

(Registered Society Number 127223R)

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

(Regulator of Social Housing Number L4191)

**Thomas & Young Limited
Chartered Accountants
Solihull**

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

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SOLIHULL CARE HOUSING ASSOCIATION LIMITED

INFORMATION

Members of the Board

Mr A Evans (Chairman)
Mr M L Hooper FCCA (Treasurer)
Mr M Cambell
Mr C Oakley
Mr M Reid
Ms K Schofield
Mr D Thomas
Ms G Penfold

Chief Executive Officer

C Kevis

Registered Office

Phoenix House
2 Swallows Meadow
Shirley
Solihull
West Midlands
B90 4PQ

Auditor

Thomas and Young Limited
Chartered Accountants & Registered Auditors
Carleton House
266-268 Stratford Road
Shirley
Solihull
West Midlands
B90 3AD

Solicitor

Wright Hassall
Olympus Avenue
Leamington Spa
Warwickshire
CV34 6BF

Bankers

Lloyds Bank PLC
2nd Floor
125 Colmore Road
Birmingham
B3 3SD

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

For the year ended 31 March 2025

The board of The Solihull Care Housing Association Limited (SCHA) presents their report, and the audited financial statements of the Registered Provider (RP) for the year ended 31 March 2025.

The day to day running of SCHA is undertaken by the Chief Executive Officer Catherine Kevis.

The Finance Officers are Dee Rowe and Carrie Tam.

The Board holds quarterly meetings to monitor the activities and performance of the Association.

Trustees

The Trustees who served during the year and since the year end were as follows:

Mr A Evans	Appointed March 2019, Chair since 1 September 2023
Mr M L Hooper FCCA	Appointed March 2012
Mr M Reid	Appointed 25 February 2022
Mrs K Smart	Appointed 23 June 2023
Mr D Thomas	Appointed 25 February 2022
Mr C Oakley	Appointed 8 December 2023
Mr M Campbell	Appointed 7 June 2024
Ms G Penfold	Appointed 6 September 2024

Objectives and strategies for achieving those objectives

The principle activity of SCHA is the provision of housing accommodation and related services, for people who have additional needs, including other people who have learning disabilities and people with mental health needs.

SCHA does not itself provide care. Care is provided within some of its schemes by agreements between Solihull MBC (Metropolitan Borough Council) and care agencies.

Properties in management, as of 31st March 2025, comprised:

- a) Cranmore Court, Shirley: 12 flats let on assured tenancies for people with mental health needs.
- b) Oakfield Olton: 7 flats let on assured tenancies for people with mental health needs.
- c) Brighton House, Olton: 8 bedsits let on assured tenancies for people with mental health needs.
- d) Wildmoor Road, Shirley: 2 small homes providing support for 5 people with learning disabilities
- e) Danzey Green Road, Castle Bromwich: 3 bungalows registered for the provision of housing and care for people with learning disabilities.
- f) Yorkminster Drive, Chelmsley Wood: 3 bungalows registered for the provision of housing and care for people with learning disabilities

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (Continued)

For the year ended 31 March 2025

- g) Phoenix House: 43 rented apartments and 6 shared ownership apartments for people aged over 55 with care and support needs.
- h) Trinity Apartments: 38 rented apartments and 13 shared ownership apartments for people aged 55 and over with care and support needs.

Welcome from the Chair

I am delighted to report that the 2024–2025 financial year was one of strategic progress and purposeful investment for Solihull Care Housing Association. Guided by our mission to improve the lives of those people we support, we remained committed to delivering high-quality, person-centred services despite a challenging external environment. Leadership renewal was a key theme, as we welcomed two new Board members, Malcolm Campbell and Georgina Penfold, and appointed Catherine Kevis as Chief Executive Officer, enhancing our governance and executive capacity.

Financial performance remained stable, even amid rising costs and regulatory pressures, supported by strong risk management and prudent investment in tenant services and workforce development.

We took steps to ensure compliance with evolving sector regulations and engaged meaningfully in national benchmarking schemes.

Internally, we introduced enhanced staff benefits and new communication structures to bolster organisational resilience.

These efforts position us to continue delivering services that are responsive, empowering and aligned with our core values as we look forward to 2025–2026.

Strategic review - financial year 2024-25

In April 2024, we held a Board and staff away day to assess the external environment and potential developments. We agreed to pursue growth opportunities swiftly, but only within our expertise. The next step is to evaluate our 10-year financial capacity and stress test the plan in a volatile environment; this work will extend into 2025-26 with a stock condition survey and asset management strategy, with a focus on the quality of our homes, residents' safety, and environmental responsibility.

External environment

Housing is a central priority for the newly elected Government. However, supported housing faces financial crisis and potential closures. We are monitoring the Government consultation on the Supported Housing Act 2024, which aims to eliminate rogue landlords but may impose financial burdens on regulated providers.

Risks:

The board reviews the risk register and identifies emerging risks. During 2024-25 the key risks to the association were:

- Impact of the Supported Housing Act
- Impending change of care provider at Phoenix House and Trinity Apts
- GDPR
- Introduction of TSMs and Value for money metrics
- Contract for housing related support ending March 2024
- Shortfall in income due to voids
- Succession planning
- Heat Networks regulations

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (Continued)

For the year ended 31 March 2025

The board recently approved a revised risk map and will adopt a dynamic approach to risk management that identifies emerging risks and incorporates mitigating actions within operational improvement plans.

Governance and Leadership

During the year, the Board adopted new rules and reviewed the Code of Governance. The Board confirms its adherence to the Code the adoption of a governance improvement plan to support long-term objectives.

The Board voted by a majority for remuneration of its members, and referred to a briefing published by Campbell Tickell to inform their decision.

Katie Smart attended the NHF Board Leadership Conference and provided a briefing at a board meeting.

The board uses the regulatory standards framework as its operational guiding principles. Although the Regulator does not include small providers in its inspection programme, the board is aware of the need to comply with minimum standards.

Financial Performance

We have experienced another successful financial year despite the constraints imposed by the Regulator of Social Housing (RSH) with CPI-linked rent restrictions. We noted a marked increase in costs compared to the previous year, mainly in utilities and the costs of maintenance contractors. This year, we have significantly discounted energy contract costs for our residents, exceeding the minimum requirements of the energy bill discount scheme.

With the additional burden of regulations, the rise in employers' National Insurance Contributions and the on-going cap of rent levels, we will need to prepare for a review of priorities that balances investment in current homes and services, retrofitting and adoption of renewable energy sources and new developments or acquisitions.

Regulatory Compliance and Quality Assurance

Compliance with regulatory requirements was a priority this year.

We undertook a gap analysis of the new Consumer Standards and submitted the first annual self-assessment against the Housing Ombudsman Complaints Handling Code.

We introduced a dedicated complaints mail box and page on our website.

Resident Engagement and Community Initiatives

We launched our first Residents' Bulletin and joined Tpas to strengthen our commitment to residents' engagement. We have LinkedIn and Facebook pages and we refreshed our website. We are proud of our collaborative approach upon the formation of a residents' scrutiny panel, jointly with four other providers. This collaboration enables not only a share of the facilitation costs, but also a cross pollination of good practice when residents visit other schemes.

We joined Warwickshire and Solihull Community and Voluntary Action (CAVA) and colleagues are in regular contact with external agencies upon the delivery of residents and estate management services and participation at consultation events.

Staff Development and Organisational Culture

We are committed to creating a supportive and rewarding work environment. Our staff survey results indicate high levels of trust and satisfaction.

We reviewed our benefits package, increasing annual leave and adopting a Health and Wellbeing policy. We approved a 1% allocation of the budget for learning and development.

The Operations manager achieved the Level 5 Diploma in Housing, enhancing our adherence to the Competence & Conduct Standard 2024.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (Continued)

For the year ended 31 March 2025

Operational highlights

We replaced the windows at Oakfield House and Brighton House, improving energy efficiency. We showcased the refurbishment of Cranmore Court at an open day, bringing together current and former residents and their families to celebrate.

New service contracts were awarded for cleaning, grounds maintenance and catering.

We responded to increased demand for accommodation for people with mental health needs who are discharged from hospital. The on-going collaboration of colleagues in Social Care and at the Mental Health Foundation Trust is essential to maintain residents' safety and wellbeing. We are working towards an enhanced participation at joint meetings for better interventions when residents need them.

Heat Networks: We invited Chirpy Heat to present to the Board on 07 March 2025. We are currently awaiting the outcomes of the public consultation on the technical specification.

We have contracted a new insurance company requiring a revision of our H&S, business continuity policies and cyber risk management.

We successfully migrated all company folders to the Cloud and all Board members now have company emails and access to the company Sharepoint.

Analysis using financial and non-financial key performance indicators

- Surplus for the year: £ 390,970
- Current rent and service charge arrears as a percentage of annual rent collected: 1.98%
- Average re-let time: Extra Care 16 - Supported Housing 181- Combined total - 38
- Valid gas safety certificates: 100%
- Emergency repairs completed on time: 100 %
- Percentage of all repairs completed within target time: 96.12%

Metrics 1 – Reinvestment: 0.94%

Metrics 2 – No new supply N/A

Metrics 3 – Gearing: N/A

Metrics 4 – EBITDAMRI: N/A

Metrics 5 – Social Housing CPU: £9,045

Metrics 6 – Operating Margin

- A Social Housing lettings only : 15.22%
- B Operating Margin overall : 19.88%

Metric 7 – Return on Capital Employed: 3.38%

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (Continued)

For the year ended 31 March 2025

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Board Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



Mr Adrian Evans
(Chair)

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

For the year ended 31 March 2025

Opinion

We have audited the financial statements of The Solihull Care Housing Association Limited (the 'association') for the year ended 31 March 2025, which comprise Statement of Comprehensive Income (including the Income and Expenditure Account), the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and related 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 association's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 the provisions available for small entities, in the circumstances set out in note 24 to the financial statements 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 for 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 association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (Continued)

For the year ended 31 March 2025

Other information

The Board is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the association has not kept proper books of accounts, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our Report relates, the Balance Sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 5, 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 and the Board 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 statement, the Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (Continued)

For the year ended 31 March 2025

Auditor's responsibilities for the audit of 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.

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:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether account policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with relevant laws and regulations.
- Testing residential income, in particular cut-off, for evidence of management bias.
- Obtaining their-party confirmation of material bank and loan balances.

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

Use of our Report

This report is made solely to the association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this Report, or for the opinions we have formed.


James Carty FCA FCCA
Thomas and Young Limited
Chartered Accountants
Statutory Auditor

24 October 2025

Carleton House
266-268 Stratford Road
Shirley
Solihull
West Midlands
B90 3AD


THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

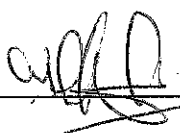
For the year ended 31 March 2025

	Notes	2025 £	2024 £
Turnover	2	2,047,947	1,960,629
Administrative expenditure	2	(1,703,993)	(1,613,963)
Operating surplus	2	343,954	346,666
Interest receivable and similar income	5	47,016	26,127
Surplus for the year before tax	3	390,970	372,793
Total comprehensive income for the year		<u>390,970</u>	<u>372,793</u>

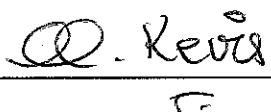
On behalf of the Board



Mr A Evans (Chairman)



Mr M L Hooper (Treasurer)



Ms C Kevis (CEO)

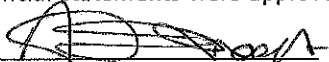
THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

BALANCE SHEET

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible fixed assets	8/9	9,863,077	9,622,034
		<u>9,863,077</u>	<u>9,622,034</u>
Current assets			
Stocks	10	-	408,334
Debtors	11	206,431	183,126
Cash at bank and in hand		1,871,616	1,372,156
		<u>2,078,047</u>	<u>1,963,616</u>
Creditors: amounts falling due within one year	12	(250,928)	(188,763)
Deferred Government grants due within one year		<u>(129,474)</u>	<u>(126,370)</u>
Net current assets		<u>1,697,645</u>	<u>1,648,483</u>
Total assets less current liabilities		11,560,722	11,270,517
Deferred Government grants due after more than 1 year	14	(4,693,820)	(4,794,585)
Total net assets		<u>6,866,902</u>	<u>6,475,932</u>
Reserves			
Called up share capital	15	8	8
Income and expenditure reserve	16	6,866,894	6,475,924
Total Reserves		<u>6,866,902</u>	<u>6,475,932</u>

The financial statements were approved and authorised for issue by the Board on



Mr A Evans (Chairman)



Mr M L Hooper (Treasurer)



Ms C Kevis (CEO)

The notes on pages 17 to 33 form parts of these accounts.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Called-Up Share Capital £	Income & Expenditure Reserve £	Total £
At 1 April 2023	8	6,103,131	6,103,139
Issued during the year	-	-	-
Surplus during the year	-	372,793	372,793
	<hr/>	<hr/>	<hr/>
At 31 March 2024	8	6,475,924	6,475,932
Issued during the year	-	-	-
Surplus during the year	-	390,970	390,970
	<hr/>	<hr/>	<hr/>
At 31 March 2025	8	6,866,894	6,866,902
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flow from operating activities			
Cash generated from operations	17	547,913	493,540
Interest Paid		-	-
Net cash flow from operating activities		<u>547,913</u>	<u>493,540</u>
Cash flow from investing activities			
Purchase of tangible fixed assets		(125,675)	(106,263)
Interest received		46,185	8,585
Grants received		31,037	-
Net cash used in investing activities		<u>(48,453)</u>	<u>(97,678)</u>
Cash flow from financing activities			
Repayment of long term loans		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		499,460	395,862
Cash and cash equivalents at 1 April 2024		1,372,156	976,294
Cash and cash equivalents at 31 March 2025		<u>1,871,616</u>	<u>1,372,156</u>
Cash and Cash equivalents consists of:			
Cash at bank and in hand		1,871,616	1,372,156
Cash and cash equivalents at 31 March 2025		<u>1,871,616</u>	<u>1,372,156</u>

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1 Summary of significant accounting policies

(a) General information and basis of preparation

The Solihull Care Housing Association (SCHA) is a registered provider (RP) and is incorporated under the Industrial and Provident Societies Act 1965 and the Friendly and Industrial Provident Societies Act 1968 (now Co-operative and Community Benefit Societies Act 2014), a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the RP information on page 1 of these financial statements. The nature of the RP's operations and principal activities are the provision of housing accommodation and related services, for people who have special needs, including frail elderly persons, people who have learning disabilities and people with mental health needs.

The RP constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and Co-operative and Community Benefit Societies Act 2014. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the RP, and rounded to the nearest pound, which is the functional currency of the RP.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

1 Summary of significant accounting policies (continued)

Shared ownership properties are split between housing properties in fixed assets and current assets. The split is determined by the expected percentage of the property to be sold under a first tranche disposal.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Major components of housing properties are depreciated at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2%
Improvement to buildings	10 years straight line
Office equipment	5-10 years straight line
Freehold land	Not depreciated
Motor Vehicles	50% / 20% / 10% thereafter

Major components of housing properties, such as lifts and warden alarm systems, have been accounted for and depreciated separately from the connected housing property, over their expected useful lives and are included in property fixtures and fittings.

The useful economic lives of all tangible assets are reviewed annually.

(CI) Capitalisation programme

Rates of depreciation for the different categories of fixed assets are determined by SCHA, and are in line with standard social housing association practice. In the main a 10 year lifespan is assumed for the majority of new electrical installations, bathrooms, kitchens and boilers. Lifespans will be reviewed periodically based on manufactures/installer's guidance or actual outcome experience.

Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in the Income & Expenditure Accounts.

Expenditure on items which would normally be capitalised will be written off in the year of purchase if an individual item or a group of items if purchased together costs less than £3,000.

(c) Stocks

Stocks, including property developed for outright sale or shared ownership is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

1 Summary of significant accounting policies (continued)

(d) Debtors and creditors receivable/payable within one year

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 statement of comprehensive income in other administrative expenses.

(e) Cash and cash equivalents

Cash and cash equivalents included cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings and current liabilities.

(f) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(g) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each Balance Sheet date. The level at which an impairment is assessed is considered is by the cash generating unit (CGU). A CGU is a property in management, as detailed in the Board Report. The key indicators considered are objective evidence that as a result of one or more events that occurred after the initial recognition of the asset, the estimated future flows have been affected.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

(h) Provisions

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

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

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

1 Summary of significant accounting policies (continued)

(i) Leases

Rentals payable and receivable under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

(j) Tax

Current tax represents the amount of tax payable or receivable in respect of taxable income for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The activities of the Association are exempt from VAT. Expenditure is shown including attributable VAT.

(k) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charges losses from voids, revenue grants from the government (local authorities) and the Homes England.

The disposal proceeds from the first tranche of share ownership properties are included in turnover at the point of legal completion.

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from supporting people contracts is recognised by reference to the stage of completion at the Balance Sheet date. Stage of completion is measured by reference to the date.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Interest receivable

Interest income is recognised using the effective interest method as the RP's right to receive payment is established.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

1 Summary of significant accounting policies (continued)

Other income

The licences and other income from rooms is recognised when the Association obtains the right to consideration.

(l) Government grants

Government grants, from Homes Communities Agency are received in respect of a contribution towards capital costs of various schemes. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Such grants are only repayable in certain limited circumstances.

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

(m) Employee benefits

When employees have rendered service to the RP, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The RP operated a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Financial instruments

The RP has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

1 Summary of significant accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transactions is measured at the present value of the future receipts, discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

If there is a decrease in the impairment loss arising from an event occurred after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

1 Summary of significant accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

(o) Judgements and key sources of estimation uncertainty

In the application of the RP's accounting policies the Board are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

1 Summary of significant accounting policies (continued)

Impairment of Social Housing properties

Housing properties are recognised as property plant and equipment, as intended use of these properties is to provide social housing. Properties are disclosed using the cost model (in accordance with paragraph 17.15A of FRS 102), cost less accumulated depreciation and any accumulated impairment losses.

The Board have to make an assessment as to whether an indicator of impairment exists. In making the judgement they have considered following:

- a) Review Commercial Property Price Index (CPPI) to ensure it shows growth in previous years.
- ii) Consider if there is an adverse change in the extent or manner of use of the building.
- iii) Visit premises to identify evidence of physical damage obsolescence.

2. Particulars of turnover, cost of sales, administrative expenditure and operating surplus

2025

	Turnover £	Operating Expenditure £	Operating Surplus £
Social housing lettings	1,820,418	1,703,993	116,425
Other social housing activities:			
Supporting people	66,266	-	66,266
Amortised government grants	128,698	-	128,698
Other	32,565	-	32,565
	227,529	-	227,529
Total	2,047,947	1,703,993	343,954

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

2. Particulars of turnover, cost of sales, administrative expenditure and operating surplus (continued)

2024

	Turnover £	Operating Expenditure £	Operating Surplus £
Social housing lettings	1,699,440	1,613,963	85,477
Other social housing activities:			
Supporting people	64,336	-	64,336
Amortised government grants	126,370	-	126,370
Other	70,483	-	70,483
	261,189	-	261,189
Total	1,960,629	1,613,963	346,666

	2025 £	2024 £
Void losses	20,665	36,018

3. Surplus on ordinary activities

	2025 £	2024 £
Auditor's remuneration	7,200	7,200
Bad debts	6,769	(1,891)
Depreciation of tangible assets	292,965	280,046
Operating rent	49,064	48,140

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

4. Accommodation owned, managed and in development

	Number of units at 31 March 2025	Number of units at 31 March 2024
Completed units:		
Supported housing	32	32
Housing for older people	100	100
Care homes providing personal care under the Care Standards Act 200	24	24
	<u>156</u>	<u>156</u>

5. Interest and other finance income and expenses

	2025 £	2024 £
Bank interest receivable	<u>47,016</u>	<u>26,127</u>

6. Board and key management personnel remuneration

Key management personnel received £80,742 (2024: £68,119) during the period. Members of the Board received £3,500 remuneration in the year.

7. Staff costs

The average monthly number of employees, including members of the executive team, during the year was as follows:

	2025	2024
Head office management and administration	6	8
Housing management	3	2
Wardens, cleans and maintenance	3	4
Support	4	3
	<u>16</u>	<u>17</u>

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

7. Staff costs (continued)

The aggregate remuneration of such employees was as follows:

	2025 £	2024 £
Wages and salaries	437,541	381,768
Social security	39,584	28,464
Other pension costs	20,769	17,973
	<u>497,894</u>	<u>428,205</u>

There are no employees who received more than £60,000 as their employee package.

8. Tangible fixed assets – housing properties

	Housing properties for letting £	Shared ownership properties £	Property fixtures & fittings £	Total £
Cost:				
At 1 April 2024	12,049,785	662,645	340,847	13,053,277
Additions	408,334	-	125,675	534,009
At 31 March 2025	<u>12,458,119</u>	<u>662,645</u>	<u>466,522</u>	<u>13,587,286</u>
Depreciation:				
At 1 April 2024	3,174,780	139,108	122,679	3,436,567
Charge for the year	240,034	13,252	36,130	289,416
At 31 March 2025	<u>3,414,814</u>	<u>152,360</u>	<u>158,809</u>	<u>3,725,983</u>
Net book value:				
At 31 March 2025	<u>9,043,305</u>	<u>510,285</u>	<u>307,713</u>	<u>9,861,303</u>
At 31 March 2024	<u>8,875,005</u>	<u>523,537</u>	<u>218,168</u>	<u>9,616,710</u>

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

8. Tangible fixed assets – housing properties (continued)

The next book value of land and buildings comprised:

	2025	2024
	£	£
Land and buildings:		
Freehold	8,752,581	8,490,781
Long leasehold	348,722	365,929
Land	760,000	760,000
	<u>9,861,303</u>	<u>9,616,710</u>

9. Tangible fixed assets – other

	Motor Vehicles £	Total £
Cost or valuation:		
At 1 April 2024	17,748	17,748
Additions/(Disposals)	-	-
	<u>17,748</u>	<u>17,748</u>
At 31 March 2025	<u>17,748</u>	<u>17,748</u>
Depreciation:		
At 1 April 2024	12,424	12,454
Charge for the year	3,550	3,550
On disposals	-	-
	<u>15,974</u>	<u>15,974</u>
At 31 March 2025	<u>15,974</u>	<u>15,974</u>
Net book value:		
At 31 March 2025	<u>1,774</u>	<u>1,774</u>
At 31 March 2024	<u>5,324</u>	<u>5,324</u>

10. Stocks

	2025	2024
	£	£
First tranche shares ownership properties:		
Completed housing properties for sale	-	408,334
	<u>-</u>	<u>408,334</u>

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

11. Debtors

	2025	2024
	£	£
Trade debtors (gross social housing rent arrears, service charges arrears and supporting people income outstanding)	146,230	135,278
Prepayments and accrued income	60,201	47,848
	<u>206,431</u>	<u>183,126</u>

12. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	110,906	43,826
Other creditors	15,919	10,072
Rents in advance	107,961	88,760
Accruals	16,142	46,105
	<u>250,928</u>	<u>188,763</u>

13. Leases

	2025	2024
	Land & Buildings	Land & Buildings
	£	£
Not later than one year	49,064	48,140
Later than one and not later than five years	127,255	140,179
Later than five years	81,315	117,455
	<u>257,634</u>	<u>305,774</u>

The RP has a 125 year lease on Cranmore Court from June 1992. The lease is fixed for the first 40 years at an annual rent of £36,140 per annum.

Also, there is a five year lease on two properties in Wildmoor Road from November 2019 with a current rental of £12,924 per annum.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

14 Government grant

Grants of £6,868,478 received, to asset with the purchase and construction costs of housing properties and therefore there is an ongoing linkage between the property costs and the government grants. As the housing properties are measured at cost, the accrual model for recognising the grant, reflects the substance of the overall transaction, as grants are matched to the life of the underlying asset. The grants are being amortised and treated as income over fifty years, being equal to the number of years over which the underlying assets are being depreciated.

	2025 £	2024 £
Due within one year	129,474	126,370
Due after one year	4,693,820	4,794,585
	<u>4,823,294</u>	<u>4,920,955</u>

15. Share capital

	Number	£
Allotted called up and fully paid At 1 April 2024	8	8
	<u>8</u>	<u>8</u>

The shares do not have rights to any dividends, nor to a distribution in a winding-up, and they are not redeemable. Each share carried one vote in a General Meeting of the association.

16. Reserves

	2025 £	2024 £
Balance at 1 April 2024	6,475,924	6,103,131
Surplus for the year	390,970	372,793
	<u>6,866,894</u>	<u>6,475,924</u>

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

17. Reconciliation of operating surplus to cash flow from operating activities

	2025	2024
	£	£
Operating surplus for the year	343,954	346,666
Depreciation and impairment of tangible fixed assets	292,966	280,046
(Increase) in trade and other debtors	(22,474)	(23,781)
Increase/(decrease) in trade and other creditors	62,165	16,979
Government grants utilised in the year	(128,698)	(126,370)
Net cash flow from operating activities	<u>547,913</u>	<u>493,540</u>

18. Pensions and other post-retirement benefits

As part of the government auto enrolment requirements, a pension scheme with National Employment Saving Trust (NEST) was set up on 1 April 2017 and all eligible employees have been enrolled into this scheme. The RP operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £20,769 (2024: £17,973).

19. Controlling party

The controlling parties are the members of the Board.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2025

20. Financial instruments

	2025	2024
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 11)	146,230	135,278
- Other debtors (note 11)	60,201	47,848
	<u>206,431</u>	<u>183,126</u>
Equity instruments measured at cost less impairment:		
-	<u>-</u>	<u>-</u>
-	<u>206,431</u>	<u>183,126</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (notes 12)	218,867	132,586
- Other creditors (notes 12)	32,061	56,177
	<u>250,928</u>	<u>188,763</u>

21. Non-audit services provided by the auditor

In common with many associations of our size and nature, we delegate the task of preparing the financial statements to our auditors.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED
DETAILED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2025

The following pages do not form part of the financial statements

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025		2024	
	£	£	£	£
Income				
Rents		1,543,127		1,461,143
Void rents		(20,665)		(36,018)
Shared ownership service charges		132,359		118,426
Income from resales		18,170		60,482
Care provider licence fee		165,597		155,889
Housing related support		66,266		64,336
Other income		14,395		10,001
Bank interest		47,016		26,127
		<hr/>		<hr/>
Total income		1,966,265		1,860,386
Catering costs	256,207		289,996	
Service maintenance contracts	41,871		39,011	
Equipment	5,502		7,624	
Building and equipment maintenance	133,560		142,255	
Maintenance salaries	66,906		58,696	
Cleaning and waste disposal	63,661		62,055	
Salaries	430,988		368,649	
Recruitment	3,084		-	
Rent, council tax and void council tax	52,703		52,186	
Heat, light and power	172,902		179,133	
Water	35,588		22,418	
Telephone	16,378		8,321	
Grounds maintenance	17,222		20,404	
Van expenses	1,943		1,287	
Stationery and postage	1,986		2,451	
Travelling	276		722	
Computer maintenance	17,260		8,151	
Printing	4,317		2,749	
Training	5,115		11,485	
Insurance	33,531		25,700	
Subscriptions and licences	11,771		9,653	
Sundry expenses	8,522		5,347	
Communication and social media	1,320		-	
Bank charges	163		162	
Consultancy and professional fees	13,227		9,478	
Audit	7,200		7,200	
Contribution to residents activities	1,055		675	
Bad debts	6,769		(1,891)	
Depreciation	292,966		280,046	
Amortisation of grants	(128,698)		(126,370)	
	<hr/>		<hr/>	
Total expenditure		(1,575,295)		(1,487,593)
		<hr/>		<hr/>
Net surplus		390,970		372,793
		<hr/>		<hr/>

