

**Family Housing Association
(Birkenhead & Wirral) Limited**

Financial Statements

31 December 2024

Family Housing Association (Birkenhead & Wirral) Limited

Information

for the year ended 31 December 2024

The Association is:

A Registered Provider (Regulator of Social Housing No. L1236)

A Registered Friendly Society (No. 18542R)

Incorporated under the Co-operative and Community Benefit Societies Act 2014

The Association enjoys charitable status with HM Revenue & Customs

Address	Marcus House Marcus Street Birkenhead Wirral, CH41 3NY	
Board Members	S Morris (Chairman) A Davies (Vice-Chairman) Appointed 18/06/2024 J Hughes P Carter G Hamilton (Appointed 18/06/2024) B McWhinnie (Appointed 18/06/2024)	R Roberts (Resigned 18/06/2024) A Gaskell (Resigned 18/06/2024) G Donnelly (Resigned 22/10/2024)
Key Management	N Moffatt (Chief Executive) M French (Operations Director and Deputy Chief Executive) L Milns (Finance Director)	
Bankers	The Royal Bank of Scotland plc Liverpool Group of Branches 1 Dale Street Liverpool, L2 2PP	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW
Accountants	Hailwood & Co 392 - 394 Hoylake Road Moreton Wirral, CH46 6DF	
Solicitors	Brabners LLP Horton House Exchange Flags Liverpool, L2 3YL	
External Auditors	DSG Castle Chambers 43 Castle Street Liverpool, L2 9TL	
Internal Auditors	Harvey Guinan LLP Unit 17, Mersey House Match Works Estate Liverpool L19 2PH	

Family Housing Association (Birkenhead & Wirral) Limited

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Family Housing Association (Birkenhead & Wirral) Limited**Board Report for the year ended 31 December 2024****Principal Activity**

The principal activity of Family Housing Association (FHA) during the year remained the provision of social housing throughout the Wirral area, including Birkenhead, Wallasey, Port Sunlight and Bromborough.

Review of Operations

Family Housing Association has a Planned Maintenance Programme which ensures that its stock continues to meet the Decent Homes Standard. During 2024 the Association capitalised £240,793 in respect of replacing kitchens, bathrooms, boilers, insulation, safety flooring, showers, and other various components. In addition, approximately £181,709 was spent on planned and major repair work. During the early part of the year, the 2023 Planned Maintenance Programme completed. The 2024 Planned Maintenance surveys were carried out by a newly appointed in-house Asset Manager who joined the Association in March 2024. The work began on site late September, resulting in some overspill into early 2025. The 2025 Surveys are underway and the work is expected to go out for Tender around May. This will enable tendering to take place earlier and works to go on site earlier, and so complete before the year end. Cyclical surveys have meant 20% of the stock has been inspected and works scheduled which includes works to kitchens, bathrooms, general improvements, and exterior painting. There is also a continued boiler replacement programme to upgrade our oldest, least efficient boilers.

The Association acquired seven newly constructed properties in Tranmere during the year costing £1,074,129, which were let as soon as they were completed in mid-October. All were let at Social Rents. The cost of the acquisition was considered by the Board as part of the Business Plan and was affordable without additional finance, being fully funded from cash reserves. As part of Risk Management, the bank balances were monitored to ensure they did not fall below the minimum level set by the Board, ensuring this did not affect our day-to-day operations.

In addition, there was £488 of final expenditure on the one-bedroom property in Birkenhead, which was acquired and refurbished in late 2023 and completed in early 2024. The property was let mid-January 2024 at a Social Rent. The final cost was £78,974.

There was also £4,093 of expenditure relating to professional fees, clearance costs and capitalised salaries on the piece of land in Wallasey, which was acquired in 2021 ready for development. The planning permission is currently being revisited to update this with a view to build three new units when money allows, and the costs have been fully assessed to ensure good value for money. The development would be funded from cash reserves. The aim is to continue investing into areas that complement our existing housing stock as and when they become available. There were no property disposals during the year.

Tenants are at the heart of everything that Family Housing Association does and so delivering high quality services is extremely important. The introduction of the Tenant Satisfaction Measures (TSM's) in 2024 led Officers to consult with the Customer Panel over tenants preferred choice of the frequency, method and content of Tenant Surveys, against the background that the most recent FHA survey was carried out in 2023. The Regulatory requirement for Housing Associations such as FHA who own less than 1,000 properties is to survey every two years. The Customer Panel considered the potential benefits and disadvantages of an annual survey and feedback that FHA tenants may become "survey fatigued" if approached every year.

Family Housing Association (Birkenhead & Wirral) Limited**Board Report for the year ended 31 December 2024****Review of Operations (continued)**

It is therefore proposed that the next Tenant Survey will take place during 2025, using the TSM requirements as a basis, and to then enhance them by including additional questions which are directly relevant to FHA. Officers will compare and contrast the benefits of completing the survey in-house or to work with specialist independent consultants.

FHA and its tenants continue to face the challenges of the high cost of living, including high inflation, with its impact on the cost and delivery of services. With rents being FHA's main source of income, the ability of tenants being able to pay their rent is extremely important. Therefore, supporting tenants to maximise their income and as such increase their ability to pay their rent generates significant additional workload. Officers offer support to those tenants who are dealing with reduced income in real terms, high energy costs and the continuing migration of tenants onto Universal Credit. Family Housing Association is working hard to identify the most meaningful ways of providing support, using the welfare budget, and working closely with the worst affected by increasing numbers of referrals for expert advice and support. Winter warm packs are available, and referrals made for fuel vouchers. Board Members have remained updated about income management throughout the year and in particular how rent arrears have remained stable, even accounting for the traditional increase in the run up towards Christmas.

Officers have worked hard to encourage tenants to participate in having energy efficiency measures such as additional wall insulation, (both internal and external), extra loft insulation, and upgraded or renewed heating systems, which will not only benefit tenants through lower energy bills but also ensure that the Association will meet the Government target of all homes reaching EPC level C by 2030. FHA has set aside funds to achieve this since 2020. Despite regularly promoting energy efficiency works, very few tenants have expressed an interest in works being carried out, resulting in progress being slow, with some tenants having concerns about the impact of living in their homes during major building works. Officers have developed a Decant Policy which was approved by the Board and follows good practice examples which have been successful in other Housing Associations. Short term, most progress is being made when properties become void, allowing works to be undertaken in empty homes. The knock-on effect of longer void periods is being closely monitored and reported upon.

Pension Schemes

Family Housing Association continues to participate in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a Defined Benefit scheme in the UK.

During the year, there was an actuarial gain on the Defined Benefit scheme amounting to £18,000 (2023: Loss £13,000). The most recent Triennial Valuation of September 2023 has resulted in the deficit payments decreasing from 1st April 2025 and then increasing by 2% p.a. from 1st April 2026 until 31st March 2028.

All staff in the Defined Benefit scheme chose to transfer into the Defined Contribution scheme from 1st April 2022, and the Defined Benefit schemes were subsequently closed. The Association continues to offer a Defined Contribution scheme for new and existing members, offering an attractive employer contribution of 11% from 1st April 2022. A new Defined Contribution scheme was set up for any new staff who join the Association after 1st April 2022 with an employer contribution of 10%.

Family Housing Association (Birkenhead & Wirral) Limited**Board Report for the year ended 31 December 2024****Financial Review and Reserves**

The total comprehensive income for the year amounted to £566,675 (2023: £466,333), which included an actuarial gain on the defined benefit pension scheme of £18,000 (2023: £13,000 loss). £1,011,861 was transferred into the Property Equity Reserve (note 14) which is a designated reserve representing the book value of the Association's housing properties after government grant and mortgages.

The total Revenue Reserve at the end of the year amounted to £11,492,529 (2023: £10,925,854) which includes £10,232,284 designated Property Equity Reserve (2023: £9,220,423). The Association expects to continue making surpluses for the foreseeable future whilst achieving modest growth.

Energy Efficiency Improvements

As part of a plan to reduce carbon emissions and reduce fuel poverty, in 2020 the Association budgeted £1,700,000 over 10 years to improve the energy efficiency of our homes, with the target of all our homes meeting a minimum standard of EPC band C by 2030. This plan provided for investment of £170,000 a year, making it affordable without the need to raise additional finance.

During the year, £170,000 was budgeted for Energy Efficiency works. Progress with this project has continued to be slow as the work required can be disruptive for tenants. Few tenants have volunteered for improvement work to be carried out and so work has focussed on improving properties as they became void. During 2024 two properties had extensive internal and external insulation work costing £29,649 which improved the EPC ratings from Bands D and E to C. There were also smaller insulation works on other properties, meaning the cumulative amount spent from the Energy Efficiency budget since 2020 is £120,216. The Association will continue to budget £170,000 each year until the work has been done. By the end of 2029, if any work is not complete, the programme will be extended. In addition to this, during 2024, £47,732 has been spent upgrading boilers which have also improved the heating efficiency of our homes.

FHA is eager to receive guidance from the Regular of Social Housing as to the specific detail of the requirement to achieve EPC band C by 2030, particularly as FHA owns a significant number of hard-to-treat Grade 2 listed buildings, where solar panels, external wall insulation and heat pumps are all prohibited. In the meantime, FHA is updating older EPCs so that the full extent of the challenge can be understood once official guidance is published.

Staff Structure

The current staff structure has changed considerably since December 2021, with all major service areas being brought in-house. The first phase created the role of Finance Director allowing the majority of our accountancy and finance work to be completed within FHA. Redefining the role of the Housing Officer to work alongside a Housing Administration Officer, has ensured dedicated resources for income collection, supporting tenants with rent arrears, addressing anti-social behaviour, together with ensuring the required high standards for Compliance in areas such as gas servicing and electrical testing. Once this had been successfully embedded, the second phase of restructuring took place in March 2024, with the appointment of an Asset Manager, which brought the Maintenance Service in-house. The opportunity was also taken to strengthen administrative support across all service areas with the appointment of an Administration Assistant. These are being evaluated throughout the first year of operation to ensure that they are appropriate.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2024

Changes to the delivery of the 2024 Planned Maintenance Programme

Since the Asset Manager was brought in-house, any minor works identified as part of planned maintenance inspections have been carried out immediately by small local contractors to ensure tenants are not left waiting for smaller jobs to be done. Only larger work such as kitchen and bathroom replacements go out to tender, resulting in less complex streamlined contracts. This approach has delivered a better customer experience and delivered cost savings.

Rent Arrears

Rents are the primary source of income to Family Housing Association and so rent collection and rent arrears monitoring are always a priority. During 2024, support to tenants and intervention actions when appropriate, have continued throughout the year. Officers have been supporting FHA tenants suffering from the cost of living crisis and energy price crisis impacting upon their ability to pay their rent. Considerable officer time and resource has been dedicated to working with tenants with a whole range of debts, resulting in closer relationships with external support agencies such as RAISE, Energy Projects Plus and the Foodbank when referrals are made.

Working Practices

Hybrid working, which combines home working with working in the office, began during the period of Covid restrictions. It has proved to be successful since then and so has been adopted as a permanent feature, with the support of the Board.

Close monitoring of KPI's combined with continued excellent Customer Service feedback has demonstrated that required outcomes are being achieved with this method of working, whilst significantly reducing our operational carbon emissions.

Internal Audit

During 2024, the Internal Auditor looked at compilation of TSMs, Risk Management and Complaints, concluding that Family Housing Association was compliant across each area of the audit, achieving the highest 4 star rated audit scores in all areas. Regular reporting to and scrutiny by the Audit Committee offered the Board a high level of assurance that the Association was meeting good practice and following its Policies and Procedures.

Key Policies:

The Association's key policies are as follows:

Treasury Management

The Board remains committed to development and property acquisition proportionate to the size and resources available to the Association in order to achieve growth. The Board supports financing such development and acquisitions from retained surpluses (minimising gearing), and if required through the raising of private finance, whilst in the longer term maintaining a prudent level of net interest cover. Opportunities for applying for Homes England Grant will continue to be explored, whilst noting that this option will only be taken up if the Association's commitment to charge 'Social Rents' can be retained.

Family Housing Association (Birkenhead & Wirral) Limited**Board Report for the year ended 31 December 2024****Maintenance**

Family Housing Association maintains its properties to a high standard by attending to responsive day to day repairs quickly, together with performing void repairs to empty properties prior to re-letting. A 5-year cyclical programme of Planned Maintenance work remains ongoing.

Development

Family Housing Association allocated its 2025 development budget during 2024 to acquire the 7 new properties in Tranmere, meaning that no additional finance was required. There will be some modest development budget available in 2025, which will enable the planning permission on the piece of land in Wallasey, acquired in 2021, to be renewed. The Board decided to 'landbank' this site, with an aspiration to still build three new units when costs are lower and cash reserves allow, with a view to demonstrate 'value for money'. The planning permission is currently being updated to account for the new ecological requirements and is expected to be renewed during 2025. The Association continues to explore development and acquisition opportunities for growth as they become available.

Rent

Family Housing Association continues to charge 'Social Rents' for all our homes, with rents set in accordance with the requirements of The Regulator of Social Housing. The Rent Restructuring Framework has applied to all mainstream social housing properties since April 2002. In accordance with the approved formula, the rents from April 2024 were increased by the Consumer Price Index in September 2023, which was 6.7%, plus 1%, resulting in an increase of 7.7%, which Family Housing Association implemented. The Board have approved rent increases of 2.7% as from April 2025, applying the same agreed rent formula.

Environmental, Social and Governance

FHA introduced a new Environmental, Social and Governance (ESG) Policy in February 2024. This has since been supported by the introduction of new a Carbon Neutral Policy and Social Purpose Policy later in the year. In relation to Governance, FHA continues to annually review and confirm its compliance with the NHF Code of Governance 2020. The ESG Policy was reviewed and updated again in February 2025, to consider progress in the first 12 months of its operation.

Equality, Diversity, and Inclusion

Family Housing Association's updated Equality Diversity & Inclusion Policy was approved by the Board in April 2024. This ensured that the Policy was fully aligned with the 2020 National Housing Federation (NHF) Code of Governance, which places a much greater emphasis than previous editions of the Code on Equality Diversity & Inclusion (EDI) across various aspects of the Code. Development of the Policy also took account of good practice recommendations made during the internal audit completed in 2023.

With Board support and approval in June 2024, FHA joined the Housing Diversity Network (HDN), ensuring that FHA officers have access to specialist training, advice, support and updates around relevant legislation and good practice. During 2024 the Community Housing Partnership (CHP) also created an Equality, Diversity and Inclusion Group, which FHA attends. This is helpful for sharing local good practice and for benchmarking.

Family Housing Association (Birkenhead & Wirral) Limited**Board Report for the year ended 31 December 2024****Internal control - Limitations of the Systems**

Whilst systems provide reasonable assurance against material misstatement in the Association's accounting records and against material loss of the Association's assets, it can never provide absolute assurance against either of the above.

Risk Management

The process for identifying, evaluating, and managing the significant risks faced by the Association is an ongoing one. This process was in place during the year to 31 December 2024 and is under constant review. An independent Audit of Risk Management was carried out during 2024 that found our Risk Management process offered an excellent system of control.

Health and Safety Compliance

Family Housing Association's Health & Safety at Work Policy was last reviewed and approved by the FHA Board in February 2022 and so work has been underway during late 2024 in order to ensure that it is available for timely periodic review by the FHA Board in February 2025. The Health and Safety at Work Act 1974 (HASWA) remains the main piece of legislation that regulates health and safety in the workplace. It establishes the legal framework to protect employees, the public, and others on the premises. There have not been any changes to this primary legislation since the FHA Health & Safety at Work Policy was last considered in 2022.

Hybrid working continues to be available to all staff, combining some days of working in the office, with some time spent working from home, with an office rota taking account of the numbers of staff available in the office at any one time, together with due regard for lone working. Employee's home working arrangements are reviewed to ensure that they are provided with the appropriate equipment and support. Regular risk assessments have continued during 2024 and will continue to be completed. Hybrid working has resulted in a significant reduction in operational carbon emissions.

The face to face Board Meetings, which resumed in the Board Room at FHA's Marcus House office in 2022 after Covid restrictions, have continued throughout 2024, as have Customer Panel and Audit Committee meetings.

There are policies and procedures in place to ensure that Annual Gas Safety Checks and 5-year Electrical Tests are carried out in a timely manner. FHA remains committed to the highest standards of compliance in respect of our properties, with this priority being underpinned by compliance being a part of the specified duties of the Housing Administration Officer. Compliance also includes the appropriate management of Fire Safety, Asbestos, Legionella and Radon Risks, with Compliance Performance in all these areas reported to Board Members at every Board Meeting as part of the Review of Operations Report.

FHA participated in the NROSH Fire Safety Remediation survey to identify works for buildings which are eleven metres plus tall. This enabled us to be able to confirm that FHA does not own any of these property types, whilst acknowledging that this remains a high-risk issue affecting many other Associations across the housing sector relating to fire risk and external cladding in high rise accommodation.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2024

Health and Safety Compliance (continued)

Family Housing Association achieved full compliance with the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022 by February 2023, which required carbon monoxide alarms to be installed in all properties with gas appliances. Carbon Monoxide Alarms now form part of the wider compliance reporting to the Board.

FHA's Board Members have continued to receive and consider a Risk Management Report at every Board meeting throughout 2024, detailing a wide range of issues affecting the Social Housing Sector and included the progress for the introduction of Awaab's Law. The General Election interrupted the momentum towards this introduction, but there is a clear indication from the Government that in 2025, social landlords will be required to address damp and mould that present a significant harm to tenants within fixed timescales and also to address all emergency repairs (whether they relate to damp and mould or not), as soon as possible and within no longer than 24 hours. FHA have worked throughout 2024 to ensure that the appropriate Policies, Procedures and working practices are in place to ensure full compliance in advance of the legislation being introduced.

The Board

All members of the Board hold one share. The Board members who served during the year are as follows:

S Morris (Chairman)	R Roberts (Resigned 18/06/2024)
A Davies (Vice Chair) Appointed 18/06/2024)	A Gaskell (Resigned 18/06/2024)
J Hughes	G Donnelly (Resigned 22/10/2024)
P Carter	
G Hamilton (Appointed 18/06/2024)	
B McWhinnie (Appointed 18/06/2024)	

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2024

Board's Responsibilities

The Board is required under legislation to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus of the Association for that year. In preparing those financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is also responsible for:

- keeping proper accounting records with respect to the Association's transactions and its assets and liabilities;
- maintaining a satisfactory system of internal control to govern the Association's key activities, and keeping the effectiveness of that system under constant review;
- safeguarding the Association's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of Effectiveness of Controls

Harvey Guinan LLP provide the Internal Audit service, they implement an ongoing structured programme for reviewing the effectiveness of Family Housing Association's systems of internal control. This review covers all of the Association's internal control systems in detail, on a continuous cycle.

As described earlier in this report, during 2024, the Internal Auditor looked at the compilation of TSMs, Risk Management and Complaints, concluding that Family Housing Association demonstrated excellent systems of control across each area of the audit, achieving the highest 4 star rated audit scores in all areas. Regular reporting to and scrutiny by the Audit Committee takes place, offering the Board a high level of assurance that the Association was meeting good practice and following its Policies and Procedures.

Key Procedures

- Formal policies are in place which enable the Board to safeguard the assets of the Association by ensuring that all persons who exercise control over those assets are properly authorised by the Board to do so.
- Family Housing Association operates a continuous Staff and Board training programme to ensure that they remain capable of effectively fulfilling their duties. Where Staff do not possess the relevant expertise, the services of reputable specialist professionals are used.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2024

Key Procedures (continued)

- Budgets and cash flow forecasts are prepared to enable the Board to control the key financial risks of the business. Quarterly management accounts are prepared to enable the Board to monitor progress towards the financial goals set and to initiate investigations into any material variation from those goals.
- All significant new commitments are subject to consideration and authorisation by the Board.
- The Board has reviewed the major risks facing the Association and taken action to ensure that there are procedures and policies in place to address these risks. A Risk Register is maintained and updated by Officers and considered at each Board Meeting.

Board Response to Areas of Weakness Identified

During the year to 31 December 2024, no weaknesses which have led to or may have led to material losses have been reported to the Board. During the same period, there have been no regulatory concerns expressed by the Regulator of Social Housing or any other regulatory body.

Governance Overview

At the October 2024 Board meeting, Members considered, then approved, the following reports: The Governance Review, the Annual Board Self-Assessment Review, Regulatory Compliance Review, and a Review of Compliance with the National Housing Federation's (NHF's) 2020 Code of Governance, which Family Housing Association adopted in December 2020.

The Social Housing Regulation Act received Royal Assent during 2023 and became law in April 2024. The Act aims to drive landlords compliance with the consumer standards by empowering the Regulator with new enforcement powers to tackle failing landlords. The Act implements policy measures to ensure that tenants know how their landlord is performing and are able to hold them to account. FHA officers followed closely the passage of the Act through parliament during 2023, noting the enhanced powers granted to the Regulator of Social Housing and the introduction of new Consumer Standards and so were able to ensure that FHA fully complied when the legislation was enacted in 2024.

The 2020 NHF Code of Governance

Compliance with the Code of Governance is annually reviewed by FHA using a Compliance Checklist provided by the NHF. Board Members use this to consider if Family Housing Association is achieving compliance. The 2020 code is built on four core principles that each set out requirements for Housing Associations to follow when they adopt the code:

- Mission and values
- Strategy and delivery
- Board effectiveness
- Control and assurance

The code also confirms the fundamental values that all good governance revolves around, including integrity, accountability, openness, equality, diversity, and inclusion. Continued striving for greater equality and diversity is an important element of the 2020 Code, as is the commitment to instilling an inclusive culture at the heart of the way in which Family Housing Association operates.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2024

The 2020 NHF Code of Governance (continued)

In addition, FHA adopted the NHF Code of Conduct for Board Members and Staff during 2024, providing a more detailed code for Board Members and Staff to follow.

Board Self-Assessment

The Board's Review of Governance during 2024 concluded that:

- The current Board structure is appropriate.
- The Audit Committee shall continue as a sub-committee to the Board.
- The frequency of Board Meetings shall continue to be bi-monthly, with a minimum of six meetings per year.
- Board Members will review their own individual performance, in preparation for an annual appraisal with the Chair. The Chair will also be Appraised by the Vice Chair.
- The current Board membership demonstrates the appropriate breadth of skills and experience, including finance, accountancy, law, business, charity and social housing. However, with the resignation of the two Board Members who are tenants in June and October 2024, it was agreed that there was a need to recruit new Board Members who are tenants.
- It was noted that the succession planning for the newly appointed Chair and Vice Chair in 2024 went smoothly.
- Board training will continue, with the use of Board Briefings. Finance for "non-finance" people training will once again be updated and regular access to social housing publications explored.
- New Board Members will attend mandatory introductory training.
- All members will be encouraged to attend training.
- That the format and timing of Board Meetings remain appropriate.

Compliance with the Regulator of Social Housing Regulatory Framework

In October 2024, the Board considered its compliance with the Regulatory Standards, including the Economic Standards and the Consumer Standards. The Board's self-assessment included a detailed review of the Regulatory Framework Compliance checklist. The Board noted the continued emphasis on Business Planning, identification and control of Risk, Stress Testing the Business Plan and the maintenance of an Assets and Liabilities Register.

The Board is aware of the principles of Co-Regulation and has a track record of engaging with the Regulator as appropriate.

The Board received an updated Stress Test Report of its Business Plan in December 2024, provided by external accountants Hailwood & Co. Family Housing Association's Stress Testing model is designed to test the Association's future financial projections against various combinations of factors including inflation, interest rates, benefit reform, pension deficit, political risks, investment in assets including potential changes to energy efficiency requirements, and rent levels. The model is adjusted annually, to reflect the latest local, national and international developments and the political landscape. The report concluded that although the Association must remain vigilant, even in the worst-case scenarios considered, its finances are sufficiently robust to deal with the challenges that lie ahead, whilst maintaining Service Standards at current levels. A number of Stress Triggers have been adopted that are monitored by Officers. If triggered, they require an immediate review of the Business Plan by the Board to ensure that FHA can react quickly to any changes to its operating environment.

Family Housing Association (Birkenhead & Wirral) Limited**Board Report for the year ended 31 December 2024****Compliance with the Regulator of Social Housing Regulatory Framework (continued)**

The Risk Register was reviewed by the Board and updated at every Board Meeting throughout 2024. This is in addition to the schedule of detailed annual and mid-year reviews, utilising different tools to review and prioritise risks.

Within the Governance and Financial Viability Standards, an Assets and Liabilities Register was developed at the beginning of 2016. It has since been regularly updated and subject to periodic scrutiny by the Internal Auditor, Harvey Guinan LLP to ensure it remains accurate.

Value For Money Self-Assessment

The Value for Money Self-Assessment is included as an appendix to the financial statements.

Auditors

The Board Members have confirmed that, so far as they are aware, there is no relevant audit information of which Family Housing Association's Auditors are unaware, and that they have taken all steps that they ought to have taken as Board Members in order to make themselves aware of that information.

DSG have agreed to offer themselves for re-appointment as External Auditors at the next Annual General Meeting.

For and on behalf of the Board.

Birkenhead
17 June 2025

S Morris
Chairman

Independent Auditor's Report to the Members of

Family Housing Association (Birkenhead & Wirral) Limited

Opinion

We have audited the financial statements of Family Housing Association (Birkenhead & Wirral) Limited (the 'association') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and 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 December 2024 and of its income and expenditure for the period then ended; and
- 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 social housing in England from January 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 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 association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 or other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of
Family Housing Association (Birkenhead & Wirral) Limited (continued)

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 account, 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, and 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 Management Board

As explained more fully in the Board's responsibilities statement set out on page 8, the Board are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 are 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 intend to liquidate 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 ISA's (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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law and Tax and Pensions legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include environmental regulations, health and safety legislation, trades description act and employment legislation.

**Independent Auditor's Report to the Members of
Family Housing Association (Birkenhead & Wirral) Limited (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; reviewing post year end payments for evidence of claims pay outs and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls and the nature, timing, and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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, and 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.

DSG Audit

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

17 June 2025

Family Housing Association (Birkenhead & Wirral) Limited

Statement of Comprehensive Income
for the year ended 31 December 2024

	Notes	2024 £	2023 £
Turnover	2	2,211,000	2,023,517
Operating costs	2	(1,643,851)	(1,510,142)
Operating surplus	2	567,149	513,375
Surplus/(deficit) on sale of other assets	8	-	-
Interest receivable and other income	5	45,357	34,677
Interest payable and similar charges	6	(63,831)	(68,719)
Surplus for year	8	548,675	479,333
Actuarial gain/(loss) in respect of defined benefit scheme	23	18,000	(13,000)
Total comprehensive income for the year	14	566,675	466,333

The surpluses for 2024 and 2023 were derived wholly from continuing activities.

There is no difference between the results as disclosed above and those that would have been disclosed using an unmodified historical cost basis of accounting.

On behalf of the Board

S Morris - Chairman

A Davies - Vice Chairman

N Moffatt - Secretary

Family Housing Association (Birkenhead & Wirral) Limited

Statement of Financial Position

as at 31 December 2024

		2024 £	2023 £
	Notes		
Fixed assets			
Housing properties at cost less depreciation	7	15,118,224	14,172,883
Other fixed assets		397,225	476,985
		<u>15,515,449</u>	<u>14,649,868</u>
Current assets			
Debtors	9	112,041	90,387
Cash at bank and in hand		1,201,405	1,726,664
		<u>1,313,446</u>	<u>1,817,051</u>
Less: Creditors			
amounts due within one year	10	163,933	161,301
		<u>1,149,513</u>	<u>1,655,750</u>
Net current assets			
		<u>16,664,962</u>	<u>16,305,618</u>
Total assets less current liabilities			
		16,664,962	16,305,618
Less: Creditors			
amounts due after more than one year	11	4,959,297	5,101,197
Less: Provisions for liabilities			
Defined benefit pension obligation	23	213,130	278,561
		<u>11,492,535</u>	<u>10,925,860</u>
Total net assets			
		<u><u>11,492,535</u></u>	<u><u>10,925,860</u></u>
Capital and reserves			
Non equity share capital	15	6	6
Unrestricted reserves			
Revenue reserve	14	11,492,529	10,925,854
		<u>11,492,535</u>	<u>10,925,860</u>
		<u><u>11,492,535</u></u>	<u><u>10,925,860</u></u>

The financial statements on pages 13 to 33 were approved and authorised for issue by the Board on 17th June 2025 and were signed on its behalf by:

S Morris - Chairman

A Davies - Vice Chairman

N Moffatt - Secretary

Family Housing Association (Birkenhead & Wirral) Limited

Statement of Changes in Reserves

for the year ended 31 December 2024

	Notes	Non equity share capital £	Income and Expenditure Reserve £	Total £
At 1 January 2024		6	10,925,854	10,925,860
Surplus for the year	2	-	548,675	548,675
Actuarial gain in respect of defined benefit pension scheme	23	-	18,000	18,000
Total comprehensive income		<u>-</u>	<u>566,675</u>	<u>566,675</u>
Share capital issued		3	-	3
Share capital cancelled		(3)	-	(3)
At end date 31 December 2024		<u><u>6</u></u>	<u><u>11,492,529</u></u>	<u><u>11,492,535</u></u>

Family Housing Association (Birkenhead & Wirral) Limited

Statement of cash flows

for the year ended 31 December 2024

**Reconciliation of operating surplus to net cash
inflow from operating activities**

	2024	2023
	£	£
Operating surplus	567,149	513,375
Depreciation charges	429,181	406,340
Government grants utilised	(84,886)	(85,936)
Government grants utilised not previously written off	(860)	(1,690)
Components replaced	28,582	22,677
Share capital	(3)	(3)
(Increase)/decrease in debtors	(24,354)	7,500
Increase/(decrease) in creditors	5,182	(41,026)
Pension expenses (note 23)	3,000	3,000
Net cash inflow from operating activities	922,991	824,237

Statement of cash flows

Cash flow from operating activities	922,991	824,237
Interest paid on mortgages	(51,831)	(54,719)
Interest received	48,057	21,744
Net cash flow from operating activities	919,217	791,262
Cash flow from investing activities		
Capital expenditure on housing properties	(1,323,039)	(388,836)
Disposal of housing properties	-	-
Purchase of other tangible fixed assets	(3,841)	(3,017)
Disposal of other tangible fixed assets	-	-
Net cash flow from investing activities	(1,326,880)	(391,853)
Cash flow from financing activities		
Housing loans repaid	(55,168)	(72,124)
Housing loans received	-	-
Share capital issued	3	1
Defined employer pension contributions and expenses	(62,431)	(59,291)
Net cash flow from financing activities	(117,596)	(131,414)
(Decrease)/increase in cash - (note 13)	(525,259)	267,995
Cash and cash equivalents at 1 January	1,726,664	1,458,669
Cash and cash equivalents at 31 December	1,201,405	1,726,664
Cash and cash equivalents consists of:		
Cash at bank and in hand at 31 December	1,201,405	1,726,664

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

1 Accounting policies

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014, and is registered with The Regulator of Social Housing as a Registered Provider of Social Housing as defined by the Housing and Regeneration Act 2008.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, including FRS 102. A summary of the more important accounting policies is set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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

a) **Accounting basis**

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', the Housing SORP 2018 Update - Statement of Recommended Practice for Registered Social Housing Providers' ("the SORP") and the Accounting Direction for Registered Providers of Social Housing - 2022 ("the Direction"). The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. The accounts have been prepared on a going concern basis.

b) **Turnover**

Turnover represents rental income and service charges receivable. It excludes void properties which are not in a lettable condition.

c) **Government grants**

Government grants (social housing grants) received are in respect of Housing properties and their components.

As assets are accounted for at cost, social housing grant is accounted for using the accruals model and in most cases the grant is recognised as a liability and amortised over the economic life of related asset. Amortisation is recognised within turnover.

Should the grant exceed the fair value of the asset, the excess grant is recognised as income immediately.

Where a proportion of project expenditure is funded by Social Housing Grant the grant income is recognised as the work progresses with reference to the overall proportion of project completion.

These grants are repayable in certain circumstances. Any grant written off on components replaced is reinstated on disposal of the related property.

d) **Fixed assets and depreciation - non-housing tangible fixed assets**

Other tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged on a straight line basis over the expected useful economic lives of the assets, after expected proceeds, at the following annual rates:

Office furniture, fixtures and fittings	10%
Computer equipment	25%

A full year's depreciation is charged in the year of acquisition, no charge is made in the year of disposal.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

1 Accounting policies (continued)

e) Fixed assets and depreciation - housing properties and freehold offices

Housing properties and freehold offices are stated at historical cost, less accumulated depreciation.

The Association's policy on the calculation of depreciation is by component accounting, as laid down by the SORP (update 2018). This means that depreciation is charged based on the useful life of each component within its housing properties and freehold offices as follows:

Structure	100 years	Kitchens	20	years
Roofs	70 years	Stair lifts	15	years
Windows and doors *	50 years	Electric fires	15	years
Bathrooms	30 years	Gas fires	30	years
Mechanical systems	30 years	Electrics	40	years
Central heating systems	15 years	Driveways	20	years
Showers	5 years	Other	10, 15, 20, 50	years

*Based on the approved NHF component accounting matrix, any original windows and doors are depreciated over 30 years, up until the date they are replaced with uPVC components, at which point this changes to 50 years to reflect their extended useful life.

The Association does not depreciate land, or properties whilst they are under construction. The Association starts to depreciate properties and their components in the year of completion. The property portfolio is reviewed annually for indicators of impairment, and should those indicators be present, a more detailed review undertaken. There are currently no such indicators.

f) Capitalisation of interest

Interest on development finance is capitalised up to the point of practical completion.

g) Capitalisation of development overheads

A proportion of salary costs reflecting staff involvement in development activities, plus any other incremental costs associated with particular developments are capitalised as part of development costs.

h) Works to existing housing properties

Expenditure which enhances the revenue stream of a housing property, whether through increased rent, reduced long term maintenance costs or extended life, is capitalised. Any expenditure on replacing a component is also capitalised. All other repair costs are charged against revenue.

i) 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 and in other administrative expenses.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

1 Accounting policies (continued)

j) Cyclical repairs and maintenance

Due to the number of properties held and the establishment of regular programmes of repair and maintenance, the Association does not make provision for future works but charges actual costs incurred to the statement of comprehensive income account.

k) Employee benefits

The Association participates in the Social Housing Pension Scheme (SHPS). The scheme is a defined benefit pension scheme based on either final pensionable salary or career average salary. The assets of the scheme are held separately from those of the Association in an independently administered fund.

Since 2019, information has been made available allowing the Association to recognise its share of the actuarial liability on the scheme on a consistent and reliable basis. For the actuarial liability (see note 23).

The employee service costs and expenses during the year are recognised as part of management expenses. The net interest expenses are disclosed within interest costs. The employer repayments are allocated against the defined benefit pension liability provision. Actuarial (losses)/gains are (charged)/credited against comprehensive income and are disclosed after the surplus for the year.

Since 2019 a defined contribution scheme has been set up for new and existing members. The contributions are included within management expenses. Since 1st April 2022, all staff chose to be in the defined contribution scheme. The defined benefit schemes were closed following on from that. For information on pensions see note 22 and 23.

When employees have rendered service to the Association, 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.

l) Property equity reserve

When the Association uses its free reserves to part fund a project, the difference between net property cost (after deducting government grants) and mortgage loans received is transferred from revenue reserve to property equity reserve, as is an amount equal to the capital paid off housing loans in the year. Conversely, amounts equal to any depreciation charged on housing property, or components written off, are transferred from the property equity reserve to the revenue reserve.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

**2 Turnover, operating costs, operating surplus
and surplus on ordinary activities**

	Turnover 2024 £	Operating Costs 2024 £	Turnover 2023 £	Operating Costs 2023 £
Income and expenditure from lettings				
Social housing letting	2,125,076	1,643,851	1,935,788	1,510,142
Other income and expenditure				
Other income	178	-	103	-
Amortised government grants:				
For the year	84,886		85,936	
Not previously written off	860		1,690	
Total	2,211,000	1,643,851	2,023,517	1,510,142
Operating surplus	567,149		513,375	
Surplus/(deficit) on sale of other assets	-		-	
Investment income	45,357		34,677	
Interest payable	(63,831)		(68,719)	
Surplus on ordinary activities	548,675		479,333	
Turnover from lettings	£		£	
Rent receivable	2,091,797		1,901,932	
Service charges receivable	36,148		34,901	
less: Rent losses from voids	(2,869)		(1,045)	
	2,125,076		1,935,788	
Operating costs from lettings				
		£		£
Housing accommodation				
Services		40,597		35,980
Management		650,640		532,829
Depreciation of housing properties		419,973		397,280
Components replaced		28,582		22,677
Planned maintenance		135,783		253,732
Major repairs		45,926		19,767
Routine maintenance		312,107		231,079
Rent losses/(gains) from bad debts		10,243		16,798
		1,643,851		1,510,142

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

**2 Turnover, operating costs, operating surplus
and surplus on ordinary activities (continued)**

Service charges receivable

All of the service charges receivable by the Association are eligible for housing benefit, with the exception of lifeline related costs.

3 Board and key management personnel remuneration

		2024	2023
		£	£
Salary and benefits	*	228,927	216,572
Pension contributions and life insurance	*	25,060	23,442
		<u>253,987</u>	<u>240,014</u>

The pension contributions include employer contributions and life insurance, and exclude deficit contributions. Any adjustments or repayments to the defined benefit liability scheme are reflected in note 23.

		2024	2023
		£	£
The highest paid member of staff (excluding pension contributions):			
Chief executive	*	<u>99,352</u>	<u>95,403</u>

* Includes adjustment for holiday pay accrual

		2024	2023
		No.	No.
Full time equivalent staff whose remuneration (including pension contribution fall into the following bands:			
more than £100,000 but not more than £110,000	*	1	1
more than £90,000 but not more than £100,000		-	-
more than £80,000 but not more than £90,000		-	-
more than £70,000 but not more than £80,000	*	1	1
more than £60,000 but not more than £70,000	*	1	1

The Chief Executive is a member of the Defined Contribution Scheme.
The Association paid 11% of his salary into the Scheme.

No enhanced or special terms apply to the Chief Executive on their pension scheme.
For more details on the Pension Scheme, see note 22 and 23.

The Board members give their time freely, on a voluntary basis.
For details on Related Party Transactions - see note 18.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

4 Employee information

		2024	2023
		£	£
Staff Costs			
Wages and salaries	*	422,320	338,973
Social security costs	*	47,750	38,287
Pension contributions	*	45,807	36,900
		<u>515,877</u>	<u>414,160</u>

* Includes adjustment for holiday pay accrual

The pension contributions include the employer contributions only for the defined contribution schemes. For more information on pensions, see note 22 and 23.

Average number of equivalent full time employees	2024 No.	2023 No.
Management	3	3
Administration	<u>6</u>	<u>4</u>
	<u>9</u>	<u>7</u>

5 Interest receivable and other income

	2024	2023
	£	£
Interest receivable from unlisted investments	<u>45,357</u>	<u>34,677</u>
	<u>45,357</u>	<u>34,677</u>

6 Interest payable and similar charges

	2024	2023
	£	£
On bank loans and other loans:		
Repayable wholly or partly in less than 5 years	10,507	9,314
Repayable wholly or partly in more than 5 years	41,324	45,405
Other finance costs		
Interest on net defined benefit pension liability	12,000	14,000
	<u>63,831</u>	<u>68,719</u>

Family Housing Association (Birkenhead & Wirral) Limited

**Notes to the financial statements
for the year ended 31 December 2024**

7 Tangible fixed assets

	Housing Properties £	Land & Property For Development £	Freehold Offices £	Computer & Office Furniture £	Total £
Cost					
At 1 January 2024	20,882,088	203,768	355,391	54,622	21,495,869
Reverse brought forward disposal	17	-	-	-	17
Additions	1,314,922	4,581	-	3,841	1,323,344
Transfer on completion	78,974	(78,974)	-	-	-
Disposals	-	-	-	-	-
Components replaced	(106,362)	-	-	-	(106,362)
At 31 December 2024	<u>22,169,639</u>	<u>129,375</u>	<u>355,391</u>	<u>58,463</u>	<u>22,712,868</u>
Depreciation					
At 1 January 2024	6,709,205	-	90,228	46,568	6,846,001
Reverse brought forward disposal	53	-	-	-	53
Charge for year	419,973	-	5,519	3,689	429,181
Disposed of in year	-	-	-	-	-
Components replaced	(77,816)	-	-	-	(77,816)
At 31 December 2024	<u>7,051,415</u>	<u>-</u>	<u>95,747</u>	<u>50,257</u>	<u>7,197,419</u>
Net book value					
At 31 December 2024	<u>15,118,224</u>	<u>129,375</u>	<u>259,644</u>	<u>8,206</u>	<u>15,515,449</u>
At 31 December 2023	<u>14,172,883</u>	<u>203,768</u>	<u>265,163</u>	<u>8,054</u>	<u>14,649,868</u>

Included within housing property additions of £1,314,922 is £240,793 relating to components capitalised on existing properties, plus £1,074,129 relating to the acquisition of 7 new properties in Tranmere, Birkenhead.

Additions of £4,581 included within land and property under development is £488 for the final refurbishment costs of one new property which was acquired late 2023 and completed early 2024 (£78,974) plus £4,093 towards the land acquired during 2021 in Wallasey which has 'been 'land banked' with a view to building three units on it when cash flow allows and the costings have been analysed and reviewed.

The £129,375 net book value represents the 'land banked' costings to date. This figure includes £9,514 relating to capitalised salaries.

The adjustments brought forward relate to components written off during 2023 in error, now reinstated.

Properties are depreciated once development is completed.

The additions include £19,395 of salary costs reallocated to development (2023: £13,426) £17,329 (2023: £10,554) is included within completed works and £2,066 (2023: £2,872) is included within additions under development.

There have been no property disposals during 2024.

The Association has implemented Component Accounting as required by the Statement of Recommended Practice.

The Association owns the freehold to all properties except two properties (2023: Two) which are leasehold.

The net book value of these properties amount to £144,700 (2023: £147,800).

There are 74 (2023: 104) properties secured on the housing loans included in note 11, the net book value of these properties amount to £2,363,772 (2023: £3,375,202).

30 of the properties secured on the Nationwide mortgages repaid in December 2023 and February 2024 were released during the year.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

8 Surplus on ordinary activities	2024	2023
	£	£
Surplus on ordinary activities is stated after charging/(crediting):		
Depreciation on tangible owned fixed assets	429,181	406,340
Amortisation of government grant:		
For the year	(84,886)	(85,936)
Not previously written off	(860)	(1,690)
(Surplus)/deficit on disposal of other fixed assets	-	-
Components replaced	28,582	22,677
Pension expenses (note 23)	3,000	3,000
	<hr/>	<hr/>
Auditors' remuneration (exclusive of VAT):		
In their capacity as auditors	6,105	5,550
	<hr/>	<hr/>
	2024	2023
	£	£
9 Debtors		
Rent arrears and rechargeable repairs	124,993	100,956
Less: provision for doubtful debts	(57,778)	(56,644)
	<hr/>	<hr/>
Net arrears	67,215	44,312
Prepayments and accrued income	44,826	46,075
	<hr/>	<hr/>
	112,041	90,387
	<hr/>	<hr/>
10 Creditors: Amounts falling due within one year	2024	2023
	£	£
Housing loans	56,018	55,032
Rent advances	26,078	33,653
Capital expenditure on housing properties	8,143	11,679
Other taxation and social security	11,274	9,372
Accruals	62,420	51,565
	<hr/>	<hr/>
	163,933	161,301
	<hr/>	<hr/>
There was no balance or movement on the Recycled Capital Grant Fund during the year.		
11 Creditors: Amounts falling due after more than one year	2024	2023
	£	£
Housing loans	491,305	547,459
Deferred income (note 12)	4,467,992	4,553,738
	<hr/>	<hr/>
	4,959,297	5,101,197
	<hr/>	<hr/>

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

11 Creditors: Amounts falling due after more than one year (continued)

Housing loans from Orchardbrook and Nationwide are secured by specific charges on the Association's housing properties. See note 7 for further information.

The Orchardbrook loan is repayable during 2045 and carries a fixed interest rate of 10.43%.

There were six original Nationwide mortgages repayable between 2023 and 2029, which have been on a SONIA plus applicable margin of 0.6% plus an adjustment spread since 1st January 2022 (previously LIBOR). One mortgage was repaid in December 2023, and the second in February 2024. This leaves four mortgages remaining.

	2024 £	2023 £
In one year or less	56,018	55,032
Between one and two years	47,974	55,776
Between two and five years	88,876	122,627
In five years or more	354,455	369,056
	<u>547,323</u>	<u>602,491</u>

12 Deferred government grant

	2024 £	2023 £
Opening deferred grant	4,553,738	4,641,364
Amortised during the year	(84,886)	(85,936)
Amortised not written off previous years	(860)	(1,690)
Closing deferred grant	<u>4,467,992</u>	<u>4,553,738</u>

Social Housing Grants represent total accumulated deferred government grants received, except for Tenant Incentive Scheme grants which total £6,900 net and grants written off on disposal of components, amounting to £1,185,839. The latter would be reinstated should any of the relevant properties be disposed of. Total amortised grant to date amounts to £3,055,173.

13 Analysis of changes in net debt *

	At 1 Jan 2024 £	Cash flows £	Other changes £	At 31 Dec 2024 £
Cash at bank and in hand	1,726,664	(525,259)	-	1,201,405
Housing loans				
due within one year	(55,032)	55,168	(56,154)	(56,018)
due after more than one year	(547,459)	-	56,154	(491,305)
	<u>1,124,173</u>	<u>(470,091)</u>	<u>-</u>	<u>654,082</u>

* Cash reserves exceed the total housing loans

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

14 Reserves

	Property equity reserve *	Revenue reserve	Total
	£	£	£
At 1 January 2024	9,220,423	1,705,431	10,925,854
Total comprehensive income for year	-	566,675	566,675
Transferred to/(from) revenue reserve	1,011,861	(1,011,861)	-
At 31 December 2024	<u>10,232,284</u>	<u>1,260,245</u>	<u>11,492,529</u>

* See accounting policies for further information on Property Equity Reserve.

15 Non equity share capital

	2024	2023
	£	£
Allotted, issued and fully paid		
At 1 January 2024	6	8
Issued during year	3	1
Cancelled during year	(3)	(3)
At 31 December 2024	<u>6</u>	<u>6</u>

The Association is registered under the Co-operative and Community Benefit Societies Act 2014. Its shares carry no right to dividends, redemption nor distribution upon winding up. All of the share holders are Board members and have full voting rights. There were no Co-opted Board Members at the year end (2023: two).

16 Capital and other commitments

	2024	2023
	£	£
Capital expenditure that has been contracted for but not provided for	31,652	19,954
Capital expenditure that has been authorised but not contracted for	<u>475,139</u>	<u>1,484,837</u>
Other expenditure	<u>19,491</u>	<u>17,765</u>

The £31,652 included in capital commitments contracted for but not provided for, relates to capital works within the 2024 planned maintenance programme which is under a JCT contract signed before the year end.

The remaining £475,139 included in capital commitments authorised but not contracted for, relates to various component replacements including boilers £70,000, planned maintenance works including kitchens, bathrooms, other components £104,939, potential uPVC windows £10,000, radiator replacements £32,000, plus £90,000 for any other components and adaptations, plus £8,200 towards renewal of planning permission of the land owned in Wallasey. Also included in the above is £160,000 towards improving energy efficiency of our homes. There is a plan to spend up to £1.7M in total on this improvement work. So far, since starting the project in 2020, £120,216 has been spent.

The other commitments relate to the rest of the planned maintenance contracts signed under a JCT which are not capital works, plus a commitment to contribute towards a service provided by a Policy Officer until January 2026. All the above commitments have been approved by the Board after being checked for affordability and will be financed from cash reserves.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

17 Contingent liabilities

There is a contingent liability of £537,095 in respect of the employer debt on the Social Housing Pension Scheme. This is the amount that would have been payable if The Association either had no active members, or had withdrawn from The Social Housing Pension Scheme as at 30th September 2023. Further details are included in note 23.

18 Related parties

Control

The Association is controlled by its Board members, all of whom own one share.

Transactions with related parties

Two of the Association's Board were tenant members during the year (None at the year end). Their tenancies are on normal commercial terms, and they are not able to use their position to their advantage.

The aggregate rent charged for the year amounted to £9,897 (2023: £14,528) and aggregate year end arrears amounted to £338 (2023 : £348). The aggregated year end advances amounted to £96 (2023: £90).

During the year, Board members were reimbursed travel expenses of £392 (2023; £534). Board training costs amounted to £1,130 (2023; £570), and at the year end, training costs of £1,483 had been committed.

Other

One of the key management is the brother of the Director of Hailwood & Co, the Association's Accountants. During the year, Hailwood & Co billed The Association £5,785 including VAT (2023: £6,013) in respect of various accountancy and consultation services. There were no outstanding amounts due in either year. The transactions were on normal commercial terms.

19 Housing stock

	2024	2023
Opening units	394	393
Additions	7	1
Disposals	-	-
Closing units	<u>401</u>	<u>394</u>

All units are classed as general needs. The Association manages all of the above units. Two units are leasehold (2023: Two), the remaining units are freehold. There were no units under development in 2024 (2023: One). There was a piece of Land which remained under development at the year end. See note 7 for further information

20 Legislative provisions

The Association is governed by the Co-operative and Community Benefit Societies Act 2014, and the Housing and Regeneration Act 2008.

21 Corporation tax and VAT

The Association has charitable status and is therefore not liable to corporation tax.

The Association is not registered for VAT. Accordingly, no VAT is charged to tenants, and expenditure in the income and expenditure account includes the relevant VAT.

22 Pension scheme - defined contribution scheme

During 2019, the Association opened a defined contribution scheme for existing and new members with a 9% employer contribution rate, this increased to 11% from 1st April 2022. There is an additional defined contribution scheme with a 10% employer contribution rate for new staff who join the Association after 1st April 2022. The amount relating to 2024 (including holiday pay accrual) was £44,168 (2023: £35,696) and is included within management expenses.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

23 Defined benefit pension obligations - Social Housing Pension Scheme

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associate employers. The scheme is a defined benefit scheme in the UK.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of recovering 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 of the scheme.

For financial years ending on or before 28 February 2019, it has not been possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit 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 this 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 an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY).

	31 December 2024	31 December 2023
	£000s	£000s
Fair value of plan assets	1,061	1,073
Present value of defined benefit obligation	1,275	1,352
Surplus (deficit) in plan	(214)	(279)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(214)	(279)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(214)	(279)

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

23 Defined benefit pension obligations - (Social Housing Pension Scheme) continued

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from 31 December 2023 to 31 December 2024 £000s
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

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

	Period from 31 December 2023 to 31 December 2024 £000s
Defined benefit obligation at start of period	1,352
Current service cost	-
Expenses	3
Interest expense	64
Member contributions	-
Actuarial losses (gains) due to scheme experience	19
Actuarial losses (gains) due to changes in demographic assumptions	(14)
Actuarial losses (gains) due to changes in financial assumptions	(97)
Benefits paid and expenses	(52)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	1,275

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

23 Defined benefit pension obligations - (Social Housing Pension Scheme) continued

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

	Period from 31 December 2023 to 31 December 2024 £000s
Fair value of plan assets at start of period	1,073
Interest income	52
Experience on plan assets (excluding amounts included in interest income)	
- gain (loss)	(74)
Employer contributions	62
Member contributions	-
Benefits paid and expenses	(52)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	1,061

The actual return on the plans assets (including any changes in share of assets) over the period from 31 December 2023 to 31 December 2024 was (£22,000).

**DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE
INCOME (SOCl)**

	Period from 31 December 2023 to 31 December 2024 £000s
Current service cost	-
Expenses	3
Net interest expense	12
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	15

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

23 Defined benefit pension obligations - (Social Housing Pension Scheme) continued

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 December 2023 to 31 December 2024 £000s
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(74)
Experience gains and losses arising on the plan liabilities - gain (loss)	(19)
Effects of changes on the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	14
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	97
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	18
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)	18

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

23 Defined benefit pension obligations - (Social Housing Pension Scheme) continued

ASSETS

	31 December 2024	31 December 2023
	£000s	£000s
Global Equity	123	87
Absolute Return	-	20
Distressed Opportunities	-	35
Credit Relative Value	-	34
Alternative Risk Premia	-	16
Liquid Alternatives	190	-
Emerging Markets Debt	-	17
Risk Sharing	-	64
Insurance-Linked Securities	4	5
Property	50	42
Infrastructure	-	100
Private Equity	1	-
Real Assets	121	-
Private Debt	-	41
Opportunistic liquid Credit	-	48
Private Credit	135	-
Credit Relative Value	39	-
Investment Grade Credit	27	-
High Yield	-	-
Cash	9	15
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	30
Secured Income	18	27
Liability Driven Investment	341	485
Currency Hedging	(2)	4
Net Current Assets	5	3
Total Assets	1,061	1,073

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.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2024

23 Defined benefit pension obligations - (Social Housing Pension Scheme) continued

KEY ASSUMPTIONS

	31 December 2024	31 December 2023
	% per annum	% per annum
Discount Rate	5.51	4.80
Inflation (RPI)	3.18	3.05
Inflation (CPI)	2.84	2.70
Salary Growth	3.84	3.70
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy At age 65 (Years)
Male retiring in 2024	20.50
Female retiring in 2024	23.00
Male retiring in 2044	21.80
Female retiring in 2044	24.40

24 Scheme benefit review

Defined benefit pension obligations - Social Housing Pension Scheme

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. The Court hearing began February 2025, with the Court's guidance expected in the Summer of 2025. After this, the Trustee and its advisors will consider the outcome and communicate next steps to employers. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.