

Southway Housing Trust (Manchester) Limited Group Accounts

2024/25



Co-operative and Community
Benefit Society No. 30348R

Regulator of Social Housing
No. L4507

southwayhousing.co.uk

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Board Members, Executive Directors, Advisors and Bankers

Board Members

Hazel Makinson	Chair	
David Hampton	Vice Chair	
Claire Brown		
Shefali Kapoor		
Gavin White		
Steve Wilson		
Faisal Butt		
Laura Green		
Katie McGrouther		
Sacha Govender	Trainee Board Member	from 17 June 2025
Dean Owens-Cooper	Co-optee	1 year term to December 2025

Executive Directors

Karen Mitchell	Chief Executive	to 14 July 2024
John Bowker	Chief Executive	from 15 July 2024
Jane Gant	Executive Director - Homes and Communities	
David Clermont	Executive Director - Finance and Development	
Paul Howes	Executive Director - Corporate Services	from 6 January 2025

Registered Office Southern Gate, 729 Princess Road, Manchester, M20 2LT

Registered Number Co-operative and Community Benefit Society: 30348R
Regulator of Social Housing: L4507

Website www.southwayhousing.co.uk

External Auditors Crowe UK LLP, 3rd floor St Georges House, 56 Peter Street,
Manchester, M2 3NQ

Internal Auditors TIAA, Artillery House, Fort Fareham, Newgate Lane PO14 1AH

Principal Solicitors Anthony Collins LLP, 134 Edmund Street, Birmingham, B3 2ES

Bankers Barclays Bank UK PLC, 3 Hardman Street, Spinningfields,
Manchester, M3 3AX

Introduction by the Chair

2024/25 has been a positive year for the organisation with significant change and a renewed outlook for the future. Our new Chief Executive, John Bowker, joined Southway in July 2024 and brought a fresh perspective and energy which has been welcomed by the Board and colleagues. Over the year we have seen improved performance across the business to the benefit of our customers. Highlights include:

- improved Tenancy Satisfaction Measures scores
- rent collection figures improving to 100.72%
- significantly reduced backlog in repairs with improvements in response times
- average void turnaround time reduced from 67 days to 33
- improvements in call handling times
- overall staff engagement scores increasing by 3% with the Leadership Team score increasing by 34%.

There has been a particular focus on core services this year and the performance improvements have demonstrated that this focus has made a difference. We recognise however that further improvements are required and, as such, this focus will remain to ensure the organisation continues to meet the needs of our customers.

Significant progress has been made in our stock condition survey programme. Our surveying contractor was appointed in December 2024, and they have moved at pace to undertake the surveys required to meet our regulatory requirements and ensure that we understand our asset data fully. We are on track to complete surveys on 100% of our stock by March 2026.

We were inspected by the Regulator of Social Housing as part of their cyclical regime, which resulted in the following compliant gradings being issued in June 2025: Consumer C2, Governance G2 and Viability V2. The Regulator recognised the improvements made over the past 12 months and highlighted how the organisation is on an upward trajectory. They did however highlight some areas where improvements were required in both the governance and consumer standards with the primary issues relating to stock condition information and customer voice and influence. The Regulator also recognised the strength of our finances and were comfortable with our V2 grading which accounts for the future planned investment in our existing stock and new build programme. A Regulatory Improvement Plan has been produced with the aim of completing all areas by April 2026.

Our new 5 year Corporate Plan was approved by Board in March 2025. This is an ambitious plan which sets out the organisation's aspirations and vision of '**providing excellent services and quality homes where communities thrive**'. The plan has six strategic objectives under the themes of **Customers, Homes, Communities, Colleagues, Growth and Sustainability**. In addition to doing the basics brilliantly, the Board are committed to continued investment in our communities and steady growth, with the aspiration of reaching 10,000 homes by 2030. The plan is underpinned by a new set of values: **Respect, Equity, Ambition, Compassion and Honesty**.

We remain positive about the future of Southway, and the Government's recent announcements on housing as part of their Comprehensive Spending Review should create further capacity and opportunity to strengthen the organisation further.

Strategic Report and Report of the Board

Corporate Strategy

Vision and Values

Southway Housing Trust (Manchester) Limited ('Southway' or 'the Trust') is a society registered under the Co-operative and Community Benefit Societies Act 2014, and a Registered Provider with the Regulator of Social Housing.

The Trust is a community based social landlord working in and around South Manchester. At March 2025 it owns and/or manages 6,032 social/affordable rented homes, 594 shared ownership/leasehold and 94 market rent properties.

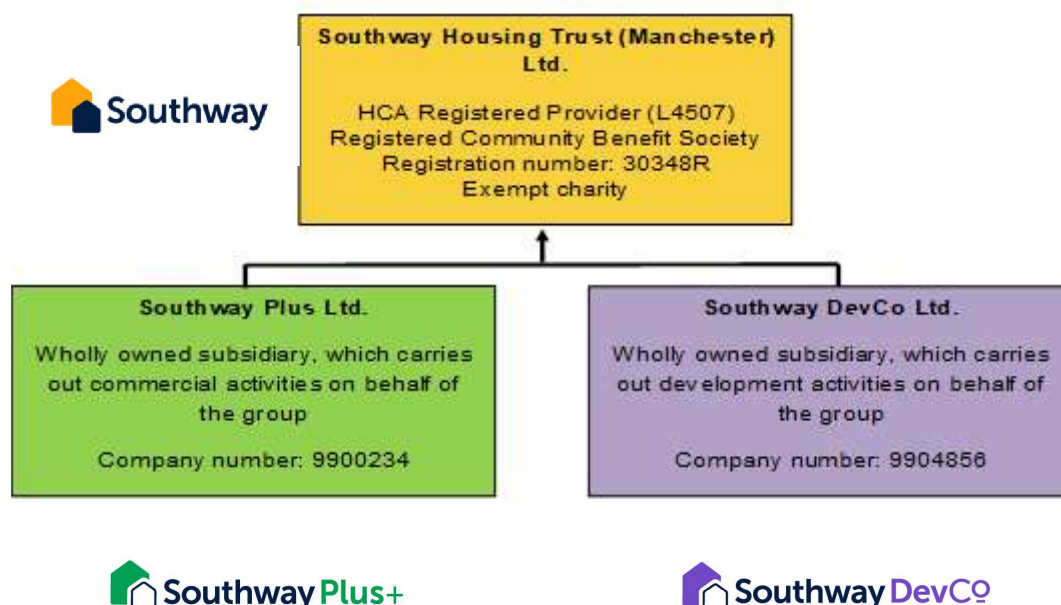
Southway's customers, communities and neighbourhoods are at the heart of everything we do. Our vision is to provide excellent customer service and quality homes, where communities thrive.

The way we do things is determined by our values: Respect, Equity, Ambition, Compassion and Honesty. These values come together to form the word REACH: We empower our people and communities to reach their full potential, we have ambitious plans and targets to reach, and we reach for continuous improvement.

Structure

The Group structure is designed to facilitate the delivery of our corporate strategy, with the Trust owning and managing the Group's social/affordable housing assets and two subsidiaries involved in the delivery of:

- our development programme via Southway DevCo Limited,
- our commercial activities via Southway Plus Limited.



The structure allows projects with a commercial risk and return to be undertaken, whilst protecting the social housing assets of the Trust. Profits generated by the subsidiaries are to be returned to Southway Housing Trust via gift aid to support its wider social objectives.

Corporate Plan

A new 5-year plan 2025-2030 was approved by Board on 25th March 2025. The Strategy was developed in consultation with customers and stakeholders.

The six key themes of the strategy are:

Customers - Our customers are at the heart of everything we do. We'll listen and respond positively to our customers, using their feedback to influence and continually improve services.

Homes - We'll provide good-quality, safe and affordable homes that customers are proud to live in.

Neighbourhoods and Communities - We'll provide services that support good health and wellbeing, are home to good-quality and well-maintained green spaces, and promote neighbourliness and community safety.

Sustainability - We'll work with our partners to deliver new technologies and green solutions that will reduce customers' energy bills and our carbon footprint

Colleagues - We'll be an inclusive employer of choice, where colleagues are skilled, engaged and motivated to provide excellent customer services within a culture that celebrates innovation, collaboration, challenge and support.

Growth - We'll be an inclusive employer of choice, where colleagues are skilled, engaged and motivated to provide excellent customer services within a culture that celebrates innovation, collaboration, challenge and support.

Resources are allocated per the Group's Business Plans to support delivery of the Corporate Plan. Each of the themes have success measures to allow Board to track achievement of the strategy and this will be reported through an annual outturn report. The later sections of this report provides commentary on the current position and our plans for the future.

Operational Toolkit

The achievement of the above themes/objectives will be supported by a toolkit of cross cutting activities relating to how the business operates.

Systems and Processes

We will equip our colleagues with the necessary systems and hardware, and the skills to use them, to support efficient and effective working practices. We will promote a culture of continuous improvement, challenging the status quo, constantly reviewing how we work, and exploring technological and business process improvements. Our systems and processes will drive efficiency while ensuring excellence for both customers and colleagues.

Data

We will be a data-driven organisation; capturing, managing and using information about our customers and homes to challenge and improve how we deliver our services. We'll demonstrate how data insights have led to meaningful changes in how we support our people and places. Our data will be accurate and easily accessible and will enable us to demonstrate regulatory excellence.

Digital

We will place digital transformation at the heart of what we do, enhancing how colleagues collaborate, how we develop and deliver services, and how we plan for the future. We'll establish a multichannel approach for customer access, using the latest technology without compromising the experience of those who prefer traditional communication routes. Digital technologies will help us generate efficiencies, improve productivity, and meet the evolving demands of our customers in the digital age.

Communication and Collaboration

We will be proactive, open and honest in our communication with customers, always demonstrating empathy and compassion. Our communication and engagement will be accessible, collaborative and transparent, and always mindful of any barriers customers may face. We'll make the most of new technologies and channels to improve how we talk with our customers and promote ways for people to get involved, ensuring the customer voice is heard and acted on.

Value For Money

We will embed a value for money culture across the organisation, with service efficiency and effectiveness at the heart of our decision-making. Our Value for Money Strategy will support and align with our corporate objectives, with clear and measurable targets to monitor success. We'll ensure we provide excellent value for money for customers, colleagues and stakeholders, and will be transparent in communicating how we measure our success.

Governance and Viability

We will adhere to all regulatory and sector standards through excellent organisational governance, supported by robust performance and risk management frameworks. We'll provide Board members with the business insight needed for effective leadership and decision-making. Strong financial management will ensure the business remains viable, successful and capable of providing the best possible service to our customers.

Value For Money

The commentary, tables and charts below provide evidence to stakeholders of Southway's plans and achievements to deliver value for money and demonstrate compliance with the Regulator's VFM Standard.

(i) **Approach to VFM**

Southway's VFM position is summarised in this report, including achievement of regulatory requirements by:

- considering the strategic objectives set by the Board.
- demonstrating delivery of value for money to stakeholders.
- ensuring that optimal benefit is derived from resources, including returns from non-social housing activities.
- setting targets for measuring performance in achieving value for money in delivering our strategic objectives.
- monitoring delivery against these targets, including the assessment of VFM metrics and other indicators comparing performance to peers.
- outlining measurable plans where improvements are required.

Factors which influence Southway's decision-making when determining how to deploy resources for optimal benefit include: how we manage our assets; balancing cost, quality, and tenant satisfaction; assessing the social return on investment; and deriving improved value from the development programme.

Each June the Board considers an annual VFM report. The 2025 report:

- Evaluated VFM metrics for 2024/25, and compared Southway's performance to the sector in 2023/24, noting some lower quartile positions than 2022/23.
- Identified that headline social housing costs were rising, reflecting continuing budget pressures and decisions taken by the Board to invest in landlord services.
- Reviewed other VFM indicators for 2024/25, including excellent performance in rent collection and void rent loss.
- Assessed VFM metrics derived from the 2025 Business Plan (BP).
- Noted arrangements to benchmark costs across service areas with other RPs.
- Set out the steps to prepare a new VFM Strategy for 2025-2030 to be reported to Board in September 2025.

Further details are presented in the following sections.

(ii) **VFM metrics and comparison vs peers**

The table below presents Southway's VFM metrics including:

- comparison of forecasts for the next 5 years from the 2025 BP vs the 2024 BP,
- actual results for the last four years,
- quartile results for 2023/24 vs the whole sector,

- peer group comparison to landlords with 5000-9999 homes and the results for North West RPs.

The data source is the Regulator's VFM metrics and reporting annex to the 2024 Global Accounts, which report the financial performance of all Registered Providers with over 1,000 properties.

The commentary which follows provides an analysis of the results.

	Regulator's Value for Money metrics								
	Reinvest- ment	New Supply (Social)	New Supply (Non- Social)	Gearing	EBITDA MRI Interest Rate Cover	Headline Social Housing Cost per unit	Operating Margin (SHL)	Operating Margin (Overall)	ROCE
	Investment in properties (existing stock and new supply) as a % of the total cost of properties.	New social properties acquired or developed as a % of total social housing properties owned.	New supply of non-social housing as a % of all social and non-social housing.	The proportion of housing property cost funded by debt.	The level of surplus generated compared to interest payable.	Total costs per unit (£k) spent on management, services/ support, maintenance, major repairs and other social activities.	The profitability of social housing activities as a % of turnover from social housing lettings.	The overall profitability of all operating activities as a % of total turnover	Operating surplus compared to total assets less current liabilities.
Southway Group									
5 year average FY 2026-2030 per 2025 BP	20.4%	2.9%	0.3%	44.5%	82%	£5.98	23.3%	17.7%	3.0%
movement 2025 BP vs 2024 BP	favourable	favourable	similar	adverse	adverse	adverse	adverse	adverse	adverse
5 year average FY 2026-2030 per 2024 BP	4.9%	1.5%	0.3%	39.3%	182%	£5.53	24.4%	20.8%	3.7%
2024/25	16.7%	1.4%	0.0%	42.2%	242%	£5.29	17.8%	14.3%	3.0%
movement vs 2023/24	adverse	adverse	similar	adverse	favourable	similar	favourable	favourable	favourable
note if impacted by impairment	N	N	N	N	Y	N	Y	Y	Y
2023/24	18.3%	1.7%	0.0%	39.8%	144%	£5.28	13.9%	11.2%	2.8%
2022/23	11.7%	1.8%	0.1%	37.9%	422%	£4.12	18.1%	16.2%	5.6%
2021/22	12.3%	3.0%	0.5%	40.4%	77%	£3.46	17.4%	13.6%	3.6%
2023/24 Southway vs Sector	Q1	Q2	Q3	Q2	Q2	Q3	Q4	Q4	Q2
SECTOR TOP QUARTILE	11.0%	2.2%		34.1%	153%	£4.50	25.8%	23.4%	3.4%
SECTOR MEDIAN	7.7%	1.4%	0.2%	45.6%	122%	£5.14	20.4%	18.5%	2.8%
SECTOR BOTTOM QUARTILE	5.2%	0.6%		54.3%	76%	£6.35	14.4%	12.5%	2.2%
5000-9999 LANDLORDS	9.0%	1.7%				£5.10			
Southway in comparison	favourable	similar				adverse			
NORTH WEST RPs	9.6%	1.5%				£5.30		16.5%	2.9%
Southway in comparison	favourable	favourable				similar		adverse	similar

Overall

Southway continues to have sound financial position going forward.

The 2025 Business Plan (BP) reflects the impact of increasing levels of new development and stock investment on the Group's finances - resulting in lower interest cover, operating margins and return on capital employed (ROCE) than reported in the 2024 BP.

Reinvestment

We continue to deliver high levels of reinvestment, recognising Southway's commitment to use its sound financial position to invest in both current properties and provision of new homes.

The ratio reflects (i) increasing levels of stock investment in existing properties as planned component replacement programme commence upon completion of the stock survey, (ii) continuation of zero carbon energy efficiency projects and (iii) completion of the previous 5-year development programme and commencement of the new development programme to 2030.

Results are in Quartile 1 vs the sector and are projected to remain so in the future.

New Supply

New Supply (Social) remains above the median of the sector and is projected to move to Quartile 1 as the current and new development programmes are delivered.

New Supply (Non-Social) has slowed in the last few years but is forecast to return to above the sector average with Southway Plus developing homes for sale on the open market.

Gearing

Gearing is lower than the sector median (i.e. better). Despite increasing to fund the new development programme and stock investment gearing is forecast to remain lower than the sector median.

Interest Cover

Quartile 2 vs the sector in 2023/24 and an improved result in 2024/25.

As stock investment spending increases and interest is paid on funds borrowed to develop new properties the earnings before interest, tax, depreciation, amortisation with major repairs included (EBITDA-MRI) interest cover ratio average for the next 5 years falls below 100%. This is the Regulator's definition of a top viability grade, hence the compliant V2 grade awarded in the recent regulatory inspection.

Social Housing Costs - see also section (iii)

Quartile 3 vs the sector in 2023/24, but at a level which is similar to other North West RPs. A similar result in 2024/25 reflects lower spending on major repairs, pending the outcomes from the new stock survey.

The 2025 BP forecasts a higher costs per unit than the 2024 BP. This reflects continuing operating cost pressures, including increased rates of national insurance introduced by the Government in April 2025.

Operating Margins

Quartile 4 vs the sector in 2023/24, and adverse vs other North West RPs. The 2024/25 results indicate an improving position, which is forecast to continue over the next 5 years, with operating margins at or around the current sector median for these ratios.

Return On Capital Employed

Quartile 2 vs the sector in 2023/24, at a level similar to other North West RPs. The 2024/25 result indicates an improving position. The 5-year forecast is slightly better than the current sector median.

(iii) Analysis of Social Housing Costs

The table below presents an analysis of headline social housing expenditure over the last 4 years.

	2022	2023	2024	2025
	£ k	£ k	£ k	£ k
Management	7,569	7,716	7,928	8,903
Service charge	773	1,289	1,751	1,945
Repairs and Maintenance	6,571	6,865	8,371	9,771
Major Repairs (Rev & Cap)	3,584	6,374	12,645	10,578
Other Expenditure	1,141	1,212	645	490
Development Services	140	224	166	323
Community	1,319	1,733	1,489	1,502
Social Housing Costs (£k)	21,097	25,414	32,995	33,512
No. of properties owned	6,100	6,164	6,251	6,333
Cost per property	£3,459	£4,123	£5,278	£5,292

Management - increasing spend in the most recent year reflects higher insurance premiums, our increased resourcing of housing management and complaints, and additional corporate costs in readiness to support delivery of the new Corporate Plan.

Service Charges - increasing spend reflects the greater proportion of new build properties which are apartments.

Repairs and Maintenance - significant growth in expenditure has arisen as Southway responds to repairs demand, reducing the number of overdue repairs, reletting void properties and responding to disrepair claims. The efficiency of the in-house repairs team (DLO) also plays a part in these figures.

Major Repairs - changing patterns of spending, reduced in the most recent year pending the results from the new stock survey.

(iv) **Operational Performance**

Key performance indicators are tracked quarterly by the People and Places Committee and the Board. A summary of outcomes is presented in the table below.

The results show:

- while 5 of 7 indicators didn't achieve target in 2024/25, performance improved in 6 areas, with one staying the same, compared with the previous year.
- results in line with or better than the average of 10 peers in Greater Manchester.

Improvements have continued into Quarter 1 2025/26.

Key Performance Indicator	2023/24		2024/25					2025/26	
	Southway	GM peers	Target	Rating	Trend	Southway	GM peers	Target	Q1
Rent collected from current tenants	98.65%	99.15%	99.5%		↑	100.72%	100.8%	100%	0.19% below phased target to achieve 100%
*per Business Plan deducting bad debt provision			*98.5%					*99%	
Customer Hub % of calls answered	74%	-	90%		↑	79%	-	90%	87.0%
Void rent loss % (general needs)	0.93%	1.12%	0.5%		↑	0.49%	1.40%	0.5%	0.56%
Average relet time for minor voids (in days)	67	-	35		↑	38	39	30	25
Repairs: % appointments made and kept	93.4%	-	97.5%		↑	93.6%	89.9%	95%	95.5%
Repairs: % customer satisfaction	92.6%	-	95.0%		↔	92.6%	84.2%	93%	93.9%
Repairs: number of overdue responsive repairs	811	-	200		↑	290	-	166	215

Rent collection performance was very strong with collection at 100.72%, significantly better than the provision set aside in the Business Plan.

The percentage of calls answered continues to improve and is nearing target.

Void rent loss improved as relet turnaround times were reduced following a number of improvements to process and contract management being put in place. Southway's void rent loss was the lowest of any provider in Greater Manchester.

Repairs indicators also show progress, particularly the reduction in the number of overdue responsive repairs.

Additional performance results at the end of March 2025 were:

- 100% of homes met the Decent Homes Standard
- 100% of homes had an up-to-date gas safety certificate
- 100% of complaints were responded to on time following the introduction of a new Customer Experience Team in November 2024.

(v) **Efficiency Targets**

Board previously adopted efficiency targets to be lower than the sector median in three key operational cost areas (a) Routine and Void Repairs, (b) Housing Management, (c) Overheads as a % of Turnover.

In June 2023, recognising the need to increase resource in core landlord service areas, Board noted that costs above the median for (a) and (b) are likely to result from the plans and objectives it has set to ensure improvements in service quality are delivered.

The slower than anticipated pace of the development programme gave rise to higher cash balances. This combined with increasing interest rates resulted in additional amounts of interest receivable continuing into 2024/25, which have been used to fund higher operational spending.

Additional cost pressure resulted from an increase in insurance premiums in November 2024, higher claims related to escape of water. Claims performance has returned to regular levels and Southway is re-procuring its insurance contract from November 2025 to deliver a cost-effective outcome.

The 2025 BP includes two efficiency targets for the 2025-2030 plan period:

- To deliver a recurring 3% reduction in management costs (equivalent to £310k pa in 2025/26 prices).
- To deliver a recurring 3% reduction in repairs and maintenance costs (equivalent to £270k pa in 2025/26 prices). The majority of this is to be achieved via the 2025/26 Property Services improvement plan (£167k savings to be reflected in the 2026/27 budget).

The median result for the Sector Scorecard 'Overheads as a % of Turnover' indicator the last time this measure was published Housemark in 2022 was 14.9%. Southway's ratio in 2024/25 was 13.7%, the same our average over the last 5 years. This is below the previous sector median, indicating a level of cost efficiency in corporate overheads.

Five Year Plan Themes

(i) Customers

Tenant Satisfaction Measures

The Regulator of Social Housing requires Tenant Satisfaction Measures (TSMs) to be collected and submitted annually. Southway collects surveys of 300 tenants each quarter through, online, face to face and telephone calls.

We know from customer feedback the two main priorities for customers are being able to get through on the phone and getting repairs completed on time. As noted in the commentary on Operational Performance results in these key areas improved in 2024/25 and again at the start of 2025/26. This has had a corresponding positive impact on TSMs. The results for Quarter 1 2024/25 were low and satisfaction has been on an improving trend since.

	2023/24	2024/25	Q1 2025/26	Trend
Satisfaction Overall	69%	71%	74%	↑
Repairs Service in the Last 12 months	68%	69%	71%	↑
Time taken to complete last repair	65%	63%	73%	↑
Home is well maintained.	63%	67%	76%	↑
Home is safe	69%	75%	82%	↑
Listens to views and acts on them	56%	60%	68%	↑
Being kept informed	65%	71%	77%	↑
Treated fairly and with respect	72%	76%	81%	↑
Approach to handling complaints	26%	32%	36%	↑
Communal areas clean and well maintained	66%	71%	78%	↑
Makes a positive contribution to the area	64%	66%	73%	↑
Approach to handling ASB	55%	59%	63%	↑

The measure with the lowest level of satisfaction is 'Approach to handling complaints.' The new Customer Experience Team, established November 2024, now oversees and coordinates all complaints, looks at ways to improve customer access and learn lessons from both positive and negative feedback. Since its inception 100% of complaints have been responded to on time.

Customer Voice and Influence

Involving tenants in decisions that affect their homes and communities is a key corporate priority for Southway and it is also a requirement through the Transparency, Accountability and Influence standard in the Consumer Standards, introduced by the Regulator of Social Housing in April 2024.

Southway reviewed its Customer Voice Strategy in 2024/25, and this was approved at the February 2025 People and Places Committee following customer and colleague consultation.

Our overall aim is to **“listen and use the customer voice to improve services and satisfaction and to change things for the better”**. There are four areas of focus: Influence, Insight, Information and Impact.

A Customer Voice Panel is in place to oversee the delivery of the Strategy and the level of influence customers have on Southway services and decision making.

The Tenant Scrutiny Panel reviewed Tenancy Support Services which resulted in the Tidy Homes Tidy Minds Hoarding Service being disestablished. The Panel also reviews the TSM's and TSM action plan each quarter.

Five Service Improvement and Influence groups are in place to oversee performance, review policies and working practices. The groups are currently reviewing the Responsive Repairs Policy, ASB performance and are due to deep dive into customer access over the coming months.

Priorities during 2025/26 are:

- Review of the Tenant Scrutiny Panel
- Service Improvement and Influence Groups having more direct links through to People and Places Committee and the Board
- All policies and strategies that affect customers being subject to full consultation including Asset Management and Repairs

Customer Hub

Almost all our inbound customer contact comes through our Customer Hub, and the majority of these are through telephone calls.

Overall, we received 80,286 calls, 1,500 fewer than the previous year. This reduction corresponds with an improvement in repairs performance, ASB and the timescales that we respond to instances of damp and mould.

Priorities during 2025/26:

- Continue to increase call performance to our 90% target reflecting further improvements in the repairs service
- New website, tenant portal, mobile app and a better digital offer.
- The new Customer Influence Group will look at how customers access all of our services, any barriers to this, and recommend changes to put in place.

(ii) Homes

Repairs and Voids

As noted in the Operational Performance section:

- The number of overdue repairs is reducing. Our target is to have no more than 166 repairs overdue at any point.
- Void performance has also significantly improved, now better than the 35-day target. This reflects internal process changes being put in place, timescales for appointing specialist contractors being revised and improvements in contractor management.
- Transactional satisfaction with the Repairs Service remains high.

There are still challenges for the service including delivering emergency and other repairs on time and reducing no access rates.

Planned improvement actions:

- Procure a new materials framework to increase value for money in procurement and enable faster delivery of materials to operatives - commencing August.
- Review of productivity of the service and of financial management to ensure it is value for money for customers
- Work with customers to improve access rates and develop a new no access process
- Review the Responsive Repairs Policy

Stock Condition and Asset Management

A 100% stock survey was procured in 2024 and started January 2025. At the end of June 2,928 surveys were completed and we will have assessed all homes by March 2026. The survey results are being analysed and assessed in the asset management system to inform future investment plans.

The surveys completed to date have confirmed that most homes remain in a satisfactory/good condition, and that projected costs are in line with the previous survey with inflation applied.

Currently all homes also meet the Government Decent Homes Standard. Property compliance performance was also very good across Gas Safety, Fire, Legionella, Asbestos and Lift Maintenance.

On Damp and Mould improvements including the introduction of a dedicated team led to performance being above target from November 2024 on inspections and on repairs. There were issues gaining access for electrical inspection and the programme has been accelerated in 2025/26 with increased communications on safety in the home.

(iii) Neighbourhoods and Communities

Housing Management and Support Service

In 2024/25 we carried out a full review of tenancy related services, including ASB, Domestic Abuse, and Tenancy Support.

We have brought in new skills and experience at all levels of the teams, increasing the number of managers, officers and assistants and reducing 'patch' sizes. This has led to more collaboration and officers being more visible and out and about in their areas. 2,300 home tenancy visits were completed by the team.

Skills have been strengthened through a competency and conduct framework for and external training on legal tenancy issues has been completed.

A proactive and consistent approach to Anti-Social Behaviour cases is very important to tenants and we have seen significant improvements in our TSM score moving from 55% in 2023/34 to 63% in Q1 2025/26. Other highlights were:

- Increasing the number of hate crime reporting centres in our communities to 7.
- Performance of the service and policies being reviewed by the ASB Service Influence Group.
- Delivering a Good Neighbours Project to promote social cohesion and local standards

Community Investment

Southway invested £1.5m (2024 £1.5m) in community investment activity during the last year. Priorities are set through the Community Investment Strategy, approved by the People and Places Committee in November 2023.

We have a well-established metric of overall financial gains for tenants, based on support we provide through our employment and training, welfare benefits, financial advice and six Quids In food pantry clubs. We achieved £2.9m against a target of £2.7m during the year, with £2.5m of this being additional benefits that tenants were supported to access.

We also measure value to the public purse for those who we help to find employment (calculated primarily through reduced reliance on welfare benefits). This totalled £141k during the year, supporting 60 tenants into work against the target of 90.

Following a review of value for money on our employment work we are ceasing funding in community associations and have moved the focus to our in-house team. The team secured £122k grant funding through Greater Manchester Community Grants to provide employment support to 16–24-year-olds in 2024/25 and have further funding of £65k secured for 2025/26.

Southway continued its campaign to encourage Pension Credit take up and other benefits and we were successful in securing income of £851k for tenants over the age of 66.

Other highlights include:

- Providing £92,271 of food support to tenants through 6 Quids In food clubs, across 8,379 attendees.
- Provide grant funding to 28 local projects that promote neighbourliness through our Beautiful South Fund.
- 146 residents engaged in the Greater Manchester Combined Authority Gorton Ageing in Place Pathfinder project that secured £180k of funding over three years to increase opportunities for greater social connections.

(iv) Sustainability

Southway is working towards achieving EPC C at all its homes by 2030. In 2023 we secured grant funding from the Department for Energy Security and Net Zero via Greater Manchester Combined Authority (GMCA). This is being used to fund improvements to 972 homes. Grant funding of £3.4m was secured alongside £4.5m contribution from Southway. The project uses a fabric first approach to improving homes through insulation and ventilation measures along with Solar PV.

Alongside this we piloted a Smart Energy Usage Monitoring Pilot 5GIR scheme in partnership with GMCA and Wigan. The 100% funded project adopted connectivity of air source heat pumps to an App that identifies energy usage times and volumes as well as signalling maintenance demands.

The Southway fleet used by operatives totals 63 vehicles, 20 (32%) are electric. Based on the existing carbon emissions of the diesel vans we are saving 2,550 g/co₂ for every km travelled. Assuming 10,000 km per year for each van that equates to 25.5 t/co₂ saved, the equivalent to the yearly growth of 1,250 trees.

Southway successfully retained its Green Flag award for the eighth consecutive year, at our Barlow Hall Green Space. The site along with other green spaces promotes biodiversity through the planting of various types of plants and trees and provides educational opportunities for local schools along with various sustainability related community events.

(v) Colleagues

The 2025/26 Budget reflects 297 colleagues working at Southway (on a full-time equivalent basis), a 13% increase compared to 2024/25.

Colleague engagement remains strong, evidenced through our core staff groups, which continue to advocate for change. The 2025 staff survey saw the overall engagement score increase again to 78 (2024: 75), higher than the sector benchmark of 73. Action plans are being developed to continue to build on this outcome across the organisation, supported by our People and Culture Team.

Sickness levels continue to improve with an outturn of 4.67% for 2024/25, a reduction from 5.07% in 2023/24. We continue to embed best proactive absence management through policy and management training updates and improvements.

To build on the above we plan a number of high impact actions in 2025/26 including:

- Developing a new People Strategy to transform our approach to the management and development of our team.
- Reviewing our approach to colleague reward and recognition to ensure that our offer is attractive, and colleagues feel valued.
- Developing a new performance management framework to encourage continuous improvement.
- Developing a Leadership Development Programme for all managers to build skills and ensure a consistent approach to people management.

(vi) Growth

Development Programme

During 2024/25 starts on site (103 vs 133) and completions (106 v 153) were below target. This reflects respectively delays commencing the Government's new social and affordable housing programme and later completion of one project where delivery issues are being resolved with the contractor.

The 5-year plan 2025-2030 reflects completion of the previous programme the majority of which is contracted and on site, and a continuing new build programme, summarised below in terms of unit numbers and £'000 costs, grant, sale.

No. properties	Contracted	Old prog.	New prog.	Total
Affordable Rent	68	4	-	72
Social Rent	87	34	420	541
Shared Ownership	296	50	180	526
Outright Sale	37	-	100	137
Total	488	88	700	1,276

BUDGET BASED ON SEQUEL APRIL 2025 (Incl non cash items)								
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	TOTAL
Cost	41,357	62,690	42,454	67,692	72,105	55,264	16,317	357,878
Grant	-8,587	-7,550	-25,264	-19,016	-21,657	-2,120	-2,162	-86,355
Sales	-3,931	-14,027	-15,024	-29,756	-20,288	-19,031	-23,170	-125,228
NET	28,839	41,113	2,166	18,919	30,160	34,113	-9,016	146,295

Delivering new build homes remains challenging with cost volatility affecting Southway, contractors and developers. Two current schemes under construction have incurred additional costs leading to a £328k impairment charge reflected in the accounts as a consequence.

Remediation works have been identified at three schemes post completion. These are being progressed via claims with warranty providers following contractor insolvency. The Trust anticipates full recovery of the amounts involved.

Board has determined that its risk appetite for new development activity will move from 'Open' to 'Moderate'. A new approach to the management of risk will reflect:

- Review of procurement arrangements, Southway has joined the JV North development consortium to facilitate this.
- Robust checks and contractor due diligence, and enhanced contractor quality and performance checks by staff and agents during the build process.
- Adapt updated site safety and Construction Design Management arrangements, reflecting internal audit recommendations.
- Improve the process for managing component defects at new schemes.

Southway Plus

The Trust has approved an updated funding prospectus to provide a £35m intra group loan to Southway Plus. The Plus Business Plan assumes the delivery of properties for outright sale, improvements in the return from market rented stock and continuation of investment in a commercial joint venture with other RPs.

£5m gift aid is to be generated from profits on these activities during 2025-2030, to be paid to the Trust. An annual performance report is prepared by Plus for consideration by the Trust Board.

The Plus Business Plan is subject to separate testing to assess its exposures. The potential for a failure in Plus has also been tested on the Trust. This shows the parent's viability is not at risk should Plus fail to deliver. Independent financial advice considers the rate of interest and security on the intra group loan, in order to protect the social housing assets of the Trust.

Property Acquisition

The 2025-2030 plan sets a target to become a 10,000-property landlord by 2030. Delivery of the Development Programme summarised above will lead to c8,000 homes.

Southway anticipates the additional 2,000 properties will arise from property acquisitions from other RPs seeking to divest stock in and around South Manchester. The objective is to become a larger organisation which can operate more efficiently with an increased economy of scale.

Modelling of different possible scenarios will be undertaken to illustrate the potential impact on Southway's Business Plan. This will be replaced by a comprehensive financial, asset quality and operating impact evaluation of opportunities which arise.

Financial Planning

Financial Management

Southway operates to a financial management regime where strategy is set and monitored by the Parent Board with input from the respective Subsidiaries.

Medium term Resource Plans are agreed annually for the Group as part of the Business Planning process to resolve how resources will be deployed to deliver the objectives of the Corporate Plan, taking account of constraints from the loan agreement and requirement to raise additional finance.

The Board receives reports four times a year which provide an assessment of financial health, and income and expenditure results compared to the budget set at the start of the financial year.

Financial Performance

The level of net operating resource generated by the Group for each of the last five years is set out in the table below. This shows:

- Steady levels of rental income from rising turnover from increasing property numbers and rent rises permitted by the Government.
- Running costs increasing, reflecting inflation and the impact of extending activity to deliver strategic objectives.
- Spending on projects to improve energy efficiency, but reduced levels of stock investment in 2024/25 pending the commencement of new programmes.
- Surpluses from sales being maintained. 2024/25 includes proceeds from one high value property, combined with RTB/RTA and staircasing sales activity.

The excess of resources is primarily used to fund new properties and repay debt.

£m	2020/21	2021/22	2022/23	2023/24	2024/25
Rental and other income (excl. grant and sales)	27.4	28.8	31.7	33.9	37.2
Running costs	-14.8	-16.9	-19.5	-20.9	-23.5
Investment in existing properties less grant	-1.2	-3.3	-5.9	-9.0	-9.3
RTB/RTA/other sale surplus	2.3	2.6	5.3	3.2	3.2
SO & outright sale surplus	0.4	0.1	3.3	0.8	0.3
Net interest payable	<u>-3.4</u>	<u>-2.4</u>	<u>-1.7</u>	<u>-0.6</u>	<u>-0.9</u>
Net Resource	10.7	8.9	13.2	7.4	7.0

The table reports outcomes on an accrual's basis. It includes re-investment in current properties irrespective of accounting treatment, but excludes capital spending on new property assets, actuarial pension adjustments and fair value movements in investment properties.

The following table summarises the Group's assets and liabilities. Housing properties less grant continues to increase. Other fixed assets reflect the office/IT infrastructure and community use facilities. Net current assets include available funds, and long-term loans includes the private placement bond.

As development activity has progressed, the number of homes owned has increased.

£m at year end	2021	2022	2023	2024	2025
Housing Properties net book value less grant	109.1	120.9	131.6	149.0	167.7
Investment Properties & JV	13.4	19.5	20.1	20.4	20.6
Other fixed assets	9.0	9.0	8.5	8.4	8.2
Net current assets	5.3	8.1	29.1	54.7	45.2
Long term loans	-47.4	-66.5	-84.5	-119.6	-119.5
Other long-term liabilities	<u>-8.5</u>	<u>-0.2</u>	<u>-0.9</u>	<u>-1.1</u>	<u>-1.0</u>
Reserves	<u>80.9</u>	<u>90.8</u>	<u>104.0</u>	<u>111.8</u>	<u>121.2</u>
Properties Owned (including market rent)	5,997	6,193	6,258	6,345	6,427

Treasury Strategy

In July 2021 to support the delivery of the 2020-2025 Development Programme a £120m Private Placement bond was successfully secured via a UK investor and another from North America, with a weighted average maturity of 26 years. Low interest rates were achieved at a weighted average of 2.7%, substantially lower than is available in the current financial markets. This favourably benefits Southway, enabling the funds raised to support planned levels of development activity.

Southway has a strong liquidity position. At March 2025 cash and current asset investments totalled £34m. Excess funds have been deposited generating an appropriate return while limiting counterparty risk. The rate of interest receivable on deposits exceeds the cost of interest payable on the bond. The benefit derived has been allocated to provide additional support for one off items of spending as noted earlier in this report.

The Trust's revolving credit facility with Barclays was renewed on 24 March 2025. It runs for three years, with two optional years thereafter. The amount available has increased from £10m to £30m. The loan reflects interest rate margins and loan covenants consistent with the sector. This provides an additional degree of comfort with EBITDA interest cover minimum being lowered (150% to 130%) and the Gearing maximum raised (50% to 60%).

Southway recognises the inherent risk arising from uncertain interest rates. It has adopted a policy of fixing a high proportion of its debt over time. The proportion of fixed interest rates (from the Private Placement bond) and variable interest rates (on Revolving Credit Facilities) reflects the Trust's policy that a minimum 70% of borrowings are on fixed rates. Southway does not contract for derivative instruments outside of its loan contract.

Business Plan

Southway routinely manages the risks it faces by adopting prudent strategies within its business planning and budgeting processes to withstand shocks, illustrated by:

- Business Plan assumptions subject to review and assessment by Board in December and approval of the resulting plan each March.
- Annual Budget prepared within the parameters approved by Board.
- Modelling the impact of development activity and other variables compared to available borrowing facilities.
- Stress Testing the Business Plan annually, the results are summarised in the Risk Management section of this report.
- Consideration of Golden Rules and Trigger Points to highlight financial exposures.
- An assessment of available security to support new borrowing.

The latest Business Plan adopted in March 2025 reflects the following:

(*over 30 years in 2024/25 prices)

- CPI+1% rent increases to 2031.
- Inflation returning to lower levels, with a long-term cost growth of 2.0% in line with the assumed rate for CPI.
- Provision for 1.0% bad debts and void rent losses of 0.5% pa.
- Projections of future investment from the 2021 stock condition survey, *£264m
- An additional 10% stock investment contingency pending the final outcome of the survey results, *£26m
- Spending to achieve EPC C by 2030 *£18m.
- New spending in the 2025 plan on boundary treatment/fencing/gates *£13m
- Building safety compliance work, damp and mould, fire risk assessment actions, smoke detectors, carbon monoxide monitors *£9m
- Development programme to deliver c1,300 new homes by 2030.
- No RTB sales beyond 2026/27.
- Contingencies against higher costs or other risks, £470k pa, equivalent to around 1.3% of rental income.
- Net debt repayment by 2058 (2024 BP: 2053).

The 2025 Business Plan illustrates continued compliance with loan covenants, with a significant degree of comfort:

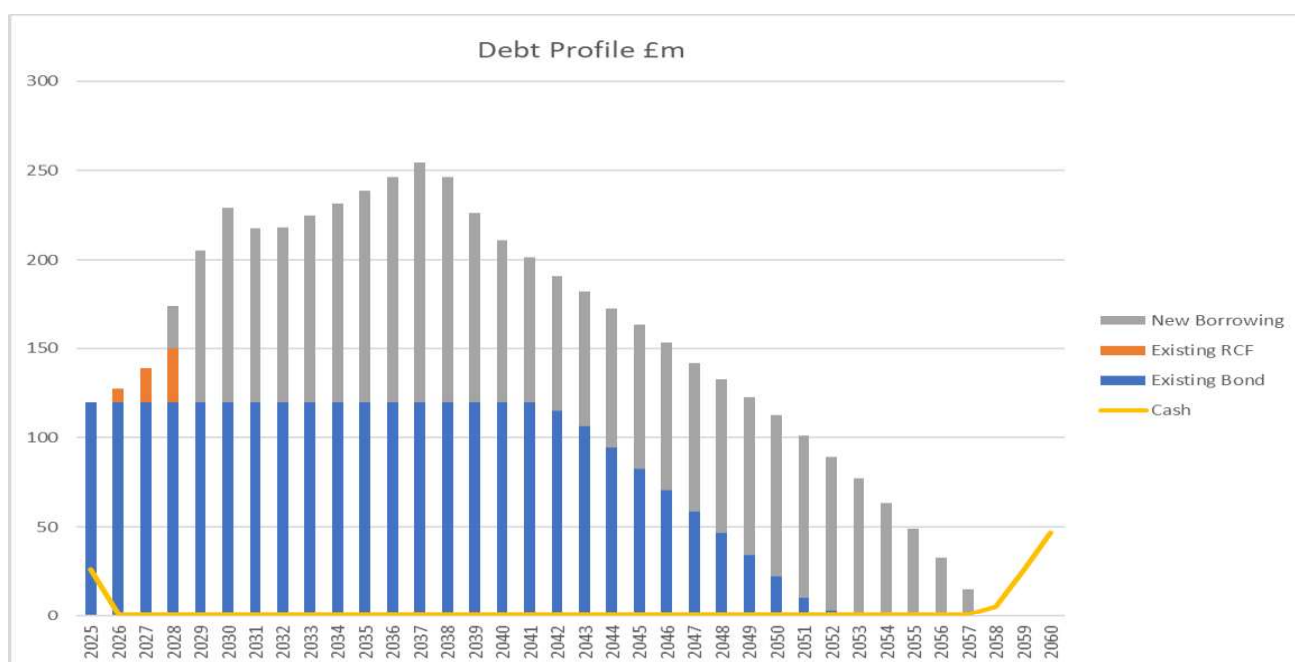
EBITDA Interest Cover - low	224% in 2037
trigger point	170%
golden rule	150%
contractual minimum	130%
Gearing - high	38.3% in 2030
contractual maximum	60%

Projected Debt Profile

The debt profile per the 2025 Business Plan is illustrated below. The chart also shows the split of funding from the existing bond (blue), existing RCF (orange) and new borrowing (grey). Projected levels of cash are also illustrated (yellow).

Existing cash balances and the Barclays RCF will be utilised as the development programme progresses, energy efficiency EPC C works are delivered and new home improvement programme of component replacement commences.

It is projected additional borrowing will be required in the second half of 2027/28.



Peak Debt is projected at £255m in 2037. This reflects the timing of planned stock investment to properties, taking place 30 years after the original transfer of properties to Southway.

Southway has significant levels of asset cover to secure future levels of borrowing. Based on the latest valuation of the properties secured to Barclays and the bond it is estimated:

- 26% of Southway's current properties are required to discharge the level of security required on our existing loans.
- properties which are unencumbered or over secured with our current lenders would support £200m additional borrowing.

Risk Management

Management of Risks

Southway continuously assesses the changing pattern of risk and considers variations in the economic environment, government policy which may impact rents, welfare reform and the availability of grant, commercial risks attached to new markets being entered, and the impact on the whole organisation associated with a process of growth and diversification.

Southway's Executive Group Risk Panel considers the corporate significant risk map on a quarterly basis. The corporate significant risk map reflects assessment of the external risk environment, the sector risk profile, and a range of internal risks. Each team also prepares assurance statements to identify emerging risks and any area where operational control issues have arisen.

The Corporate Risk Map was reviewed in 2024/25 to ensure that it aligned with the new 5-year Corporate Plan. Each risk corresponds to a Strategic Theme and has a target score based on the risk appetite for that area of the business. Each risk is scored, with mitigations and further actions designed to reduce, or maintain, the score to a set target. If a risk is scored above target, then it is classed as requiring intervention and the effectiveness of the mitigating controls is assessed

Audit and Risk Committee review the results every quarter and reported to Board annually alongside a review of the Board's risk appetite. The Trust considers that it is appropriately placed to manage the consequential variations in risk profile that arise.

Top Ten Significant Risks

The table below sets out the position reported to Audit and Risk Committee in July 2025, and notes whether this is consistent with the top 10 risks in July 2024.

Southway delivers poor customer service through non-compliance with Consumer Standards	<i>similar</i>
Southway doesn't have appropriate Governance oversight, structures and skills	<i>similar</i>
Asset Investment exceeds Business Plan provisions	<i>similar</i>
Southway does not deliver a customer focused and efficient responsive repairs service to its tenants	<i>similar</i>
The culture at Southway prevents the delivery of excellent services.	<i>new</i>
Southway fails to successfully deliver its Development Programme	<i>similar</i>
Poor financial (budgetary control) or treasury management negatively impacts the Business Plan	<i>similar</i>
Southway has poor data quality and integrity that affects service delivery and limits business insight	<i>similar</i>
Southway Plus does not make the required surplus to be reinvested in the parent company	<i>new</i>
Colleague Health and Safety Obligations are not met	<i>new</i>

The three risks from 2024 which are no longer assessed as highly relate to:

- future rent increases, new Government proposals now confirmed.
- income collection, following the high level of performance during 2024/25.
- inability to deliver thriving communities due to poverty and inequality.

Stress Testing and Mitigations

Stress Testing is a central part of the Board's consideration of the Business Plan. It also forms part of the Boards regular assessment throughout the year with tests applied to all significant financial decisions. Key variables and a combination of sensitivities are combined into scenarios which would stretch the business to fail.

Peak debt and loan repayment are modelled with results reviewed in comparison to trigger points, golden rules and contractual loan covenants.

Under the majority of stress tests Southway's 2025 Business Plan performs well, the level of gearing is generally not an issue. The most prominent risks, which could lead to not passing loan covenants, were:

- high inflation and/or constrained rental increases.
- delivering zero carbon without grant support or above inflation rent rises.

Combined risks are also assessed:

- 20% increased build costs (non-contracted schemes), 1-year delayed sales, no RTB/RTA sales and failure of Southway Plus to deliver planned returns would lead to trigger points being exposed, but not a breach of loan covenants.
- Should there be 0.25% pa lower rental growth, combined with 1% higher bad debts and 1% higher interest rates (on variable debt) then corrective action would be required to prevent a failure of loan covenants.

A Resilience Plan is considered by Board annually. This identifies mitigation measures which Board could take in each service area to help remedy a financially challenged situation. It identifies priority actions and timescales (within 6 months or over the medium term) and potential impacts that would need to be considered.

Mitigations assessed as part of stress testing modelled the benefit from (a) utilising contingencies, (b) restricting new development, (c) limiting spend on boundary treatments and (d) reductions in operating costs.

The following aspects determined after preparation of the 2025 BP improve Southway's financial position, providing additional capacity which could be utilised towards funding zero carbon works:

- Initial survey results indicate the additional 10% stock investment contingency will not be required.
- The Government confirming CPI+1% rent increases to 2036, and the consulting on how rent convergence may be introduced where existing rents are below the formula for social rents.

Overall Financial Assessment

The results of the above analysis - combined with a significant proportion of borrowing secured at favourable interest rates, sizeable cash balances and available credit facilities, properties available to be used as security for additional borrowing, comfort in loan covenants and contingencies to manage exposures - has led to the Board's judgement that the Group has a financially sound Business Plan which will enable Southway to deliver the objectives of its new 5 year plan 2025-2030.

Governance

Boards and Committees

The Trust is governed by a Board who are also shareholders of the Trust. Board members receive no dividends or remuneration (other than reimbursement of expenses) reflecting their commitment to the community and social values of the organisation. The Board members of the Trust and Executive Directors who have served Southway during the year and to the date of this report are set out on page 3.

The Board has the necessary depth of knowledge and experience to provide strategic leadership to the organisation.

Board and Committee members conduct their affairs within an agreed Code of Conduct, which complies with all regulatory requirements. Each member of the Board signs a statement agreeing to adhere to the Code. The Board also has a Probity Statement which sets out the standards of conduct it places for itself and those working for Southway. The statement also addresses the potential for Southway's conflicts of interest. All members complete an annual declaration of interest.

Insurance policies indemnify Board and Committee members and officers against liability when acting for the Trust.

Executive Directors

All officers who served as Executive Directors during the year hold no interest in Southway shares and act as executives within the authority delegated by the Board. None of the executive directors are members of the Trust Board, but they attend all its meetings.

The Executive Directors are engaged on permanent service contracts. They receive salaries set by the Parent Board based on its estimation of the amounts required to secure the services of appropriate personnel. The Board takes independent external advice on this. Where they choose to become pension scheme members, Executive Directors also benefit from contributions made by Southway. Participation is on the same terms as all other Southway employees.

Governance of Subsidiaries

Each subsidiary company has its own articles of association that define their purpose and governance. The relationship between Southway and the subsidiaries is defined via an Intra Group Agreement (IGA). The IGA sets out: which policies apply to the group as a whole and which specifically to the Trust; levels of delegation to the subsidiaries, including the setting of Budgets and Business Plans.

As Southway provides the majority of the services to the subsidiaries, each company has a Services Agreement that sets out what services are provided and how they are accounted for.

Regulatory Compliance Statements of the Board

The Regulator of Social Housing issues Regulatory Judgements on Registered Providers. During the early part 2025/26 Southway underwent a regulatory inspection which resulted in the following gradings:

G2 - Governance
V2 - Financial Viability
C2 - Consumer Standards

All three are complaint grades. Our previous gradings were G1 and V1 (Consumer Standards were introduced since our last inspection). The Financial Viability grading reflects the impact of the planned 5-year extension of development programme alongside increased investment in existing properties, as illustrated by the VFM metric for EBITDA-MRI.

We want to obtain G1 and C1 gradings as soon as possible. We have produced an improvement plan, based on the outcome of the regulatory inspection and are aiming to be regraded within the next 12 months.

In March 2025 the Parent Board reviewed compliance with the 2020 National Housing Federation (NHF) Code of Governance. The Board can declare its compliance with the terms of the Code.

The Regulator requires all Registered Providers to make a declaration in their annual accounts that they comply with all relevant law, legislation, and regulation. Southway receives regular updates from retained legal advisers with Assistant Directors and Heads of Service required to account for compliance through quarterly risk certificates. As a result, the Board is able to declare that Southway complies with all relevant law, legislation, and Regulatory Standards. Southway also maintains a register that provides a thorough, accurate and up to date record of its assets and liabilities.

Board Statement on Internal Control

To comply with the Regulator's Standard for Governance and Financial Viability, Registered Providers should: 'establish and oversee a risk management framework in order to safeguard the assets and reputation of the Group.'

Southway's system of internal control is designed to manage risk and provide assurance that key business objectives and expected outcomes will be achieved, that financial and operational information is properly prepared and reliable, and that the Group's assets and interests are safeguarded.

The Board and Committee structure is assessed annually to ensure it remains fit for purpose. Southway's Board delegates the design, operation, and review of these internal controls to its sub-committees, most notably the Audit and Risk Committee, and to the Executive Directors. The Audit and Risk Committee reports quarterly to Board so that they are informed of control weaknesses in operations and can put strategies in place to address them.

Board members have a wide range of experience of risk assessment in areas such as development and finance. The Audit and Risk Committee, including independent members, is equipped to scrutinise, challenge, and improve the Trust's operational controls.

The following specific actions were taken to ensure the internal control framework remains robust.

- a) Approval of a new 5-year Corporate Plan with clear objectives and a defined reporting mechanism.
- b) Officers undertook a review of the Risk Management Framework, overseen by the Audit and Risk Committee, resulting in a reduced number of risks that align to Southway's strategic objectives.
- c) These significant risks were reviewed by the Executive Team on a quarterly basis, who accounted to the Audit and Risk Committee on how risks are being managed. The Risk Register details the mitigations taken to manage each risk and proposed further actions, with target scores for each Risk.
- d) Deep Dives were carried out by the Audit and Risk Committee into:
 - Damp and Mould
 - Risk Management Framework
 - Insurance
- e) An assessment of compliance against regulatory standards ahead of the Regulatory Inspection that took place in Q1 2025/26.
- f) An assessment of compliance with the Code of Governance.
- g) Review of the effectiveness of each Committee.
- h) A review of Financial Regulations to ensure they are fit for purpose.
- i) Review of the Group Standing Orders
- j) Approval by Board of a Budget and updated Business Plan and Resource Plan informed by a Stress Testing Workshop, attended by Board and Audit and Risk Committee members, to consider exposures and mitigations.
- k) Processes for Key Performance Indicators and budget setting and quarterly monitoring of these, with outcome measures designed to identify specific variances that arise.
- l) Internal Audit reviews conducted under a programme agreed and supervised by the Audit and Risk Committee, supplemented by the Internal Audit annual report.
- m) The External Auditor's Findings Report.

- n) The annual compliance review of the loan agreement.
- o) A comprehensive set of operating policies disseminated to staff, with a laid-out timetable for their review at appropriate intervals. These policies include counter-fraud measures (prevention, detection and reporting of discovered fraud, and strategies for 'whistleblowing'). There were no instances of Whistleblowing during the period.
- p) A fully considered treasury strategy which is reviewed annually when setting the Business Plan supported by specialist external advice.
- q) A Resilience Plan, approved by Board, that provides assurance that measures have been identified to mitigate the risk of unplanned events that could put the Trust in a financially challenged position.
- r) Assessment of the funding environment by Board and the Funding Committee, supported by external banking, financial and legal advisers.
- s) A formal Investment Framework which sets clear criteria for investment decisions, and a process for tracking the progress of each project.
- t) Annual review of Health and Safety Policy and Procedures carried out by an independent Health and Safety advisor; and operating a Health & Safety Group which contains a range of staff representatives and monitors the operations of the Trust with a view to ensuring that they meet standards in this respect.
- u) Quarterly reports received by the Audit and Risk Committee covering property compliance: Gas Safety, Electrical Testing, Fire Safety, Legionella, Asbestos and Damp and Mould.

Additional Financial Controls

- v) Financial control systems relate to the management of operational budgets, returns to the Regulator and our funders, and an assessment of loan covenant compliance.
- w) The Parent Board receives a copy of the quarterly Funders Report outside of the meeting cycle, as well as a report outlining financial performance, with high level financial health indicators, at each Board meeting. Finance and service performance reports on Property Services and Development are also reviewed quarterly by Board as the two largest spend areas.
- x) Formal controls over the main payments systems have been operated consistently. Preparation of the BACS run, review of the proposed payment, and execution of payments are all performed by separate personnel. At least three people, including one Director, are required to prepare, check and process these.

- y) At no time has any Director had cause to challenge any proposed payment for lack of propriety. Bank details for all amounts over £250k are verified individually. Specific controls are also applied to the creation of new suppliers and the changes of suppliers' details.

The Audit and Risk Committee has received the Executive's Annual Review of the Effectiveness of the System of Internal Control, and the Annual Report of the Internal Auditor, and has reported its findings to the Board.

Anti-Slavery and Human Trafficking Statement

In accordance with section 54(1) of the Modern Slavery Act 2015, Southway has a policy which sets how Southway Housing we identify potential modern slavery risks related to its business and put in place steps to prevent slavery or human trafficking across its business and supply chains. This is available to view on our website.

Donations

During 2024/25 and 2023/24 Southway made no political contributions and any charitable donations were made during the course of its ordinary activities.

Post Balance Sheet Events

No events since the year-end have had a significant effect on the Trust's financial position.

Going Concern

The assessment of the significant risks faced by the Group is fully considered in the preceding sections of this report. The results of this analysis demonstrate Southway's ability to remain financially viable.

The Board therefore has a reasonable expectation that the Trust and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future, being a period not less than twelve months after the date on which the report and financial statements are approved. For this reason, it continues to adopt the going concern basis in the financial statements.

In reaching this view the Board fully appraised the changing business environment facing Southway, it has considered the financial projections set out in the long-term Business Plan, the results of stress tests and assessed the strategic risks faced and the means available to it to mitigate these risks.

Annual General Meeting

The annual general meeting will be held on 23 September 2025.

External Auditors

Crowe UK LLP were appointed in February 2020 following a procurement tender for external audit services. A review of the external audit service will take place in October 2025. Crowe UK LLP have expressed their willingness to continue in office.

Statement of the Responsibilities of the Board for the Report and Financial Statements

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Trust and Group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and Group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the Board members is aware.

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Strategic Report and Report of the Board was approved by the Board on 17 September 2025 and signed on its behalf by:



Hazel Makinson
Chair of the Parent Board

Independent auditor's report to the members of Southway Housing Trust (Manchester) Limited

Opinion

We have audited the financial statements of Southway Housing Trust (the "Trust") and its subsidiaries (the "Group") for the year ended 31 March 2025 which comprise the consolidated and Trust Statement of Comprehensive Income, the consolidated and Trust Balance Sheets, the consolidated and Trust Statement of Changes in Reserves, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as of 31 March 2025 and the Group and Trust's surplus or deficit for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern.

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Trust'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 is responsible for the other information contained within the annual report. 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014, or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on pages 34-35, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's and Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Trust's members as a body in accordance with 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 Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Crowe U.K. LLP**

Statutory Auditor

The Lexicon

Mount Street

Manchester

M2 5NT

25th September 2025

Southway Housing Trust (Manchester) Limited
Year Ended 31 March 2025
Consolidated Statement of Comprehensive Income

	Note	2025 £'000	2024 £'000
Turnover	3	43,010	42,687
Operating expenditure	3	(34,096)	(33,301)
Cost of sales	3	(2,768)	(4,606)
Surplus on the disposal of housing properties	3	3,220	3,167
Movement in fair value of investment properties	3	-	-
Operating Surplus	5	<u>9,366</u>	<u>7,947</u>
Interest receivable	7	3,380	3,405
Interest and financing costs	8	(2,588)	(2,422)
Surplus before tax		<u>10,158</u>	<u>8,930</u>
Taxation	11	118	(70)
Surplus after tax for the year		<u>10,276</u>	<u>8,860</u>
Actuarial (loss)/gain and other movements on defined benefit pension scheme	30	(869)	(859)
Total Comprehensive Income for the Year		<u><u>9,407</u></u>	<u><u>8,001</u></u>

The consolidated results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 17 September 2025 and signed on its behalf by:



Hazel Makinson
Chair of the Board



David Hampton
Vice Chair



Matthew Maouati
Secretary

Southway Housing Trust (Manchester) Limited
Year Ended 31 March 2025
Trust Statement of Comprehensive Income

	Note	2025 £'000	2024 £'000
Turnover	3	42,959	43,133
Operating Expenditure	3	(34,377)	(34,265)
Cost of sales	3	(2,768)	(4,606)
Surplus on the disposal of housing properties	3	3,220	3,167
Operating Surplus	5	<u>9,034</u>	<u>7,429</u>
Interest Receivable	7	3,938	3,954
Interest and financing costs	8	(2,589)	(2,422)
Surplus before tax		<u>10,383</u>	<u>8,961</u>
Taxation	11	-	-
Surplus after tax for the year		<u>10,383</u>	<u>8,961</u>
Actuarial (loss)/gain and other movements on defined benefit pension scheme	30	(869)	(859)
Total Comprehensive Income for the Year		<u><u>9,514</u></u>	<u><u>8,102</u></u>

The Trust's results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 17 September 2025 and signed on its behalf by:



Hazel Makinson
Chair of the Board



David Hampton
Vice Chair



Matthew Maouati
Secretary

Southway Housing Trust (Manchester) Limited
Year Ended 31 March 2025
Consolidated and Trust Statement of Changes in Reserves

Income and expenditure reserve	Group £'000	Trust £'000
Balance as 31 March 2023	103,820	101,516
Surplus for the year	8,860	8,961
Other comprehensive income for the year	(859)	(859)
Balance as 31 March 2024	<u>111,821</u>	<u>109,618</u>
Surplus for the year	10,276	10,383
Other comprehensive income for the year	(869)	(869)
Balance as 31 March 2025	<u><u>121,228</u></u>	<u><u>119,132</u></u>

The accompanying notes form part of these financial statements.

Southway Housing Trust (Manchester) Limited
Year Ended 31 March 2025
Consolidated Statement of Financial Position

	Note	2025 £'000	2024 £'000
Fixed Assets			
Tangible fixed assets - properties	12	233,949	204,587
Tangible fixed assets - other	13	8,174	8,444
Investment properties	14	19,816	19,576
Investment in joint ventures	16	800	800
		<u>262,739</u>	<u>233,407</u>
Current Assets			
Properties for Sale, Stock and Work in Progress	17	17,456	4,162
Trade and other debtors due after more than one year	18	1,461	1,461
Trade and other debtors due within one year	18	9,921	6,107
Current asset investments		13,054	18,476
Cash and cash equivalents		20,814	38,108
		<u>62,706</u>	<u>68,314</u>
Creditors: amounts falling due within one year	19	(17,531)	(13,565)
Net current assets		<u>45,175</u>	<u>54,749</u>
Total assets less current liabilities		307,914	288,156
Creditors: amounts falling due after more than one year	20	(186,686)	(176,335)
Provision for Liabilities			
Pension provision	30	-	-
Total Net Assets		<u>121,228</u>	<u>111,821</u>
Reserves			
Income and Expenditure reserve		121,228	111,821
Total Reserves		<u>121,228</u>	<u>111,821</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 17 September 2025 and signed on its behalf by:



Hazel Makinson
Chair of the Board



David Hampton
Vice Chair



Matthew Maouati
Secretary

Southway Housing Trust (Manchester) Limited
Year Ended 31 March 2025
Trust Statement of Financial Position

	Note	2025 £'000	2024 £'000
Fixed Assets			
Tangible fixed assets - properties	12	235,061	205,374
Tangible fixed assets - other	13	8,182	8,427
Investment properties	14	3,903	3,893
Investment in Subsidiaries	16	-	-
		<u>247,146</u>	<u>217,694</u>
Current Assets			
Properties for Sale, Stock and Work in Progress	17	17,263	3,496
Trade and other debtors due after more than one year	18	15,174	15,274
Trade and other debtors due within one year	18	9,656	5,708
Current asset investments		13,054	18,476
Cash and cash equivalents		20,114	37,947
		<u>75,261</u>	<u>80,901</u>
Creditors: amounts falling due within one year	19	(17,580)	(13,752)
Net current assets		<u>57,681</u>	<u>67,149</u>
Total assets less current liabilities		304,827	284,843
Creditors: amounts falling due after more than one year	20	(185,695)	(175,226)
Provision for Liabilities			
Pension provision	30	-	-
Total Net Assets		<u>119,132</u>	<u>109,618</u>
Reserves			
Income and Expenditure reserve		119,132	109,618
Total Reserves		<u>119,132</u>	<u>109,618</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 17 September 2025 and signed on its behalf by:



Hazel Makinson
Chair of the Board



David Hampton
Vice Chair



Matthew Maouati
Secretary

Southway Housing Trust (Manchester) Limited
Year Ended 31 March 2025
Consolidated Statement of Cash Flows

	Note	2025 £'000	2024 £'000
Net Cash generated from operating activities	25	<u>3,818</u>	<u>11,016</u>
Cash flow from Investing activities			
Purchase of tangible fixed assets Housing Properties		(38,080)	(36,727)
Purchase of tangible fixed assets Other Fixed Assets		(283)	(619)
Purchase of tangible fixed assets Investment Properties		(240)	(4)
Proceeds from the sale of tangible fixed assets		4,495	3,650
Grants Received		8,563	14,506
Investment in Joint Venture		-	(227)
Interest received		2,402	2,609
Current asset investments		5,422	(6,476)
		<u>(17,721)</u>	<u>(23,289)</u>
Cash flow from financing activities			
Interest Paid		(3,392)	(3,142)
Interest element of finance lease rental payments		-	-
New secured loans		-	35,000
Repayments of borrowings		-	-
Capital element of finance lease rental payments		-	-
Withdrawal from deposits		-	-
		<u>-3,392</u>	<u>31,858</u>
Net change in cash and cash equivalents		-17,294	19,585
Cash and cash equivalents at beginning of the year		38,108	18,523
Cash and cash equivalents at the end of the year		<u><u>20,814</u></u>	<u><u>38,108</u></u>

The accompanying notes form part of these financial statements.

Southway Housing Trust (Manchester) Limited
Year Ended 31 March 2025

Notes to the financial statements

1. Legal status

Southway Housing Trust (the "Trust") is registered under the Housing Act 1996 with the Regulator of Social Housing in England, as a Registered of social housing (registration number L4507). The registered office is Southern Gate, 729 Princess Road, Manchester, M20 2LT.

The Trust is a charitable Registered Society under the Co-operative and Community Benefits Societies Act 2014, and registered with the Financial Conducts Authority, registration number 30348R. The Trust is a public benefit entity.

2. Accounting policies

Basis of accounting

The financial statements of the Group and Trust are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are presented in sterling (£) and have been rounded to the nearest £1,000, unless otherwise indicated.

Basis of consolidation

The Group accounts consolidate the accounts of the Trust and all its subsidiaries at 31 March 2025 using the purchase method.

The consolidated financial statements incorporate the financial statements of the Trust and entities (including special purpose entities) controlled by the Group (and its subsidiaries). Control is achieved where the Group has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Disclosure exemption

The individual accounts of the Trust have adopted the following disclosure exemption:
 - the requirement to present an individual statement of cash flows and related notes.

Going concern

The Group's business activities; its current financial position net assets of £121.8m (2024: £111.8m) and factors likely to affect its future development are set out within the Strategic Report from the Board.

The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations.

The Group has modelled several scenarios using multiple variants to test the resilience of its business plan. The Group is confident it can service its debt facilities and can put measures in place, if necessary, to address any unforeseen challenges and remain in compliance with lenders' covenants. Additional information is included in the Report of the Board and Strategic Report.

On this basis, the Board continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Impairment:

As part of the group's continuous review of the performance of their assets, management identify any impairment triggers which may affect any homes, or schemes. Such triggers include increasing void losses, government policy changes (such as welfare reform changes or rent reductions), climate change, additional costs adversely impacting development scheme values, any significant damage or repairs required to any homes, or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.

As a result, we estimated the recoverable amount of our housing properties as follows:

- determined the level at which recoverable amount is to be assessed (ie, the asset level or cash generating unit (CGU) level). The CGU level was determined to be an individual scheme
- estimated the recoverable amount of the cash-generating unit
- calculated the carrying amount of the cash-generating unit and
- compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Based on this assessment, we calculated the Depreciated Replacement Cost (DRC) of each new social housing scheme, using appropriate construction costs and land prices. Where DRC is lower than the carrying amount an impairment is taken to reduce the carrying amount to the DRC.

Note 12 indicates an impairment of £0.33m for housing properties in the year to 31 March 2025 (2024: £0.93m).

Classification of loans as basic:

Southway Housing Trust considers its Private Placement bond as a basic loan in accordance with the definition under FRS 102 Section 11. For this reason it has treated this loan as such in the accounts.

Note 21 reports the value and repayment terms of the Private Placement bond and the current revolving credit facilities (RCF)

(ii) Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected life of the assets.

Uncertainties in these estimates include changes to future decent homes standards may require more frequent replacement of key components.

Accumulated depreciation at 31 March 2025 of housing properties (note 12) was £75.8m (2024: £70.8m) including £0.33m in respect of impairment (2024: £0.93m), and £4.3m (2024: £5.2m) depreciation of other fixed assets (note 13).

Defined benefit obligation (DBO):

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases.

Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses.

The calculation of the obligation also incorporates the impact of the various High Court rulings; namely McCloud and GMP rulings where appropriate.

The defined benefit obligation pension liability at 31 March 2025 was £nil (2024:£nil) (note 30).

Fair value measurement:

Upon completion of a market rent scheme a professional valuation is obtained using the market approach to valuation in accordance with the RICS Valuation – Professional Standards and International Valuation Standards. At the end of the accounting period management bases the assessment of fair value on observable data. If this is not possible management uses the best information available. Estimated fair values may vary from actual prices.

Directors have decided to retain the Plus investment properties valuation of £15.5m, the same as March 2024 and March 2023. The Plus Board judged this to be the most appropriate value considering alternative sales strategies which are still to be concluded. Individual properties sold over time on the open market may achieve proceeds in the region of £16.6m, sale of the blocks to an institutional investor would most likely generate a lower value in the region of £13.2m based on rental yields and an investors cost of funds. (Note14)

Turnover and Revenue Recognition

Turnover comprises rental income receivable in the year, service charge income, income from shared ownership first tranche sales, support services and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Service charge income is recognised in the period to which it relates net of losses from voids.

Income from first tranche sales is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure.

The financial statements include VAT to the extent that it is suffered and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset in the Statement of Financial Position.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Pensions

The Group participates in a funded multi-employer defined benefit scheme, the Greater Manchester Pension Fund (GMPF).

For the GMPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates.

The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability.

Remeasurements are reported in other comprehensive income.

The Group also participates in the government's NEST pension scheme which is a defined contribution scheme. Any liabilities relating to the scheme are shown as accrued liabilities.

Interest payable

Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development if it represents:

- a) interest on borrowings specifically financing the development programme after deduction of related grants received in advance; or
 - b) a fair amount of interest on borrowings of the association as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.
- Other interest payable is charged to income and expenditure in the year.

Gift aid donations

Charitable donations to the Trust from its wholly owned subsidiaries are accounted for as income in the statement of comprehensive income for the year, and is eliminated on consolidation.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

Deferred tax relating to investment property that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset, except for investment property that has a limited useful life and is held in a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is measured on an undiscounted basis.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Shared Ownership properties and staircasing

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales.

The first tranche proportion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Under low cost home ownership arrangements, the Trust disposes of a long lease on low cost home ownership units for a share of value.

The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Sales of subsequent tranches are treated as a part disposal of housing properties. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Donated land and other assets

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

Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities.

Where the donation is from a non-public source, the value of the donation is included as income.

On disposal of an asset for which non-monetary government grant was received by the social landlord any unamortised grant remaining within liabilities in the statement of financial position is derecognised and recognised as income in the statement of comprehensive income.

Depreciation of housing properties

The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties over the following useful economic lives:

Component	Useful Economic Life
Freehold land	Not depreciated
Kitchens	20 years
Bathrooms	30 years
Doors and windows	30 years
Heating system	15 years
Electrical system and lifts	30 years
Cladding - non traditional properties	30 years
Roofs and chimneys	50 years
Air Source Heat Pumps	20 years
Ground source heat pump - underground	50 years
Ground source heat pump - overground	20 years
Off road parking - tarmac/paved drives	10 to 30 years
Structure - traditional build properties	80 years
Structure - non traditional properties	30 years

The Group depreciates assets the year following completion/installation.

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

Where a scheme is currently deemed not to be providing service potential to the Trust, its recoverable amount is its fair value less costs to sell.

An impairment charge of £0.33m (2024: £0.93m) has been made in the year which represents the additional cost of completion of a development scheme as approved by the Board.

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The assumed useful economic lives are:

Asset	Useful Economic Life
Freehold land	Not depreciated
Freehold Buildings	50 years
Long Leasehold Property	Over life of lease
Community Shops	7 years
Community Centre (structure)	80 years
Furniture, fixtures and fittings	7 years
IT infrastructure (new)	5 years
Computers and related equipment	3 years
Commercial vehicles	4 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Investment properties

Investment properties consist of market rent and other commercial properties not held for social benefit or for use in the business. Investment properties are initially measured at cost and subsequently at fair value as at the year end, with changes in fair value recognised in the Statement of Comprehensive Income.

It is not considered possible to accurately measure the value of properties that are under construction. Where this is the case the properties are measured at cost and revalued on completion.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments in joint ventures - Fixed asset investment

Investments in jointly controlled entities are held at cost less impairment.

Southway Plus Limited has entered into a joint venture arrangement with 9 other registered providers to create GMJV FundCo LLP. GMJV FundCo LLP, together with the Greater Manchester Combined Authority have invested in Hive Homes (Greater Manchester) LLP ("Hive Homes") which is a delivery vehicle to build homes for outright sale. This is a financial arrangement where Plus will be investing up to £3m as a mix of debt and equity into Hive Homes.

Properties for sale

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure. Upon disposal of the associated property, the Trust is required to recycle these proceeds and recognise them as a liability.

Other grants

Grants received from non-government sources are recognised using the performance model.

A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

Leases

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Reserves

The revenue reserves are unrestricted and available for use within the Group's activities.

3. Turnover, operating cost and operating surplus Group

2025	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	37,572	-	(30,896)	6,676
Other social housing activities				
First Tranche Shared Ownership Sales	3,641	(2,768)	(478)	395
Development Services	-	-	(323)	(323)
Community Investment	146	-	(736)	(590)
Financial Inclusion	1	-	(285)	(284)
Other Support Activities	157	-	(481)	(324)
Gift Aid	-	-	-	-
Non social housing activities				
Open Market Sales	400	-	(460)	(60)
Private Rented Sector	993	-	(332)	661
Repairs for Others	77	-	(57)	20
Other Activities	23	-	(48)	(25)
	43,010	(2,768)	(34,096)	6,146
Surplus on the disposal of housing properties (note 6)				3,220
				9,366
2024	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	35,206	-	(30,328)	4,878
Other social housing activities				
First Tranche Shared Ownership Sales	6,238	(4,606)	(819)	813
Development Services	-	-	(166)	(166)
Community Investment	57	-	(677)	(620)
Financial Inclusion	8	-	(287)	(279)
Other Support Activities	14	-	(524)	(510)
Gift Aid				
Non social housing activities				
Open Market Sales	-	-	(11)	(11)
Private Rented Sector	934	-	(232)	702
Repairs for Others	166	-	(188)	(22)
Other Activities	64	-	(69)	(5)
	42,687	(4,606)	(33,301)	4,780
Surplus on the disposal of housing properties				3,167
Movement in fair value of investment properties (note 14)				-
				7,947

3. Turnover, operating cost and operating surplus (continued)

Trust

2025	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	37,573	-	(30,896)	6,677
Other social housing activities				
First Tranche Shared Ownership Sales	3,641	(2,768)	(478)	395
Development Services	1,103	-	(1,374)	(271)
Community Investment	146	-	(736)	(590)
Financial Inclusion	1	-	(285)	(284)
Other Support Activities	157	-	(481)	(324)
Gift Aid	-	-	-	-
Non social housing activities				
Open Market Sales				
Private Rented Sector	223	-	(70)	153
Repairs for Others	77	-	(57)	20
Other Activities	38	-	-	38
	<u>42,959</u>	<u>(2,768)</u>	<u>(34,377)</u>	<u>5,814</u>
Surplus on the disposal of housing properties (note 6)				<u>3,220</u>
				<u>9,034</u>
2024	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	35,206	-	(30,328)	4,878
Other social housing activities				
First Tranche Shared Ownership Sales	6,238	(4,606)	(819)	813
Development Services	1,156	-	(1,324)	(168)
Community Investment	57	-	(677)	(620)
Financial Inclusion	8	-	(287)	(279)
Other Support Activities	14	-	(524)	(510)
Non social housing activities				
Open Market Sales	-	-	-	-
Private Rented Sector	224	-	(64)	160
Repairs for Others	166	-	(188)	(22)
Other Activities	64	-	(54)	10
	<u>43,133</u>	<u>(4,606)</u>	<u>(34,265)</u>	<u>4,262</u>
Surplus on the disposal of housing properties (note 6)				<u>3,167</u>
				<u>7,429</u>

3. Turnover, operating cost and operating surplus (continued)

Group and Trust

Income and expenditure from social housing lettings	2025 £'000	2024 £'000
Rent receivable net of identifiable service charges	33,840	30,995
Service income	1,809	1,593
Net rental income	35,649	32,588
Amortised government grants	1,469	1,382
Government grants taken to income	291	1,117
Other revenue grants	84	63
Other Income	79	56
Turnover from social housing lettings	37,572	35,206
Management	(8,903)	(7,929)
Services	(1,945)	(1,751)
Routine maintenance	(7,339)	(6,285)
Planned maintenance	(2,432)	(2,087)
Major repairs expenditure	(3,973)	(5,066)
Bad debts	(12)	(165)
Depreciation of housing properties	(5,473)	(5,474)
Impairment of housing properties	(328)	(928)
Other expenditure	(490)	(645)
Operating costs on social housing lettings	(30,896)	(30,328)
Operating surplus on social housing lettings	6,676	4,878
Void losses	212	291

The number of supported housing and shared ownership properties owned is not significant, hence no segmental reporting.

Other expenditure includes: £109k cost relating to pension obligations (2024: £63k credit), £286k development expenditure treated as revenue (2024: £624k), and £95k cafes/non housing costs (2024: £84k).

4. Accommodation in management and development Group and Trust

At the end of the year the number of properties in management for each class of accommodation was as follows:

	2025 No. of properties	2024 No. of properties
Social housing		
General needs - social rent	5,387	5,389
General needs - affordable rent	419	356
Supported housing for older people	222	219
Low cost home ownership	301	283
Total social managed	<u>6,329</u>	<u>6,247</u>
Managed by others	4	4
Total social owned*	<u>6,333</u>	<u>6,251</u>
Investment Properties		
Southway Housing Trust - market rent	25	25
Southway Plus - market rent	69	69
Total owned	<u>6,427</u>	<u>6,345</u>
Other accommodation managed		
Southway Housing Trust - leasehold properties	293	298
Total owned and managed	<u><u>6,720</u></u>	<u><u>6,643</u></u>
In course of construction		
Southway Housing Trust - shared ownership	287	212
Southway Housing Trust - social rent	44	62
Southway Housing Trust - affordable rent	97	111
Southway Housing Trust - Commercial	1	-
	<u>429</u>	<u>385</u>
*During the year there was an increase of 82 social housing properties owned comprising:		
Shared Ownership homes developed or acquired	18	
Social Rent Homes developed	10	
Affordable Rent properties developed or acquired	66	
less Social Rent RTB/RTA disposals	-12	
less Other disposals	-1	
less Staircasing sales	-	
reclassify Managed by Others to Social Rent	1	
	<u>82</u>	

5. Operating surplus

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<hr/>				
This is arrived at after charging:				
Depreciation of housing properties	5,473	5,474	5,470	5,465
Impairment of non housing properties	328	928	328	928
Depreciation of other tangible fixed assets	554	677	527	648
Loss on disposal of other fixed assets	-	-	-	-
Operating lease rentals				
- office accommodation	49	(1)	49	39
- maintenance vehicles	515	97	515	302
External auditors' remuneration (excluding VAT)				
- for audit services	38	35	26	24
- additional audit services	-	-	-	-
- for non-audit services	-	-	-	-
Internal auditors' remuneration (excluding VAT)	35	27	43	1

6. Surplus on sale of fixed assets - housing properties

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Disposal Proceeds	3,496	3,444	3,496	3,444
Carrying value of fixed assets	(1,227)	(149)	(1,227)	(149)
Other cost of sales	104	(450)	104	(450)
Disposal of social housing properties	<u>2,373</u>	<u>2,845</u>	<u>2,373</u>	<u>2,845</u>
Proceeds from other property sales	914	664	914	664
Carrying value of other property disposals	(48)	(333)	(48)	(333)
Other cost of sales	<u>(19)</u>	<u>(9)</u>	<u>(19)</u>	<u>(9)</u>
Total surplus on sale of fixed assets	<u><u>3,220</u></u>	<u><u>3,167</u></u>	<u><u>3,220</u></u>	<u><u>3,167</u></u>

7. Interest receivable and other income

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Interest receivable	2,402	2,609	2,960	3,158
Other finance income	978	796	978	796
	<hr/>	<hr/>	<hr/>	<hr/>
	3,380	3,405	3,938	3,954
	<hr/>	<hr/>	<hr/>	<hr/>

Funds are invested in money market accounts to obtain higher interest rates. These are invested to maximise interest income based on projected cash flow whilst ensuring funds are available for day to day operational expenses.

8. Interest and financing costs

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Loans and bank overdrafts	3,251	3,119	3,251	3,119
Capitalised development interest	(737)	(771)	(736)	(771)
Amortisation of initial loan costs	51	51	51	51
Loan security trustee	23	23	23	23
Other finance costs	-	-	-	-
	<u>2,588</u>	<u>2,422</u>	<u>2,589</u>	<u>2,422</u>
Capitalisation rate used to determine the amount of development interest capitalised	2.70%	3.70%	2.70%	3.70%

9. Employees Group and Trust

Average monthly number of employees (including executive directors) expressed as full time equivalents (based on an average of 35 hours per week)

	2025 No.	2024 No.
Administration	48	48
Maintenance Service & Home Improvement	96	101
Neighbourhood Services & Community Investment	67	68
Call Centre & Customer Response	29	29
Development and Property Acquisition	23	26
	<u>263</u>	<u>272</u>

Employee costs	2025 £'000	2024 £'000
Wages and salaries	10,651	9,536
Social security costs	1,126	964
GMPF pension contributions	725	718
Nest pension contributions	427	360
	<u>12,929</u>	<u>11,578</u>

The above staffing costs breakdown includes all those contracted under Southway Housing Trust's employment. This does not include any temporary staff employed via agency.

The Group's employees are members of the Greater Manchester Pension Fund (GMPF) defined benefit pension scheme or the Government's NEST defined contribution pension scheme. Further information on GMPF is given in Note 30.

The full time equivalent number of staff and Executive Directors who received emoluments:

	2025 No.	2024 No.
£60,001 - £70,000	2	5
£70,001 - £80,000	7	3
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	3
£110,001 - £120,000	-	-
£120,001 - £130,000	2	1
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-

10. Key management personnel

Group and Trust

None of the Board Members received emoluments (2024 nil). Board members expenses totalled £9,679 in the year to 31 March 2024 (2024: £6,912).

The emoluments of the highest paid Director, the Chief Executive, excluding pension contributions was £104k (15.7.24-31.3.25) annual equivalent £146k (2024: £125k).

The aggregate remuneration for key management personnel, disclosed as Executive Directors on page 3, in the year is shown below. All Directors, including the Chief Executive, are ordinary members of the Greater Manchester Pension Scheme and no enhanced or special terms apply.

Executive Directors	2025 £'000	2024 £'000
Basic salary	421	440
Social Security Costs	54	56
Pension contributions	93	98
	<hr/>	<hr/>
	568	594
	<hr/> <hr/>	<hr/> <hr/>

11. Tax on profit on ordinary activities

	Group		Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
The tax charge/(credit) is based on the profit for the year and represents:				
Current tax				
UK corporation tax at 25.00% (PY: 19.00%)	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	(117)	76	-	-
Adjustments in respect of prior periods	-	(6)	-	-
Effect of tax rate change on opening balance	-	-	-	-
	<u>(117)</u>	<u>70</u>	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(117)</u>	<u>70</u>	<u>-</u>	<u>-</u>
Movement in deferred tax provision				
Provision at start of period	1,109	1,039	-	-
Deferred tax charged in the Profit and loss account for the period	(117)	70	-	-
Tax on results on ordinary activities	<u>992</u>	<u>1,109</u>	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities before tax	<u>10,151</u>	<u>8,930</u>	<u>10,383</u>	<u>8,961</u>
Tax on profit on ordinary activities at standard CT rate of 25% (PY: 25%)	2,538	2,232	2,596	2,240
Income not taxable for tax purposes	(12,553)	(12,576)	(12,529)	(12,579)
Amounts (charged)/credited directly to the STRGL or otherwise transferred	(24)	(24)	-	-
Capital gains/(losses)	0	0	-	-
Group relief surrendered/(claimed)	-	-	-	-
Fixed asset differences	2	2	-	-
Expenses not deductible for tax purposes	10,013	10,339	9,933	10,339
Deferred tax not recognised	(93)	104	-	-
Adjustments in respect of prior year periods (deferred tax)	-	(6)	-	-
Remeasurement of deferred tax for changes in tax rates	-	-	-	-
Other movements	(0)	-	-	-
Tax charge/(credit) for the period	<u>(117)</u>	<u>70</u>	<u>(0)</u>	<u>(0)</u>

12. Tangible fixed assets - properties

Group

	Social housing properties for letting £'000	Shared ownership properties completed £'000	Social housing properties under construction £'000	Shared ownership properties under construction £'000	Total £'000
Cost					
At 1 April 2024	199,803	28,435	20,168	26,932	275,337
Opening Balance Restatement	-	(963)	-	963	-
Development of new properties	-	-	20,056	11,754	31,810
Interest capitalised	-	-	366	356	722
Schemes completed	11,767	6,555	(11,767)	(6,555)	-
Works to existing properties	6,605	-	-	-	6,605
Other Adjustments	(73)	(347)	-	-	(419)
Other Additions	31	-	-	-	31
Disposals	(1,462)	(1,139)	-	-	(2,601)
Transfer to Properties held for sale	-	-	-	(2,000)	(2,000)
At 31 March 2025	216,671	32,541	28,822	31,450	309,484
Depreciation and impairment					
At 1 April 2024	(69,289)	(534)	-	(928)	(70,751)
Opening Balance Restatement	-	-	-	-	-
Depreciation charged in year	(5,270)	(200)	-	-	(5,470)
Impairment charged in year	(192)	-	(136)	-	(328)
Released on disposal	980	33	-	-	1,013
At 31 March 2025	(73,771)	(701)	(136)	(928)	(75,536)
Net book value					
At 31 March 2025	142,900	31,840	28,686	30,522	233,948
At 31 March 2024	130,514	27,901	20,168	26,004	204,586

Housing properties At 31 March 2025 are comprised entirely of freehold land and buildings.

Southway Housing Trust considers individual new development schemes to be separate cash generating units (CGUs) when assessing for impairment in accordance with the requirements of FRS102 and SORP 2018. Stock transferred from Manchester City Council (MCC) is assumed to be one distinct CGU.

12. Tangible fixed assets - properties (continued)

Trust

Cost	Social housing properties for letting £'000	Shared ownership properties completed £'000	Social housing properties under construction £'000	Shared ownership properties under construction £'000	Total £'000
At 1 April 2024	200,142	28,754 (963)	20,254	26,975	276,125
Opening Balance Restatement	-	-	-	963	-
Development of new properties	-	-	20,216	11,927	32,143
Interest capitalised	-	-	366	356	722
Schemes completed	11,852	6,592	(11,852)	(6,592)	-
Works to existing properties	6,605	-	-	-	6,605
Other Adjustments	(73)	(357)	-	-	(430)
Other Additions	31	-	-	-	31
Disposals	(1,462)	(1,139)	-	-	(2,601)
Transfer to Properties held for sale	-	-	-	(2,000)	(2,000)
At 31 March 2025	217,095	32,887	28,984	31,629	310,595
Depreciation and impairment					
At 1 April 2024	(69,289)	(534)	-	(928)	(70,751)
Opening Balance Restatement	-	-	-	-	-
Depreciation charged in year	(5,270)	(200)	-	-	(5,470)
Impairment charged in year	(192)	-	(136)	-	(328)
Released on disposal	980	33	-	-	1,013
At 31 March 2025	(73,771)	(701)	(136)	(928)	(75,536)
Net book value					
At 31 March 2025	143,324	32,186	28,848	30,701	235,059
At 31 March 2024	130,853	28,220	20,254	26,047	205,374

Housing properties at 31 March 2025 are comprised entirely of freehold land and buildings.

Southway Housing Trust considers individual new development schemes to be separate cash generating units (CGUs) when assessing for impairment in accordance with the requirements of FRS102 and SORP 2018. Stock transferred from Manchester City Council (MCC) is assumed to be one distinct CGU.

12. Tangible fixed assets - properties (continued)

Group and Trust

Expenditure on works to existing properties	2025 £'000	2024 £'000
Components capitalised	6,605	7,579
Amounts charged to income and expenditure account	3,973	5,066
	<u>10,578</u>	<u>12,645</u>

Finance Costs	2025 £'000	2,024 £'000
Aggregate amount of capitalised interest included in the cost of housing properties	5,305	4,584

Social Housing Assistance	2025 £'000	2,024 £'000
Total accumulated grants received or receivable at 31 March		
Recognised in Statement of Comprehensive Income	25,744	24,275
Held as Deferred Grant Income (note 22)	66,309	55,844
	<u>92,053</u>	<u>80,119</u>

13. Tangible fixed assets - other Group

	Furniture fixtures and fittings £'000	Computers and related equipment £'000	Community assets £'000	Office accommodation £'000	Total £'000
Cost					
At 1 April 2024	564	3,764	2,836	6,490	13,654
Additions	13	224	27	19	283
Disposals	-	-	-	-	-
Write down of fully depreciated assets	(188)	(1,195)	-	-	(1,383)
At 31 March 2025	389	2,793	2,863	6,509	12,554
Depreciation					
At 1 April 2024	(474)	(3,215)	(359)	(1,161)	(5,209)
Charged in year	(49)	(274)	(37)	(194)	(554)
Disposed in year	-	-	-	-	-
Write down of fully depreciated assets	188	1,195	-	-	1,383
At 31 March 2025	(335)	(2,294)	(396)	(1,355)	(4,380)
Net book value					
At 31 March 2025	54	499	2,467	5,154	8,174
At 31 March 2024	90	549	2,476	5,329	8,444

13. Tangible fixed assets - other Trust

	Furniture fixtures and fittings £'000	Computers and related equipment £'000	Community assets £'000	Office accommodation £'000	Total £'000
Cost					
At 1 April 2024	484	3,698	2,854	6,490	13,526
Additions	12	224	27	19	282
Disposals	-	-	-	-	-
Write down of fully depreciated assets	(188)	(1,195)	-	-	(1,383)
At 31 March 2025	308	2,727	2,881	6,509	12,425
Depreciation					
At 1 April 2024	(408)	(3,171)	(359)	(1,161)	(5,099)
Charged in year	(44)	(252)	(37)	(194)	(527)
Disposed in year	-	-	-	-	-
Write down of fully depreciated assets	188	1,195	-	-	1,383
At 31 March 2025	(264)	(2,228)	(396)	(1,355)	(4,243)
Net book value					
At 31 March 2025	44	499	2,485	5,154	8,182
At 31 March 2024	76	527	2,495	5,329	8,427

	GROUP			
	2025 £'000	2025 £'000	2025 £'000	2024 £'000
	Properties completed	Properties under construction	Total Investment Properties	Total Investment Properties
At 1 April 2024	19,401	175	19,576	19,576
Additions/(reductions)	10	230	240	5
Increase/(decrease) in value	-	-	-	-
At 31 March 2025	19,411	405	19,816	19,576

There are 25 market rent investment properties in the Trust. Research into the property values at 31 March 2025 was carried out by the Directors and was not judged to be materially different to their carrying value. Directors have knowledge and skill to undertake such a valuation assessment.

The Group includes two completed schemes of 69 market rented properties owned by Southway Plus Ltd. The completed schemes were independently valued by Aspin & Co Ltd, Chartered Surveyors on 23 January 2024, using the market approach to valuation in accordance with the RICS Valuation - Professional Standards and International Valuation Standards. The RICS Valuation - Global Standards 2017, defines Market Value as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". Based on their valuation the value of the properties would be £16.6m, an increase of £1.1m.

The Board have determined to not revise the valuation of the market rent schemes at 31 March 2025 based on its latest assessment. This reflects the awaited conclusion of the sales strategy, whether to sell the schemes as whole blocks or as individual properties, which may impact on the basis of valuation and therefore return on investment. The market rent schemes have therefore been maintained at the 31 March 2024 value of £15.5m.

15. Investment in subsidiaries Trust

As required by statute, the financial statements consolidate the results of Southway Housing Trust, Southway DevCo Ltd and Southway Plus Ltd.

Southway Plus Ltd and Southway DevCo are wholly owned subsidiaries of the Trust. Both are non-regulated subsidiaries of the Trust. The registered office is the same for all group entities.

Southway Housing Trust is the ultimate parent undertaking and exercises control over the subsidiaries. The Trust's fixed asset investment in the subsidiaries is as follows:

	Southway Plus Limited £	Southway DevCo Limited £
Cost		
At 1 April 2024	1	1
Additions	-	-
Disposal	-	-
At 31 March 2025	<u>1</u>	<u>1</u>

The dormant subsidiary of Southway Plus, Weavers Manco Ltd. was incorporated on 21st January 2021. It is a company limited by guarantee, the company number is 13147845. Southway Plus is registered as the entity with significant control. The director is Mark Taylor whom is a Director of Southway Plus. The company was established to demise car parking spaces at the Weavers Cottages development (six in total). Once all units and the associated car park spaces have been sold, Southway Plus' interest in the company will end and the company will be wound down.

16. Investment in joint ventures

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Investment in Joint Venture	800	800	-	-
	<u>800</u>	<u>800</u>	<u>-</u>	<u>-</u>

Southway Plus Limited has entered into a joint venture arrangement with 9 other Registered Providers to create GMJV FundCo LLP. Plus will invest up to £3m via a mix of debt and equity in GMJV FundCo LLP. GMJV FundCo LLP together with the Greater Manchester Combined Authority invest in Hive Homes (Greater Manchester) LLP which is a delivery vehicle to build homes for outright sale and provide a competitive return to investors. At 31 March 2025 Southway Plus' investment totals £2.26m (2024: £2.26m), comprising the above equity investment and a loan due over more than one year (reported in note 18).

17. Properties for sale, stock and work in progress

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Shared ownership properties				
Completed for sale	1,423	1,370	1,423	1,370
Under construction	12,499	1,790	12,499	1,790
Properties for outright sale				
Completed for sale	231	743	37	77
Under construction	1,093	82	1,093	82
Land for Sale	2,000	-	2,000	-
Maintenance materials	210	177	210	177
	<u>17,456</u>	<u>4,162</u>	<u>17,262</u>	<u>3,496</u>

18. Debtors

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Due within one year				
Rent and service charges receivable	2,829	2,970	2,829	2,970
Less: Provision for bad and doubtful debts	(2,111)	(2,312)	(2,111)	(2,312)
	<u>718</u>	<u>658</u>	<u>718</u>	<u>658</u>
VAT incurred and recoverable	293	96	133	21
Amounts due from group companies	-	-	15	25
Trade debtors	588	449	588	441
Grants Receivable	4,949	996	4,949	996
Other debtors	1,734	1,267	1,735	1,068
Prepayments and accrued income	1,639	2,641	1,518	2,499
	<u>9,921</u>	<u>6,107</u>	<u>9,656</u>	<u>5,708</u>
Due more than one year				
Amounts due from group companies over one year	-	-	15,174	15,274
Other debtors due over one year	1,461	1,461	-	-
	<u>1,461</u>	<u>1,461</u>	<u>-</u>	<u>-</u>
Total Debtors	<u>11,382</u>	<u>7,568</u>	<u>24,830</u>	<u>20,982</u>

The amount due over one year within the Trust represents an intra-group loan to Southway Plus Limited. There is a floating charge over Southway Plus's assets for the loan; the interest rate charged on the loan is 3.65%.

Other debtors due over one year represents the amount owing on loan investment in GMJV.

Other debtors due within one year includes £1k (2024: £76k) relating to the Homelessness Fund (see Note 19 - Other Creditors), £359k (2024: £343k) relating to Leasehold sinking funds and £49k (2024: £47k) held on behalf of the Strategic Housing Partnership.

19. Creditors: amounts falling due within one year

	Group		Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Deferred grant income (note 22)	1,469	1,382	1,469	1,382
Recycled capital grant fund (note 23)	329	47	329	47
Rent and service charges received in advance	946	698	946	698
Leasehold and Shared Ownership sinking funds	584	460	584	460
Tenant sinking funds	923	669	923	669
Other taxes and social security costs	284	243	284	243
Trade creditors	925	2,496	903	2,084
Other creditors	1,576	2,312	1,573	2,312
Amounts due to group companies	-	-	3,816	1,434
Accruals and deferred income	10,493	5,258	6,753	4,423
	<hr/>	<hr/>	<hr/>	<hr/>
	17,531	13,565	17,580	13,752
	<hr/>	<hr/>	<hr/>	<hr/>

Other creditors includes £1k (2024: £76k) relating to the Homelessness Fund (see also Note 18 - Other Debtors)

20. Creditors: amounts falling due after more than one year

	Group		Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans due in more than one year (note 21)	120,000	120,000	120,000	120,000
Loan arrangement fees to be amortised	(499)	(431)	(499)	(431)
Deferred Grant income (note 22)	64,840	54,462	64,840	54,462
Recycled capital grant fund (note 23)	616	457	616	457
Capital proceeds fund	26	26	26	26
Homelessness Equity share	712	712	712	712
Deferred taxation (note 11)	991	1,109	-	-
	<u>186,686</u>	<u>176,335</u>	<u>185,695</u>	<u>175,226</u>

21. Debt analysis

Group and Trust

	2025 £'000	2024 £'000
Bank loans - Due within one year		
Repayable within one year	0	0
Bank loans - due after more than one year		
Repayable more than one year but less than two years	-	-
Repayable more than two years but less than five years	-	-
Repayable more than five years	120,000	120,000
	<u>120,000</u>	<u>120,000</u>
Total Debt	<u>120,000</u>	<u>120,000</u>

All loans are secured on housing stock, which covers the value of outstanding liabilities.

The loans reported at 31 March 2025 comprise:

- 1) £50m Private Placement issued on 19 July 2021 with redemptions dates between 2041 to 2051.
- 2) £35m issued on 25 May 2022 with redemption date 25 May 2044
- 3) £35m issued on 25 May 2023 with redemption date 25 May 2053

The Private Placement has a weighted average of interest rate of 2.7%, with a weighted average maturity of 26 years.

The Trust has restated it's Revolving Credit Facility (RCF) with Barclays from £10m to £30m on 24.03.2025
The restated RCF is for a term of 3 years to March 2028, with options to extend to 4 and 5 years.

22. Deferred grant income Group and Trust

	2025 £'000	2024 £'000
At 1 April	55,844	42,832
Opening balance restatement	-	-
Grant received in the year	12,516	14,628
Disposals in year	(114)	(96)
Transfer to RCGF	(467)	(138)
RCGF development of properties	-	-
Released to income in the year	(1,469)	(1,382)
At 31 March	<u>66,309</u>	<u>55,844</u>
Of which:		
Amounts to be released within one year	1,469	1,382
Amounts to be released in more than one year	<u>64,840</u>	<u>54,462</u>
	<u>66,309</u>	<u>55,844</u>

23. Recycled capital grant fund Group and Trust

	2025 £'000	2024 £'000
At 1 April	504	711
Opening Balance Restatement		(362)
Grant recycled from staircasing	464	138
Grant recycled from other sales	3	-
Interest accrued	21	17
Development of properties	(47)	-
At 31 March	<u>945</u>	<u>504</u>
Of which:		
Due within one year	329	47
Due greater than one year	<u>616</u>	<u>457</u>
	<u>945</u>	<u>504</u>

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Group to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period (or as otherwise agreed), it will be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

24. Non-equity share capital Trust

Shares of £1 each issued and fully paid	2025	2024
At 1 April	9	9
Shares issued during the year	-	4
Shares surrendered during the year	-	(4)
	<hr/>	<hr/>
At 31 March	9	9
	<hr/> <hr/>	<hr/> <hr/>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

25. Cash flow from operating activities

Group

	2025 £'000	2024 £'000
Surplus for the year	10,276	8,860
<u>Adjustments for non cash items:</u>		
Depreciation of housing properties	5,470	5,465
Depreciation of other fixed assets	554	677
Amortised government grants	(1,469)	(1,382)
Impairment of housing properties	328	928
Loss on replacement of components	205	131
Reduction in investment property	-	-
Surplus on revaluation of properties	-	-
Pension costs less contributions payable	109	(63)
<u>Changes in working capital:</u>		
Properties for sale, stock and work in progress	(11,283)	354
Debtors	140	(1,951)
Creditors	3,597	2,062
<u>Adjustments for investing or financing activities:</u>		
Surplus on the disposal of housing properties	(3,220)	(3,167)
Loss on the disposal of other fixed assets	-	-
Interest payable and other financing costs	2,588	2,422
Interest receivable less allocated to RCGF	(3,359)	(3,388)
<u>Taxation</u>		
Deferred tax charged in the Profit and loss account for the period	(117)	70
Net Cash Generated From Operating Activities	3,818	11,016

26. Capital commitments

	Group		Trust	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Expenditure contracted for but not provided in the accounts	75,016	94,194	62,447	94,154
Expenditure authorised by the board, but not contracted	16,847	27,152	16,830	16,122
	<u>91,863</u>	<u>121,346</u>	<u>79,277</u>	<u>110,276</u>

The above commitments of the Group at 31 March 2025 will be financed primarily through borrowings (£27.5m), which are available from existing loan facilities and Private Placement funds, with the balance funded through social housing grant (£10.7m) and property sales (£53.7m).

All loans are secured on housing stock, which covers the value of outstanding liabilities. Refer to note 21 for further disclosure of the Group's debt arrangements.

27. Leasing commitments Group and Trust

The future minimum lease payments of leases are as set out below.

	2025 £'000	2024 £'000
Within one year		
Office accommodation	45	19
Vehicles	500	435
	<u>545</u>	<u>454</u>
Between one and five years		
Office accommodation	113	-
Vehicles	1,073	1,158
	<u>1,186</u>	<u>1,158</u>

28. Contingent liabilities Group and Trust

The Group and Trust had no contingent liabilities to disclose at 31 March 2025 (2024: £nil).

29. Financial assets and liabilities

Surplus cash during the period was deposited in UK financial institutions as deposits with all amounts either at call or at notice of periods not exceeding twelve months. The Board's policy on financial instruments is explained in the Board Report as are references to financial risk.

Refer to note 21 for details of existing loan facilities and future funding arrangements. All loans are secured on the Trust's housing stock, which covers the value of outstanding liabilities.

	Group		Trust	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Finance assets measured at historic cost				
Rental Debtors and other receivables (Note 18)	11,382	7,568	24,830	20,982
Cash investment	13,054	18,476	13,054	18,476
Cash and cash equivalents	20,814	38,108	20,114	37,947
Total financial assets	<u>45,250</u>	<u>64,152</u>	<u>57,998</u>	<u>77,405</u>
Financial liabilities measured at historic cost				
Loan payable (note 21)	120,000	120,000	120,000	120,000
Trade creditors (Note 19)	925	2,496	903	2,084
Other creditors (Note 19)	16,606	11,070	16,678	11,668
Total liabilities	<u>137,531</u>	<u>133,566</u>	<u>137,581</u>	<u>133,752</u>
The Trust's financial liabilities are sterling denominated. The interest rate profile of the financial liabilities at 31 March was:				
Floating rate	-	-	-	-
Fixed rate	120,000	120,000	120,000	120,000
Total borrowings	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>

29a. Analysis of changes in net debt Group

	At 1 April 2024 £'000	Cashflows £'000	Other non cash movements £'000	At 31 March 2025 £'000
Cash and cash equivalents				
Cash	38,108	(17,294)	-	20,814
Current Asset Investments	18,476	(5,422)	-	13,054
	<u>56,584</u>	<u>(22,716)</u>	<u>-</u>	<u>33,868</u>
Borrowing				
Debt due within one year	-	-	-	-
Debt due after one year	(120,000)	-	-	(120,000)
	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>
Total	<u>(63,416)</u>	<u>(22,716)</u>	<u>-</u>	<u>(86,132)</u>

30. Pensions

Group and Trust

Greater Manchester Pension Fund

Southway participates in two Greater Manchester Pension Fund schemes. One scheme is for staff which transferred from Manchester City Council; the other is for new employees. The results of both schemes have been amalgamated in the notes which follow.

Both Greater Manchester Pension Fund schemes are multi-employer schemes, administered by Tameside Metropolitan Borough Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

The most recent formal actuarial valuation was completed as at 31 March 2022 and rolled forward to 31 March 2025 by a qualified independent actuary. The present value of the Pension at March 2025 was £28.2m net surplus (2024: £20.4m net surplus). Southway's accounting policy states that a net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan. Neither applies to the pension surplus therefore, the present value has been adjusted to £nil.

The employers' contributions to the fund by the Trust for the period ended 31 March 2025 were £726k (2024: £718k) at a contribution rate of 22.2% of pensionable salaries (2024: 22.2%).

Financial assumptions

	31 March 2025 % per annum	31 March 2024 % per annum
Major categories of plan assets as a percentage of total plan assets		
Equities	65%	69%
Bonds	17%	15%
Property	9%	8%
Cash	9%	8%
	<u>100%</u>	<u>100%</u>
	% per annum	% per annum
Pension increase rate	2.70%	2.75%
Salary increase rate	3.50%	3.55%
Discount rate	<u>5.85%</u>	<u>4.85%</u>

Demographic assumptions

Within the past three years, investigations have been carried out by the scheme actuaries into the mortality experience of the association's scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Number of Years 2025	Number of Years 2024
Retiring today:		
Males	20.3%	20.4%
Females	21.4%	21.4%
Retiring in 20 years:		
Males	21.9%	22.0%
Females	25.0%	25.1%

30. Pensions (continued)

Group and Trust

Changes in fair value of scheme assets	2025 £'000	2024 £'000
Opening fair value of plan assets	62,878	59,108
Expected return	3,014	2,793
Contributions by members	240	233
Contributions by employer	726	718
Actuarial gains	(570)	1,598
Benefits paid	(1,415)	(1,572)
Closing fair value of scheme assets	<u>64,873</u>	<u>62,878</u>
Changes in present value of scheme liabilities	2025 £'000	2024 £'000
Opening scheme liabilities	42,471	42,393
Service cost	593	655
Interest cost	2,036	1,997
Contributions by members	240	233
Actuarial losses/(gains)	(7,447)	(1,235)
Past service costs	242	-
Losses on curtailments	-	-
Benefits paid	(1,415)	(1,572)
Closing scheme liabilities	<u>36,720</u>	<u>42,471</u>
Movement in net liabilities during the year	2025 £'000	2024 £'000
Scheme liabilities less assets at start of year	20,407	16,715
Current service cost	(593)	(655)
Past service costs	(242)	-
Losses on curtailments	-	-
Contributions	726	718
Other finance costs	978	796
Actuarial movement	6,877	2,833
Scheme assets less liabilities at end of year*	<u>28,153</u>	<u>20,407</u>

*adjusted to £nil in line with accounting policy

30. Pensions (continued)

Group and Trust

Amounts recognised in the statement of financial position	2025 £'000	2024 £'000
Present value of funded obligations	(36,720)	(42,471)
Fair value of plan assets	64,873	62,878
	<u>28,153</u>	<u>20,407</u>
Present value of unfunded obligations	-	-
Net asset*	<u>28,153</u>	<u>20,407</u>

*adjusted to nil in line with accounting policy

Analysis of the amount charged to operating surplus	2025 £'000	2024 £'000
Current service cost	593	655
Losses on curtailments	-	-
Total operating charge	<u>593</u>	<u>655</u>

Analysis of the amount charged to other finance costs	2025 £'000	2024 £'000
Expected return on pension scheme assets	3,014	2,793
Interest on pension scheme liabilities	(2,036)	(1,997)
Net interest	<u>978</u>	<u>796</u>

31. Transactions with related parties

	2025 £'000	2024 £'000
Southway Housing Trust		
Amounts due to Southway DevCo	3,816	1,314
Amounts due from Southway Plus	15	233
Loan to Southway Plus	15,174	13,574
Purchases from group companies		
Design and build contracts from Southway DevCo	27,353	7,112
Other charges from Southway DevCo	6	108
Sales to group companies		
Project management services to Southway DevCo	818	385
Project management services to Southway Plus	40	-
Overhead charges to Southway DevCo	245	82
Overhead charges to Southway Plus	-	7
Corporate support to Southway DevCo	27	26
Corporate support to Southway Plus	-	26
Interest on loan to Southway Plus	560	544
Donations from group companies		
Gift aid from Southway DevCo	-	-

Other transactions

There were two tenant members of the Board during the year. Their tenancies are on normal commercial terms and they are not able to use their position to personal advantage.

	Weekly Rent £	Amount Due £
Aggregate tenancy transactions as at 31 March 2025	205	1,102

During the year one member of the Board served as a Councillor with Manchester City Council, and one Board member was a senior manager at the same organisation. That local authority has nomination rights over tenancies for most of Southway's properties. All such lettings and all other transactions with the Council are on normal contractual commercial terms and the members concerned are not able to use this relationship to personal advantage.

One of the Board Members is a Treasurer of GMCA. We have applied to GMCA for Brownfield Funding. He had no involvement in that decision or transaction.

Two of the members of People and Places Committee serve as local councillors. No payments have been made to them personally in 2024/25.

The Trust's former Chief Executive is also Chair of Manchester Athena Ltd. There is an annual membership payment made to this company in 2024/25 of £8.1k incl VAT (2024: £8k incl VAT).

The Trust's former Strategic previous Director Property & Development was also a board member of Bolton at Home during his time in post. There have been no payments made to this company in 2024/25 (2024: nil).

The Trust's Executive Director Finance and Development and the former Strategic Director Property & Development are Directors of ICO Didsbury Point Ltd, a management company which administers a piece of land which the Trust owns. There have been no payments made to this company in 2024/25 (2024: nil).

The Trust's Executive Director Finance and Business Development is also a Director of Southway Plus. During the year Southway Plus and Bolton at Home invested in GMJV Fundco LLP. Further details are in note 16.

One of the Board Members is on the Board at TPAS. We made a payment of £2,080 to this organisation in 2024/25 to cover landlord membership fees (2024: £50).

One of the Board Members is employed by Legal and General Affordable Homes. Legal and General are one of Southway's funders.