6
Net interest expense	37	23
Defined benefit costs recognised in statement of comprehensive income	<u>42</u>	<u>29</u>

#### DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss) gain	(350)	(1,765)
Experience gains and losses arising on the plan liabilities - (loss) gain	173	(38)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	47	10
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(3)	1,692
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<u>(133)</u>	<u>(101)</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	<u>(133)</u>	<u>(101)</u>

## Notes to the Financial Statements

### 10. Pension obligations (continued)

#### ASSETS

	31 March 2024	31 March 2023
	£'000	£'000
Global Equity	351	68
Absolute Return	137	39
Distressed Opportunities	124	110
Credit Relative Value	115	137
Alternative Risk Premia	112	7
Emerging Markets Debt	46	19
Risk Sharing	206	267
Insurance-Linked Securities	18	92
Property	141	156
Infrastructure	356	414
Private Debt	3	161
Opportunistic Illiquid Credit	138	155
High Yield	138	13
Opportunistic Credit	1	-
Cash	-	26
Corporate Bond Fund	-	-
Long Lease Property	23	109
Secured Income	105	166
Liability Driven Investment	1,432	1,670
Currency Hedging	(1)	7
Net Current Assets	6	9
Total assets	3,520	3,625

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

#### KEY ASSUMPTIONS

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	4.89%	4.88%
Inflation (RPI)	3.17%	3.20%
Inflation (CPI)	2.77%	2.74%
Salary Growth	3.77%	3.74%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 Years	Life expectancy at age 65 Years
Male retiring in 2024	20.5	21.0
Female retiring in 2024	23.0	23.4
Male retiring in 2044	21.8	22.2
Female retiring in 2044	24.4	24.9

## Notes to the Financial Statements

### 11. Taxation on profit on ordinary activities

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
UK corporation tax on profit for the year	-	-	-	-
<p>The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to the surplus before tax. The differences are explained below:</p>				
Surplus/(deficit) on ordinary activities before tax	95	2,990	95	2,990
Tax on profit on ordinary activities at standard corporation tax rate of 25% (2023:19%)	24	568	24	568
Effects of:				
Income not taxable for tax purposes	(24)	(568)	(24)	(568)
Adjustments to tax charge in respect of previous period	-	-	-	-
Adjustments to tax charge due to change in rates	-	-	-	-
Current tax charge for the period	-	-	-	-



## Notes to the Financial Statements

### 12. Tangible fixed assets

Group and association	Housing properties			Total housing properties £'000	Other fixed assets		Total fixed assets £'000
	Social housing properties for letting - completed £'000	Social housing properties for letting - under construction £'000	Low-cost home ownership properties completed £'000		Furniture and office equipment £'000	Office £'000	
<b>Cost</b>							
At start of year	115,593	572	235	116,400	952	1,349	118,701
Additions	-	288	-	288	131	-	419
Transfer to/from investment properties	(139)	-	-	(139)	-	-	(139)
Component additions	4,211	-	-	4,211	-	-	4,211
Component disposals	(179)	-	-	(179)	-	-	(179)
Other disposals	-	-	-	-	-	-	-
At end of year	<u>119,486</u>	<u>860</u>	<u>235</u>	<u>120,581</u>	<u>1,083</u>	<u>1,349</u>	<u>123,013</u>
<b>Depreciation and impairment</b>							
At start of the year	19,531	-	32	19,563	573	74	20,210
Component disposals	(179)	-	-	(179)	-	-	(179)
Charge for the year	1,152	-	-	1,152	142	33	1,327
Transfers to/from investment property	(39)	-	-	(39)	-	-	(39)
At end of year	<u>20,465</u>	<u>-</u>	<u>32</u>	<u>20,497</u>	<u>715</u>	<u>107</u>	<u>21,319</u>
<b>Net book value at end of year</b>	<u><b>99,465</b></u>	<u><b>860</b></u>	<u><b>203</b></u>	<u><b>100,084</b></u>	<u><b>368</b></u>	<u><b>1,242</b></u>	<u><b>101,694</b></u>
<b>Net book value at start of year</b>	<u><b>96,062</b></u>	<u><b>572</b></u>	<u><b>203</b></u>	<u><b>96,837</b></u>	<u><b>379</b></u>	<u><b>1,275</b></u>	<u><b>98,491</b></u>

## Notes to the Financial Statements

### 12. Tangible fixed assets (continued)

<b>Housing Properties comprise:</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Freeholds	59,209	55,961
Long leaseholds	38,028	38,028
Short leaseholds	2,848	2,848
	<u>100,084</u>	<u>96,837</u>
Cost of properties includes £nil (2023: £nil) for direct administrative costs capitalised during the year		
	<b>£'000</b>	<b>£'000</b>
Works to existing properties in the year:		
Components capitalised	4,211	1,091
Other capital additions	-	-
Amounts charged to expenditure	638	-
	<u>4,849</u>	<u>1,091</u>
The aggregate amount of interest and finance costs included in the cost of housing properties	<u>842</u>	<u>842</u>

Carrying value of tangible fixed assets pledged as security for liabilities is £47.44m (2023: £42.86m).

Interest is capitalised at the cost of funds to the Association and added to schemes under construction. Interest capitalised in 2024 was £nil (2023: £nil) at an interest rate of 5.82% (2023: 4.77%).

## Notes to the Financial Statements

### 13. Investment properties held for letting

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At start of year	63,677	60,043	63,677	60,043
Additions	71	89	71	89
Disposal of asset	(4,396)	-	(4,396)	-
Transfer between tenure	100	1,217	100	1,217
(Loss)/gain on revaluation	<u>(558)</u>	<u>2,328</u>	<u>(558)</u>	<u>2,328</u>
At end of year	<u>58,894</u>	<u>63,677</u>	<u>58,894</u>	<u>63,677</u>

The Association's investment properties have been independently valued as at 31 March 2024 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuer of the Fund as defined by the Alternative Investment Fund Managers Regulations 2013). The valuations accord with the requirements of IFRS 13 and the RICS Valuation – Global Standards (incorporating the IVSX International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019, together the "Red Book".

The valuer reported that the aggregate of the market value of each of the freehold and leasehold interests in the commercial properties amounted to £39m and in the residential properties £19m, in total £58m.

The valuations were arrived at predominantly by reference to market evidence for comparable property.

The loss on revaluation of investment property of £558k (2023: £2,328k) has been debited to the statement of comprehensive income for the year.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows: cost £25,599k (2023: £26,313k).

## Notes to the Financial Statements

### 14. Trade and other debtors

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Social housing rent arrears	616	727	616	727
Less: provision for doubtful debts	(499)	(435)	(499)	(435)
	<u>117</u>	<u>292</u>	<u>117</u>	<u>292</u>
Non-social housing rent arrears	554	535	554	535
Less: provision for doubtful debts	(118)	(131)	(118)	(131)
	<u>436</u>	<u>404</u>	<u>436</u>	<u>404</u>
Loan interest sinking fund (THFC)	884	865	884	865
Other debtors, prepayments and accrued income	577	538	577	538
	<u>2,014</u>	<u>2,099</u>	<u>2,014</u>	<u>2,099</u>

The rent arrears and provision for doubtful debts are shown separately for social and non-social (investment properties) purposes to be more informative for the reader of the accounts.

### 15. Cash and cash equivalents

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Money market investments	38	36	38	36
Cash at bank	4,676	3,864	4,676	3,864
	<u>4,714</u>	<u>3,900</u>	<u>4,714</u>	<u>3,900</u>

In the above are balances totalling £80,043 (2023: £74,597) which are held in trust for leaseholders and £936,567 (2023: £848,837) in an equipment replacement sinking fund.

## Notes to the Financial Statements

### 16. Creditors: amounts falling due within one year

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans and overdrafts (Note 17b)	1,218	1,351	1,218	1,351
Trade creditors	142	224	142	224
Amounts owed to group undertakings	-	-	29	29
Rents and service charges paid in advance	654	1,098	654	1,098
Service charge balances held on behalf of leaseholders	80	75	80	75
Accruals and deferred income	2,825	1,444	2,825	1,444
Deferred capital grant (Note 18)	475	477	475	477
Recycled capital grant fund (Note 19)	-	76	-	76
Other creditors	563	550	563	550
	<u>5,957</u>	<u>5,295</u>	<u>5,986</u>	<u>5,324</u>

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

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Loans (Note 17b)	33,534	34,719	33,534	34,719
Deferred capital grant (Note 18)	45,015	45,475	45,015	45,475
Recycled capital grant fund (Note 19)	65	99	65	99
Service charge sinking funds	937	849	937	849
	<u>79,551</u>	<u>81,142</u>	<u>79,551</u>	<u>81,142</u>

## Notes to the Financial Statements

### 17(b). Debt analysis

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Loans repayable by instalments:</b>				
Within one year	1,218	1,351	1,218	1,351
In one year or more but less than two years	1,175	1,164	1,175	1,164
In two years or more and less than five years	9,007	12,851	9,007	12,851
In five years or more	3,449	801	3,449	801
	<u>14,849</u>	<u>16,167</u>	<u>14,849</u>	<u>16,167</u>
<b>Loans not repayable by instalments:</b>				
Within one year	-	-	-	-
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	3,000	3,000	3,000	3,000
In five years or more	16,500	16,500	16,500	16,500
	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>
Loan issue premium	522	542	522	542
Loan issue costs	(119)	(139)	(119)	(139)
Total loans	<u>34,752</u>	<u>36,070</u>	<u>34,752</u>	<u>36,070</u>

Loans are secured by specific charges on the Association's individual properties. The instalment loans are repayable monthly/quarterly at varying rates of interest.

The Association's interest rate profile at 31 March 2024 was:

	Total	Variable Rate	Fixed rate	Weighted Average rate	Weighted average term
<b>At 31 March 2024</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>Years</b>
Instalment loans	14,849	12,135	2,714	6.91	6.62
Non-instalment loans	19,500	3,000	16,500	5.24	16.51
	<u>34,349</u>	<u>15,135</u>	<u>19,214</u>	<u>5.82</u>	<u>12.23</u>
<b>At 31 March 2023</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>Years</b>
Instalment loans	16,168	11,217	4,951	4.74	6.82
Non-instalment loans	19,500	3,000	16,500	4.81	20.51
	<u>35,667</u>	<u>14,216</u>	<u>21,451</u>	<u>4.77</u>	<u>13.16</u>

## Notes to the Financial Statements

### 18. Deferred capital grant

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At start of the year	45,949	46,367	45,949	46,367
Grant received in the year	-	-	-	-
Transferred to recycled grant	(55)	-	(55)	-
Allocated from recycled grant	55	59	55	59
Released to income in the year	(459)	(477)	(459)	(477)
At the end of the year	<u>45,490</u>	<u>45,949</u>	<u>45,490</u>	<u>45,949</u>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amount due to be released < 1 year	475	477	475	477
Amount due to be released > 1 year	<u>45,015</u>	<u>45,472</u>	<u>45,015</u>	<u>45,472</u>
	<u>45,490</u>	<u>45,949</u>	<u>45,490</u>	<u>45,949</u>

### 19. Recycled capital grant fund - GLA

	Group and Association	
	2024	2023
	£'000	£'000
Opening balance	175	228
Inputs to RCGF:		
Grants recycled	55	-
Interest accrued	5	6
Grant allocated to development	(55)	(59)
Repayment of grant to GLA	(115)	-
Closing balance	<u>65</u>	<u>175</u>
Amount three years or older where repayment may be required	<u>-</u>	<u>-</u>
Amount due in less than one year	<u>-</u>	<u>76</u>
Amount due in more than one year	<u>65</u>	<u>99</u>

## Notes to the Financial Statements

### 20. Non-equity share capital

	<b>2024</b>	<b>2023</b>
	<b>£ and</b>	<b>£ and</b>
	<b>number</b>	<b>number</b>
	<b>of shares</b>	<b>of shares</b>
<b>Group and Association</b>		
Allotted Issued and Fully Paid		
At the start of the year	48	52
Issued during the year	3	-
Cancelled during the year	(2)	(4)
At the end of the year	<u>49</u>	<u>48</u>

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

### 21. Capital commitments

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group and association</b>		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	4,460	2,115
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	2,100
	<u>4,460</u>	<u>4,215</u>

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
The Association expects these commitments to be financed with:		
Social housing assistance (recycled capital grant)	58	58
Committed loan facilities	1,500	1,500
Proceeds from the sales of properties	2,402	2,657
Existing cash resources	500	-
	<u>4,460</u>	<u>4,215</u>

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Capital commitments will be incurred over the next:		
In less than one year	2,660	200
In one year or more but less than two years	1,800	
In two years or more and less than five years	-	4,015
In five years or more	<u>4,460</u>	<u>4,215</u>



## Notes to the Financial Statements

### 22. Operating leases

Soho Housing has several commercial properties. The commitments of future minimum lease payments from those lessees to Soho Housing is as follows:

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Land and buildings:				
Less than one year	1,558	1,909	1,558	1,909
One to five years	6,328	6,334	6,328	6,334
More than 5 years	6,456	6,419	4,656	6,419
	<u>12,542</u>	<u>14,662</u>	<u>12,542</u>	<u>14,662</u>

Soho Housing, as a lessor, rents housing properties to many residential tenants. Their tenancy agreements allow them to cease their tenancy by giving 4 weeks' notice.

### 23. Contingent Liabilities

Group and Association	2023 £'000	2022 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant	45,853	45,949
Recognised as income in the income and expenditure reserve	15,620	15,161
	<u>61,473</u>	<u>61,110</u>

There is a contingent liability of £15,620k (2023: £15,161k) government grant that has been amortised and taken to the reserves as at 31 March 2024. If there is a disposal of any property to which this grant is attached the amount may become repayable.

## Notes to the Financial Statements

### 24. Subsidiaries

The Association has one wholly owned subsidiary and an interest in a joint venture, both registered in England:

<b>Name</b>	<b>Incorporation and ownership</b>	<b>Regulated/ non-regulated</b>	<b>Nature of Business</b>
Soho Ltd	Company – 100%	Non-regulated	Development
West Smithfield Development LLP	LLP – 50%	Non-regulated	Property Development

During the year the Association let three properties on short lease to Soho Limited (the Company). Under the terms of the leases, the Company lets the properties at market rent and passes the rent on to the Association. There were no further transactions between the Association and Soho Limited during the year and there is an intercompany debt of £29k between Soho Limited and the Association on 31 March 2024 (2023: £29k).

West Smithfield Developments LLP is a joint venture. As at 31 March 2024, the LLP owed £nil (2023: £nil) to the Group. The LLP distributed £nil to Soho Limited (2023: £nil).

### 25. Related parties

The board currently has one member who holds a leasehold tenancy with the Association and for 5 months of the year had one member who holds a rental tenancy agreement with the Association. Both are on normal terms and the members cannot use their position to their advantage. Rent (including service charges) charged to the tenant board members was £5,319 (2023: £9,152). There were no arrears on the tenancy at the reporting period end (2023: £nil).