Family Housing Association (Birkenhead & Wirral) Limited

Financial Statements

31 December 2025

Family Housing Association (Birkenhead & Wirral) Limited

Information

for the year ended 31 December 2025

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) J Hughes P Carter G Hamilton B McWhinnie R Simmons (Appointed 17/06/2025) D Chetwyn (Appointed 17/06/2025) Y Daclinat (Appointed 17/06/2025)	
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	

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Board Report for the year ended 31 December 2025

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

FHA has a Planned Maintenance Programme which ensures that its stock continues to meet the Decent Homes Standard. During 2025, FHA capitalised £298,273 in respect of replacing kitchens, bathrooms, boilers, insulation, safety flooring, showers, and other various components. In addition, approximately £192,564 was spent on planned and major repair work. During the early part of the year, the remaining works from 2024 Planned Maintenance Programme were completed.

The 2025 Planned Maintenance surveys were carried out by the Asset Manager, with the smaller general repairs starting earlier in the year and being well received by tenants. The main tendered work began on site late July with the kitchens and bathrooms completing by the Autumn, although the painting contract was slightly delayed due to various factors including adverse weather conditions, meaning there will be some overspill into early 2026. The 2026 Surveys are well underway, and the main work is expected to go out for Tender around May. The smaller repair works are again being carried out as soon as it is practical to do so after each survey. Cyclical surveys have meant 20% of the stock has been inspected as part of five-year rolling cycle 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.

FHA did not acquire any new properties during 2025 due to the significant expenditure on seven newly constructed properties in Tranmere during the latter part of 2024, utilising the development budgets for both years.

There was also £7,372 of expenditure relating to professional and planning 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 being updated, and is still with the planning officer, 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 look to be funded from a combination of cash reserves and Social Housing Grant. 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 remain at the heart of everything that FHA does and so consistently 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 first FHA TSM 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 fed back that FHA tenants may become "survey fatigued" if approached every year, and so the two-yearly cycle of surveying has been adopted.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2025

Review of Operations (continued)

The second TSM Tenant Survey therefore took place during the Autum of 2025, using the TSM requirements as a basis, with some additional questions agreed with the Customer Panel as being directly relevant to FHA. Board Members and Staff were delighted with the exceptional Tenant Survey results, with tenant satisfaction in many areas exceeding 90%, which was even higher than the satisfaction levels fed back by FHA tenants in the previous survey across the majority of TSM measures. It was particularly pleasing that over 50% of FHA tenants chose to participate in the 2025 Survey. Officers are not complacent and are following up on the lower areas of satisfaction, in order to identify where service improvements can be made, and also by contacting individual tenants where they chose to identify themselves in order to discuss any concerns.

The high cost of living continues to impact upon FHA tenants effecting their ability to pay their rent. Rents are the main source of FHA's income, and so supporting tenants to help them pay their rent is extremely important and is the focus of a significant amount of staffing resources. This support can come in many forms, from helping them to maximise their income and reducing energy costs to providing winter warm packs, fuel vouchers and access to the local Foodbank. FHA also has a dedicated Welfare Budget to help support tenants that are vulnerable to access essential services and amenities. FHA works closely with other agencies to provide expert advice and support to tenants including RAISE, Energy Projects Plus and Wirral Foodbank. Board Members have received regular updates about income management throughout the year and have noted how rent arrears have remained stable, even accounting for the traditional increase in rent arrears around the Christmas period and the migration of Housing Benefit to Universal Credit.

Officers continue to work hard to encourage tenants to participate in having energy efficiency measures completed at their homes, 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 FHA will meet the Government target of all homes reaching EPC level C by 2030. Despite regularly promoting energy efficiency works since creating a dedicated budget in 2020, few tenants have expressed an interest in works being carried out during 2025, resulting in progress being slow, with some tenants having concerns about the impact of living in their homes during major building works. FHA Officers 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 to the FHA Board.

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. SHPS has Defined Benefit and Defined Contribution Scheme's available in the UK.

During the year, there was an actuarial gain on the Defined Benefit scheme amounting to £16,000 (2024: Gain £18,000). 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. The next Triennial Valuation is due September 2026, and the results are expected the following Summer.

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Board Report for the year ended 31 December 2025

Pension Schemes (continued)

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. FHA continues to offer a Defined Contribution scheme for new and existing members. It offers an employer contribution of 11% to staff enrolled in SHPS before 1st April 2022 and 10% for new staff joining after that date.

Financial Review and Reserves

The total comprehensive income for the year amounted to £637,068 (2024: £566,675), which included an actuarial gain on the defined benefit pension scheme of £16,000 (2024: £18,000 gain). £24,200 was transferred from the Property Equity Reserve (note 14) which is a designated reserve representing the book value of the Association's housing properties after government grant, ECO4 grant, and mortgages.

The total Revenue Reserve at the end of the year amounted to £12,129,597 (2024: £11,492,529) which includes £10,208,084 designated Property Equity Reserve (2024: £10,232,284). FHA 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 FHA 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 2025 one property had extensive internal and external insulation work costing £17,000, which improved the EPC ratings from Band F to C. There were also smaller insulation and improvement works on other properties, meaning the cumulative amount spent on capital work from the Energy Efficiency budget since 2020 is £140,504. Since the project began, there is also a cumulative spend of £9,745 on non-capital work, including the update of EPC's. The Association will review its investment in Energy Efficiency works once Minimum Energy Efficiency Standards (MEES) are finalised and continues to budget £170,000 per year through to 2029. In addition to this, during 2025, £54,818 has been spent upgrading boilers which have also improved the heating efficiency of our homes.

During the year, FHA partnered up with a company called Live Manage Facilitate Limited (LMF) with a view to upgrade the energy efficiency of those homes below EPC Band C from a pilot sample of 20 properties using ECO4 grant funding.

By the year end, two properties had the benefit of solar panel and electric storage heaters being installed with a fully funded cost of £18,792, increasing the EPCs from Bands E and D to C. Following on from The Chancellor's Autumn Statement, ECO4 funding has been withdrawn from April 2026, meaning we are uncertain as to how many more properties will continue to benefit from the partnership with LMF in the future. FHA are keeping the situation under review and continue to work towards upgrading our properties below EPC Band C utilising cash reserves from the Energy Efficiency budget, until we understand the full impact and costings from the new Minimum Energy Efficiency Standard.

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Board Report for the year ended 31 December 2025

Energy Efficiency Improvements (continued)

FHA is eager to receive guidance from the Regulator of Social Housing as to the specific requirements of the new Minimum Energy Efficiency Standards, particularly as FHA owns a significant number of hard-to-treat Grade 2 listed buildings in Port Sunlight, 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 provision of additional administrative support to the team. A new role of Customer Service Administrator has been created and one post filled. During 2026 our Receptionist / Administrative Assistant is due to retire and will be replaced with another Customer Service Administrator post. These updated roles allow for the administrative staff to travel locally to visit tenants and monitor the condition of homes.

Since the Asset Manager role 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 and more streamlined contracts. This approach has delivered a better customer experience and delivered significant cost savings.

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 2025, the Internal Auditor looked at a compilation of Void Management, Anti-Social behaviour and Planned Maintenance. The Internal Auditors report their findings directly to the Audit Committee who then subsequently report to the Board. The Audits found Good or Excellent systems of control were in place and that policies and procedures were followed. No significant areas of concern have been identified and all recommendations to improve processes and procedures have been accepted. These are being implemented and progress monitored as part of the Audit Action Plan. The Internal Audit Areas for 2026 have been determined as Mould and Damp, and Business Continuity.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2025

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 FHA 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. FHA remains committed to Social Rents and will only consider Affordable Rent when a new development is not financially viable when charging Social Rents. FHA is exploring the potential for accessing grant funding and low-cost loans from Homes England as part of a collaboration with the Community Housing Partnership, a group of small Northwest based social landlords.

Maintenance

FHA 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

FHA allocated its 2025 development budget during 2024 to acquire the 7 new properties in Tranmere, meaning that no additional finance was required. During 2025, there has been a modest development budget to 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 a viable development plan can be identified. Currently construction costs are so high that grant funding would be essential to make the site financially viable. An updated planning application was submitted over a year ago, but a planning decision is yet to be made. The viability of the site has been made more challenging by the application of biodiversity net gain fees and Section 106 fees by the local authority. FHA continues to explore development and acquisition opportunities for growth as they become available.

Rent

FHA 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 2025 were increased by the Consumer Price Index in September 2024, which was 1.7%, plus 1%, resulting in an increase of 2.7%, which FHA implemented. The Board have approved rent increases of 4.8% as from April 2026, applying the same agreed rent formula.

The Government’s 2026 Rent Standard allows for a period of rent convergence that allows Registered Providers to increase rents slightly above CPI + 1% to move towards formula rent. This has potential to allow FHA to recover lost ground as a result of the rent cap in 2022. The Board will take a decision on Rent Convergence when it carries out its annual rent review towards the end of 2026.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2025

Environmental, Social and Governance

FHA introduced an Environmental, Social and Governance (ESG) Policy in February 2024. This is supported by a Carbon Neutral Policy and Social Purpose Policy. In relation to Governance, FHA continues to annually review and confirm its compliance with the 2020 NHF Code of Governance. The ESG Policy is regularly reviewed and updated as part of our Policy Review Programme, with it currently being reviewed every 2 years.

Equality, Diversity, and Inclusion

FHA's updated Equality Diversity & Inclusion Policy was approved by the Board in June 2025. The Policy is 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. Equality Impact Assessments (EIA's) are completed whenever a new Policy is developed, or an existing Policy is being reviewed and updated.

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.

In response to the introduction of The Worker Protection Act 2023, FHA introduced a new Sexual Harassment Policy and introduced mandatory training for all staff.

Internal control - Limitations of the Systems

Whilst systems provide reasonable assurance against material misstatement in FHA'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 2025 and is under constant review. An independent Audit of Risk Management was carried out during 2025 that found our Risk Management process offered an excellent system of control.

Health and Safety Compliance

FHA's Health & Safety at Work Policy was last reviewed and approved 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 2025. FHA Staff continue to receive regular Health and Safety Training.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2025

Health and Safety Compliance (continued)

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 2025 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 2025, 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, Carbon Monoxide 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.

FHA is fully compliant with the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022, which require 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.

During 2025 the most significant risks were the proposals around a new Decent Homes Standard, new Minimum Energy Efficiency Standards (MEES) and the introduction of Awaab's Law. The Board continues to receive regular updates on the proposals to the Decent Homes Standard and MEES. FHA submitted a response to both consultations. The Board received regular updates during the implementation of Awaab's Law and now receives regular compliance information. This will be extended to include the additional Awaab's Law requirements in 2026.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2025

The Board

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

S Morris (Chairman)
A Davies (Vice Chair)
J Hughes
P Carter
G Hamilton
B McWhinnie
R Simmons (Appointed 17/06/2025)
D Chetwyn (Appointed 17/06/2025)
Y Daclinat (Appointed 17/06/2025)

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 2025, the Internal Auditor looked at the compilation of Void Management, Anti-Social behaviour and Planned Maintenance, concluding that FHA demonstrated good or excellent systems of control across these areas of audit. 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.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2025

Review of Effectiveness of Controls (continued)

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.
- FHA 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.
- 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 FHA 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 2025, 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 August 2025 Board Meeting, Members considered and then approved the Review of Compliance with the National Housing Federation's (NHF's) 2020 Code of Governance, which FHA adopted in December 2020.

At the October 2025 Board meeting, Members considered and then approved, the Review of FHA's Aims and Objectives, the Review of Governance, the Annual Board Self-Assessment Review, and the Regulatory Framework Compliance Checklist Review.

The 2020 NHF Code of Governance

Compliance with the Code of Governance, referenced above, 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 2020 NHF Code of Governance (continued)

The code also confirms the fundamental values that all good governance revolves around, including integrity, accountability, openness, equality, diversity, and inclusion. Continuing to strive 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.

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 and so completed a detailed review in 2025.

Board Self-Assessment

The Board's Review of Governance during 2025 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, HR and data analysis. During 2025, two members of the Customer Panel attended Board Meetings as Observers but then chose not to seek Board membership. In the absence of Board Members who are tenants on FHA's Board, Board Members began attending Customer Panel meetings on a rota basis to ensure that close contact remained and that Tenant Voice was being accounted for in Board decision making. Officers have worked with the Customer Panel to identify the information, advice and support which will encourage tenants to apply for Board Membership.
- Board training in the format of Board Briefings continue, together with the circulation of regular Board Bulletins, complied by Officers, offering an update on topical issues across the Social Housing Sector, changes in legislation and anything which may specifically affect or impact upon FHA.
- New Board Members appointed during 2025 attended 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 2025, 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 importance and 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 appropriately.

Family Housing Association (Birkenhead & Wirral) Limited

Board Report for the year ended 31 December 2025

Compliance with the Regulator of Social Housing Regulatory Framework (continued)

The Board received an updated Stress Test Report of its Business Plan in December 2025, 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. During 2025 the principle focus of the stress test was to establish how much FHA could afford to invest in homes in order to meet MEES requirements. The report concluded that the Association can afford to invest the proposed MEES maximum spend amount on all our homes if necessary and can free up additional resources through the suspension of development activity. 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.

The Risk Register was reviewed by the Board and updated at every Board Meeting throughout 2025. 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.

FRS102 Periodic Review – FHA Officers have been reviewing the changes due to take effect for accounting periods on or after 1 January 2026 and are working towards agreeing the changes with our External Auditor, DSG. These will be reflected in the 2026 Financial Statements and should not significantly impact the reserves.

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.

S. Morris

Birkenhead
16 June 2026

S Morris
Chairman

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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 2025 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 2025 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.

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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.

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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

16 June 2026

Family Housing Association (Birkenhead & Wirral) Limited

Statement of Comprehensive Income

for the year ended 31 December 2025

	Notes	2025 £	2024 £
Turnover	2	2,293,105	2,211,000
Operating costs	2	(1,651,922)	(1,643,851)
Operating surplus	2	641,183	567,149
Surplus/(deficit) on sale of other assets	8	-	-
Interest receivable and other income	5	37,201	45,357
Interest payable and similar charges	6	(57,316)	(63,831)
Surplus for year	8	621,068	548,675
Actuarial gain/(loss) in respect of defined benefit scheme	23	16,000	18,000
Total comprehensive income for the year	14	637,068	566,675

The surpluses for 2025 and 2024 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 S. Morris

A Davies - Vice Chairman

N Moffatt - Secretary

Family Housing Association (Birkenhead & Wirral) Limited

Statement of Financial Position

as at 31 December 2025

	Notes	2025 £	2024 £
Fixed assets			
Housing properties at cost less depreciation	7	14,962,676	15,118,224
Other fixed assets		397,143	397,225
		15,359,819	15,515,449
Current assets			
Debtors	9	116,802	112,041
Cash at bank and in hand		1,804,164	1,201,405
		1,920,966	1,313,446
Less:Creditors			
amounts due within one year	10	158,942	163,933
Net current assets		1,762,024	1,149,513
Total assets less current liabilities		17,121,843	16,664,962
Less: Creditors			
amounts due after more than one year	11	4,843,163	4,959,297
Less: Provisions for liabilities			
Defined benefit pension obligation	23	149,074	213,130
Total net assets		12,129,606	11,492,535
Capital and reserves			
Non equity share capital	15	9	6
Unrestricted reserves			
Revenue reserve	14	12,129,597	11,492,529
		12,129,606	11,492,535

The financial statements on pages 13 to 34 were approved and authorised for issue by the Board on 16th June 2026 and were signed on its behalf by:

S Morris - Chairman

A Davies - Vice Chairman

N Moffatt - Secretary

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Family Housing Association (Birkenhead & Wirral) Limited

Statement of Changes in Reserves

for the year ended 31 December 2025

	Notes	Non equity share capital	Income and Expenditure Reserve	Total
		£	£	£
At 1 January 2025		6	11,492,529	11,492,535
Surplus for the year	2	-	621,068	621,068
Actuarial gain in respect of defined benefit pension scheme	23	-	16,000	16,000
Total comprehensive income		-	637,068	637,068
Share capital issued		3	-	3
Share capital cancelled		-	-	-
At end date 31 December 2025		9	12,129,597	12,129,606

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Family Housing Association (Birkenhead & Wirral) Limited

Statement of cash flows

for the year ended 31 December 2025

Reconciliation of operating surplus to net cash inflow from operating activities	2025	2024
	£	£
Operating surplus	641,183	567,149
Depreciation charges	435,209	429,181
Government grants utilised	(84,301)	(84,886)
Government grants utilised not previously written off	(1,411)	(860)
ECO4 grant scheme utilised	(806)	-
ECO4 grant scheme utilised not previously written off	-	-
Components replaced	27,835	28,582
Share capital	-	(3)
Decrease/(increase) in debtors	1,557	(24,354)
Increase/(decrease) in creditors	1,713	5,182
Pension expenses (note 23)	3,000	3,000
Net cash inflow from operating activities	1,023,979	922,991

Statement of cash flows		
Cash flow from operating activities	1,023,979	922,991
Interest paid on mortgages	(47,316)	(51,831)
Interest received	30,883	48,057
Net cash flow from operating activities	1,007,546	919,217
Cash flow from investing activities		
Capital expenditure on housing properties	(285,719)	(1,323,039)
Disposal of housing properties	-	-
Purchase of other tangible fixed assets	(1,769)	(3,841)
Disposal of other tangible fixed assets	-	-
Net cash flow from investing activities	(287,488)	(1,326,880)
Cash flow from financing activities		
Housing loans repaid	(56,246)	(55,168)
Housing loans received	-	-
Other grants	-	-
Share capital issued	3	3
Defined employer pension contributions and expenses	(61,056)	(62,431)
Net cash flow from financing activities	(117,299)	(117,596)
Increase/(decrease) in cash - (note 13)	602,759	(525,259)
Cash and cash equivalents at 1 January	1,201,405	1,726,664
Cash and cash equivalents at 31 December	1,804,164	1,201,405
Cash and cash equivalents consists of:		
Cash at bank and in hand at 31 December	1,804,164	1,201,405

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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 the 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) ECO4 scheme grants

ECO4 scheme grants fund energy efficiency assets (Solar panels and electric heaters), with the aim to improve EPC Bandings. The grant is claimed by an eligible company established to organise and pay for the improvement works. The householder benefits from the reduced energy costs. The grant is not repayable.

The assets are accounted for at cost, ECO4 scheme grant is accounted for using the accruals model, and the grant is recognised as deferred income and amortised over the economic life of the related assets. Amortisation is recognised within turnover. Should the grant exceed the fair value of the asset, the excess grant is recognised as income immediately.

The income and related expenditure is treated as a non-cash item for cashflow purposes.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

1 Accounting policies (continued)

e) 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.

f) 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
		ECO4 assets	20, 25	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.

g) Capitalisation of interest

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

h) 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.

i) Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of 100 days or less, and bank overdrafts. Bank overdrafts are disclosed within borrowings in current liabilities.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

1 Accounting policies (continued)

j) 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.

k) 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.

l) 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.

m) 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 scheme actuarial liability 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.

n) Property equity reserve

When the Association uses its free reserves to part fund a project, the difference between net property cost (after deducting government and ECO4 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 2025

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

	Turnover 2025 £	Operating Costs 2025 £	Turnover 2024 £	Operating Costs 2024 £
Income and expenditure from lettings				
Social housing letting	2,206,487	1,651,922	2,125,076	1,643,851
Other income and expenditure				
Other income	100	-	178	-
Amortised government grants:				
For the year	84,301		84,886	
Not previously written off	1,411		860	
Amortised ECO4 grant scheme				
For the year	806		-	
Not previously written off	-		-	
Total	2,293,105	1,651,922	2,211,000	1,643,851
Operating surplus	641,183		567,149	
Surplus/(deficit) on sale of other assets	-		-	
Investment income	37,201		45,357	
Interest payable	(57,316)		(63,831)	
Surplus on ordinary activities	621,068		548,675	

Turnover from lettings	2025 £	2024 £
Rent receivable	2,167,356	2,091,797
Service charges receivable	40,298	36,148
less: Rent losses from voids	(1,167)	(2,869)
	2,206,487	2,125,076

Operating costs from lettings	2025 £	2024 £
Housing accommodation		
Services	41,843	40,597
Management	683,760	650,640
Depreciation of housing properties	425,986	419,973
Components replaced	27,835	28,582
Planned maintenance	145,110	135,783
Major repairs	47,454	45,926
Routine maintenance	278,170	312,107
Rent losses/(gains) from bad debts	1,764	10,243
	1,651,922	1,643,851

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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

		2025	2024
		£	£
Salary and benefits	*	233,608	228,927
Pension contributions and life insurance	*	25,745	25,060
		259,353	253,987

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.

		2025	2024
The highest paid member of staff (excluding pension contributions):		£	£
Chief executive	*	102,140	99,352

* Includes adjustment for holiday pay accrual

		2025	2024
Full time equivalent staff whose remuneration (including pension contributions) fall into the following bands:		No.	No.
more than £110,000 but not more than £120,000	*	1	-
more than £100,000 but not more than £110,000	*	-	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 2025

4 Employee information

		2025	2024
		£	£
Staff Costs			
Wages and salaries	*	439,366	422,320
Social security costs	*	57,179	47,750
Pension contributions and life insurance	*	47,841	45,807
		544,386	515,877

* 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	2025	2024
	No.	No.
Management	3.00	3.00
Administration	6.00	6.00
	9.00	9.00

5 Interest receivable and other income

	2025	2024
	£	£
Interest receivable from unlisted investments	37,201	45,357
	37,201	45,357

6 Interest payable and similar charges

	2025	2024
	£	£
On bank loans and other loans:		
Repayable wholly or partly in less than 5 years	6,579	10,507
Repayable wholly or partly in more than 5 years	40,737	41,324
Other finance costs		
Interest on net defined benefit pension liability	10,000	12,000
	57,316	63,831

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

7 Tangible fixed assets

	Housing Properties	Land & Property For Development	Freehold Offices	Computer & Office Furniture	Total
	£	£	£	£	£
Cost					
At 1 January 2025	22,169,639	129,375	355,391	58,463	22,712,868
Additions	298,273	7,372	-	1,769	307,414
Transfer on completion	-	-	-	-	-
Disposals	-	-	-	-	-
Components replaced	(125,410)	-	-	-	(125,410)
At 31 December 2025	22,342,502	136,747	355,391	60,232	22,894,872
Depreciation					
At 1 January 2025	7,051,415	-	95,747	50,257	7,197,419
Charge for year	425,986	-	5,519	3,704	435,209
Disposed of in year	-	-	-	-	-
Components replaced	(97,575)	-	-	-	(97,575)
At 31 December 2025	7,379,826	-	101,266	53,961	7,535,053
Net book value					
At 31 December 2025	14,962,676	136,747	254,125	6,271	15,359,819
At 31 December 2024	15,118,224	129,375	259,644	8,206	15,515,449

The housing property additions of £298,273 relate to components capitalised on existing properties.

Additions of £7,372 included within 'land and property under development' are costs 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 a financially viable development plan has been identified.

The £136,747 net book value represents the 'land banked' costings to date. This figure includes £11,424 relating to capitalised salaries.

Properties are depreciated once development is completed.

The additions include £17,565 of salary costs reallocated to development (2024: £19,395) £15,655 (2024: £17,329) is included within completed works and £1,910 (2024: £2,066) is included within additions under development.

There have been no property additions or disposals during 2025.

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 (2024: Two) which are leasehold. The net book value of these properties amount to £141,600 (2024: £144,700).

There are 63 (2024: 74) properties secured on the housing loans included in note 11, the net book value of these properties amount to £2,072,800 (2024: £2,363,772).

11 of the properties secured on the Nationwide mortgages repaid in November 2025 were released before the year end.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

8 Surplus on ordinary activities

	2025	2024
	£	£
Surplus on ordinary activities is stated after charging/(crediting):		
Depreciation on tangible owned fixed assets	435,209	429,181
Amortisation of government grant:		
For the year	(84,301)	(84,886)
Not previously written off	(1,411)	(860)
Amortisation of ECO4 scheme grant:		
For the year	(806)	-
Not previously written off	-	-
(Surplus)/deficit on disposal of other fixed assets	-	-
Components replaced	27,835	28,582
Pension expenses (note 23)	3,000	3,000
Auditors' remuneration (exclusive of VAT):		
In their capacity as auditors	6,400	6,105

9 Debtors

	2025	2024
	£	£
Rent arrears and rechargeable repairs	116,037	124,993
Less: provision for doubtful debts	(50,003)	(57,778)
Net arrears	66,034	67,215
Prepayments and accrued income	50,768	44,826
	116,802	112,041

10 Creditors: Amounts falling due within one year

	2025	2024
	£	£
Housing loans	48,180	56,018
Rent advances	27,751	26,078
Capital expenditure on housing properties	9,277	8,143
Other taxation and social security	12,404	11,274
Accruals	61,330	62,420
	158,942	163,933

There was no balance or movement on the Recycled Capital Grant Fund during the year.
There was no bank overdraft during the year or at the year end.

11 Creditors: Amounts falling due after more than one year

	2025	2024
	£	£
Housing loans	442,897	491,305
Deferred income (note 12)	4,400,266	4,467,992
	4,843,163	4,959,297

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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, the second in February 2024, and third in November 2025. This leaves three mortgages remaining.

	2025	2024
	£	£
In one year or less	48,180	56,018
Between one and two years	48,452	47,974
Between two and five years	50,088	88,876
In five years or more	344,357	354,455
	491,077	547,323

12 Deferred Income

Deferred government grant	2025	2024
	£	£
Opening deferred grant	4,467,992	4,553,738
Amortised during the year	(84,301)	(84,886)
Amortised not written off previous years	(1,411)	(860)
Closing deferred government grant	4,382,280	4,467,992

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 £1,195,306. The latter would be reinstated should any of the relevant properties be disposed of. Total amortised grant to date amounts to £3,131,418.

Deferred ECO4 scheme grant	2025	2024
	£	£
Opening deferred income	-	-
Received in the year	18,792	-
Amortised during the year	(806)	-
Amortised not written off previous years	-	-
Closing deferred ECO4 scheme grant	17,986	-
Total Deferred Income	4,400,266	4,467,992

Deferred ECO4 scheme grant represents total accumulated grant paid to an external party who have claimed this to install solar panels and electric storage heaters into two of our properties, to improve the EPC rating. The assets have been capitalised. Both the income and assets will be written off over their estimated useful lives. The grant is not repayable, and tenants benefit directly from the reduced utility costs.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

13 Analysis of changes in net debt *

	At 1 Jan 2025 £	Cash flows £	Other changes £	At 31 Dec 2025 £
Cash at bank and in hand	1,201,405	602,759	-	1,804,164
Housing loans				
due within one year	(56,018)	56,246	(48,408)	(48,180)
due after more than one year	(491,305)	-	48,408	(442,897)
	654,082	659,005	-	1,313,087

* Cash reserves exceed the total housing loans

14 Reserves

Other reserves	Property equity reserve * £	Revenue reserve £	Total £
At 1 January 2025	10,232,284	1,260,245	11,492,529
Total comprehensive income for year	-	637,068	637,068
Transferred (from)/to revenue reserve	(24,200)	24,200	-
At 31 December 2025	10,208,084	1,921,513	12,129,597

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

15 Non equity share capital

	2025 £	2024 £
Allotted, issued and fully paid		
At 1 January 2025	6	6
Issued during year	3	3
Cancelled during year	-	(3)
At 31 December 2025	9	6

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 (2024: Nil).

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

16 Capital and other commitments

	2025	2024
	£	£
Capital expenditure that has been contracted for but not provided for	-	31,652
Capital expenditure that has been authorised but not contracted for	854,418	475,139
Other expenditure	6,751	19,491

There are £Nil costs included in capital commitments contracted for but not provided for.
During 2024 £31,652 related to capital works within the 2024 planned maintenance programme which were under a JCT contract signed before the year end.

The £854,418 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 £190,178, potential uPVC windows £10,000, radiator replacements £32,000, plus £90,000 for any other components and adaptations, £45,240 to upgrade a scheme telecare system from analogue to digital, plus £262,000 towards development which is provisionally set aside for the land in Wallasey.
Also included in the above is £155,000 towards improving energy efficiency of our homes.
The Association has set aside up to £1.7M in total on this improvement work. So far, since starting the project in 2020, £150,249 has been spent as tenants are unwilling to have disruptive insulation work carried out.
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.

17 Contingent liabilities

There is a contingent liability of £323,522 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 2025. Further details are included in note 23.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

18 Related parties

Control

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

Transactions with related parties

None of the Association's Board were tenant members during the year. There were two during 2024 (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 £Nil (2024: £9,897) and aggregate year end arrears amounted to £Nil (2024 : £338). The aggregated year end advances amounted to £Nil (2024: £96).

During the year, Board members were reimbursed travel expenses of £382 (2024; £392). Board training costs amounted to £2,493 (2024: £1,130), and at the year end, no training costs has been committed (2024: £1,483).

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 £4,967 including VAT (2024: £5,785) 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

	2025	2024
Opening units	401	394
Additions	-	7
Disposals	-	-
Closing units	401	401

All units are classed as general needs. The Association manages all of the above units. Two units are leasehold (2024: Two), the remaining units are freehold. There were no units under development in 2025 (2024: Nil). 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 2025 (including holiday pay accrual) was £45,811 (2024: £44,168) and is included within management expenses.

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 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 2025 £000s	31 December 2024 £000s
Fair value of plan assets	1,142	1,061
Present value of defined benefit obligation	1,292	1,275
Surplus (deficit) in plan	(150)	(214)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(150)	(214)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(150)	(214)

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from 31 December 2024 to 31 December 2025 £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 2024 to 31 December 2025 £000s
Defined benefit obligation at start of period	1,275
Current service cost	-
Expenses	3
Interest expense	69
Member contributions	-
Actuarial losses (gains) due to scheme experience	35
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(36)
Benefits paid and expenses	(54)
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	1,292

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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 2024 to 31 December 2025 £000s
Fair value of plan assets at start of period	1,061
Interest income	59
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	15
Employer contributions	61
Member contributions	-
Benefits paid and expenses	(54)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	1,142

The actual return on the plans assets (including any changes in share of assets) over the period from 31 December 2024 to 31 December 2025 was (£74,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period from 31 December 2024 to 31 December 2025 £000s
Current service cost	-
Expenses	3
Net interest expense	10
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)	13

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 December 2024 to 31 December 2025 £000s
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	15
Experience gains and losses arising on the plan liabilities - gain (loss)	(35)
Effects of changes on the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	36
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	16
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)	16

Family Housing Association (Birkenhead & Wirral) Limited

Notes to the financial statements

for the year ended 31 December 2025

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

ASSETS

	31 December 2025 £000s	31 December 2024 £000s
Global Equity	139	123
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	194	190
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance-Linked Securities	3	4
Property	56	50
Infrastructure	-	-
Private Equity	2	1
Real Assets	129	121
Private Debt	-	-
Opportunistic liquid Credit	-	-
Private Credit	141	135
Credit Relative Value	49	39
Investment Grade Credit	43	27
High Yield	-	-
Cash	-	9
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	-
Secured Income	19	18
Liability Driven Investment	354	341
Currency Hedging	-	(2)
Net Current Assets	13	5
Total Assets	1,142	1,061

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 2025

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

KEY ASSUMPTIONS

	31 December 2025 % per annum	31 December 2024 % per annum
Discount Rate	5.55	5.51
Inflation (RPI)	2.88	3.18
Inflation (CPI)	2.60	2.84
Salary Growth	3.60	3.84
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy At age 65 (Years)
Male retiring in 2025	20.50
Female retiring in 2025	23.00
Male retiring in 2045	21.70
Female retiring in 2045	24.50

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 during 2026. 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.

Family Housing Association (Birkenhead & Wirral) Limited

Value for Money Self-Assessment - Year Ended 31st December 2025

1. Introduction

1.1 Family Housing Association is a small Registered Social Landlord based in Birkenhead, on the Wirral Peninsula. All of our housing stock is situated within 5 miles of our office. We currently employ nine full time members of staff and own 401 properties.

1.2 This Value for Money Self-Assessment provides a detailed analysis of our strategy, performance, and achievements during 2025. As a Registered Social Landlord, Family Housing Association is required to publish an annual Value for Money Statement that is robust, transparent and accessible.

1.3 The Self-Assessment includes a summary of our overall approach, to give our stakeholders an understanding of our strategy to continuously improve Value for Money and our performance during the year, meeting the requirements of the Regulatory Framework in a manner that is proportionate to a small Housing Association owning and managing less than 1,000 properties.

1.4 Throughout the year Family Housing Association has continued to strive towards achieving Value for Money despite the challenge of rising costs and the Government imposed 7% cap on the April 2023 rent increase having reduced our income in real terms.

2. Value for Money Strategy

2.1 Aims and Objectives.

When we assess our performance in terms of Value for Money, we consider it in conjunction with our Mission, Aims and Objectives, which are set out in our Business Plan.

Our Business Plan is reviewed annually. In 2025, the relevant mission, aims and objectives in the Business Plan are summarised as follows.

Mission: 'To provide high quality homes and excellent services, at genuinely affordable rents to those in housing need in Wirral'

Aims, Corporate Goals & Objectives:
- To provide homes, at reasonable below market rents, to help those on low incomes who are in housing need in Wirral.
- To maintain its properties to a good standard.
- To carefully manage risk to protect the Association's Assets.
- To provide excellent services to our tenants.
- To achieve steady growth, to help more people in housing need.
- Providing caring and courteous services to all existing and potential residents that are customer focussed and respond to our customers' needs and aspirations.
- Maintain our properties to a good standard that exceeds the Decent Homes Standard.
- Provide a good standard of housing which offers value for money to tenants.
- Embrace new initiatives that are in keeping with the tradition and skills of the Association.
- Ensuring equality of opportunity in the allocation of housing, employment of staff and appointment of Board Members.
- Plan and control all aspects of business activity to maintain the Association's financial strength and viability.
- Retaining a well-motivated professional workforce.

2.2 Our Value for Money strategy is intended to ensure that we:

- Deliver high quality services to our stakeholders.
- Work to reduce costs without reducing quality.
- Focus on outcomes for the Association and our stakeholders when considering investment decisions.
- Understand the right balance between cost and quality when delivering our Business Plan objectives.
- Meeting the expectations of the Social Housing Regulator by providing a high standard of service to tenants, ensuring long term viability, effectively managing risk and achieving long term growth.

3. Processes to Support our Value for Money Strategy

3.1 Budgetary Constraints

Each year the Board agrees an updated Business Plan that is then subject to Stress Testing. The Board then agrees a Budget for the year to meet Business Plan objectives.

The Management Team monitors expenditure to ensure it is in line with the Budget on a weekly basis. The Finance Director compiles Management Accounts each quarter, providing information in respect of expenditure and variances during the year, information on Loan Covenant Compliance and Financial Performance Indicators. Independent Stress Testing of the Budget is undertaken by Hailwood & Co.

3.2 Tenant and Resident Involvement

The Customer Panel is involved in all aspects of our work, including reviewing our approach to achieving Value for Money and our Business Plan. Customer Panel members review our performance and policies, providing feedback as tenants and service users to the Board. In 2023, FHA adopted the 'Together with Tenants' initiative introduced by the National Housing Federation and continues to support this.

FHA has historically had Board Members who are also tenants. In recent years, FHA has struggled to recruit tenants to the Board, despite significant effort. To ensure tenants' views are given appropriate consideration in our governance arrangements, a Board Member now attends each Customer Panel Meeting and provides feedback to the Board.

3.3 Performance Monitoring – Bi-Monthly

During 2025, Officers continued to report performance in key areas at every Board Meeting in the Review of Operations Report. This report provides a summary of FHA's work over the previous 2 months along with key performance information covering Repairs, Repairs Satisfaction, Complaints, Compliments, Voids, Rent Arrears and ASB. It also provides detailed information on all areas of Compliance including Gas Safety, Electrical Safety, Asbestos Safety, Fire Safety and Smoke / CO Alarms. During 2025 this report was extended to include compliance with Awaab's Law.

3.4 Keeping Tenants Informed

Family Housing Association produces an Annual Report that is shared with all tenants which contains important information on our performance. The Association also shared details of our performance on its website and produces regular Newsletters to tenants.

3.5 Value for Money Service Standards

Our Value for Money Service Standards were developed with our Customer Panel and are intended to ensure that we give due consideration to cost, quality, social and economic factors. As a small Housing Association, there is risk that our efforts to make efficiency savings could cost more than any savings they could generate. It is therefore important that we focus our efforts in appropriate areas. Three key areas have been identified:

- Repairs & Maintenance
- Procurement of Goods and Services
- Investment of Assets

A range of targets were agreed, performance against which is reported to the Board and Customer Panel and to all tenants in our Annual Report.

3.6 Benchmarking Our Performance

Family Housing Association is a member of the Community Housing Partnership (CHP). During 2025, CHP members have had the opportunity to share performance and VFM information with Acuity, an independent specialist organisation, who compile statistics and graphs to allow us to compare and analyse our performance against those of our peers. The Regulator's Value for Money Metrics are also benchmarked against our peers and are included in section 6.

4. Understanding the Performance of Association Assets & Liabilities

4.1 Cash Assets

At the end of 2025, FHA had cash reserves of £1,804,164. Our policy is to re-invest our reserves in our homes or in new homes rather than allowing significant cash reserves to build up. FHA is currently applying for Planning Permission to build three new homes on a site in Wallasey. FHA hopes to establish a financially viable route to develop the homes once Planning Permission has been obtained. The site is likely to require a successful Homes England grant application to be financially viable, with the balance of the development coming from cash reserves.

Our cash assets offered an average rate of return during the year of 2.48%, this being achieved through utilisation of a 95-day notice deposit account with Nationwide.

4.2 Summary of Debt

Family Housing Association had a total mortgage debt of £491,077 at the end of 2025. A review of our borrowing and investment rates is carried out annually.

At the end of 2025 we had debts from two lenders. One debt is a historical Housing Corporation Loan that has significant redemption penalties that make it uneconomical to re-finance. The remaining debt is on a variable rate based on SONIA TERM + an adjustment + 0.6% and is made up of 3 mortgages (originally 6 before one was repaid in December 2023, a second was repaid in February 2024 and a third in November 2025), the remaining three are due to be paid off gradually over the next 4 years. The average rate during the year for all loans was 9.11%. A decision on overpaying or re-financing this debt has been regularly reviewed by the Board.

4.3 Property Assets

The estimated open market value of our housing stock at the end of 2025 was £49,403,400.

We have had a comprehensive Asset Management Strategy in place since 2004. All of our homes are inspected every five years and the condition of property components is recorded. All of our homes have been fully compliant with the Decent Homes Standard since 2009.

Our Asset Management Programme is fully integrated with our Component Accounting System to help us get the maximum possible lifespan for each of our property components to minimise the amount of value written off when components such as kitchens and bathrooms are replaced. External contractors carry out all of our Planned Maintenance through competitive tendering of the contracts. Contractors from our Approved Contractor list are invited to tender, together with new contractors identified each year, to ensure we receive the best possible value for money through the programme.

4.4 Financial Performance of Property Assets

Family Housing Association monitors the financial performance of our housing stock. Each property is included in a 'Performance Group' of similar properties in similar localities. There were 24 groups of properties monitored during 2025. For each group we look at the rental income received and compare with the total expenditure including management costs, cyclical maintenance, void costs, planned maintenance and service charges. By comparing the income generated by each group with the expenditure, we were able to calculate the cash generated by each property and the rate of return for each group. This information is vital in ensuring that properties remain financially viable and help inform decisions about future developments and acquisitions.

It is important to note that Family Housing Association charges 'Social Rents' for all our homes, as we believe they are genuinely affordable for tenants. The Association does not charge the higher 'Affordable Rents' used by some other Registered Providers that would increase our rates of return as they do not align with our charitable aims.

Our best performing Housing Stock in terms of return on cost during 2025, for the second year in succession, were the 8 properties at The Rowans, with no voids and low maintenance costs, these all electric homes generated a cash surplus of £1,895 per property, a return of 6.05%. The properties on Leighton Road generated the most cash at £2,973 per property. It is noted that the rates of return and cash generated were down compared to 2024.

Our worst performing housing stock during 2025 were the 7 flats in Caroline Place. High response repairs costs over the last five years combined with high planned maintenance costs associated with this large Victorian property, generated a return on cost of only 1%. In terms of generating cash, the worst performing homes were the 8 properties in Harrowby Road were high reactive repairs and high planned maintenance costs resulted in each property generating £591 in the year. For all our Housing Stock, the average rate of return in 2025 based on cost was 3.61%. As maintenance and investment costs continue to increase beyond the increase in rents, rates of return are expected to continue to reduce in the years ahead.

5. Overall Value for Money Performance During 2025

5.1 Return on Public Investment

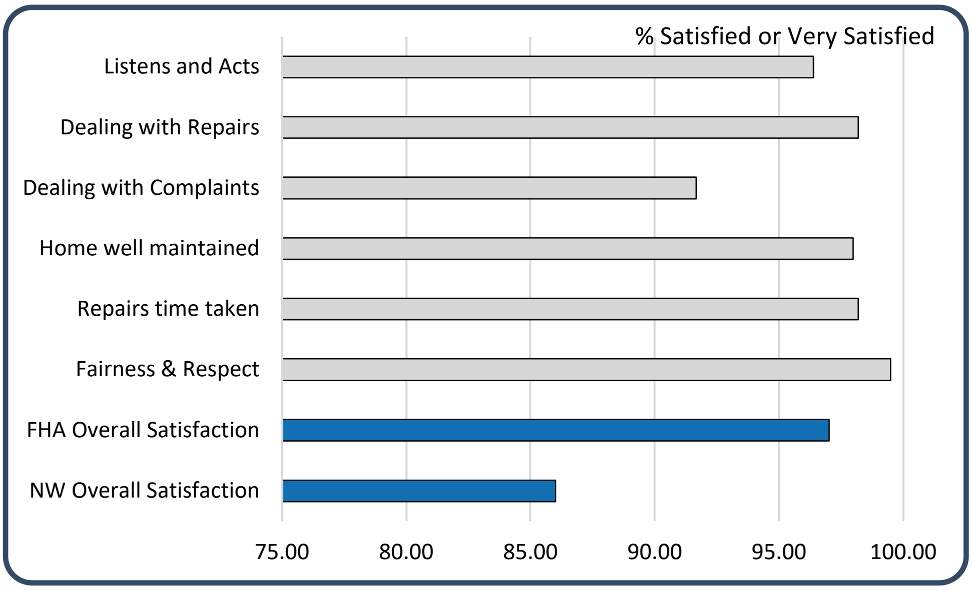
The total amount of public money invested in Family Housing Association to date is £8,709,004. This means the Association, based on the current open market value of its housing stock in 2025 and allowing for outstanding debt, generated an additional £40,694,396 worth of housing assets from this public investment.

5.2 Savings in Housing related Benefits

Family Housing Association provides homes exclusively at 'Social Rent' to many tenants that claim Housing Benefit or the Housing Element of Universal Credit that would otherwise be renting in the private sector. As our rents are significantly lower than the equivalent Local Housing Allowance, Family Housing Association saved the taxpayer an estimated £166,975 in Benefits during 2025, compared to those tenants receiving the Local Housing Allowance in the private rented sector.

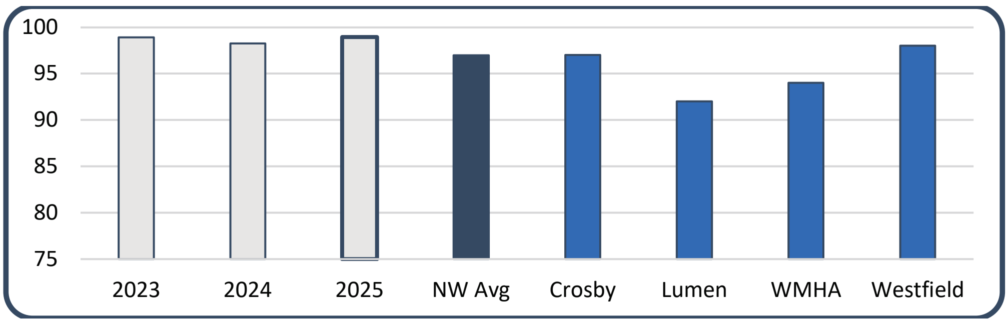
5.3 Tenant Satisfaction

Family Housing Association has historically carried out a Customer Satisfaction Survey based on the housing sector recognised STAR survey every 3 years. Following the introduction of the Regulator's Tenant Satisfaction Measures, FHA carried out a Tenant Perception Survey off all tenants in 2023 with a plan to re-survey every 2 years. A further survey was carried out in 2025 in accordance with this plan. The results revealed the FHA continues to be one of the best performing Housing Associations in the country.



5.4 Responsive Repairs

Most of our tenants report their repairs to Family Housing Association's office, where many know Staff on a first name basis. We provide a friendly, professional service and tailor our service to our tenants' individual needs. Repairs are typically carried out by small scale local contractors. The various work types are subject to competitive quotes at regular intervals to ensure contractors are providing value for money. Customer Satisfaction is monitored through a Questionnaire sent out for every repair. Performance generally and that of individual contractors is closely monitored. The percentage of repairs where tenants were satisfied with the repair was 98.94% in 2025.



The figures for FHA relate to Customer Satisfaction Questionnaire Results for 2025, the figures for other local associations are from 2024/25 CHP Benchmarking Club.

5.5 Property Demand

Demand for our properties remains strong. We have no properties that we have been unable to let, despite the fact that we own some properties in areas with significant social and economic problems. We help to create demand for those homes which are harder to let than others by maintaining the properties at a high standard of repair and decoration and providing a high-quality service. We also let all our homes at ‘Social Rent’ helping attract those on low incomes.

5.6 VFM Standards Performance

Our Value for Money Standard was developed with our Customer Panel and all tenants were consulted prior to its introduction. The Panel felt that our work to achieve Value for Money must have regard to cost, quality, customer satisfaction, timeliness and the impact on the local economy and communities. The Panel felt strongly that we should utilise local contractors and suppliers where possible, and this is reflected in the Standard agreed and the targets set. Use of Wirral based suppliers remains below target as some suppliers of goods and services are Liverpool based.

	Target	Performance
Inspection of Repairs that are of a good standard and offer VFM	90%	100%
Customer Satisfaction with Repairs	90%	98.94%
Use local contractors for carrying out Repairs	70% Wirral 90% NW	80% Wirral 94% NW
Use local suppliers for goods and services	70% Wirral 80% NW	53% Wirral 91% NW

5.7 Environmental Returns

The work that we do during the year can have a beneficial impact on the environment, either through a reduction in carbon emissions or through positive social benefits. During 2025 we invested £54k in replacing 21 aging boilers with A rated condensing boilers. These changes are expected to save our tenants almost £2,887 per annum in reduced fuel bills and reduce carbon emissions by over 26 tonnes. We also invested almost £20k in improving the insulation of solid brick walls.

As part of efforts to improve the energy efficiency of our homes, since 2020 FHA has invested £140,504 in energy efficiency improvements. During 2025, FHA also installed solar panels and high efficiency storage heaters in two flats, supported by ECO4 funding.

In addition, our Policy to invest time and resources letting properties in hard to let areas, such as our 8 homes in Harrowby Road in Birkenhead, has social and economic benefits for that locality. A number of landlords have chosen to dispose of houses in this area but in our view, this only accelerates the decline and has a negative social impact. Wirral Borough Council’s selective licensing scheme of private landlords has begun to have a positive impact with a noticeable reduction in tenancy turnover.

5.8 Aids and Adaptations

Carrying out work to enable people to remain in their homes provided social and economic benefits for our tenants and for the Association. The costs involved in re-letting a property are considerable. Tenants request adaptations when they are already struggling at home and in need of the work. Any unnecessary delay puts the tenant at risk and could also lead to them giving up their tenancy.

In accordance with our caring ethos, our strategy is to carry out the majority of adaptations at our own expense and to deliver them with minimal delay. Minor adaptations are normally delivered within a few days and more significant works in under a month. We only resort to Disabled Facilities Grant funding when the works are expected to cost many thousands of pounds.

During 2025 we invested £9,669 in aids and adaptations work. This investment has prevented potentially very significant costs within the NHS and social care agencies through prevention of falls and accidents and their resulting treatment and rehabilitation costs.

5.9 Information Technology

We employ staff with strong IT skills that has enabled us to develop our own bespoke Housing Management Software that meets the requirements of the business. We build and maintain all of our own computer hardware. The savings this has delivered are estimated to be in excess of £16,000 every year. In addition, we are exploring the potential benefits of Artificial Intelligence (AI) whilst being mindful of the risks associated with the technology and the possible impact on privacy.

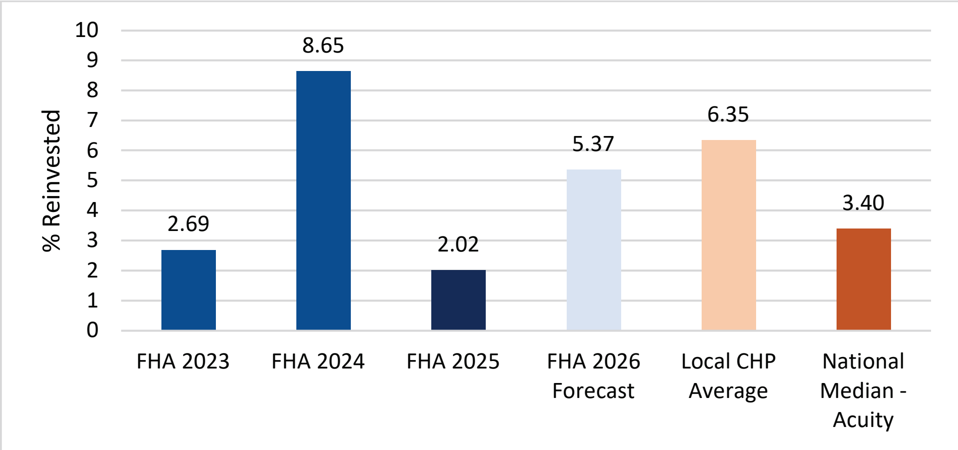
5.10 Social Value

We encourage our Staff to take time to talk to our tenants to get to know them and build better relationships. Any of our tenants can call the office and can speak to any member of Staff, including our Management Team. The 2025 Tenant Satisfaction Survey asked tenants if Family Housing Association listens to tenants' views and acts upon them, 96% of tenants were satisfied that we did listen to their views and act. Our small size gives us a distinct advantage over large Associations, as most of our tenants know us on a first name basis and feel they can talk to us about the issues that affect them. We believe that the strong relationship we enjoy with our tenants is what sets us apart from other Associations and it helps us to minimise rent arrears, reduce evictions and minimise property turnover and the associated costs. We also asked our tenants in our 2025 Survey whether Family Housing Association treats them with fairness and respect. The score of 99.5% was the highest locally.

6. Regulator Value for Money Metrics

This section will outline our performance in terms of the Regulator's Value for Money Metrics. Comparative data is included, for the North West Small Housing Association Benchmarking Club and the National Small Provider Average from Acuity. Most Association's accounts run from April to March, whereas Family Housing's run from January to December. Comparative data relates to the period from April 2024 to March 2025, as this is the most recent data available.

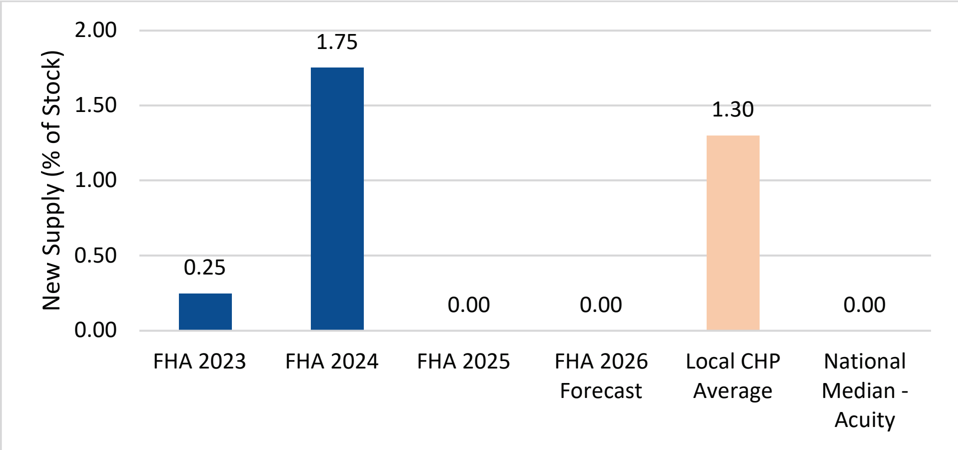
6.1 Reinvestment



During 2025, Family Housing Association was budgeting for a reinvestment metric of 3.25, which included expenditure on capital works for existing properties of around £322K, plus £160K for energy efficiency improvements. We incurred fees of £7.3K in relation to a piece of land acquired in 2021 which has now been 'land banked' for future development, and £298K was invested into existing properties. Our 2025 development budget had already been spent during 2024 investing over £1M into 7 new properties which were let at Social Rents.

The impact of Covid delays on our Planned Maintenance programme resulted in the 2024 Programme being completed in the first quarter of 2025. There has been minimal expenditure on energy efficiency, some of this money was used to improve the insulation of our homes and the aim is to continue this project in the coming years to achieve EPC Band C on all our properties. The above underspend meant that the actual metric was just below budget at 2.02. The budget for 2026 has set aside £262K for development which is provisionally towards building on the piece of land acquired in 2021, once planning permission is renewed, £413K on capital works into existing properties, plus £155K on capital energy efficiency works. This would mean a metric of 5.37 if these projects are all delivered.

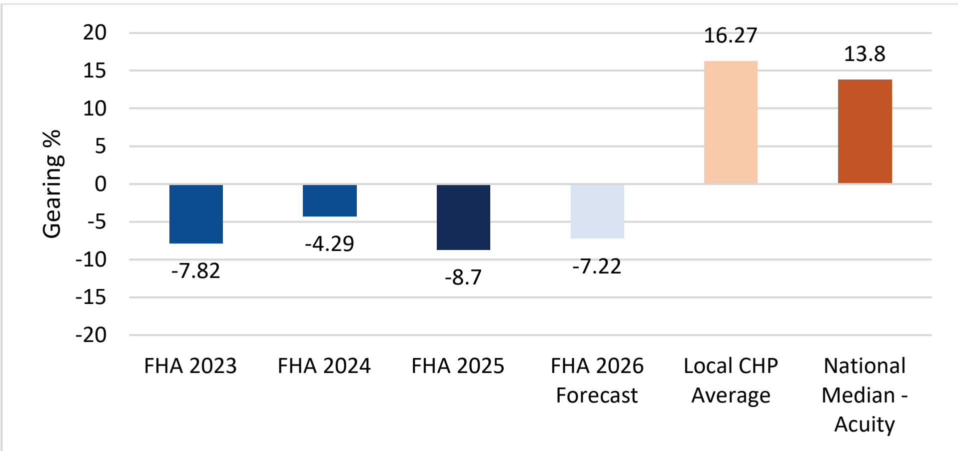
6.2 New Supply Delivered (Social Housing Units)



*Local & National averages use median figure (middle value of those submitted)

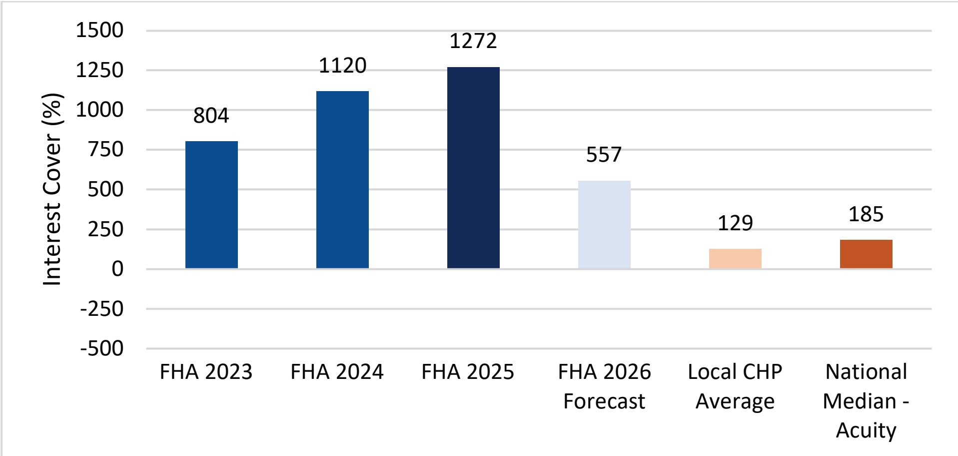
Family Housing Association did not acquire any properties during 2025 due to the significant spend on seven newly built properties during 2024. The actual supply was Zero compared to the budget of the same figure. There is no new supply budgeted for 2026 as, although there is a development budget set aside, the project of delivering new units on the land which is 'land banked' is not anticipated to complete during 2026. Once the Planned Maintenance Tenders are available and the Government has released the final standards for Decent Homes and Minimum Energy Efficiency, the costs can be assessed and the budget revised, to see if there is any scope to set aside further funds to acquire an additional unit, subject to Board approval.

6.3 Gearing



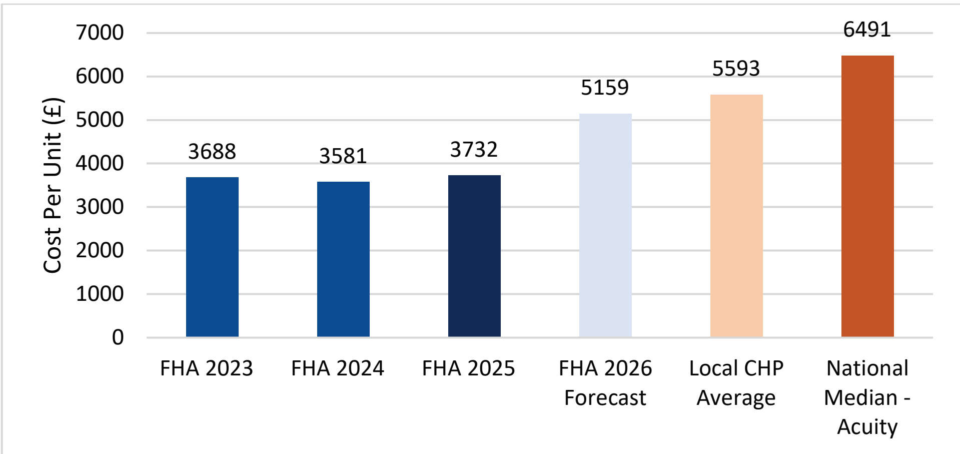
The budgeted gearing metric for 2025 was -5.66. The actual gearing metric was -8.70 due to higher bank balances throughout the year due to the underspend detailed in 6.1 above, plus savings made on management expenses, void repairs, a slight delay on completing the 2025 Planned Maintenance painting contract, and savings on other budget headings. The Association is budgeting to invest around £568K in 2026 through the Planned Maintenance Programme and energy efficiency improvements. The Gearing metric is expected to be around -7.22. The Association has continued to repay its borrowings and has not required any further loans. The current plan is to continue to use cash reserves to achieve growth, although the Board will apply for grant funding if they decide to build new units on the piece of land in Wallasey, subject to assessing the costs and value for money. There may also be the option to apply for Government backed low cost loans should these be appropriate and affordable, depending on whether a suitable and attractive development opportunity becomes available.

6.4 Interest Cover (EBITDA MRI)



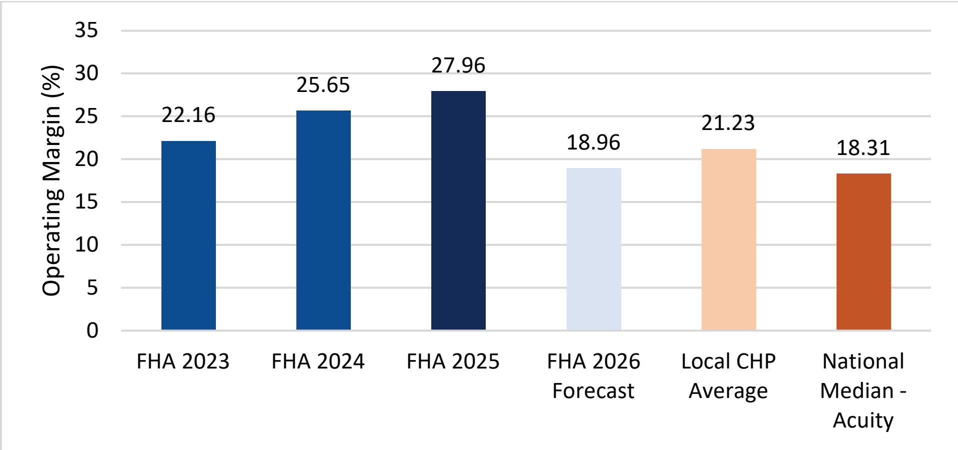
During 2025, budgeted interest cover was 554 which included the catch up on the Planned Maintenance Programmes, spend on energy efficiency improvement work, boiler replacements plus the other capital works. The actual cover was 1,272 as the operating surplus was much higher than expected, plus there was an underspend on energy efficiency. Savings were made on management expenses, void repairs, there was a slight delay in completing the 2025 Planned Maintenance painting programme, some of which will fall into early 2026, and savings were made on other budget headings. The Association is expecting Interest Cover in 2026 to be around 557 due to a lower budgeted surplus which accounts for higher planned maintenance costs as some of our oldest kitchens will need to be replaced, plus there is a continued budget to eradicate mould and damp, although this is still a healthy interest cover. There are no financial loan covenants attached to any of our borrowing.

6.5 Headline Social Housing Cost per unit



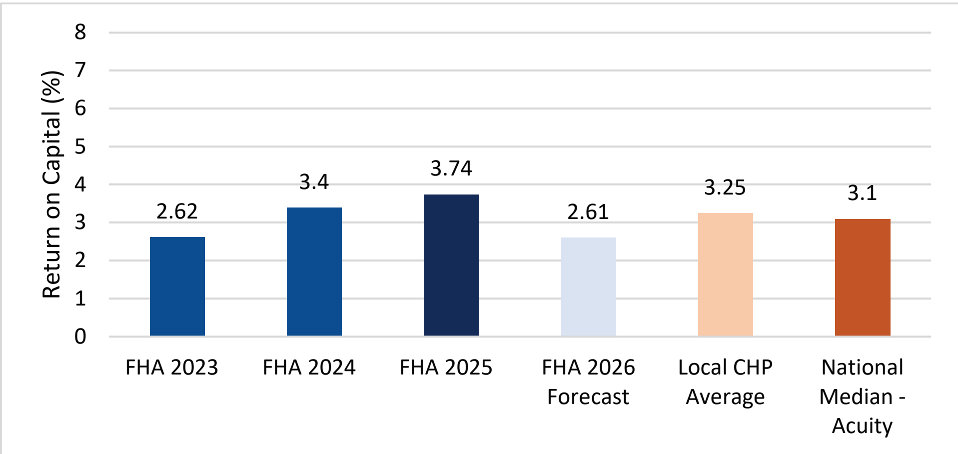
Family Housing Association was expecting a headline social housing cost per unit during 2025 of £4,680 which included a capital investment for energy efficiency work, plus the overspill of the 2024 Panned Maintenance costs, as well as the 2025 programme. The actual cost per unit was lower at £3,732. This was partly due to a slight delay in completing the Planned Maintenance work, an underspend on energy efficiency, plus savings on some repair heading and management expenses. The budgeted 2026 cost is expected to increase to £5,159 as the Association is anticipating an increase in management expenses. The budget assumes an increase in mould and damp costs~~,~~ plus there is money set aside for potential disrepair claims. There is a budget to replace the telecare system in one of our schemes. Finally, the 2026 Planned Maintenance costs are anticipated to increase as up to 25 kitchens may need replacing due to their age, making sure our existing properties are maintained and continue to meet the Decent Homes Standard.

6.6 Operating Margin



Family Housing Association was expecting an operating margin of 18.28, but the actual result was 27.96 after the slight delay to fully complete the planned maintenance work, but also due to the savings already mentioned in 6.5 above. During 2026 a lower margin of 18.96 is expected as a lower surplus is anticipated due to the reasons set out in 6.5. Family Housing Association's Operating Margin will always be impacted partly by the Association's commitment to charge exclusively 'Social Rents' and not to convert properties to the higher 'Affordable Rents'.

6.7 Return on Capital Employed



This metric was budgeted to be 2.47 during 2025, but the results were 3.74 due to the increase in surplus and higher bank balances. We expect the 2026 results to be slightly reduced at around 2.61 as bank balances are anticipated to be lower due to the increase in kitchen replacements in the 2026 Planned Maintenance programme, plus the slightly lower budgeted surplus. This metric is also directly affected by our use of 'Social Rents' as discussed in 6.6 above. Many Associations have chosen to convert some homes from 'Social Rents' to higher 'Affordable Rents' as part of their development strategy. These higher rents help to generate additional income. However, as they are closer to market rents, they are unaffordable for some on low incomes. They also result in greater expense to the taxpayer as many of these tenants will be in receipt of Housing Benefit or the Housing Element of Universal Credit. Family Housing Association remains committed to charging 'Social Rents'.

7. Reporting on 2025 Value for Money Projects

7.1 Boiler Modernisation Programme

The boiler improvement programme in 2025 replaced 21 aging gas boilers with more efficient ‘A’ rated condensing boilers. This has the benefit of reducing maintenance costs, reducing fuel poverty for tenants and lowering carbon emissions. FHA monitored the progress of heat pump technology but concluded that they remain prohibitively expensive to install and in the majority of cases, would increase heating costs for tenants, particularly affecting the poorest who can only afford to run their heating for a few hours a day.

7.2 Energy Performance Certificates

During 2026, FHA obtained 74 new Energy Performance Certificates, improving our understanding of the work required to meet the proposed Minimum Energy Efficiency Standard. FHA continues to improve properties to EPC Band C when they become void.

7.3 Review of Staff Structure

The recruitment of an Asset Manager and Administrative Assistant in 2024 has brought in house the remaining work previously outsourced to consultants. The Asset Manager has taken responsibility for managing responsive repairs as well as Planned Maintenance. For complex repair issues, tenants now benefit from a visit from a qualified surveyor shortly after a repair is reported. Value for Money and Quality of Work is closely monitored. The Asset Manager has introduced a new approach to Planned Maintenance, where smaller repairs identified during inspections are carried out right away, leaving only major works within Planned Maintenance Contracts. This has resulted in significant savings, with Planned Maintenance significantly lower than in previous years and well within budget. Tenant Satisfaction has improved further in many aspects of our Tenant Satisfaction Measures from an already, very high baseline. Overall, the high levels of Tenant Satisfaction combined with lower costs have demonstrated that the new structure has been a great success.

7.4 Modern Methods of Communication

Over the course of 2025, FHA added WhatsApp as a method of communication with tenants. WhatsApp provides a simple and secure means to supply video, photographs and text messaging to FHA. The number of tenants communicating through WhatsApp is steadily growing, with approximately 10% of tenants choosing to contact FHA through this method by the end of 2025.

7.5 Modern alternatives to CCTV systems

During 2025 FHA has provided a number of low cost CCTV cameras that record directly to a memory card to address issues with Anti-Social Behaviour (ASB). They have provided a cheap and effective way to obtain evidence of ASB as well as providing a deterrent to perpetrators. The low cost of these systems has allowed CCTV to be utilised in less serious cases of ASB, as the high cost of traditional DVR (Digital Video Recorder) based CCTV systems meant it was only appropriate in the most serious cases. The pilot of Wi-Fi based CCTV cameras has been a success and will continue into 2026.

8. Value for Money Projects for 2026

8.1 Boiler Modernisation Programme

The ongoing Boiler improvement programme would look to replace up to 25 boilers that Family Housing Association currently have that are older and more inefficient, including those replaced on a reactive basis during the year that are uneconomical to repair. There is also an ongoing budget of £32k to replace aging radiators. The budget for boiler replacement during the year is £70k. There will be ongoing monitoring of heat pump technology to assess when this becomes a cost-effective alternative to gas central heating systems.

8.2 Review of Telecare Systems

During 2026, FHA will review the Telecare systems in its Sheltered Housing Schemes to establish the best way to achieve Value for Money whilst upgrading the systems to prepare them for the switch off of the analogue telephone network. This will include looking at ways to upgrade existing systems to provide digital compatibility, replacing systems with new hard-wired systems and replacing systems with individual units.

8.3 Cyber Resilience

During 2025 FHA upgraded its computer systems to Windows 11 based systems, following the withdrawal of support from Microsoft for Windows 10. FHA has tried and tested back-up systems where data is stored in multiple locations and backed up off site. During 2026, FHA will explore the most cost-effective ways in which its computer network can be made more resilient to cyber-attack and if the backing up of data can be further improved.

8.4 Software Development

An internal audit of FHA's process for managing void properties carried out in 2025 recommended that void process move from paper-based systems to being completely digital. During 2026, FHA will investigate the most cost-effective way that these processes can be migrated to computer-based systems whilst ensuring that a detailed audit trail is maintained without having a negative impact on staff.

8.5 Repairs Performance Project

During 2026, FHA will undertake a project to analyse the performance of our repairs service, looking at the value for money delivered by the individual contractors that provide the service. The project will look at hourly rates, overall costs, the impact of VAT and Customer Satisfaction. It will compare overall maintenance costs and Customer Satisfaction with other local associations to identify whether different approaches offer better value for money, for example where one large contractor delivers the response repairs service rather than small local contractors.