Soho Housing
Annual Report and Accounts
2024-2025

Group Information

Chair	Andrew Billany	
Board members	Barbara Brownlee – ex officio	
	Flora Charatan	
	Rosemary Farrar	
	Tony Ganio	
	Mark Gilkes	Membership ceased 12 September 2024
	Harry Harris	
	Khevyn Limbajee	
	Rachel Miller	
	Kath Scanlon	
	Kerry Tromanhauser	
Secretary	Jane Harrison	
Executive team	Barbara Brownlee	Chief Executive
	Jane Harrison	Finance Director
	Caroline James-Ford	Operations Director (maternity leave from November 2024)
	Annemarie Roberts	Interim Operations Director (from November 2024)
	John Wallace	Commercial Director
Registered office	18 Hanway St, London W1T 1UF	
Principal solicitors	Devonshires	30 Finsbury Circus, London EC2M 7DT
Principal bankers	Lloyds Bank	39 Threadneedle Street, London EC2R 8AU
External auditors	Buzzacott Audit LLP	130 Wood Street, London, EC2V 6DL
Registrations	Registered with Regulator of Social Housing: LH1321	
	Registered Co-operative & Community Benefit Society: 20784R	

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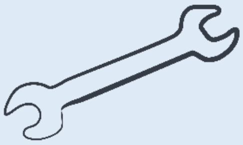
Performance Highlights 2024-25

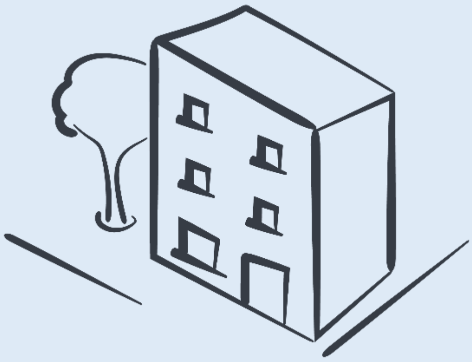
24% Operating margin

18% Operating margin – social housing lettings

£2.2m
Repairing homes

2,799
Repairs





31 new kitchens and bathrooms

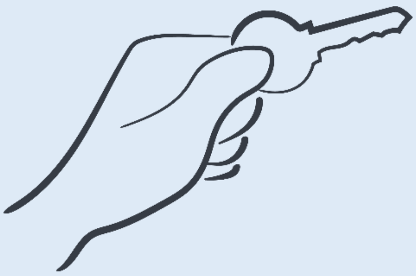
25 homes with new windows

£1.8m Investment works to individual homes and blocks

15 new boilers

29 new front doors

100% gas compliance



29 homes let

100% complete fire risk assessments

Chair's Report

Last year we celebrated our 50th anniversary and we're now moving forwards into the next half-century with a revitalised sense of purpose as the need for affordable homes within central London is greater than ever. Soho Housing is well-placed to be a key part of making sure our city-centre community remains strong with quality homes and a wide range of businesses. At our recent board strategy day we re-confirmed our core purpose to provide affordable homes in this vibrant city centre and are involving residents and staff in the more detailed exercise of updating the corporate strategy and related action plans for the next 5 years. The new strategy will be launched in the Autumn.

During 2024-25 we experienced success with the completion of the investment works project at Sandringham Flats; external stock condition surveys for all our properties; and continuation of our kitchen and bathroom replacement programme. The Sandringham Flats project was completed over a period of 15 months and included window and door replacements, electrical works and structural repairs.

Our financial performance has remained strong, although economic challenges within the wider economy have continued to affect us, our residents, our commercial tenants and our contractors. Our rent collection has improved; we've carried out more repairs; and demand for our homes remains high.

In the crucial areas of gas and electrical safety and fire risk our performance has remained consistent at 100% compliance, with follow-up actions on fire-risk picked up through our fire-door programme. We've continued our focus on damp and mould and have implemented the recommendations from our internal auditors in advance of changes in the law later this year. The most important of these are prompt responses to reports of damp and mould, completing remedial works and making sure they are followed up on time so the problems do not recur.

We have faced challenges in the year with significant turnover in the housing operations team impacting our relationship with residents, contributing to a slow-down in our response to complaints and ultimately to low customer satisfaction. We are working hard to turn this around and an important step has been to strengthen resident involvement and scrutiny through establishing the Resident Services Committee as a new sub-committee of the Board.

Shortly after the year-end we took ownership of ten new flats in George Street W1. The flats are part of a larger development which will provide a mix of market rent and affordable rented homes, together with office and retail space between Gloucester Place and Baker Street. We are delighted with the quality of the flats which have larger than average room sizes, well-fitted kitchens and are heated using air-source heat pumps, providing good sustainable credentials.

Our investment property portfolio comprising commercial and market-rented properties has continued to perform well with a substantial increase in overall value reflecting the continued high demand for quality properties in central London.

On a personal level, I am sorry to confirm that I will not be continuing as Chair of Soho Housing, having taken the difficult decision not to seek re-election at the Annual General Meeting in September. The demands of my executive role outside Soho Housing are such that I cannot commit the time I believe is necessary to fulfil the responsibilities of a board member of this fantastic organisation. I will continue to support my colleagues on the board and the executive team to ensure a smooth transition to the new chair. I would like to take this opportunity to thank my fellow board members, Barbara and the Soho Housing team for their support over the past three years and wish the organisation well for the future.

Andrew Billany
Chair of the Board

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 35% 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 investment works project at Sandringham Flats completed in October and included window and door replacement, electrical works, structural repairs and programmed cyclical maintenance.

We have been awarded £1m Warm Homes funding that will improve thermal efficiency in over 100 homes over the next three years, matched by £1m investment by the Association.

In April (2025) we acquired ten flats in a development between Gloucester Place and Baker Street. The flats are part of the s106 planning agreement between the developers, Derwent, and Westminster Council. All the flats have been let providing high quality, modern homes for our residents.

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 in liquidation but there is no liability accruing to either Soho Limited or the Association.

Soho Housing Association

Community Benefit Society

Exempt from registration with the Charities Commission

Soho Limited

Company limited by shares

Non-charitable

West Smithfield Development LLP

50% owned by 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. Our mission is *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*.

The mission is 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 2024-25 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	• Our overall customer satisfaction, measured in line with the Regulator of Social Housing (RSH) Tenant Satisfaction Measures (TSMs) was 49% for 2024-25, much lower than our target of 70% but an improvement on our mid-year performance of 32%. • We are disappointed with the overall performance but recognize that customers have been adversely affected by unplanned changes at all levels in the housing team. We took action during the year to introduce a new operating model with a dedicated customer service team as first point of contact.	• Our main target for the new financial year is to increase overall customer satisfaction to 70% by the end of March 2026. • Since the year-end we have launched our service standards, created with the Resident Services Committee and have rolled out customer service training to all staff in May 2025. • To properly record all resident contact and cases on our housing management system so we can track contacts and make sure issues are answered and/or resolved.
Best in class modern customer processes	• Initial work on resident portal (Microsoft Dynamics CRM project) for improving self-serve capability and experience had been anticipated to commence in 2024-25. However other priorities for system changes have arisen, with particular focus on how we record and respond to complaints; and how we record and respond to reports of damp & mould. Whilst we aim to improve self-serve capability this is unlikely to progress until 2026-27.	• Planned link from the new website to the Dynamics portal is part of a self-serve project anticipated to re-commence in 2026-27.
Know our customers	• Tenancy audits were much slower to introduce than anticipated last year, mainly due to the staff changes in the housing team. The audits have recommenced in May 2025. • Complaints handling has been a particular focus, with the appointment of a specialist officer to make sure we meet expectations of our tenants and the Housing Ombudsman. Tenant satisfaction with handling of complaints has improved and although is still low at 26% (2024: 23%) it is above average of our peers.	• New policy, procedure, training and quality control established for complaints handling. • 90% of complaint responses issued on time.

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	• Full external stock condition survey of all properties completed • Stock investment programme continued with investment in windows, kitchens and bathrooms as well as fire safety works. Reinvestment indicator 4.5% (2024: 4.5%) • Completion of significant investment works project at Sandringham Flats • 100% Decent Homes compliant	• Internal stock condition surveys for all properties planned in 2025-26, to inform future investment programmes
Safe and sustainable properties and operations	• Compliance KPIs identified and reported regularly to Executive team and Board. • 100% gas compliance • 100% electrical compliance • 100% fire risk assessments • Energy performance surveys used to inform application for Warm Homes funding that would mean all properties at least EPC C by 2030.	• Designing investment programme to improve energy performance of stock, with initial focus on 100 lower-performing homes..
Active asset management for sustainable long-term returns	• Disposal strategy linked to portfolio management plan sets out criteria for asset disposal (covering both social and investment assets)	• Implementation of planned disposals and active asset management led by Strategic Asset Manager

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	• Long-term financial model updated, reviewed, stress-tested and approved by Board • High level approach to ESG includes ‘fabric first’ • Confirmation of energy efficiency targets for incorporation in new developments.	• 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
Manage investments to enhance long-term value	• Commercial strategy has proved successful with strong demand for ‘prime’ sites and no empty properties and increase in value of investment portfolio in spite of the disposal of investment assets realising £1.4m profits.	• Active asset management to maintain long-term value of investment portfolio, within strategic constraints eg restrictions on types of business within portfolio to maintain community place and balance
Robust commercial asset management	• Uplift in value of commercial estate (£1.7m) - demonstrable impact of asset management initiatives – splitting units, increasing demand and overall rent; and strong lettings.	• Close management of the commercial estate will continue in order to maximise investment income and value. • Alternative tenures explored including direct short-lets

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	• Budgets scrutinised throughout the year to identify and implement cost savings delivering overall operating margin excluding disposal of assets of 26% (target: 25%)	• 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
Drive business performance and value for money	• Finance team structure embedded with new Strategic Finance Manager appointed in November to lead on business partnering and drive value for money • Staff changes meant the review of procurement policy and practice is deferred until 2025-26 although preparatory work continued including data cleanse of current suppliers and new supplier approval process	• Spread business partnering across all teams to support the business and drive value for money • Review of procurement policy and practice to identify scope for VfM savings and strengthen service quality
Internal controls effectively mitigate risk and secure compliance	• Full integration of Business Central System (BCS) with the Dynamics CRM housing management system from 1st April 2024 with key areas being purchase to pay for repairs and recording rents and income.	• 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.

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	• Remote working forms part of a 'hybrid' working arrangement, with most team members working two or three days a week in the office • Mandatory training in key areas for all staff has continued, with targeted training to deliver on personal development plans (including apprenticeships)	• Develop training programme to focus on technical and professional skills that enhance expertise across the team
Consistently improve staff engagement	• Staff survey completed in January 2025 highlighted views that changes in staff were detrimental for people remaining in the business; and scope for improvement in communication but indicated strong satisfaction with line management	• Follow up work will include introduction of training specifically for line managers
Give people the tools they need to do their jobs well	• IT equipment, including phones, are matched to need	• On-going equipment replacement programme to ensure fit for purpose

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. 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 2024-25 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.

Soho Housing Board
Providing strategic oversight in delivery of corporate objectives

Audit and Risk Committee	People and Governance Committee	Resident Services Committee	Investment and Development Committee
Overseeing risk management strategy, financial and other internal controls systems, standards of probity and internal and external audit	Responsible for remuneration; Board recruitment and effectiveness; governance and conduct; and committee effectiveness	Focus on the resident voice and scrutiny, in particular for customer-related policies, procedures and activities	Overseeing commercial activities, development and major works programmes. Considering new opportunities and raising business profile
Members: Rosemary Farrar (Chair) Flora Charatan Rachel Miller Kerry Tromanhauser	Members: Kerry Tromanhauser (Chair) Andrew Billany Flora Charatan	Members: Kerry Tromanhauser (Chair) Tony Ganio 11 residents	Members: Harry Harris (Chair) Khevyn Limbajee Rachel Miller Kath Scanlon Jeremy Titchen - independent member

The Board, supported by the People and Governance Committee, regularly reviews Board and Committee composition and carries out an annual self-assessment of performance. A Resident Services Committee was established as a sub-committee of the Board from July 2024, enhancing resident scrutiny and strengthening the resident voice.

An independent review of Board Effectiveness completed in May (2025) with Board succession planning identified as a key area for attention alongside a refreshed approach for embedding Soho's approach to equality, diversity and inclusion within overall business strategy.

We have initiated Board recruitment with a particular focus on identifying new members with financial and governance expertise who will lead two of the key sub-committees of the Board (Audit & Risk and People & Governance) when the current members retire in September 2026. In addition, following Andrew Billany's decision not to seek re-election at the next Annual General Meeting, we will be recruiting a new Chair of the Board to lead the Association. We will continue to focus on local connection and under-represented groups to enhance Board diversity and complement 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. Our Standing Orders do not permit any extension after 9 years, The Code sets an expectation of a 6-year term and other than in those exceptional circumstances relating to maximum terms, there are no areas of non-compliance.

Resident involvement

Soho Housing Association has strengthened tenant involvement by introducing a Resident Services Committee into its formal governance structure. The Committee is made up of 11 resident members and 2 board members. This committee plays a central role in ensuring that tenants have a meaningful voice and can influence the way services are shaped and delivered. By embedding resident involvement into the governance structure, Soho Housing has shown a strong commitment to transparency and resident led decision making.

The Committee plays an important role in the ongoing scrutiny of Tenant Satisfaction Measures (TSMs) and monitoring compliance and performance across key service areas, and as the committee's role develops, it will remain a key mechanism for ensuring that the voices of residents are embedded in decision-making and performance oversight. One of the key outputs of the committee to date has been the co-production of Service Standards. These have been developed jointly by residents, Board and staff to ensure that they reflect the expectations and priorities of those living in Soho Housing's homes. By involving residents in shaping these standards, the association is better able to deliver services that meet real needs and improve the overall tenant experience.

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.

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 £2,671k (2024: £2,867k) after a loss on asset disposal of £170k (2023: (£160k)). Whilst lower than the previous year the margin remains above average compared to many housing providers who, like Soho, are facing increasing costs associated with property improvement and repair alongside higher costs associated with dealing with anti-social behaviour.

Five-year summary:

Statement of Comprehensive Income	2024-25	2023-24	2022-23	2021-22	2020-21
	£'000	£'000	£'000	£'000	£'000
Turnover:					
Social housing activities	8,269	7,676	7,082	6,769	6,644
Non-social housing activities	2,703	2,850	2,449	1,812	1,561
	10,972	**10,526**	**9,531**	**8,581**	**8,205**
Operating costs:					
Social housing activities	(7,087)	(6,636)	(6,174)	(5,760)	(4,720)
Non-social housing activities	(1,044)	(863)	(824)	(669)	(1,345)
	(8,131)	**(7,499)**	**(6,998)**	**(6,429)**	**(6,065)**
(Loss)/gain on disposal of assets	**(170)**	**(160)**	**-**	**573**	**-**
Operating surplus – social housing	**1,182**	**1,040**	**908**	**1,009**	**1,924**
Operating surplus – non-social housing	**1,659**	**1,827**	**1,625**	**1,143**	**216**
Operating surplus – all activities	**2,671**	**2,867**	**2,533**	**2,725**	**2,140**
Income from joint venture		**-**	**-**	**-**	**25**
Interest	(2,111)	(2,081)	(1,770)	(1,563)	(1,433)
Movement in the valuation of investment properties	1,821	(558)	2,328	3,320	(2,763)
Surplus/(deficit) for the year	**2,381**	**228**	**3,091**	**4,482**	**(2,031)**
Movement in valuation of pension	37	(133)	(101)	74	(763)
Total comprehensive income/(expense)	**2,418**	**95**	**2,990**	**4,556**	**(2,794)**

Statement of Financial Position at 31 March	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Fixed assets:					
Housing properties and other assets	101,608	101,694	98,491	96,841	97,271
Investment properties	59,428	58,894	63,677	60,043	56,429
	161,036	160,588	162,168	156,884	153,700
Net current assets/(liabilities)	3,173	771	843	4,893	823
Total assets less current liabilities	164,209	161,359	163,011	161,777	154,523
Debt	(34,767)	(33,269)	(34,858)	(36,220)	(32,858)
Deferred grant and other long-term liabilities	(46,045)	(47,710)	(47,269)	(47,663)	(48,327)
Net assets	83,397	80,979	80,884	77,894	73,338
Reserves	83,397	80,979	80,884	77,894	73,338

Statistics	2024-25	2023-24	2022-23	2021-22	2020-21
Operating margin	24%	27%	27%	32%	26%
Operating margin – social housing activities	14%	14%	13%	15%	29%
Operating margin – social housing lettings	18%	18%	16%	18%	29%
Surplus/(deficit) as % of turnover	22%	1%	32%	52%	(25%)
Properties owned and managed	**No**	**No**	**No**	**No**	**No**
General needs housing	736	737	738	732	732
Market rented housing	23	22	25	23	23
Low-cost home ownership and leasehold	42	42	42	42	42
	801	801	805	797	797
Commercial properties	34	36	35	34	34

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 £1.8m on capital works, planned and cyclical maintenance during the year.

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

	£'000	
Total comprehensive income 2023-24	**95**	
Less:		
Rent and service charge uplift – social housing	600	Inflation-linked rent increase (CPI+1%)
Maintenance and service cost increase – social housing	(15)	Broadly in line with prior year
Management cost increase – social housing	(386)	Driven by higher staff costs including maternity cover and turnover, particularly in the housing team
Lower return from investment properties	(328)	Lower net income due partially to lower income year-on year following property disposals. Projected performance is stronger as we focus on driving more value from investment assets
Loss on disposal of investment property	(10)	Marginally higher book loss on disposal
Other	(57)	Reduced bad debt provision a key factor
Reduction in operating surplus	(196)	
Increase in net interest payable	(30)	
Movement in pension valuation	170	
Investment property valuation surplus	2,379	Turn around from prior year deficit
Total comprehensive income 2024-25	**2,418**	

A focus on cost control and close cash management has delivered an overall operating surplus of 24% (increasing to 26%, excluding the book loss on disposal of investment asset). The operating margin from social housing lettings has remained at 18% (2024: 18%). 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 an uplift of £1.7m in the year-end valuation of commercial stock. The market rent properties, more directly affected by a volatile residential rental market, experienced a small increase in value resulting in an overall surplus on revaluation for the year of £1.8m.

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 446k (2024: £829k). Changes in actuarial assumptions resulted in an overall increase of £37k 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 2024-25 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 similar to last year, in spite of additional costs associated with a restructure in the housing team that has strengthened our ability to respond quickly to customers, including on repairs, complaints and anti-social behaviour (ASB). Rent collection improvements were targeted from the beginning of the year and as planned our rent collection was brought back in-house from September 2024. Arrears continued a downward trend, with current tenant arrears finishing the year at 4.5% (2023-24: 5.2%). High service costs remain challenging although utility costs seem to have flattened compared to two years ago; and improved service cost recovery aligned with targeted cost reduction is a target for 2025-26.

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

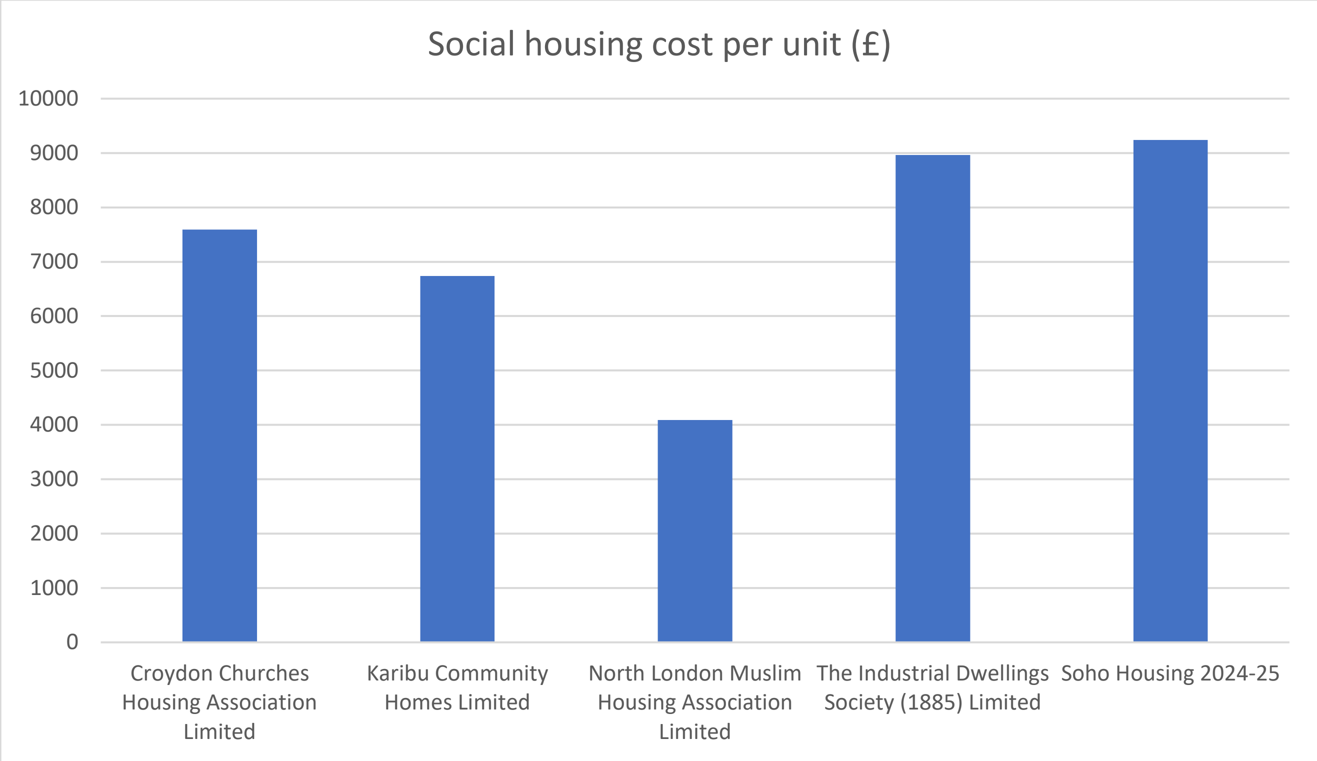
	Soho Housing						Benchmark
	Target 2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2023-24
Reinvestment	4.5%	**1.14%**	4.5%	4.3%	1.0%	0.2%	**2.9%**
New supply – social housing units	2.8%	**0%**	0.0%	1.1%	0.0%	0.0%	**1.1%**
New supply – non-social housing units	0.0%	**0%**	0.0%	0.0%	0.0%	0.0%	**0.0%**
Gearing	34%	**30%**	30%	33%	31%	31%	**37%**
EBITDA-MRI	126%	**136%**	-10%	119%	119%	200%	**71%****
Headline social housing cost per unit	£9,992	**£9,238**	£13,119	£8,258	£7,342	£5,401	**£6,835**
Operating margin – social housing lettings	20%	**18%**	18%	16%	18%	29%	**22%**
Operating margin – overall	24%	**24%**	27%	27%	25%	26%	**22%**
Return on capital employed	1.6%	**1.6%**	1.8%	1.6%	1.7%	1.4%	**2.2%**

*Excludes agreed covenant carve out (see commentary below)

** Includes one RP with negative EBITDA-MRI. Average excluding that one was 121%

The comparative benchmark data is taken from the Value for Money (VfM) metrics published by the Regulator of Social Housing for 2023-24 and the comparator group for was selected based on location and size (≤ 1500 properties): Croydon Churches, Karibu, North London Muslim Housing Association and The Industrial Dwellings Society (see chart overleaf).

Headline social housing cost per unit has reduced this year, following last year's high spend associated with the investment project at Sandringham Flats. Our overall performance has been stronger this year by comparison to other London-based housing providers, due primarily to our strong returns from investment properties. Moving forwards our focus will be to continue to strengthen our operating performance from social housing activities.



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 completed in 2024 and was been delivered within budget.

The targets for 2025-26 include continuing planned investment and cyclical works with a focus on energy performance and environmental impact. We were successful in our bid for Warm Homes funding to support our drive to EPC C by 2030. We will bear down on day-to-day housing management and maintenance costs with a view to improving value for money from services for our residents, balanced by prompt responses to requests for repairs.

The Association's long-term financial plan has been updated and approved by Board. Stresses applied to the model focused on liquidity and cost inflation. Key mitigations include maintaining cash reserves at least equivalent to 2-months expenditure; a five-year Revolving Credit Facility; and regular 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 year we expect to deliver 11 homes through the s106 development at South Molton Street, having taken the 10 flats at the Gloucester Place development into management in April (2025). Alongside that we are members of 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
Commercial Portfolio	Economic volatility may reduce rental income from commercial assets. For the Association the commercial portfolio not only delivers a commercial return but also support our social imperative	Active engagement with tenants to maintain occupancy and income Oversight by Investment & Development Committee Monitoring of arrears and tenancy risk
Climate Change and Sustainability	The Association must future-proof homes to meet energy efficiency expectations and reduce environmental impact	Sustainability Strategy under development Baseline data collection (e.g. EPCs) in progress Investment planning includes long-term retrofit and carbon reduction priorities Utilisation of grant funding to support decarbonisation
Financial Viability	Rising inflation, higher borrowing costs, investment in building safety, and debt servicing pressures are key financial risks. As a smaller provider, maintaining liquidity and meeting lender covenants remain ongoing priorities.	Treasury Strategy implemented with focus on debt profiling and interest rate management Defined scope and costings for major investment programmes, including fire safety Long-Term Financial Model (LTFM) regularly reviewed and stress-tested Budget monitoring and reforecasting cycles Revolving Credit Facility and MORhomes borrowing provide flexibility and headroom
Consumer Compliance	Delivering safe, decent homes and ensuring the safety of residents, staff, and contractors, alongside meeting updated Consumer Standards, is a key priority.	Preparation underway for compliance with Awaab's Law Third line assurance through focused landlord health and safety compliance internal audit programme Weekly compliance dashboard monitored by senior leadership Full compliance for gas and fire risk assessments Scrutiny and oversight through Board, Audit & Risk and Resident Services Committees

Risk	Comments	Mitigation
Stock Condition and Decency	The need to understand and invest in the stock portfolio is critical, particularly in the context of labour shortages, material inflation, and decarbonisation targets.	100% external and communal area stock condition survey completed Internal stock surveys underway Procurement through compliant frameworks Specialist expertise engaged to support the delivery and implementation of planned investment through the Warm Homes: Social Housing Fund retrofit programme
Service Delivery & Accountability	Tenant satisfaction, transparency, and governance expectations are increasing. Cyber security risk relating to capture, storage and security of resident data. Failure to deliver responsive services may impact performance, tenant trust, and regulatory compliance.	Co-produced service standards implemented Resident Services Committee providing governance oversight from tenant perspective Board Effectiveness Review completed and recommendations being actioned IT policy framework designed to mitigate cyber risk. Appointment of new IT support provider during year Scrutiny of Tenant Satisfaction Measures (TSMs) integrated into committee reporting
Workforce Capacity and Capability	Attracting and retaining skilled staff and contractors is a sector-wide challenge. Capacity constraints could impact delivery of services and programmes.	Focus on workforce planning and staff development Use of frameworks to access specialist skills Retention of capable and reliable contractors through active contract management

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 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, Beever & Struthers, and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

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.

During the second half of the year the Executive and Board were alerted to systemic failure in our complaints handling that had led to findings of maladministration by the Housing Ombudsman. We engaged with the Housing Ombudsman to address weaknesses in internal control with key actions including restructure of the housing team to focus on effective communication with residents especially regarding repairs; and appointment of ASB and complaints handling specialists.

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 it's 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 17th September 2025.

External auditors

Buzzacott Audit LLP have indicated their willingness to continue as our 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 21st July 2025 and signed on its behalf by:

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 2025 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 2025, 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 19, 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. 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 Audit LLP

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

29 August 2025

Statement of Comprehensive Income

	Note	Year ended 31 March 2025		Year ended 31 March 2024	
		Group	**Association**	**Group**	**Association**
		£'000	**£'000**	**£'000**	**£'000**
Turnover	**2**	10,972	10,972	10,526	10,526
Operating expenditure	**2**	(8,131)	(8,131)	(7,499)	(7,499)
Loss on disposal of assets	**2**	(170)	(170)	(160)	(160)
Operating surplus	**2**	2,671	2,671	2,867	2,867
Interest receivable		96	96	94	94
Interest payable and financing costs	**6**	(2,207)	(2,207)	(2,175)	(2,175)
Increase/(decrease) in valuation of investment properties	**13**	1,821	1,821	(558)	(558)
Surplus for the year		2,381	2,381	228	228
Actuarial gain/(loss) in respect of pension scheme	**10**	37	37	(133)	(133)
Total comprehensive income for the year		2,418	2,418	95	95

The notes on pages 28 to 56 form an integral part of these accounts. All activities relate to continuing operations.

The financial statements were approved by the Board on 21st July 2025 and signed on its behalf by:

Board Member:	**Board Member:**	**Secretary:**
Andrew Billany	**Rosemary Farrar**	**Jane Harrison**

Statement of Financial Position

	Note	31 March 2025 Group £'000	31 March 2025 Association £'000	31 March 2024 Group £'000	31 March 2024 Association £'000
Fixed assets					
Tangible fixed assets	**12**	101,388	101,388	101,694	101,694
Investment properties	**13**	59,427	59,427	58,894	58,894
Other Investments		221	221	-	-
		161,036	161,036	160,588	160,588
Current assets					
Trade and other debtors	**14**	2,399	2,399	2,014	2,014
Cash and cash equivalents	**15**	5,186	5,186	4,714	4,714
		7,585	7,585	6,728	6,728
Creditors: amounts falling due within one year	**16**	(4,412)	(4,441)	(5,957)	(5,986)
Net current assets/(liabilities)		3,173	3,144	771	742
Total assets less current liabilities		164,209	164,180	161,359	161,330
Creditors: amounts falling due after more than one year	**17**	(80,366)	(80,366)	(79,551)	(79,551)
Pension liability	**10**	(446)	(446)	(829)	(829)
Net assets		83,397	83,368	80,979	80,950
Reserves					
Non-equity share capital	**21**	-	-	-	-
Income and expenditure reserve		49,566	49,537	47,710	47,681
Revaluation reserve		33,831	33,831	33,269	33,269
		83,397	83,368	80,979	80,950

The notes on pages 28 to 56 form an integral part of these accounts.

The financial statements were approved by the Board on 21st July 2025 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 £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2023		**46,442**	**34,442**	**80,884**
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 revaluation reserve to income and expenditure reserve – revaluation of investment properties		558	(558)	-
Balance at 1 April 2024		**47,710**	**33,269**	**80,979**
Surplus for the year		2,381	-	2,381
Actuarial gain in respect of pension scheme		37	-	37
Transfer from revaluation reserve to income and expenditure reserve – disposal of asset		1,259	(1,259)	-
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties		(1,821)	1,821	-
Balance at 31 March 2025		**49,566**	**33,831**	**83,397**

Association	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2023	**46,413**	**34,442**	**80,855**
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 revaluation reserve to income and expenditure reserve – revaluation of investment properties	558	(558)	-
Balance at 1 April 2024	**47,681**	**33,269**	**80,950**
Surplus for the year	2,381		2,381
Actuarial gain in respect of pension scheme	37	-	37
Transfer from revaluation reserve to income and expenditure reserve - disposal of asset	1,259	(1,259)	-
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties	(1,821)	1,821	-
Balance at 31 March 2025	**49,537**	**33,831**	**83,368**

The notes on pages 28 to 56 form an integral part of these accounts

Consolidated Statement of Cashflows

	Note	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Net cash generated from operating activities (see below)		2,190	4,754
Cash flow from investing activities			
Purchase of tangible fixed assets – housing properties		(1,142)	(4,499)
Purchase of tangible fixed assets – other assets		(94)	(131)
Purchase of investment assets		(16)	(71)
Disposal of Investment properties		1,249	4,236
Investments (MorHomes)		(221)	-
Grants (paid)/received		-	(112)
Interest received		96	94
Cash flow from financing activities			
Interest paid		(2,207)	(2,139)
Debt issue costs incurred		(256)	-
New secured loans		10,549	2,000
Repayment of borrowings		(9,676)	(3,318)
Net change in cash and cash equivalents		472	814
Cash and cash equivalents at beginning of the year		4,714	3,900
Cash and cash equivalents at end of the year		5,186	4,714

	£'000	£'000
Cash flow from operating activities:		
Surplus for the year	2,381	228
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	1,446	1,327
Deficit on disposal of assets - land	170	160
(Increase)/decrease in trade and other debtors	(385)	85
Increase/(decrease) in trade and other creditors	(1,014)	867
Increase in leaseholder and sinking funds	(47)	93
Adjustment for defined benefit pension payment	(198)	(150)
Revaluation of investment properties	(1,821)	558
Adjustments for investing or financing activities:		
Government grants amortised	(453)	(459)
Profit from joint venture	-	-
Interest payable	2,207	2,139
Interest received	(96)	(94)
Net cash generated from operating activities	2,190	4,754

The notes on pages 28 to 56 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 2025 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

Group	2025 Turnover £'000	2025 Operating expenditure £'000	2025 Operating surplus £'000
Social housing lettings (note 3)	8,213	(6,710)	1,503
Other social housing activities			
Development costs not capitalised	-	(377)	(377)
Management fees	56	-	56
	56	(377)	(321)
Non-social housing activities			
Commercial properties	1,939	(716)	1,223
Market rent housing	764	(328)	436
	2,703	(1,044)	1,659
Loss on disposal of investment asset			(170)
Total	10,972	(8,131)	2,671

Group	2024 Turnover £'000	2024 Operating expenditure £'000	2024 Operating surplus £'000
Social housing lettings (note 3)	7,614	(6,259)	1,355
Other social housing activities			
Development costs not capitalised	-	(377)	(377)
Management fees	62	-	62
	62	(377)	(315)
Non-social housing activities			
Commercial properties	2,092	(603)	1,489
Market rent housing	758	(260)	498
	2,850	(863)	1,987
Loss on disposal of investment asset	-	-	(160)
Total	10,526	(7,499)	2,867

Notes to the Financial Statements

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

Association	2025 Turnover £'000	2025 Operating expenditure £'000	2025 Operating surplus £'000
Social housing lettings (note 3)	8,213	(6,710)	1,503
Other social housing activities			
Development costs not capitalised	-	(377)	(377)
Management fees	56	-	56
	56	(377)	(321)
Non-social housing activities			
Commercial properties	1,939	(716)	1,224
Market rent housing	764	(328)	436
	2,703	(1,044)	1,659
Loss on disposal of investment asset			(170)
Total	10,972	(8,131)	2,671

Association	2024 Turnover £'000	2024 Operating expenditure £'000	2024 Operating surplus £'000
Social housing lettings (note 3)	7,614	(6,259)	1,355
Other social housing activities			
Development costs not capitalised	-	(377)	(377)
Management fees	62	-	62
	62	(377)	(315)
Non-social housing activities			
Commercial properties	2,092	(603)	1,489
Market rent housing	758	(260)	498
	2,850	(863)	1,987
Loss on disposal of investment asset			(160)
Total	10,366	(7,499)	2,867

Notes to the Financial Statements

3. Turnover and operating expenditure

	2025	2024
Group and association	**£'000**	£'000
Income		
Rent receivable net of identifiable service charges	6,780	6,253
Service charge income	975	902
Amortised government grants	458	459
Turnover from social housing lettings	8,213	7,614
Operating expenditure		
Management	(1,360)	(974)
Service charge costs	(1,604)	(1,489)
Routine maintenance	(1,623)	(1,651)
Planned maintenance	(576)	(292)
Major repairs expenditure	(282)	(638)
Bad debts	(8)	(63)
Depreciation of housing properties	(1,257)	(1,152)
Operating expenditure on social housing lettings	(6,710)	(6,259)
Operating surplus from social housing lettings	1,503	1,355
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	86	40

Notes to the Financial Statements

4. Accommodation owned and managed, and under development

	2025	2024
	Number	Number
Social Housing		
Under development at end of year:		
General needs housing social rent	21	21
Under management:		
General needs housing at start of year	737	738
Transferred from development	-	-
Leased to Soho Limited as investment properties	(1)	(1)
General needs housing at end of year	736	737
Low-cost home ownership at start and end of year	2	2
	738	739
Non-Social Housing		
Under management at end of year:		
Market rented investment properties	23	26

5. Accommodation managed by others

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

	2025	2024
	Number	Number
Centrepoint Soho Limited	26	26
St Mungo's Broadway	12	12
	38	38

Notes to the Financial Statements

6. Interest and financing costs

	31 March 2025		31 March 2024	
	Group	**Association**	**Group**	**Association**
	£'000	**£'000**	**£'000**	**£'000**
Defined benefit pension charge	41	41	37	37
Recycled capital grant fund	5	5	5	5
Financing costs	66	66	62	62
On loans wholly or partly repayable in more than five years	2,095	2,095	2,071	2,071
	2,207	2,207	2,175	2,175
Less: interest capitalised on housing properties under construction	-	-	-	-
	2,207	2,207	2,175	2,175

The weighted average interest on borrowings of 5.78% (2024: 5.82%) was used for calculating capitalised finance costs.

7. Surplus on ordinary activities

	2025	2024
	£'000	£'000
The operating surplus is stated after charging/(crediting):		
Auditor's remuneration (excluding VAT):		
Audit of the group financial statements*	35	35
Audit of subsidiaries	3	2
Fees payable to the company's auditor and its associates for other services to the group:		
Taxation services	-	-
Service charge certification	4	4
Other	1	1
Operating lease rentals:		
- Land and buildings	-	-
- Office equipment	-	-
Depreciation of housing properties	1,257	1,153
Depreciation of other fixed assets	192	175

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 and no expenses were paid to Board members during the year.

	2025	2024
	£'000	£'000
Aggregate emoluments paid to or receivable by executive directors and former executive directors, including pension contribution	518	442
Emoluments paid to the highest paid Director excluding pension contributions	131	136

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

Notes to the Financial Statements

9. Employees

	Group		Association	
	2025	2024	**2025**	2024
	No.	No.	**No.**	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Office staff	25	21	25	21

	Group		Association	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Staff costs:				
Wages and salaries	1,662	1,302	1,662	1,302
Social security costs	153	128	153	128
Other pension costs	88	117	88	117
	1,903	1,547	1,903	1,547

	Group		Association	
	2025	2024	**2025**	2024
Aggregate number of full-time equivalent staff, including the executive team, whose remuneration including pension contributions exceeded £60,000 in the period:	**No.**	**No.**	**No.**	**No.**
£60,000 - £70,000	3	-	3	-
£70,000 - £80,000	-	-	-	-
£80,000 - £90,000	-	1	-	1
£90,000 - £100,000	1	2	1	2
£100,000 - £110,000	1	-	1	-
£110,000 - £120,000	-	-	-	-
£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, sets 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 2023. This valuation revealed a reduced net deficit of £0.694m. The recovery plan continues 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 2023. The liability figures from this valuation were rolled forward for the accounting year-end 31 March 2025 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 2025 £’000	31 March 2024 £’000	31 March 2023 £’000
Fair value of plan assets	3,534	3,520	3,625
Present value of defined benefit obligation	4,164	4,349	4,471
Deficit in the plan	(630)	(829)	(846)
Unrecognised surplus	-	-	-
Defined benefit liability to be recognised	(630)	(829)	(846)

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

	Period ended 31 March 2025 £’000	Period ended 31 March 2024 £’000
Fair value of plan assets at start of period	3,520	3,625
Interest income	174	179
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(239)	(350)
Employer contributions	203	192
Benefits paid and expenses	(124)	(126)
Fair value of plan assets at end of period	3,534	3,520

Notes to the Financial Statements

10. Pension obligations (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2025 £'000	Period ended 31 March 2024 £'000
Defined benefit obligation at start of period	4,349	4,471
Expenses	5	5
Interest expense	210	216
Actuarial (gains) losses due to scheme experience	163	(173)
Actuarial (gains) due to changes in demographic assumptions	-	(47)
Actuarial Losses (gains) due to changes in financial assumptions	(439)	3
Benefits paid and expenses	(124)	(126)
Defined benefit obligation at end of period	4,164	4,349

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	Period ended 31 March 2025 £'000	Period ended 31 March 2024 £'000
Current service cost	-	-
Expenses	5	5
Net interest expense	36	37
Defined benefit costs recognised in the statement of comprehensive income	41	29

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2025 £'000	Period ended 31 March 2024 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss) gain	(239)	(350)
Experience gains and losses arising on the plan liabilities - (loss) gain	(163)	173
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	47
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	439	(3)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	37	(133)
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)	**37**	(133)

Notes to the Financial Statements

10. Pension obligations (continued)

ASSETS

	31 March 2025 £'000	31 March 2024 £'000
Global Equity	396	351
Absolute Return	-	137
Distressed Opportunities	-	124
Credit Relative Value	-	115
Alternative Risk Premia	-	112
Liquid Alternatives	655	-
Emerging Markets Debt	-	46
Risk Sharing	-	206
Insurance-Linked Securities	11	18
Property	177	141
Infrastructure	1	356
Private Debt	3	3
Real Assets	423	-
Opportunistic Illiquid Credit	-	138
High Yield	-	1
Private Credit	432	-
Credit	135	-
Opportunistic Credit	-	1
Investment Grade Credit	109	-
Cash	48	69
Long Lease Property	1	23
Secured Income	59	105
Liability Driven Investment	1,070	1,432
Currency Hedging	6	(1)
Net Current Assets	8	6
Total assets	3,534	3,520

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 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.77%	4.89%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.78%	2.77%
Salary Growth	3.78%	3.77%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Notes to the Financial Statements

10. Pension obligations (continued)

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 Years	**Life expectancy at age 65 Years**
Male retiring in 2025	20.5	20.5
Female retiring in 2025	23.0	23.0
Male retiring in 2045	21.7	21.8
Female retiring in 2045	24.5	24.4

11. Taxation on profit on ordinary activities

	Group		**Association**	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
UK corporation tax on profit for the year	-	-	-	-
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:				
Surplus/(deficit) on ordinary activities before tax	2,418	95	2,418	95
Tax on profit on ordinary activities at standard corporation tax rate of 25% (2024:25%)	604	24	604	24
Effects of:				
Income not taxable for tax purposes	(604)	(24)	(604)	(24)
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: Social housing properties for letting - completed £'000	Housing properties: Social housing properties for letting - under construction £'000	Housing properties: Low-cost home ownership properties completed £'000	Total housing properties £'000	Other fixed assets: Furniture and office equipment £'000	Other fixed assets: Office £'000	Total fixed assets £'000
Cost							
At start of year	119,486	860	235	120,581	1,083	1,349	123,013
Additions	-	154	-	154	59	35	248
Transfer to/from investment properties	(139)	-	-	(139)	-	-	(139)
Component additions	1,335	(347)	-	988	-	-	988
Component disposals	(471)	-	-	(471)	-	-	(471)
At end of year	120,211	667	235	121,113	1,142	1,384	123,639
Depreciation and impairment							
At start of the year	20,465	-	32	20,497	715	107	21,319
Charge for the year	1,256	-	1	1,257	151	38	1,446
Component disposals	(471)	-	-	(471)	-	-	(471)
Transfers (to)/from investment property	(43)	-	-	(43)	-	-	(43)
At end of year	21,207	-	33	21,240	866	145	22,251
Net book value at end of year	**99,004**	**667**	**202**	**99,873**	**276**	**1,239**	**101,388**
Net book value at start of year	99,465	860	203	100,084	368	1,242	101,694

Notes to the Financial Statements

12. Tangible fixed assets (continued)

Housing Properties comprise:	2025 £'000	2024 £'000
Freeholds	59,959	59,209
Long leaseholds	37,828	38,028
Short leaseholds	2,847	2,848
	99,873	100,084

Cost of properties includes £nil (2024: £nil) for direct administrative costs capitalised during the year

	£'000	£'000
Works to existing properties in the year:		
Components capitalised	1,335	4,211
Other capital additions	154	-
Amounts charged to expenditure	282	638
	1,771	4,849
The aggregate amount of interest and finance costs included in the cost of housing properties	842	842

Carrying value of tangible fixed assets pledged as security for liabilities is £44.62m (2024: £47.44m).

Interest is capitalised at the cost of funds to the Association and added to schemes under construction. Interest capitalised in 2025 was £nil (2024: £nil) at an interest rate of 4.78% (2024: 5.82%).

Notes to the Financial Statements

13. Investment properties held for letting

	Group		Association	
	2025	**2024**	**2025**	**2024**
	£'000	**£'000**	**£'000**	**£'000**
At start of year	58,894	63,677	58,894	63,677
Additions	16	71	16	71
Disposal of asset	(1,400)	(4,396)	(1,400)	(4,396)
Transfer between tenure	96	100	96	100
Gain/(loss) on revaluation	1,821	(558)	1,821	(558)
At end of year	59,427	58,894	59,427	58,894

The Association's investment properties have been independently valued as at 31 March 2025 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 £20m, in total £59m.

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

The profit on revaluation of investment property of £1,821k (2024: loss of £558k) has been credited 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 £25,597k (2024: £25,599k).

Notes to the Financial Statements

14. Trade and other debtors

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Social housing rent arrears	670	616	670	616
Less: provision for doubtful debts	(507)	(499)	(507)	(499)
	163	117	163	117
Non-social housing rent arrears	488	554	488	554
Less: provision for doubtful debts	(111)	(118)	(111)	(118)
	377	436	377	436
Loan interest sinking fund (THFC)	918	884	918	884
Other debtors, prepayments and accrued income	941	577	941	577
	2,399	2,014	2,399	2,014

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 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Money market investments	41	38	41	38
Cash at bank	5,145	4,676	5,145	4,676
	5,186	4,714	5,186	4,714

In the above are balances totalling £87,633 (2024: £80,043) which are held in trust for leaseholders and £942,886 (2024: £836,567) in an equipment replacement sinking fund.

Notes to the Financial Statements

16. Creditors: amounts falling due within one year

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans and overdrafts (Note 17b)	643	1,218	643	1,218
Trade creditors	151	142	151	142
Amounts owed to group undertakings	-	-	29	29
Rents and service charges paid in advance	1,074	654	1,074	654
Service charge balances held on behalf of leaseholders	-	80	-	80
Accruals and deferred income	1,772	2,825	1,772	2,825
Deferred capital grant (Note 18)	476	475	476	475
Recycled capital grant fund (Note 19)	-	-	-	-
Other creditors	296	563	296	563
	4,412	5,957	4,441	5,986

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

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans (Note 17b)	34,767	33,534	34,767	33,534
Deferred capital grant (Note 18)	44,502	45,015	44,502	45,015
Recycled capital grant fund (Note 19)	127	65	127	65
Service charge sinking funds	970	937	970	937
	80,366	79,551	80,366	79,551

Notes to the Financial Statements

17(b). Debt analysis

	Group 2025 £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Loans repayable by instalments:				
Within one year	643	1,218	643	1,218
In one year or more but less than two years	775	1,175	775	1,175
In two years or more and less than five years	1,552	9,007	1,552	9,007
In five years or more	2,249	3,449	2,249	3,449
	5,219	14,849	5,219	14,849
Loans not repayable by instalments:				
Within one year	-	-	-	-
In one year or more but less than two years	3,000	-	3000	-
In two years or more and less than five years	-	3,000	-	3,000
In five years or more	29,700	16,500	29,700	16,500
	32,410	19,500	32,410	19,500
Loan issue premium	(2,154)	522	(2,154)	522
Loan issue costs	(355)	(119)	(355)	(119)
Total loans	35,410	34,752	35,410	34,752

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 2025 was:

At 31 March 2025	Total £'000	Variable Rate £'000	Fixed rate £'000	Weighted Average rate %	Weighted average term Years
Instalment loans	5,219	3,335	1,883	6.09	7.56
Non-instalment loans	32,700	3,000	29,700	5.57	10.69
	37,919	6,335	31,583	4.78	10.17

At 31 March 2024	Total £'000	Variable Rate £'000	Fixed rate £'000	Weighted Average rate %	Weighted average term Years
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
	34,349	15,135	19,214	5.82	12.23

Notes to the Financial Statements

18. Deferred capital grant

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At start of the year	45,490	45,949	45,490	45,949
Grant received in the year	-	-	-	-
Transferred to recycled grant	(54)	(55)	(54)	(55)
Allocated from recycled grant	-	55	-	55
Released to income in the year	(458)	(459)	(458)	(459)
At the end of the year	44,978	45,490	44,978	45,490
	£'000	£'000	£'000	£'000
Amount due to be released < 1 year	476	475	476	475
Amount due to be released > 1 year	44,502	45,015	44,502	45,015
	44,978	45,490	44,978	45,490

19. Recycled capital grant fund - GLA

	Group and Association	
	2025	2024
	£'000	£'000
Opening balance	65	175
Inputs to RCGF:		
Grants recycled	56	55
Interest accrued	5	5
Grant allocated to development	-	(55)
Repayment of grant to GLA	-	(115)
Closing balance	126	65
Amount three years or older where repayment may be required	-	-
Amount due in less than one year	-	-
Amount due in more than one year	126	65

Notes to the Financial Statements

20. Non-equity share capital

	2025 £ and number of shares	2024 £ and number of shares
Group and Association		
Allotted Issued and Fully Paid		
At the start of the year	49	48
Issued during the year	-	3
Cancelled during the year	(2)	(2)
At the end of the year	47	49

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

Group and association	2025 £'000	2024 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	3,910	4,460
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-
	3,910	4,460

	2025 £'000	2024 £'000
The Association expects these commitments to be financed with:		
Social housing assistance (recycled capital grant)	58	58
Committed loan facilities	2,110	1,500
Proceeds from the sales of properties	-	2,402
Existing cash resources	1,742	500
	3,910	4,460

	2025 £'000	2024 £'000
Capital commitments will be incurred over the next:		
In less than one year	2,110	2,660
In one year or more but less than two years	1,800	1,800
In two years or more and less than five years	-	-
In five years or more	-	-
	3,910	4,460

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	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Land and buildings:				
Less than one year	1,385	1,558	1,385	1,558
One to five years	5,744	6,328	5,744	6,328
More than 5 years	3,060	4,656	3,060	4,656
	10,189	12,542	10,189	12,542

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	**2024**	**2023**
	£'000	**£'000**
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant	44,978	45,853
Recognised as income in the income and expenditure reserve	16,078	15,620
	61,056	61,473

There is a contingent liability of £16,078k (2024: £15,620k) government grant that has been amortised and taken to the reserves as at 31 March 2025. 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:

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

During the year the Association let one property on short lease to Soho Limited (the Company), bringing the total number of properties currently leased to the Company to three. 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 2025 (2024: £29k).

West Smithfield Developments LLP is a joint venture. As at 31 March 2025, the LLP owed £nil (2024: £nil) to the Group. The LLP distributed £nil to Soho Limited (2024: £nil). Since the year-end the LLP became insolvent and is in liquidation.

26. Related parties

For 5 months of the year had one member who holds a leasehold tenancy with the Association but he came to the end of his term of office at the AGM in September 2024. The agreement is on normal terms and the member could not use their position to their advantage.