

# Salix Homes Limited and its subsidiaries Annual Accounts

For the year ending 31 March 2025



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## Board, executives and advisors

Board		<b>Appointed</b>	Resigned
Martin Warhurst <sup>(1)</sup>	Chair	26 Sep 2023	
Jim Battle	Chair	21 Feb 2017	24 Sep 2024
Aisling McCourt	Vice-Chair	1 Apr 2020	
Ahmed Abdumalek		28 Sep 2021	
Mark Beyer	Chair of Remuneration & Governance Committee	1 Apr 2020	
Charlotte Haines	Chair – Customer Committee	15 Jan 2020	
Philip Johnson	Chair – Assets & Sustainability Committee	26 Sep 2023	
Monika Liskiewicz		26 Apr 2024	
Paul Martin		28 Sep 2021	
Khalil Rehman		27 Mar 2018	24 Sep 2024
Jason Ridley <sup>(2)</sup>	Chair – Audit & Risk Committee	24 Sep 2024	
Pamela Welsh		1 Jul 2020	28 Jan 2025

Independent Member	Appointed	
Greg van Enk-Bones	25 Sep 2018	24 Sep 2024

<sup>(1)</sup> Martin Warhurst was appointed to the Board on 26 September 2023 and succeeded Jim Battle as Chair on 24 September 2024

<sup>&</sup>lt;sup>(2)</sup> Jason Ridley was appointed to the Board on 24 September 2024 and succeeded Martin Warhurst as Chair of Audit & Risk Committee

<b>Executive Directors</b>		Appointed	
Sue Sutton BA(Hons) MA Social Enterprise	Chief Executive	1 Jan 2021	31 Mar 2025
Liam Turner <sup>(3)</sup>	Assets, Growth & Development	1 May 2023	
Eric Tamanis BA(Hons) ACMA	Resources	3 Oct 2022	
Sian Grant BA(Hons) PG Dip Housing	Customers & Communities	1 Feb 2021	27 Feb 2025

<sup>(3)</sup> Liam Turner has succeeded Sue Sutton as Chief Executive from 1 April 2025

Company Secretary	Eric Tamanis
Registered Office	Diamond House, 2 Peel Cross Road, Salford, M5 4DT
External Auditor	Beever & Struthers, One Express, 1 George Leigh Street, Ancoats, Manchester, M4 5DL
Internal Auditor	BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT
Principal Bankers	NatWest, Manchester City Centre Branch, 11 Spring Gardens, Manchester, M2 1FB

## Chair's introduction

## As the new Chair of Salix Homes, this has been a special and rewarding year in so many ways.

Firstly, I would like to recognise the achievements and contributions of our outgoing Chair, Jim Battle, who has served Salix Homes since 2017. Credit must go to Jim alongside past and present Board members for our current achievements and for creating the foundations for our future, during a period of immense challenges for the whole housing sector.

Our ability to manage change, seize opportunity and plan ambitiously is embedded within the culture of Salix Homes. We are always aiming to achieve more, and we believe that without this attitude we cannot be the best we can be.

Some notable achievements during the last year have been the delivery of pioneering new homes that set the benchmark for sustainability, the enhancement of our repairs service to better meet customer needs, and we are proud to commit to supporting young people by becoming a patron of the Salford Youth Zone, a purpose-built facility dedicated to giving young people a safe and welcoming place to grow, learn and thrive.

During 2024, we were one of the first housing associations to have a full inspection by the Regulator of Social Housing, to include an assessment of our compliance with the Consumer Standards. The inspection formed part of a new approach designed to place a greater emphasis on the customer experience with the aim to drive improvements in key areas, including safety and quality, tenancy, neighbourhood, and transparency and accountability.

Receiving the highest C1 grading reflects our ongoing commitment to putting our customers at the heart of everything we do. We also retained our G1 grading for governance and V2 grading for financial viability, demonstrating strong leadership and a continuing focus on using our resources to best effect.

As Chair, I couldn't be prouder of our members and colleagues for engaging in a rigorous and truly self-reflecting process, and being able to present our organisation in a way that has resulted in the Regulator's assessment. However, we know that continual improvement is imperative, and we will continue to push the boundaries as far as we can to benefit our customers.

We continue to prioritise Building Safety, retaining our Building a Safer Future Charter Champion status.

We have continued to lead the way in delivering the most sustainable and affordable homes that are fit for the future. We are currently constructing two new Passivhaus standard developments – the gold standard for low-energy housing – that will deliver 99 social rent and 70 affordable rent homes in Salford. Our Arrow Street development for over 55s will also incorporate a GP surgery serving the local community, supporting people to live independently for longer.

Providing social housing and related services is what we do but we cannot be at our best without the engagement of our customers and the wider community. Our intent is to make positive contributions where housing, employment, health and community combine to improve the quality of life for so many people.

We continue to strive to make a social impact, to support our customers in more effective ways, to work in the community, to provide employment opportunities, and to make an environmental impact.

Finally, we say goodbye and thank you to Sue Sutton. Sue retired as Chief Executive at the end of March 2025 after years of dedicated service to Salix Homes. We simply would not be in the position we are without Sue's everyday influence and infectious customer focus. I am now looking forward to working with Liam Turner, who succeeded Sue from April 2025, and together, we expect to build upon the foundations laid by Jim and Sue.



Martin Warhurst Chair

### Vision and values

#### **Vision**

#### Salix Homes' vision is to:

Live, Grow and Thrive Together.

Salix Homes is not just about providing good quality affordable homes – it's about transforming lives and supporting our communities. Everything done is for the benefit of customers and communities.

#### **Values**

Salix Homes believes that social housing is about more than just bricks and mortar and aims to support its customers and provide opportunities for them to grow and thrive – this is woven into the culture, values and actions.

#### Salix Homes' values and competencies are as follows:

#### **Trustworthy**



We gain the confidence and trust of others through integrity and accountability.

**Accountable:** We will keep our promises and take responsibility for our actions.

**Integrity:** We will do the right things for the right reasons.

#### Successful



We are constantly improving by remaining informed and work collaboratively to achieve success.

**Informed:** We will listen and learn to continuously improve.

**Collaborative:** We will build strong internal and external partnerships to deliver excellence.

#### **Inclusive**



We advocate for others whilst embracing and promoting inclusion.

**Advocate:** We will speak up for those who are unable to do so for themselves.

**Respectful:** We will respect and value difference, promoting a sense of belonging.

The values and competencies underpin how Salix Homes delivers excellent customer service and influences the approach of everyone connected with it.

During 2024/25 there has been a focus on ensuring that these values and behavioural competencies are embedded and positively influence the culture across Salix Homes. An effective vehicle in achieving this has been the celebration of colleagues who demonstrate living these values in their day-to-day roles, through a peer-to-peer recognition scheme.

This scheme encourages colleagues to recognise good practice and commitment to the values in each other, and presents quarterly awards to successful nominations for each value. In addition, details of the good practice demonstrated are circulated within Salix Homes' weekly internal newsletter, positively reinforcing the importance of the values and ensuring that there is a regular reminder.

Salix Homes will continue to build on these strong foundations during 2025/26.

## Report of the Board

#### Legal and governance structure

#### **Legal Structure**

Salix Homes Limited is a Charitable Society registered under the Co-operative and Community Benefit Societies Act 2014 (Registered number 7051) and is registered with the Regulator of Social Housing (RSH) (Registered number 4609) as a Registered Provider of Social Housing as defined by the Housing and Regeneration Act 2008.

Salix Homes has two wholly owned, private limited subsidiary companies which operate from the same registered address – Salix Homes Developments Limited (Registered number 10359332), whose primary aim is the provision of design and construction services and a financial investment vehicle for the group and Salix Living Limited (Registered number 10359220), whose primary aim is the construction of domestic buildings for sale. Salix Living Limited is currently inactive.

#### **Principal activities**

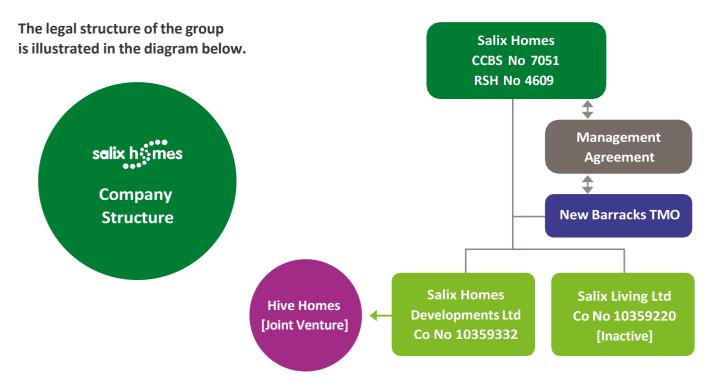
Salix Homes is a not-for-profit registered provider of social housing formed in 2015 after transferring housing stock from Salford City Council. It is a key delivery partner both in Salford and across Greater

Manchester – building homes, delivering services and investing in communities. The principal activity of the Group is the management, maintenance and development of good quality, safe and affordable homes.

As of 31 March 2025, Salix Homes owned and managed 8,113 homes, primarily across Salford, (but also including 24 homes in Trafford). The portfolio of homes includes 20 high-rise blocks, plus a wide range of medium and low-rise apartment blocks, traditional terraced homes, large housing estates and accommodation for older people. Salix Homes also manages properties on behalf of private landlords under management and lease arrangements.

Salix Homes is a member of Hive Homes, a Joint Venture along with nine other housing associations and the Greater Manchester Combined Authority (GMCA). The purpose of Hive Homes is to develop housing for sale, with the aim of generating returns to reinvest into core social housing business.

Although not a subsidiary within the Group structure, a Tenant Management Organisation (TMO), New Barracks, exists within the operating environment. The TMO was established by Salford City Council under a management agreement dating back to 1997.



## **Governance arrangements**

#### The Board

The Board of Salix Homes is responsible for the strategic direction of the organisation and ensuring the achievement of the organisation's vision and the objectives set out in the Corporate Plan.

To do this, the Board establishes the organisation's overall strategic direction and monitors compliance with its values and performance targets within a clearly defined framework of delegation and systems of control.

During 2024/25, the Board formally met on six occasions and held two formal Strategy Days.

Learning sessions were also held to provide additional opportunities for increasing member knowledge and awareness for key areas of the business – including an overview of the Housing Health and Safety Rating System and governance/duties of Board members.

At the end of March 2025, the Board consisted of nine non-executive members. All Board and committee members are appointed following a robust, open and transparent recruitment process. All members complete a thorough induction and onboarding process where their responsibilities and duties are clearly defined. Individual members' contribution and performance is subject to an annual appraisal. The skills, knowledge and experience of the current members ranges across the areas of finance, risk, strategic asset management, organisational development, equality, diversity and inclusion, and development.

In accordance with the adopted NHF Code of Governance 2020, Salix Homes Board and committee members serve a maximum of six years. To support succession planning and provide continuity during a period of change, the Board had previously approved the extension of the terms of two members. The extension remained within the nine years allowed within the Rules. These members resigned in September 2024.

Overall, during 2024/25 three Board members retired from office – one of the retiring members held the position of Chair. Following an effective and robust recruitment process, the Chair designate was appointed in July – allowing for a transition period and seamless handover from September 2024.

One independent committee member also resigned from the Audit & Risk and Assets & Sustainability Committee, having served six years.

Two new members (including the Chair of Audit & Risk Committee) were appointed during 2024/25.

In planning succession, the Board is committed to achieving equality, diversity and inclusion when considering Board composition and inherent within this planning is the aim to achieve a composition that aligns with the customer base of Salix Homes.

A number of members have direct lived experience of social housing, helping to ensure that the Board is in a strong position to make informed and appropriate decisions for the organisation which always consider the impact on customers and their best interests in a challenging operating environment.

The Board regularly reviews its composition, aiming to ensure that this reflects the communities it serves.

Operational management is delegated to the Executive Team who meet weekly and are in attendance at Board and committee meetings. The Executive Team have no financial interest in Salix Homes. None of the Executive Team sit on the Board or committees of Salix Homes.

Salix Homes has insurance policies that indemnify Board members and the Executive Team and Officers against liability when acting on its behalf.

At the end of 2024/25, the Board of Salix Homes was supported by four committees: the Audit & Risk Committee, the Remuneration & Governance Committee, the Assets & Sustainability Committee and the Customer Committee.











#### **Audit & Risk Committee**



The Audit & Risk Committee addresses internal and external audit issues and advises the Board on risk management policies and matters of internal control. It also has oversight responsibility for procurement and Value for Money, ICT, data protection, fraud, insurance and incident response planning. The Audit & Risk Committee considers the financial statements and recommends their approval to the Board. During 2024/25, the Audit & Risk Committee met five times. Following changes to the committee there will be a recruitment exercise conducted in 2025/26.

#### **MEMBERS:**

**Martin Warhurst** 

(Chair, resigned 24 September 2024), **Jason Ridley** (Chair, appointed 24 September 2024), **Monika Liskiewicz** 

(appointed 24 September 2024)
Khalil Rehman (resigned 24
September 2024), Pamela Welsh
(resigned 28 January 2025) &
Greg van-Enk Bones

(Independent) (resigned 24 September 2024).

### **Assets & Sustainability Committee**



The Assets & Sustainability Committee has oversight responsibility for growth, development, building safety and property maintenance, compliance and investment. It monitors the performance of such activities and reviews proposals to create a pipeline of potential development schemes, advising the Board accordingly, whilst taking due account of related risks. It provides additional oversight and focus on the development and implementation of the organisation's Sustainability Strategy and associated action plan. During 2024/25 the Assets & Sustainability Committee met six times.

#### **MEMBERS:**

Philip Johnson
(Chair, Appointed 26
September 2023) Aisling
McCourt,
Ahmed Abdulmalek,
Charlotte Haines and
Greg van Enk-Bones
(Independent) (resigned
24 September 2024).

#### **Remuneration & Governance Committee**



The Remuneration & Governance Committee has oversight of governance matters. It also advises the Board on succession planning, non-executive member remuneration, the appointment of the Chief Executive and Executive Directors, and colleague remuneration taking independent advice and using consultants as necessary. During 2024/25, the Remuneration & Governance Committee met three times.

#### **MEMBERS:**

Mark Beyer (Chair)
Jim Battle
(resigned 24 September 2024),
Paul Martin, Martin
Warhurst (appointed 26
September 2023)
and Jason Ridley (appointed 24 September 2024).

#### **Customer Committee**



The Customer Committee ensures the Regulator of Social Housing's Consumer Standards are being met and that agreed local service standards are being adhered to, utilising independent internal audit and scrutiny reviews as necessary to provide assurance. The Committee met eight times during 2024/25 and held one Strategy Day.

The Customer Committee scrutinises services and works hand-in-hand with the Board to ensure ongoing compliance with the Consumer Standards and ensure that the customer voice is being heard at the highest level.

The Chair of the Customer Committee is also a member of Salix Homes Board.

Two members of the Customer Committee were appointed during 2024/25 and two stepped down.

More information on the customer committee can be found on page 14.

#### **MEMBERS:**

Charlotte Haines (Chair)
Ahmed Abdulmalek (Board co-optee), Cynthia Alloyda,
Marta Diaz, Gareth Evans,
Keri Muldoon,
Rashidah Owoseni,
Jack Buckley (appointed
1 September 2024),
John Beattie (appointed
1 September 2024),
Karen Hamilton-Hulse
(resigned 13 December 2024), Jason Marland
(resigned 22 January 2025).

#### **Subsidiary companies**

The Salix Homes Group also includes two wholly owned, private limited subsidiary companies – Salix Homes Developments Limited (SHDL) and Salix Living Limited (currently inactive).

The activities of each subsidiary are overseen by a Board of Directors comprising the Chief Executive and Executive Directors of Salix Homes. The Board of SHDL reports to the Salix Homes Board.

The function of SHDL is to undertake development services for the parent company, Salix Homes, and to act as the investor vehicle into Hive Homes.

The subsidiaries are not regulated by the Regulator of Social Housing but are constituted under the Companies Act 2006. The Board of Salix Homes maintains oversight of the activities of the subsidiaries, whose purpose is to conduct activities on behalf of the parent.

In line with the adopted Code of Governance, the Board regularly reviews the structure of the Group. During 2024/25, a review of the Group structure and intergroup documentation was commissioned. As a result of this review, the Board confirmed that the Group structure remained appropriate and approved the updated inter group documentation – including the Intra-Group Agreement (IGA), Service Level Agreements and Deeds of Covenant between the entities within the Group.

SHDL has formally adopted the NHF Code of Governance 2020, with key responsibilities of the Code being picked up by the parent under the terms of the IGA. During 2024/25, there were no recorded areas of noncompliance against the Code.

#### Compliance with Regulatory Standards, the Code of Governance and all relevant law

The Board confirms compliance with the Regulator of Social Housing Regulatory Standards. A review against the Regulatory Standards is considered by the Board on an annual basis. In recognition of the introduction of the new Consumer Standards from 1 April 2024, Salix Homes had reviewed and implemented processes and systems in advance of the start of the financial year to ensure compliance with the additional requirements of the new Standard.

Salix Homes was one of the first Registered Providers (RPs) to be subject to the new Regulatory Inspection. During quarter one of 2024/25, a series of documents were provided to the Regulator, who then interviewed key officers and members and observed Board and committee meetings as part of their Inspection. The regulatory grading of G1, V2 and C1 was confirmed in August 2024 – with Salix Homes being one of the first RPs to receive a C1 grading.

The Board approved the adoption of the 2020 NHF Code of Governance in March 2021 and reviews its compliance against the Code annually. The Board confirms that Salix Homes is fully compliant with the 2020 Code of Governance.

#### Salix Homes current grades are:

**Governance – G1:** 'The provider meets our governance requirements'

**Viability** – **V2:** 'The provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance'

**Consumer – C1:** 'Overall, the landlord is delivering the consumer standards outcomes. The landlord has shown that it identifies when issues occur and puts plans in place to remedy them and help prevent them happening again'

## **Corporate Plan**

#### **Our Sustainable Future 2023-2025**

Salix Homes Corporate Plan has been set around three key themes accompanied by actions and success measures:

Our Sustainable **Homes** 

We aim to provide high quality homes for our customers, making sure they are safe, affordable and energy efficient. We're committed to meeting the needs of our existing and future residents, as we deliver more homes for people in Salford and beyond, that are fit for the future.

By 2025 we will:

- Maintain 100% home safety compliance.
- Implement a new Salix Homes property standard.
- Continue to deliver quality, sustainable and affordable homes.

Our Sustainable **Business** 

Our business must be fit for today and prepared for tomorrow, making sure we remain efficient and well-governed, as well as being a great place to work so we can attract and retain great talent that live and breathe our Salix Homes values.

By 2025 we will:

- Optimise our operating performance to enhance our financial strength.
- Be a great place to work with a high-performing workforce.
- Support an inclusive high performing work environment.

Our Sustainable **Communities** 

We're about so much more than just providing homes we deliver services and provide support to help our customers and communities to live, grow and thrive, in safe, clean, green homes and communities. We are committed to providing first class services and investing in our customer service channels to ensure we are meeting and exceeding our customers' expectations.

By 2025 we will:

- Optimise our service delivery model ensuring the right service is provided at the right time.
- Ensure our services and community investment focus on what matters to customers.
- Ensure a strong and influential customer voice through our customer engagement arrangements.

#### Some of the key achievements in delivering the Corporate Plan during 2024/25 are:

- Approved a £130m refinancing proposal to ensure the long-term financial viability of the group, meaning we can continue to invest in our homes and services to customers.
- Approved the development of new sustainable **homes** to ensure we are continuing to provide affordable housing to the people of Salford. This includes the completion of 91 homes at Kara Street Neighbourhood and the start on site of Willohaus, a 100 home development being built to Passivhaus certified standards and Arrow Street, a 69 social rented Passivhaus development incorporating a GP surgery. This means that Salix Homes has built or have in development 235 new homes during 2024/25.
- Continued estate walkabouts and 'Working in Neighbourhoods' days to establish an improved connection with customers.
- Achieved the highest C1 grading from the Regulator of Social Housing alongside retained **G1** and **V2** ratings, demonstrating our commitment to putting customers at the heart of everything we do.
- Maintained our **Building a Safer** Future Charter Champion status.
- Became a Founder Patron of Salford Youth **Zone** with a £100,000 commitment over four years, providing young people with a safe and welcoming place to grow, learn and thrive.
- Allocated £57,107 from the Salix Customer Support Fund helping 227 customers who were experiencing financial hardship, and helped customers claim additional benefits worth £121,872.
- Supported 61 people with employment or training opportunities, including 29 young people through the Build Salford Traineeship and 14 women through the Women in DIY programme.

- Invested **£11.7m** in improving homes. Within this were 112 properties which were improved to **EPC C energy efficiency rating**, supporting our commitment to sustainable communities.
- Delivered **32,830 repairs** with 99.4% of appointments kept and 96.3% completed in a single visit.
- Invested £33,000 through our Springboard community fund.
- Achieved 'Gold' accreditation in the Sustainable Homes Index for Tomorrow (SHIFT) assessment and reduced carbon emissions with our properties emitting on average 2.71 tonnes of carbon per property, lower than the North West average of 3.5 tonnes.
- Maintained 100% completion rates for gas, fire, water, asbestos and lift safety checks.
- Carried out 120 Fire Risk Assessments and completed 417 legionella checks, including 34 legionella risk assessments.
- Completed 351 home safety checks.
- Achieved the Institute of Customer **Service (ICS)** national ServiceMark accreditation for the third time.
- **Supported 4,001 web pages** and documents viewed with our Recite Me accessibility tool, helping customers to translate or access information in alternative formats.
- **85% of colleagues** satisfied with Salix.
- **85% of colleagues** say Salix is an inclusive place to work.
- **78% of customers** say we listen to their views and act upon them, demonstrating effective engagement.
- The Salix Customer Committee have helped shape the new online repairs reporting tool through testing and feedback.

#### **Customers**

Salix Homes places customers at the heart of everything it does and is passionate about ensuring voices are heard and providing opportunities for customers to help shape and improve services.

In addition to our Customer Committee, there are several customer groups, who focus on key areas of the organisation and provide suggestions and feedback to help make improvements.

#### These customer groups include:



## **Apartment Living Forum**

A focus on high rise blocks.



## **Complaints Oversight Group**

Working closely with colleagues to develop and review the complaints handling process and help to improve the experience for customers.



### **Procurement Panel**

The panel has a say on the appointment of contractors to help ensure Salix Homes is getting a good deal.



## **Scrutiny Pool**

Made up of 'scrutineers' – a group of around 20 customers who can be called upon by the Customer Committee to take part in in-depth reviews of services.



#### Customer voice makes a difference at Salix Homes

Highlights and achievements during 2024/25 made possible through effective customer engagement include:

The Customer Committee met nine times and held one strategy day.

The Customer sub-groups – Complaints Oversight Group, Procurement Panel and Apartment Living Forum met 12 times to help shape and scrutinise policies and procedures.

Our customers have scrutinised:

- Tenancy and neighbourhood management policies to improve service delivery.
- Repairs process improvements and progress tracking methods.
- Communications review to enhance how we communicate with customers, including clearer language and support information.
- Equality, Diversity and Inclusion (EDI) services accessibility, resulting in ten recommendations.
- Environmental services resulting in eight recommendations.

Our customers have helped shape:

- New online repairs reporting tool through testing and feedback.
- Customer segmentation and personas through input to research company procurement.
- Consumer Standards assessment process helping us achieve the top C1 rating from the Regulator.

Other customer engagement highlights during the year include:

**78.2%** of customers say we listen to their views and act upon them, demonstrating effective engagement.

**85.4%** of customers agree that we keep them informed on things that matter to them.

87.4% of customers say we treat them fairly and with respect.

Received **256** compliments from customers, with **70%** about the standard of service, praising quality of work, staff attitude, and speed of service.

#### **The Housing Ombudsman Complaint Handling Code**

At its meeting on 24 June 2025, the Board of Salix Homes Ltd. confirmed that it was assured that the organisation's approach to handling customer complaints is robust and meets the requirements as set out in the Housing Ombudsman's Complaint Handling Code.

The Board is assured that the self-assessment against the Complaints Handling Code is a true reflection of Salix Homes' Complaints Handling and notes that both the Board Member Responsible for Complaints, Ahmed Abdulmalek, and the Customer Committee have reviewed all the evidence showing how Salix Homes meets each element of the Complaints Handling Code.

During 2024/25 Salix Homes placed an even greater focus on learning from feedback and complaints to ensure that the customer voice is heard and to make the necessary improvements to service provision as a result.

The complaints team was restructured and centralised to improve consistency and performance in complaints handling, including application of the compensation policy.

There is a commitment to learning from mistakes, sharing the learning with other internal departments and customers, and making positive changes to prevent the same issues from happening again.

The internal 'Lessons Spotlight' campaign focusses on one theme at a time, with "putting yourself in the

customer's shoes", as a thread running through all the spotlights.

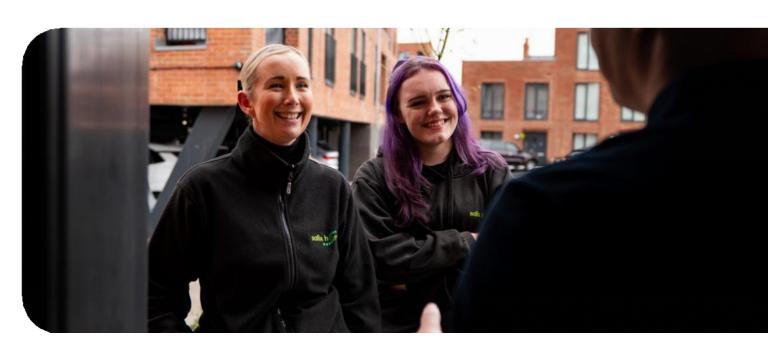
Spotlight themes included 'Managing customer expectations' and 'Timely and transparent communication' to avoid misunderstandings and make customers feel respected and valued.

External assurance about Salix Homes' approach to handling complaints is provided by the Housing Ombudsman Service in their review of our annual 'complaints performance and service improvement' report and self-assessment against the Ombudsman's Complaint Handling Code which is published on Salix Homes' website.

Complaints and learning are a regular agenda item in meetings with service managers. During these sessions, the latest performance is reviewed and identified learning points shared.

Additionally, Salix Homes updates a 'Learning Tracker' to monitor the progress and assess the impact of actions on future complaint themes. Where a complaint is partially or fully upheld, the complaints manager meets with the relevant service manager to discuss learning and improvements to service delivery where appropriate.

Further information on how Salix Homes manages and responds to complaints can be found at www.salixhomes.co.uk/ contact-us/complaints-and-compliments.



## **Colleagues**

In 2024/25, Salix Homes undertook a comprehensive colleague satisfaction survey, which resulted in 85% of colleagues expressing satisfaction with Salix Homes as their employer. Salix Homes prides itself on being a great place to work, offering an inclusive and supportive working environment which provides colleagues with opportunities to grow and thrive.

However, being an employer of choice has not prevented Salix Homes from experiencing the recruitment challenges now associated with the housing sector, as it faces a skills deficit like never before.

To address this, a review of the People Services Team was undertaken to redirect resources to establish new positions of Talent Manager and Recruitment Officer. Both positions have now been filled and will provide additional capacity to deliver activities to strengthen Salix Homes' approach to talent acquisition, learning and development, succession planning and colleague engagement in 2025/26.

Salix Homes continues to recognise that many of our customers have been particularly impacted by economic events, which has made providing effective support more challenging. In response, improved guidance and training have been delivered for colleagues to enable them to confidently provide services to vulnerable customers. Salix Homes Tenant Satisfaction Measures remain high, with an 87% customer response to the statement that there is 'Agreement that the landlord treats tenants fairly and with respect'. This is higher than the average for both Greater Manchester Housing Providers and reported national averages by the Regulator for Social Housing.

Not only is this evidence of the positive impact of this training, but also of how effectively Salix Homes' values of Inclusive, Trustworthy and Successful are embedded. A peer-to-peer reward and recognition scheme has been an effective vehicle for maintaining visibility of the importance of Salix Homes' expectations and for engaging colleagues in identifying good practice.

Further action to improve customer experiences has taken place through comprehensive reviews of Salix Homes' teams to ensure that they are suitably resourced to continue to deliver excellent services to customers. The improvements made to the repairs and maintenance service is a good example of this. Following active engagement with colleagues and customers, changes to this service involved the redesign of team structures, working hours, and an investment in additional positions. Although the new operating model was only officially launched in January 2025, Salix Homes has already observed a sustained improvement in performance and customer satisfaction.

A focus on colleagues will remain a central theme of future corporate planning. At the colleague conference in March 2025, outline thoughts were shared, and intentions were well received; in particular the ongoing support for their personal and professional development.

A focus on colleagues will remain a central theme of future corporate planning.

#### **Inclusion**

It is commonly accepted that commitment from the top is vital in establishing an inclusive organisation. Leaders set the tone of the organisation through their behaviour, their actions, and the decisions they make.

When preparing the latest version of its Inclusion Strategy in early 2024, Salix Homes noted that many of the key strategic actions had already been considered and incorporated into a number of newly developed strategies and action plans, signalling that the leadership team had already considered opportunities to reduce discrimination and promote positive practice in their strategic thinking. In short, this meant that Salix Homes was able to adopt a

'fresh approach to inclusion' which consolidated wider strategic commitments from other strategies into one document to track progress, and was able to dispense with a separate Inclusion Strategy.

Examples of Salix Homes' progress against strategic commitments made include:

- Increased budget to support extensive aids and adaptations works.
- Improvement in the quality of customer data through Salix Homes' 'Getting To Know You' Campaign.
- Introduction of a new Vulnerable Customer Policy and Reasonable Adjustments Policy and accompanying training to support colleagues to positively respond to customer vulnerabilities.
- Introduction of a new Customer Support Service which provides a centralised resource for internal referrals for additional support for customers with more complex needs.
- Refreshed and delivered new safeguarding training which has been tailored to the different colleague groups, ensuring it supports them to deliver on their responsibilities.

- Securing of funding to launch Salix Homes Manbassador Programme, which is a project to raise awareness locally of the mental health issues facing men and to work with a network of local organisations to recruit 'Manbassadors' who can provide signposting and support to customers.
- Patronage of Salford Youth Zone, which will be launched in July 2025 and provide young people with a safe space to go and engage in productive and fun activities.

In terms of colleagues, Salix Homes has achieved notable success in the reduction of its ethnicity pay gap, which reduced by 16% in 2024/25. This is partly attributed to Salix Homes' continued engagement with the Greater Manchester Housing Providers Boost Programme. This programme, through its activities and the sharing of lived experiences, provides a safe space to explore inclusive practices and improve representation of ethnically diverse colleagues in more senior positions. Engagement in the Boost Programme influenced Salix Homes' decision to introduce the practice of diverse interview panels and explore different approaches to attraction.

Colleagues have recognised Salix Homes' commitment to inclusion in their response to the statement "I feel that equality and diversity is important at Salix Homes" in the Colleague Satisfaction Survey, with 85% agreeing this was true.

Salix Homes will be revisiting its position in 2025/26 to develop further annual equality, diversity and inclusion commitments for its Board to approve.



## **Health and safety**

The Board is aware of its responsibilities on all matters relating to health and safety.

The Group has a dedicated internal Health and Safety team which oversees health and safety management across all colleague functions, and a dedicated Building Safety and Compliance team that sit within the Property Services Directorate. This includes comprehensive health and safety policies, procedures, risk assessments, audit scrutiny, training, advice and retaining ISO45001 certification of the occupational health and safety management system.

## **Building safety**

Salix Homes owns 20 high-rise buildings across Salford, and since the Grenfell Tower tragedy, Salix Homes has been at the forefront of building safety – raising safety standards to existing properties, advising government bodies on future recommendations and piloting and implementing the reforms in the new Building Safety Act.

Salix Homes is a "Building a Safer Future Charter" Champion which is a national benchmark, awarded in recognition of the commitment to building safety and culture change.

However, it is recognised that building safety is a continuous journey, and with the Building Safety Regulator now established, and new duties, laws and safety standards in place, Salix Homes is committed to continuing to work closely with the wider housing sector, our housing partners across Greater Manchester, the Government, safety experts, and of course customers, to ensure all buildings are safe places to live, both now and in the future.

The Building a Safer Future Charter Champion assessment is a robust benchmarking and verification process launched by the Building a Safer Future Charter to help organisations drive the systemic culture change required to put building safety first.



## Developments, sustainability and the environment

#### **Streamlined Energy and Carbon** Reporting (SECR) 2024/25

Salix Homes has made good progress on the continued decarbonisation of its operations and housing stock.

In October 2024, Salix moved its communal electricity supply to a renewable energy tariff backed by the REGO (Renewable Energy Guarantees of Origin) scheme. As Salix are currently using the location metric for the reporting of our electricity emissions, our renewable supply doesn't appear on our SECR submission, however using the market-based assessment our scope two emissions have fallen by 274 (tonnes of carbon dioxide equivalent)

in the six months we used green electricity.

Salix Homes was successful in obtaining funding from the Heat Network Efficiency Scheme which has allowed the completion of optimisation studies into several heating systems in our communal schemes. These identified a range of measures which will reduce carbon emissions and will be implemented in the near future.

Salix Homes has continued to invest in its properties to improve their energy efficiency. As a social landlord Salix, Homes must ensure that by 2030, wherever possible, its properties must be a minimum of Energy Performance Certificate (EPC) C. During the year, 112 properties were improved

to meet this standard, with a further 891 requiring improvements. Salix Homes is mobilising to increase delivery of these projects over the next three years, working in partnership with Greater Manchester Combined Authority to access the Governments Warm Homes Funding.

During 2024-25, Greenhaus (the North West's largest Passivhaus) development was fully occupied. A rigorous programme of independent monitoring has been completed and its performance (as measured by energy use per meter) is better than its peers, reducing customers' bills and carbon.

Construction is also underway on two new Passivhaus developments in Salford.

The Arrow Street scheme in Broughton will provide 69 high-quality social rented homes for over 55s. It will include 11 homes for people with additional mobility needs and incorporate a purpose built GP surgery to serve the local community. The Willohaus scheme will deliver a further 100 Affordable rent homes.

Both schemes, supported by funding from Homes England and key partners, are pioneering in terms of delivering homes that are sustainable, affordable and fit for the future. They will provide homes that are better for our customers, will protect against fuel poverty, support wellbeing and create sustainable communities for generations to come.



highlights in the year: Achieved an average SAP (Standard Assessment Procedure) score of 73.20 for our homes.

Achieved 'Gold' accreditation in the Sustainable Homes **Index for Tomorrow** (SHIFT) assessment.

**Reduced carbon emissions** = our properties emit on average 2.71 tonnes of carbon per property which is lower than the North West average of 3.5 tonnes.

37 managers completed Climate Literacy training.

Introduced the first electric vehicles to our fleet.

Secured £72,000 funding for heating optimisation studies to cut carbon emission in our high-rise properties.

## **Financial Report**

#### Overview

The Group financial statements report an overall or bottom-line surplus of £4.8m, an improvement of £1.5m on prior year (2024: £3.3m). This is broadly due to four factors: an increase in turnover and in the valuation of investment properties, both offset by an increase in operating expenditure and an actuarial movement on the defined benefit pension scheme.

Group turnover of £49.3m has increased by £3.8m (2024: £45.5m) in the year mainly due to an increase in rental income. 2023/24 saw a first for Salix as 25 property units were developed and sold to Salford City Council for £3.4m but this type of sale arrangement was not repeated in 2024/25 as the agreement was relatively unique for Salix and is not included in any other current development plans. 2024/25 saw another first for Salix in the handover of 29 units for shared ownership (20 of which were sold in 2024/25 generating turnover of £2.8m (2024: nil).

A change in accounting treatment in 2024/25 saw Salix Homes reclassify their shops as commercial units held as investment properties. This has resulted in an increase in £0.9m in the value of how the properties are recognised (2024: nil).

Operating costs of £42.5m have increased by £2.0m (2024: £40.5m), mainly due to additional depreciation (from increased development and property improvement works) and non-capital maintenance expenditure in line with inflationary and demand pressures.

The net actuarial movement on the defined benefit pension scheme is disclosed below the surplus and during the year was reported at £1.2m (2024: gain £0.1m), reflecting the impact of accounting

for retirement benefits in accordance with FRS (Financial Reporting Standard) 102. The recognition has seen a downwards movement in the yearon-year remeasurements and recognition of surpluses, which are in effect capped. Based on the latest actuarial valuation the scheme is still in a net "surplus" position in relation to pension assets and pension liabilities. Further details are in Note 2 and Note 12 of the accounts.

The valuation of investment properties, depreciation and the actuarial loss have no current cash impact on Salix Homes.

During 2024/25 Salix Homes sold 38 properties to tenants under the Right to Buy (RTB) and three properties under the Right to Acquire (RTA), generating a surplus of £2.0m (2024: 30 RTB, two RTA and surplus of £1.8m).

Fixed Assets have increased by £18.2m (2024: £19.1m) to £231.5m and are representative of new development properties including Arrow Street, Neighbourhood (Kara Street) and Willohaus (Peru Street) and works to existing properties.

This has been funded by borrowings which have increased by £2.0m (2024: £16.2m) to £98.0m, capital grants received or recognised which have increased by £11.8m (2024: £8.8m) to £42.8m and the remainder by shared owner property sales and working capital.

The statement of financial position holds a provision for other liabilities of £22.5m (2024: £33.8m) which is offset by a corresponding amount in debtors. This represents the remaining five-year provision from the 2015 stock transfer promise for VAT shelter property improvement works.

## **Treasury management**

Salix Homes has a Treasury Management Policy and Strategy that are reviewed by the Board at least annually.

A robust treasury management policy is essential to increasing financial capacity and resilience and this year delivered another successful refinancing agreement with our main lender to increase our loan portfolio by £10m from £120m to £130m.

The current loan facility mitigates financial risk and exposure with the interest cover requirement being calculated on an EBITDA only basis. This change has significantly improved the financial resilience of the organisation by increasing the financial headroom available to deal with any unforeseen financial circumstances.

At year end, £98m of this £130m facility had been utilised. The £98m is made up of £18m on a variable interest rate, £20m on a fixed rate until July 2033 and a further £60m on a fixed rate until July 2038.

97.4% of the Group's housing properties were charged as loan security (2024: 98.2%).

As of 31 March 2025, the weighted average interest rate was 5.17% (2024: 5.41%), a decrease on the prior year which is reflective of a more encouraging economic climate, and the downward pressure on interest rates may continue into the next financial year.

The Treasury Management Policy requires that 18 months' liquidity should be available to meet all approved commitments. This requirement has been met throughout 2024/25 and an additional £10m has been added to the Revolving Credit Facility with NatWest that increased the total facility to £130m and ensured liquidity is in place to meet future development requirements. Salix Homes continues to operate within its compliance metrics with a ratio of 82% of its loan portfolio being at a fixed rate.

At the year end, Salix Homes Limited held cash balances totalling £1.0m (2024: £5.5m) of which £1.0m (2024: £5.5m) was held in an overnight deposit account at an annual interest rate of 1.7% (2024: 1.4%).

The financial reserves of the Group on 31 March 2025 totalled £101.0m (2024: £96.2m). The financial business plan generates surpluses in each year which are re-invested in existing homes, communities, services and planned new developments with some provision for contingencies. In view of the evolving nature of the external operating environment, and the opportunity for Salix Homes to engage in various initiatives with a green agenda, the ability of the organisation to retain and harness its operating surplus to reinvest in some of these initiatives is of paramount importance.

The Board is satisfied that the reserves on 31 March 2025 are at a level that is appropriate.

## Value for money

Salix Homes continues to be fully committed to ensuring that all services provide value for money. This is also monitored by the Regulator of Social Housing, the requirements of which are set out in the Value for Money Standard.



### Salix Homes aims to:

Provide a high-quality service to our customers and colleagues.

Optimise our income and financial return on our assets.

Improve the quality of life of our customers and those who live in our communities.

Increase the efficiency in the delivery of our services and use of resources. **Some Value for Money** headlines include:

£640,000

saved through procurement.

£150,000

of efficiencies achieved on ICT contracts which has helped to fund ASB (anti social behaviour) monitoring software and improving cybersecurity.

94.6%

of repairs were completed in a single visit.

Salix Homes uses an asset evaluation tool to calculate the return on asset investment; this is a net present value (NPV) based asset grading system which classifies properties as red, amber or green (RAG rating), based on stock condition, neighbourhood and other performance and financial data. This helps inform asset related strategies with a view to improving performance across all properties. These results support strategies relating to property investment and new development. A key component of this good practice is the embedding of key performance indicators relating to procurement which can be measured over time. Some of the key measures in 2024/25 are shown in the table below:

	2023/24	2024/25
% of spend under contract	81%	89%
Suppliers with an annual spend over £50k	71 (of 293)	81 (of 320)
% of spend over £50k contracts	94%	94%
Spend with SME suppliers	£10.0m	£11.9m
Spend with suppliers located within Greater Manchester	£14.5m	£21.7m
Procurement challenges (by aggrieved suppliers)	0	0
Customer complaints (on appointment of suppliers)	0	0

The strategic procurement function continues to develop, refine, and embed innovative procurement and contract management practices across the organisation.

The impact of this work continues to be evidenced by improving key performance indicators, and savings & efficiencies generated by this activity.

The Business Plan is constructed in order to ensure that finances are aligned to strategic and operational activities and that Value for Money is obtained through utilising resources effectively. Value for Money initiatives deliver benefits throughout the life of the plan, however more specific efficiency targets relating to pensions, ICT, and procurement have been included and are expected within forward projections.



#### **Value for Money Metrics**

The Value for Money Standard and Code of Practice defines seven key financial metrics to be measured and reported against each year along with comparisons against peer performance.

The table below shows actual performance for 2024/25 compared to budget and also compares 2023/24 performance compared to peers and Business Plan targets for the next three years.

The comparator peer group of nine housing associations has been selected from more recent stock transfer organisations, also taking account of stock numbers and location to reflect similar social demographics.

Overall, the metrics continue to reflect the journey of Salix Homes since transfer and the continued commitment to provide quality homes and services. Salix Homes continues to provide significant financial investment into existing properties to maintain the Decent Homes Standard and to ensure customers' homes provide the highest level of safety.

VFM Metrics	Actual 2023/24	Peer Group 2023/24	Target 2024/25	Actual 2024/25	Target 2025/26	Target 2026/27	Target 2027/28
1 – Reinvestment %	13.5%	12.0%	11.7%	11.4%	15.5%	8.5%	5.1%
2A – New supply (Social housing units) %	1.5%	1.3%	1.6%	0.8%	0.2%	1.3%	0.8%
2B – New supply (Non-social housing units) %	0.3%	0.1%	0.0%	0.0%	0.0%	0.00%	0.00%
3 – Gearing %	42.0%	41.2%	43.0%	41.0%	43.0%	45.0%	44.0%
4 – EBITDA MRI Interest Cover %	(54.0%)	9.9%	(117.0%)	55.0%	(151.0%)	60.0%	32.0%
5 – Headline social housing cost per unit £	£5,120	£4,837	£5,989	£5,085	£6,405	£5,290	£5,842
6A – Operating margin (Social housing lettings) %	14.1%	14.2%	18.8%	18.4%	11.3%	13.9%	15.2%
6B – Operating margin (Overall) %	11.0%	11.9%	13.6%	13.8%	8.0%	12.2%	14.5%
7 – Return on capital employed %	2.7%	3.1%	4.2%	3.4%	2.6%	2.7%	3.1%

#### The financial metrics are detailed below with corresponding commentary around performance.

**1 =** The **reinvestment** metric looks at the investment in properties (existing stock and new supply) as a percentage of the net value of total properties held.

Actual performance is below target due to the delays in the approval from the Building Safety Regulator because of high levels of demand across the sector on the newly established regulator. This reflects Salix Homes' continued investment in properties to ensure 100% decency and safety as well as a commitment to developing new affordable housing. The targets moving forward reflect the anticipated level of investment required.

**2A** = The **new supply** metric sets out the number of newly constructed social housing properties (either developed or acquired) as a proportion of total social housing properties owned.

Performance is below our ambitious target but remains positive during 2024/25 as Salix continued their development programme with one mixed tenure scheme completing in the year; 66 units of Social, Affordable and Shared Ownership at Kara Street, Salford. Targets moving forward reflect our continued development aspirations to provide much needed affordable homes in Salford and our focus on Passive House design.

2B = The new supply (non-social housing units) % metric calculates the number of newly constructed non-social housing properties (either developed or acquired) as a proportion of total social and non-social properties owned.

Actual performance is in line with our target as our ongoing development programme focuses on social and affordable homes.

**3 = Gearing** % – assesses how much of adjusted assets are made up of debt. It is calculated by debt (net of cash) as a proportion of the net book value of total properties held.

Actual performance is marginally behind target and reflects the debt or loan drawdowns to fund investment and development programmes during the current and future years.

**4 = EBITDA MRI Interest Cover** % – an indicator of liquidity and investment capacity. It is an acronym for earnings before interest, tax, depreciation and amortisation, including major repair improvement, and is measured against interest costs. This is an indicator of operating surplus in comparison to interest payable.

This has increased from a negative position in the previous year to a positive position in 2024/25. This is well ahead of our in-year target. This is due in part to investment slippage caused by delays in approvals by the Building Safety Regulator as a result of increased demand from the sector implementing building safety property improvements. The metric has also improved due to an increase in turnover year on year. Future targets reflect the impact on this slippage into 2025/26 but also the aim to strengthen our operating margin.

#### 5 = Headline social housing cost per unit

**£** – as defined by the regulator this is a calculation of the total social housing costs in the year divided by the total number of social housing units. The headline cost per unit is an important and simple indicator to reflect how much resource is spent in total upon each property owned by an organisation.

Salix Homes has a lower cost per unit than expected, mostly due to deferred expenditure on capitalised major repairs. A higher cost per unit in future reflects both the capital and non-capital expenditure being incurred due to a number of internal and external factors including demand, inflation and ambitious net zero targets.



will be captured upon crystallisation. These should translate into an improved operating margin compared to those currently reported.

**7 = Return on capital employed** – compares operating surplus to total assets less current liabilities and can be used to assess the efficient investment of capital. This is an indicator of the effectiveness of the use of capital.

ROCE has improved relatively consistently year on year which is reflective of the cost control and implementation of efficiencies.

Continued investment in future years is anticipated to have an impact.

## Social impact

At Salix Homes, we're committed to making a positive impact in the communities we work in that goes beyond providing homes and services. We aim to make sure everything we do creates added social value.

Whether it's the environment, local economy, employment or building and improving homes, here are just a few of the ways we're making a difference...

## Social impact highlights during the year include:

- Invested £33,000 through our community fund Springboard.
- Invested over £40,000 provided by Salix Homes contractors.
- Allocated £57,107 from the Salix Customer Support Fund, helping 227 customers who were experiencing financial hardship.
- Helped customers to claim additional benefits worth £121,872.
- Assisted 641 customers with their Universal Credit claims.
- Raised 198 foodbank vouchers, helping households with food parcels.
- Made **310** referrals to external support agencies.
- 89 Salix Homes and local community events advertised in our online events calendar.
- 40 people in need provided with bikes as part of the Bike Bonanza partnership project.
- Supported 29 young people through a Build Salford Traineeship.
- Supported 61 people with employment or training opportunities.
- Supported **78** customers with CV's, job searches, job application groups and community activities.

## Some of the projects funded through Springboard **Community Fund include:**

#### **Salford City Radio**

A much-loved local station that has been serving Salford for 18 years, run by more than 65 volunteers aged between 21 and 80. With the station's future at risk due to a funding shortfall, Salix Homes awarded £1,950 through the Springboard community grant to help keep it on air. The station offers volunteers the chance to build skills and find support and a sense of purpose, particularly for those facing challenges such as illness, disability or isolation. Steve Pendlebury, a long-time volunteer who survived a stroke and underwent a kidney transplant, helps manage the technical side while presenting his own show – demonstrating how the station enables people to stay active, involved, and feel valued.

#### **Community Shop Food Club**

A partnership with St Andrews Church providing low-cost food for people on low incomes. Salix Homes paid for 60 people to become members of the Community Shop food club, helping to tackle food poverty and support families struggling with the cost of living. The initiative provides access to affordable, quality food while building community connections and reducing social isolation.

#### **Bonding with Books Programme**

An initiative encouraging reading engagement with both children and their caregivers. Through this programme, 86 books were borrowed by children, helping to promote literacy, learning and family bonding. The project supports educational development while strengthening relationships between parents and children through shared reading experiences.



Salix Homes understands that building strong communities means supporting people of all ages, and so we became a patron of the Salford Youth Zone, a purpose-built facility dedicated to giving young people a safe and welcoming place to grow, learn and thrive.

Our commitment includes a pledge of £100,000 over the next four years and we would expect tremendous benefits to be delivered to young people through educational and recreational activity, employment, volunteering and mentoring schemes.

## **Performance**

#### **Tenant Satisfaction Measures**

The collection of the new Tenant Satisfaction Measures (TSMs) is ongoing in accordance with the regulatory requirements. These are reported on the Salix Homes website and can be accessed using

www.salixhomes.co.uk/about-us/performance.

Our 2023/24 results were submitted to the regulator in June 2024 (and were approved). For the year 2024/25 we have continued to collect, monitor and report on TSMs as part of the Performance Framework for 2024/25. Salix Homes has demonstrated strong performance across the TSMs improving in both the tenant perception and operational metrics during the first year. Most indicators surpass the national average and those of our peers within GMHP.

Our targets have been reviewed and set by the Board in 2024/25, considering primarily aspiration but also using comparative performance with organisations locally and nationally.



The tables below show operational performance during the year compared to the previous year's performance and the target indicators for the year ending 31 March 2025.



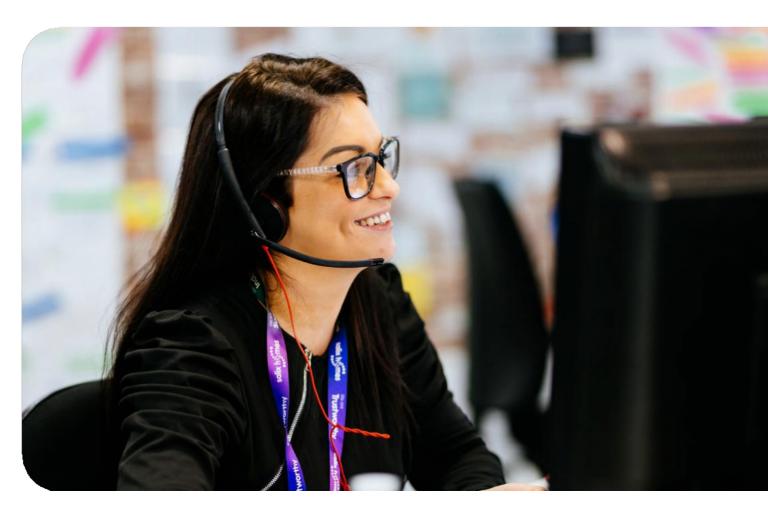
#### Performance at or above expected level

= 80% satisfaction or above



#### Performance below expected level / tolerance

= 79% satisfaction or below; and/or satisfaction score has fallen by 5% or more during the year.



## **TSM (Tenant Satisfaction Measures)**

Frequency	23-24 Performance	24-25 Target	24-25 Performance	Status
Monthly	75%	80%	79%	<b>Ø</b>
Monthly	73%	80%	78%	<b>Ø</b>
Monthly	65%	75%	66%	8
Monthly	77%	80%	80%	<b>②</b>
Monthly	80%	80%	81%	<b>Ø</b>
Monthly	77%	80%	78%	<b>Ø</b>
Monthly	85%	80%	85%	<b>Ø</b>
Monthly	88%	80%	87%	<b>Ø</b>
Monthly	46%	60%	49%	8
Monthly	81%	80%	78%	<b>⊘</b>
Monthly	77%	80%	79%	<b>Ø</b>
Monthly	74%	80%	78%	<b>⊘</b>
Monthly	40.06	40.10	54.66	8
Monthly	5.78	5.80	10.20	8
	Monthly	Monthly 75% Monthly 73% Monthly 65%  Monthly 77%  Monthly 80%  Monthly 77%  Monthly 85%  Monthly 88%  Monthly 88%  Monthly 46%  Monthly 77%  Monthly 46%  Monthly 77%  Monthly 46%  Monthly 46%  Monthly 40.06	Monthly         75%         80%           Monthly         73%         80%           Monthly         73%         80%           Monthly         75%         80%           Monthly         77%         80%           Monthly         77%         80%           Monthly         85%         80%           Monthly         88%         80%           Monthly         46%         60%           Monthly         77%         80%           Monthly         77%         80%           Monthly         74%         80%           Monthly         40.06         40.10	Monthly         Performance         Target         Performance           Monthly         75%         80%         79%           Monthly         73%         80%         78%           Monthly         65%         75%         66%           Monthly         77%         80%         80%           Monthly         77%         80%         78%           Monthly         85%         80%         85%           Monthly         88%         80%         87%           Monthly         46%         60%         49%           Monthly         81%         80%         78%           Monthly         77%         80%         79%           Monthly         74%         80%         78%           Monthly         40.06         40.10         54.66

## **TSM (Tenant Satisfaction Measures)**

[%	

Indicator	Frequency	23-24 Performance	24-25 Target	24-25 Performance	Status
Stage 1 complaints responded to within Complaint Handling Code timescales	Monthly	87.46%	80.8%	93.55%	<b>Ø</b>
Stage 2 complaints responded to within Complaint Handling Code timescales	Monthly	91.30%	72.2%	81.48%	<b>②</b>
Number of anti-social behavioural cases opened per 1,000 homes	Monthly	132.3	132.35	113	<b>⊘</b>
Number of anti-social behavioural cases that involve hate incidences opened per 1,000 homes	Monthly	3.1	3.1	2.52	<b>Ø</b>
Homes that do not meet the Decent Homes Standard	Monthly	0.20%	0%	0.15%	<b>⊘</b>
Repairs completed within target timescale: non- emergency repairs	Monthly	60.6%	75%	82.81%	<b>Ø</b>
Repairs completed within target timescale: emergency repairs	Monthly	100%	100%	99.97%	8



Performance above expected level or within agreed tolerance



Performance below expected level

**New measure** 

#### **Salix Performance Measures**

_ L	[%]	

Indicator	Туре	23-24 Performance	24-25 Target	24-25 Performance	Status
Current and former rent and service charge collection rate (exc. arrears brought forward)	Arrears / Incomes	99.58%	99.58%	99.95%	<b>⊘</b>
Rent arrears of current tenants as a percentage of rent due	Arrears / Incomes	1.66%	1.66%	1.34%	<b>Ø</b>
Domestic electrical safety certificates in place (5 year)	Compliance	94.35%	100%	97.20%	8
Domestic electrical safety certificates in place (10 year)	Compliance	99.94%	100%	99.95%	8
Gas safety checks	Compliance	100%	100%	100%	<b>②</b>
Fire safety checks	Compliance	100%	100%	100%	<b>②</b>
Asbestos safety checks	Compliance	100%	100%	100%	<b>②</b>
Water safety checks	Compliance	100%	100%	100%	
Lift safety checks	Compliance	100%	100%	100%	<b>S</b>
Satisfaction with recent transaction (Contact Centre)	Customer Contact	n/a	80%	84.16%	
Average annual days lost per employee due to sickness absence	People Services	9.9 days	9.9 days	9.9 days	<b>Ø</b>
Employee turnover	People Services	17.0%	17%	9.66%	<b>②</b>
Satisfaction with repairs (transactional)	Repairs	n/a	90%	88.8%	<b>②</b>
Average managed re-let time (days)	Voids	37.18	40.00	35.75	<b>⊘</b>
Average void rent loss	Voids	0.87%	0.81%	0.66%	<b>②</b>
Volume of Stock Condition surveys completed	Assets	n/a	2,499	2,552	<b>Ø</b>
% of repairs completed in a single visit	Repairs	96.3%	92%	94.63%	<b>②</b>
% of repairs appointment kept	Repairs	99.4%	99%	99.62%	<b>⊘</b>

## **Risk management**

Salix Homes has an established Risk Management Framework which is aligned to business activities and supports the achievement of corporate objectives and the Financial Plan. The Board has overall responsibility for risk management at Salix Homes although the Audit & Risk Committee has delegated authority from the Board to support the ongoing oversight and management of risk.

The Audit & Risk Committee and Senior Leadership Team have continued to identify and mitigate against risks throughout the year. Risks are considered at all levels across the business and all decisions taken by the Board or Committees consider relevant risks.

A Risk Management Framework is in place to identify, evaluate and manage the many risks faced by the Salix Homes Group. Risks threatening the organisation and its ability to achieve its objectives come from a number of sources – in particular, the wider economic and political operating environment. These are risks generally faced by the social housing sector as a whole.

The Board and Audit & Risk Committee are kept informed on the implications of the changing environment to the business, its customers and colleagues.

The key risks were reviewed six monthly, or more frequently by exception by the Board, and controls are in place to mitigate risks. The Audit & Risk Committee review the strategic risk register in detail each quarter and gain assurance that risks are being appropriately managed. We commission regular external reviews of our risk management processes and activities to provide the Board with additional assurance. During 2024/25, the external review concluded that there was "a sound risk management framework, and we continue to rate its risk management arrangements as Very Good".

The Board also discussed risk in terms of financial resilience and the future corporate priorities of the business at its Strategy Days. In doing so, the Sector Risk Profile 2024 provided a broader context to the Board of an operating environment presenting continuing challenges in terms of managing risk.

The Board have an approved Risk Appetite Statement – which currently identifies areas where it has, for example, a lower appetite in areas such as health and safety and cyber risk, and an increased level of appetite for developing new homes and technical innovation. Risk appetite and risk-based stress testing is an integral part of the financial planning process to understand how change impacts financial viability. This is considered alongside an identified mitigation and recovery process.

During 2024/25 the risks identified with the highest residual impact upon the organisation were identified as:

Data security and cyber-attack

**Asset Management** 

Recruitment, Retention and **Professional Development** 

**Changes in the External Environment** 

**Development** 

Liquidity

**Right To Buy** 

**Repairs and Maintenance** 

**Rent Arrears and Bad Debts** 

**Building and property safety** 

**Inability to Insure Assets** 

**Rent and Service Charge Setting** 

#### **Internal Controls Assurance**

The Board has ultimate responsibility for establishing and maintaining an effective system of internal control and risk management for the Group that is appropriate to the various business environments in which it operates, and for annually reviewing its effectiveness.

The system of internal control is designed to manage rather than eliminate risks that would prevent key business objectives and expected outcomes from being achieved and to provide reasonable but not absolute assurance against material misstatement or loss.

The Board has adopted a risk-based approach to internal controls, which is embedded within the day-to-day management and governance processes and the wider control environment. This approach includes the regular evaluation of the risks that the Group may be exposed to.

The Audit & Risk Committee is responsible for monitoring this system and is provided with assurance that key risks are being managed in line with the Risk Management Framework every quarter. Annually, the Audit & Risk Committee reviews the effectiveness of the internal control system.

The Senior Leadership Team (SLT) are responsible for the identification and evaluation of key risks applicable to their areas of business and work closely with operational managers in the design and operation of suitable internal controls and any actions to reduce or mitigate against the risk occurring.

The Board reviews the strategic risks and associated controls at least every six months and more frequently if the risk profile or operating environment changes. An annual comparison of the risks identified by Salix Homes against those published by the Regulator of Social Housing (RSH) in the Sector Risk Profile is reported to and discussed by the Board. The process for identifying, evaluating, and managing risk has been aligned

to best practice and this is verified as part of an independent annual review of risk management arrangements via our external risk consultants.

Key performance indicators (KPIs), both financial and non-financial including the Tenant Satisfaction Measures (TSMs), are reported to SLT (monthly) and the Board (quarterly). These KPIs are used to inform discussions at Leadership Team meetings and are used to help drive improvements.

Financial control is exercised through the setting of detailed budgets each year which feed into the annual financial business planning process, coupled with regular, detailed management accounts reports which are presented to SLT (monthly) and Board (quarterly) for review and discussion.

Salix Homes has a comprehensive programme of internal audits which is discussed and approved by the Audit & Risk Committee on an annual basis in line with new and emerging risks. The programme of audits is undertaken by an outsourced internal audit partner. Agreed recommendations for improvements are implemented by management, and progress for the implementation of recommendations is monitored by the Audit & Risk Committee, and reviewed by the internal audit partner.

The internal auditors report directly to each meeting of the Audit & Risk Committee. Annually, they provide an opinion on the control systems in place within Salix Homes – to give the Committee assurance on the design and operation of risk management, controls, and governance arrangements. Based on the work undertaken by the internal audit partner during the year, it is confirmed that "governance, risk management and control activities were found to be suitably designed to achieve the specific risk management, control and governance objectives". Furthermore, "risk management, control and governance activities were operating with sufficient effectiveness to provide reasonable assurance that the related objectives were achieved throughout the period under review".

The work of the External Auditor provides independent assurance over the adequacy of the internal control. The External Auditor's management letter, which is required to report any material weaknesses in internal controls identified during their audit work, has been received and reviewed by the Board and the Audit & Risk Committee. There were no such weaknesses identified.

The Board has a zero-tolerance to fraud, through its approved Anti-Fraud and Anti-Money Laundering Policy, and in addition to the normal checks and balances to prevent fraud, the adopted Code of Conduct (NHF 2022) clearly sets out responsibilities and standards of conduct. A Whistleblowing Policy (updated during 2024/25) is also in place and colleagues are encouraged to report any concerns of wrongdoing they become aware of. Information with respect to frauds and losses reported or uncovered are recorded in the fraud register and reported to the Audit & Risk Committee six monthly, as a minimum. There have been no reported actual frauds during the period.

The Board have reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2025. Up to the date of signing these financial statements, based on the assurances provided by the key elements of the system of internal control, opinions of internal audit and external audit, and other assurance sources it has not identified any weaknesses which have resulted in material misstatement or loss which would require disclosure in the financial statements.

#### **Donations**

There have been no political donations during the year (2024: £nil).

#### **Going concern**

The Group's business activities, its current financial position, and factors likely to affect its future development are set out within the report and financial statements.



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

The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants. As at 31 March 2025 the group had available cash balances of £1.1m and a further £32m of secured but undrawn loan facilities that could be drawn at short notice.

The Board's assessment of going concern involves subjective judgments including, but not limited to, potential increased rent arrears, delayed rent collections, increased voids, and increasing inflation and interest rates.

In making their assessment the Board have also considered the potential mitigations available to manage the potential impact on its cashflows and liquidity.

A wide-ranging multivariate stress test has been run on the business plan including the normal suite of scenarios that are tested regularly. The multivariate stress test includes the impact of sensitivities on the association's cash flow requirements, compliance with debt facilities, as well as covenant compliance. Potential mitigating actions have been considered and approved by the Board.

This stress testing found that the business plan is robust and does not affect the group's ability to meet its obligations.

On this basis, the Board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed.

The Board therefore continues to adopt the going concern basis as set out within Note 2 of the financial statements.

This stress testing found that the business plan is robust and does not affect the group's ability to meet its obligations.

# Board's responsibilities in respect of the financial statements

The Board is responsible for preparing this report and the financial statements in accordance with applicable law and regulations. Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board has elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Association and of the income and expenditure of the Group and Association for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice 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 Group and Association will continue in business.

The Board is responsible for keeping proper books of accounts that disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that its 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.

The Board has general responsibility for taking such steps as are reasonably open to safeguard the assets of the Group and Association and to prevent and detect fraud and other irregularities. The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Salix Homes website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Disclosure of information to the auditors

Insofar as each of the Board members are aware, at the date of preparing this report there is no relevant information needed by the Group and Association's auditors in connection with preparing their report of which they are unaware, and Board members have taken all steps that they ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the Group and Association's auditors in connection with preparing their report and to establish that the auditors are aware of that information.

### **Statement of Compliance**

The form and content of this strategic report and Report of the Board has been prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018.

#### **External Auditors**

A resolution to appoint Forvis Mazars as external auditors will be put to the Annual General Meeting.

### **Annual General Meeting**

The Annual General Meeting will be held on 23 September 2025.

The Report of the Board, including the Strategic Report, was approved by the Board on 17 September 2024 and signed on its behalf by:

**Martin Warhurst** 

Chair

## Report of the independent auditors

### **Opinion**

We have audited the financial statements of Salix Homes Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2024 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated Statement of Reserves, Association Statement of Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in Note 2.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as of 31 March 2025 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Cooperative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

### **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 and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Association's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the Report of the Board and Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept proper accounting records; or
- the Association's financial statements are not in agreement with books of account; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 33, 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 the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or the Association or to cease operations, or has 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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

### Use of our report

This report is made solely to the members of the Association, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by: Bowel and Struttures

#### **Beever and Struthers**

Statutory Auditor One Express 1 George Leigh Street Manchester M45DL

Date: 23 September 2025

## Statement of comprehensive income

	Note	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Turnover	3	49,298	45,493	49,298	45,493
Surplus on Disposals of Properties	3	2,039	1,846	2,039	1,846
Operating Costs	3	(42,484)	(40,481)	(42,480)	(40,474)
Increase in valuation of investment properties	15	851	_	851	_
Operating Surplus		9,704	6,858	9,708	6,865
Interest receivable	8	1,283	112	1,374	144
Interest and financing costs	9	(4,952)	(3,819)	(4,951)	(3,819)
Surplus for the year before tax		6,035	3,151	6,131	3,190
Taxation	10	_	_	_	_
Share of profits in Joint Venture	15	_	29	_	_
Surplus for the year after tax	11	6,035	3,180	6,131	3,190
Actuarial(loss)/gain of pension scheme		(1,242)	117	(1,242)	117
Total comprehensive income		4,793	3,297	4,889	3,307

The turnover and operating surplus are derived from continuing operations. The notes form an integral part of these accounts.

There are no recognised surpluses or deficits other than the surplus for the year as stated above.

The financial statements on pages 42 to 77 were approved and authorised for issue by the Board on 23 September 2025 and were signed on its behalf by

Chair Martin Warhurst

**Chair Audit Committee** Jason Ridley

Secretary **Eric Tamanis** 

# Statement of financial position

	Note	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Fixed Assets					
Housing Properties	13	231,635	213,200	232,326	213,747
Other fixed assets	14	478	1,554	478	1,554
Investment	15	1,767	-	1,767	_
Investment in Joint Venture	15	800	800	-	_
Debtors due above one year	16	4,890	15,196	5,690	15,996
Current Assets					
Debtors due within one year	16	31,103	30,128	31,113	30,216
Stock & work in progress	17	1,414	3,484	1,469	3,622
Cash and cash equivalents	18	1,084	5,496	1,004	5,305
		33,601	39,108	33,586	39,143
Creditors due within one year	19	(10,483)	(14,234)	(10,520)	(14,274)
Net Current Assets		23,118	24,874	23,066	24,869
Total Assets less Current Liabilities		262,688	255,624	263,327	256,166
Creditors due above one year	22	(139,231)	(125,699)	(139,231)	(125,699)
Provisions for Liabilities and Charges					
Provision for other liabilities	25	(22,505)	(33,766)	(22,505)	(33,766)
Pension asset/(liability)	12	-	_	-	_
		(22,505)	(33,766)	(22,505)	(33,766)
Total Net Assets		100,952	96,159	101,590	96,701
Reserves					
Non-equity share capital	26			_	
Income and expenditure reserves		100,952	96,159	101,590	96,701
Total Reserves		100,952	96,159	101,590	96,701

The financial statements on pages 42 to 77 were approved and authorised for issue by the Board on 23rd September 2025 and were signed on its behalf by

Chair

Martin Warhurst

**Chair Audit Committee** 

Jason Ridley

Secretary **Eric Tamanis** 

# Statement of changes in reserves

	Group 2025 Income and expenditure reserve £'000	Group 2024 Income and expenditure reserve £'000	Association 2025 Income and expenditure reserve £'000	Association 2024 Income and expenditure reserve £'000
Cost				
Balance at start of year	96,159	92,862	96,701	93,394
Surplus for the year	6,035	3,180	6,131	3,190
Revaluation of commercial assets	_	_	_	_
Other comprehensive income for year	(1,242)	117	(1,242)	117
Balance at 31 March	100,952	96,159	101,590	96,701

## **Statement of cash flows**

	Group 2025 £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Net cash generated from operating activities (see Note 30)	14,192	8,869	14,406	9,203
Cashflow from investing activities				
Purchase of tangible fixed assets	(31,063)	(24,742)	(31,181)	(25,239)
Proceeds from sale of tangible fixed assets	2,747	2,458	2,747	2,458
Outright Sales	0	3,347	0	3,347
First Tranche Sales	2,782	_	2,782	_
Investment in GMJV	0	(1,300)	_	(1,300)
Profit share on GMJV	0	29	_	_
Other – Ethical Lettings and Social Fund Expenditure	(40)	(93)	(40)	(93)
Grants received	10,145	2,918	10,145	2,918
Interest received	139	29	154	49
Corporation Tax Paid	0	205	0	205
Cashflow from financing activities				
Interest paid and loan fees	(5,315)	(4,707)	(5,314)	(4,707)
New secured loans	9,500	18,500	9,500	18,500
Loan Repayments	(7,500)	(2,250)	(7,500)	(2,250)
Net change in cash and cash equivalents	(4,412)	3,265	(4,301)	3,094
Cash and cash equivalents at beginning of the year	5,496	2,231	5,305	2,211
Cash and cash equivalents at end of the year	1,084	5,496	1,004	5,305

The accompanying notes form an integral part of these financial statements.

## **Notes to the Accounts**

## 1 – Legal status

Salix Homes Group Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Diamond House, 2 Peel Cross Road, Salford, M5 4DT.

The principal activity includes the provision of affordable homes to rent and sheltered accommodation for older people.

The group comprises the following entities:

Salix Homes Limited is the Group entity.

Salix Homes Developments Limited, a non-registered subsidiary was incorporated under the Companies Act 2006. Salix Homes Developments was incorporated on 5th September 2016.

Salix Living Limited, a non-registered subsidiary, was incorporated under the Companies Act 2006. Salix Living Limited was incorporated on 5 September 2016 but was dormant during the period of these statements.

# 2 – Principal accounting policies

### (a) Basis of Accounting

The financial statements of the Group and Company have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard 102 (FRS 102). The financial statements have also been prepared in compliance with the Statement of Recommended Practice for registered social housing providers: SORP 2018 and the Accounting Direction for Social Housing in England 2022.

The accounts are prepared for the year ending 31 March 2025.

Salix Homes Limited is a public benefit entity and has therefore applied the PBE prefixed sections of FRS 102.

These financial statements are presented in sterling £, rounded to the nearest £1,000.

#### (b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Salix Homes Limited (parent) and its subsidiary undertakings Salix Homes Developments Limited (SHDL) and Salix Living Limited (SLL). Details of these subsidiaries are given in Note 33.

#### (c) Going Concern

The financial statements have been prepared on a going concern taking into account the Directors' consideration of budgets and cash flows forecast by the Company.

# (d) Judgements and key sources of estimation uncertainty

Development expenditure – development expenditure is capitalised in accordance with the accounting policy described in Note 2g. Initial capitalisation of costs is based on management's judgement that any development scheme is confirmed, usually when Board approval has taken place incorporating access to the appropriate level of funding. In determining whether a project is likely to proceed, management monitors the development and considers if changes have occurred that result in impairment.

Categorisation of housing properties – a detailed review of the intended use of all housing properties has been undertaken. In determining the intended use it has been considered if the asset is held for social benefit or to earn commercial rentals.

Investment properties – consist of commercial properties not held for social benefit or for use in the business. The purpose of holding these assets is to generate surpluses to apply to Salix's charitable purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value at the year end, with

changes in fair value recognised in income and expenditure.

Tangible Fixed Assets – tangible fixed assets are depreciated over their useful lives in accordance with the policy described in Note 2g.

**Government Grants** – Government grants are amortised over the expected life of components as described in Note 2g. In relation to performance related grants these are released to the statement of comprehensive income once any relevant conditions have been met.

**Impairment of Financial Assets** – a review of potential impairment of housing properties is carried out on an annual basis and any impairment in an income generating unit is recognised by a charge to the statement of comprehensive income. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. An income generating unit could be a single property, but it is normally a group of properties whose income and expenditure can be separately identified.

### (e) Turnover

Turnover represents rental and service charge income, it also represents revenue based grants receivable from other government agencies and from the Homes and Communities Agency. This also includes recharges to tenants in relation to repairs and court costs and includes recharges for major repair works.

#### (f) Bad Debts

A provision for bad debts is made in line with our policy and is dependent on the age of the debt.

## (g) Housing Fixed Assets **Tangible Fixed Assets**

Tangible fixed assets are accounted for at cost, with the transferring properties measured at fair value (i.e., EUV-SH for accounting purposes). The assets are depreciated over their useful lives.

#### **Shared Ownership**

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as unsold current assets and any sales made during the year are included within turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

### **Development**

Development costs of properties are capitalised where the costs are directly attributable to bringing the properties into working condition for their intended use.

### **Capitalisation of interest**

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 grant received in advance to the extent that they can be deemed to be financing the development programme.

#### **Government grants**

Government grants include grants receivable from Homes England and other government organisations. Government grants received for housing properties are recognised in comprehensive income over the useful life of the housing property structure under the accruals model.

As part of the stock transfer, a scheme of 101 properties were included, which had been subject to government grant of £8.126m. The fair value of the obligation to repay or recycle the government grant is reflected in the fair value of the housing properties and therefore no additional value is attributed to the government grant transferred.

A further 70 properties have been acquired from other Registered Housing providers with a grant liability of £1.696m. This is reflected in the fair value of the housing properties with no additional value attributed to the government grant transferred.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate providing all conditions of the grant have been met.

#### **Contingent Liability**

If the properties with social housing grant were disposed there would be a liability to repay or recycle the grant identified above. During the period from transfer to 31 March 2025 there has been six preserved right to buy disposals and a scheme change of use. There was nil grant liability associated with these properties so nil grant was transferred to the Recycled Capital Grant Fund to be utilised accordingly, see Note 21 for remaining RCGF balance.

#### **Depreciation**

Completed housing properties have been split between their land and structure costs and a specific set of major components that require periodic replacement. Land is not depreciated.

Replacement of such a component is capitalised and then depreciated over the estimated useful life of the component at the following economic lives:

Component	UEL (years)
Structure Traditional	70 to 100 years straight line
Structural Non Traditional & High Rise	40 to 60 years straight line
Kitchens	25 years straight line
Bathrooms (inc wetrooms)	35 years straight line
Communal Improvements	15 years straight line
Electrics	40 years straight line
Heating System	30 years straight line
Hydro Pumps	10 years straight line
Boilers Communal	30 years straight line
Boilers Domestic	15 years straight line
Pitched roofs	80 years straight line
Flat Roof (High Rise)	30 years straight line
Roofline	35 years straight line
Windows	35 years straight line
External Doors	35 years straight line
Lifts	20 years straight line
CCTV & Door Entry System	15 years straight line
External Curtilage (Parking & Fencing)	20 years straight line
Cladding & Rendering for Tower Blocks	40 years straight line
Insulation (low-rise & houses)	30 years straight line
Sprinklers	40 years straight line

### (h) Other Tangible Assets

Depreciation is provided on all other tangible fixed assets, at rates calculated to write off each asset evenly over its expected useful life as follows:

Office property improvements	4 years straight line
Scheme assets	3 years straight line
Environmental equipment	3 years straight line
Computer equipment	4 years straight line
Fixtures, fittings & equipment	4 years straight line

### (i) Disposals

The surpluses or deficits arising from disposal of properties under the preserved right to buy legislation are disclosed within SOCI surplus/(loss) on disposal of properties.

### (j) Operating Leases

Operating lease rentals paid are charged to the income and expenditure account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to the Statement of Comprehensive Income over the term of the non-cancellable lease.

#### (k) Pensions

The Association participates in two pension schemes

1) Local Government Pension Scheme (LGPS), a multi-employer defined benefit scheme administered by The Greater Manchester Pension Fund (GMPF). The pension scheme assets are measured at fair value and liabilities are measure on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method is recognised in the group's Statement of Financial Position as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. For the year ending March 2025 no refunds or reductions in contributions have been received, or can be expected to be received, and so management's judgement is to adopt the requirements of FRS 102 (paragraph 28.22) and recognise a balance of nil for the pension asset/liability. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Actuarial gains and losses are reported in other comprehensive income. Actuarial valuations are obtained at least triennially and are updated at each reporting date. The scheme is now closed to new entrants.

The principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at the 31 March 2025	Approximate % increase to Defined Benefit Obligation	Approximate monetary amounts (£'000)	
0.1% decrease in Real Discount Rate	2%	666	
1 year increase in member life expectancy	4%	1,201	
0.1% increase in salary increase rate	0%	34	
0.1% increase in the pension increase rate (CPI)	2%	650	

2) A defined contribution scheme operated by Aviva where contributions payable in the year are charged to the income statement in the period to which they relate. Judgements & Estimation uncertainty in a/c policies, the cost of defined benefit pension plans, and other postemployment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about rates of inflation, discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty and have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

#### (I) Cost Allocation

Employee costs and overheads have been apportioned to the various operating costs in proportion to the amount of time spent on those activities.

Turnover does not include receipts generated from right to buy sales nor from sales of non-social housing assets. Net sales proceeds from right to buy sales and non-social housing assets sales are disclosed within the Income and Expenditure Account as surplus on disposal of housing properties.

### (m) Loan Arrangement Fee

Loan arrangement fees are written off evenly over the life of the related loan. Loans are stated in the balance sheet at the amount of the net proceeds after arrangement costs, with premiums and costs of issue being accounted for in accordance with FRS 102 Section 11.

### (n) Value added tax (VAT)

Salix Homes charges Value Added Tax (VAT) on some of its income and is therefore able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Company and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the yearend is included as a current liability or debtor.

#### (o) VAT Shelter

Salix Homes has an approved VAT Shelter which commenced in March 2015 and is expected to last for 15 years from that date. As a result, expenditure incurred on the Improvement Programme under this arrangement is expected to be recovered in full, with these being distributed between Salix Homes and the Council in accordance with the terms in the transfer agreement. The Salix Homes element has now been maximised with all sums now being paid over to the Council. The balance of VAT recoverable at the year-end will be included as a current asset in the statement of financial position.

### (p) Corporation tax

Salix Homes Limited has charitable status and therefore it is exempt from income and corporation tax on its income and gains falling within Chapter 3 Part 11 of the Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

However, if Salix Homes incurs any income or costs that are not considered to be charitable activities, then it will be subject to corporation tax on those costs. Taxation is charged on the surpluses of SHDL and SLL, surpluses in either whole or part are transferred to the parent by gift aid. Corporation tax payable is calculated at the rates prevailing at the balance sheet date.

#### (q) Finance costs

Finance costs are charged to the income and expenditure account in the year.

#### (r) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued or prepaid at the balance sheet date.

#### (s) Provisions for Liabilities and Charges

Provisions represent Salix Homes' liability to undertake the refurbishment works under the Development Agreement entered into with Salford City Council, as detailed in Note 25.

### (t) Service Charges

Salix Homes operates variable service charges on a scheme by scheme basis in consultation with residents. The charges will include an allowance for the surplus or deficit from the prior year, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the statement of financial position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with residents. Until these costs are incurred this liability is held in the statement of financial position within long-term creditors.

#### (u) Financial instruments – debt

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model.

#### (v) Investment in Joint Venture

The Group has approved a £3m investment into Hive Homes which is a Greater Manchester Joint Venture; profit share is realised on cash receipt.

# 3 – Turnover, operating costs and operating surplus

## 

Group	Note	Turnover £′000	Operating Costs £'000	Surplus on Disposals £'000	Operating Surplus £'000
Social Housing Lettings	4	44,211	(36,083)	_	8,128
Other Social Housing					
Development Services		_	(250)		(250)
1st Tranche Sales (S/O)		2,792	(3,145)		(353)
Surplus on disposal of properties		_	_	2,039	2,039
Non-Social					
Other		873	(1,666)		(793)
Communal Heating		274	(368)		(94)
Managed for others		3	6		9
Outright Sales		_	(25)		(25)
Roof Space Income		78	(34)		44
Private Sector Owned		143	(37)		106
Private Sector Leasing		924	(882)		42
		49,298	(42,484)	2,039	8,853

## 

Group	Note	Turnover £′000	Operating Costs £'000	Surplus on Disposals £'000	Operating Surplus £'000
Social Housing Lettings	4	39,570	(34,010)	_	5,560
Other Social Housing					
Development Services		_	(64)		(64)
Exceptional		_	(65)		(65)
Surplus on disposal of properties		_	_	1,846	1,846
Surplus on sale of OFA		10	(2)		8
Non-Social					
Other		672	(903)		(231)
Communal Heating		352	(536)		(184)
Managed for others		491	(488)		3
Outright Sales		3,415	(3,434)		(19)
Roof Space Income		101	(23)		78
Private Sector Owned		173	(62)		111
Private Sector Leasing		709	(894)		(185)
		45,493	(40,481)	1,846	6,858

# 3 – Turnover, operating costs and operating surplus (continued)

### 

Association	Note	Turnover £′000	Operating Costs £'000	Surplus on Disposals £'000	Operating Surplus £'000
Social Housing Lettings	4	44,211	(36,083)		8,128
Other Social Housing					
Development Services		_	(246)		(246)
1st Tranche Sales (S/O)		2,792	(3,145)		(353)
Surplus on disposal of properties				2,039	2,039
Non-Social Housing Activities:					
Other		873	(1,666)		(793)
Communal Heating		274	(368)		(94)
Managed for others		3	6		9
Outright Sales		_	(25)		(25)
Roof Space Income		78	(34)		44
Private Sector Owned		143	(37)		106
Private Sector Leasing		924	(882)		42
		49,298	(42,480)	2,039	8,857

### 

Association	Note	Turnover £'000	Operating Costs £'000	Surplus on Disposals £'000	Operating Surplus £'000
Social Housing Lettings	4	39,570	(34,010)	_	5,560
Other Social Housing					
Development Services			(57)		(57)
Exceptional			(65)		(65)
Surplus on disposal of properties				1,846	1,846
Surplus on sale of OFA		10	(2)		8
Non-Social					
Other		672	(903)		(231)
Communal Heating		352	(536)		(184)
Managed for others		491	(488)		3
Outright Sales		3,415	(3,434)		(19)
Roof Space Income		101	(23)		78
Private Sector Owned		173	(62)		111
Private Sector Leasing		709	(894)		(185)
		45,493	(40,474)	1,846	6,865

# 4 – Income and expenditure from Social Housing

	General		SO	Intermediate	2025	2024
	Needs Housing	Housing £'000	£'000	Market Rent £'000	<b>Total</b> £'000	<b>Total</b> £'000
	£'000					
Income from Social Housing Lettings						
Rent Receivable	36,981	1,308	23	1,775	40,087	35,618
Service Charge Income	2,586	400	_	(5)	2,981	2,385
Amortised Grant	429	_	_	82	511	338
Government Grant taken to Income	349	_	_	_	349	957
Charges for Support Services	1	71	_	_	72	71
Other Income	210	_	_	1	211	201
Total Income from Social Lettings	40,556	1,779	23	1,853	44,211	39,570
Expenditure on Social Housing Lettings	5					
Management	10,370	2	1	1	10,374	10,463
Service Charge costs	3,248	445	_	62	3,755	3,610
Routine Maintenance	12,836	308	_	38	13,182	11,430
Planned Maintenance	1,369	53	_	7	1,429	1,558
Major Works Maintenance	785	4	_	_	789	1,607
Rent Loss from Bad Debts	150	11	_	2	163	194
Depreciation of housing properties	5,432	121	23	577	6,153	5,043
Impairment	_	_	145	_	145	-
Component Disposals	93	_	_	_	93	99
Other Costs	_	_	_	-	_	6
Total Expenditure on Social Housing Lettings	34,283	944	169	687	36,083	34,010
Operating Surplus on Social Housing Lettings	6,273	835	(146)	1,166	8,128	5,560
Void Losses	263	14	_	135	412	306
			_			

## 5 - Staff numbers & costs

Group & Association		
Average Number Employed	2025 No	2024 No
Executive Officers	4	4
Office, estate & operative staff	213	190
Maintenance	69	64
Caretakers and cleaners	25	25
	311	283
Part-time	22	15
Full-time	289	268
Total	311	283
Full time equivalents	301	283

Full-time equivalents have been calculated using the normal hourly week of 36 hours or 38 hours for repair operatives.

Staff Costs for the Above	2025 No	2024 No
Salaries	11,303	10,257
Social Security Costs	1,176	1,055
Other Pension Costs	1,059	1,270
	13,538	12,582

Employee Remuneration (including employer pension) greater than £60,000	2025 No	2024 No
£60,000 - £70,000	15	6
£70,000 – £80,000	1	3
£80,000 - £90,000	_	1
£90,000 - £100,000	5	2
£100,000 - £110,000	2	_
£110,000 - £120,000	_	1
£120,000 - £130,000	2	2
£130,000 - £140,000	1	_
£140,000 - £150,000	_	_
£150,000 - £160,000	_	_
£160,000 - £170,000	_	_
£170,000 - £180,000	_	1
£180,000 - £190,000	_	_
£190,000 – £200,000	1	_
Total	27	16

# 6 – Board of Management (executive and non-executive)

Association	<b>2025</b> £'000	<b>2024</b> £'000
The aggregate amount of emoluments payable or receivable by executive	572	596
directors and former executive directors	372	390
The aggregate amount of emoluments payable to Board of Management	123	114
The emoluments by member is as follows, rounded to the nearest £'000:		
Ahmed Abdulmalek	6	5
Aisling McCourt	8	7
Charlotte Haines	7	7
Charlotte Williamson	_	5
Cynthia Alloyoa	6	5
Gareth Evans	6	5
Greg Van Enk-Bones	3	5
Greig Lees	_	4
Jason Ridley	4	-
Jack Buckley	3	_
Jim Battle (former Chair)	5	9
Jason Marland	5	5
John Beattie	3	-
Karen Hamilton – Hulse	4	5
Keri Lee Muldoon	6	5
Khalil Rehman	3	5
Mark Beyer	7	7
Marta Diaz	6	5
Martin Warhurst (new Chair)	11	3
Monika Liskiewicz	5	_
Pamela Welsh	5	5
Paul Martin	6	5
Paul Whitehead	_	4
Philip Johnson	8	3
Rashida Owoseni	6	5
Victoria Gallagher	_	5
	123	114
The emoluments (excluding pension contributions) of the highest paid (the Chief Executive) were: Director	161	144
Total expenses reimbursed to the Board of Management	-	-

# 6 - Board of Management (executive and non-executive) (continued)

### 6 Board of Management (executive and non-executive)

The Chief Executive is an ordinary member of the pension scheme as detailed in Note 12. The pension scheme is a career average salary scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the employer of £29,684 (2024: £26,685) was paid in addition to the personal contributions of the Chief Executive.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

## 7 - Surplus on sale of housing properties

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Disposal Proceeds	2,747	2,442	2,747	2,442
Carrying value of asset	(623)	(569)	(623)	(569)
Other costs associated with sale	(85)	(26)	(85)	(26)
	2,039	1,846	2,039	1,846

## 8 - Interest receivable

	<b>Group 2025</b> £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Finance income from bank deposit	56	29	56	29
Interest from GMJV	88	83	_	-
Intra Group Interest receivable	_	_	179	115
Finance costs on pension actuarial gains	1,139	_	1,139	-
	1,283	112	1,374	144

# 9 - Interest and financing costs

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Finance costs on secured housing loans	5,065	4,414	5,065	4,414
Non-utilisation fees	102	56	102	56
Write off 2015 loan costs	-	259	_	259
Amortisation of loan fees	164	126	164	126
Other associated fees	26	52	25	52
Finance costs on pension actuarial gains	_	2	_	2
	5,357	4,909	5,356	4,909
Less: interest capitalised on housing properties under construction	405	1,090	405	1,090
	4,952	3,819	4,951	3,819

During 2025 capitalised interest was charged at an average of 5.25% (2024: capitalisation rate = 4.45%). WACC as at 31 March 2025 was 5.17% (2024: WACC was 5.41%)

## 10 - Taxation

Salix Homes has charitable status and therefore it is exempt from corporation tax on its income and gains falling within chapter 3 Part 11 of the Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The taxation shown below relates to non social activities classed as non charitable trading activities.

10a Taxation for the current year is nil	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Current Tax:				
UK Corporation Tax charge for the year	_	_	_	_
Under/(over) provision in previous years	_	-	_	_
Tax on surplus on ordinary activities	_	-	_	-
(b) Factors affecting tax charge in period				
Surplus on ordinary activities before tax	6,035	4,393	6,131	3,190
Surplus on ordinary activities multiplied by standard rate of corporate tax in UK of 25% (2024:25%)	1,509	835	1,533	798
Effects of:				
Surplus relating to charitable activities	(1,563)	(849)	(1,563)	(849)
Items not allowable for tax purposes	_	_	_	_
Increase/(decrease) in losses/utilisation of charges on income	54	14	30	51
Adjustment in respect of prior years	_	_	_	_
Tax on profit on ordinary activities	-	_	-	-

## 11- Surplus on ordinary activities

The surplus on ordinary activities is stated after charging:	<b>Group 2025</b> £'000	Group 2024 £'000	Association 2025 £'000	Association 2024 £'000
Depreciation – Housing Properties	6,184	5,043	6,184	5,043
Depreciation – Component Disposals	93	99	93	99
Depreciation – Other Fixed Assets	217	347	217	347
Amounts due in respect of operating leases:				
– Land & Buildings	950	819	950	819
– Other	392	328	392	328
Auditor's remuneration:				
– in their capacity as auditors	27	26	24	24
– other than as auditors	11	5	11	5

## 12 - Pensions obligations

### **Local Government Pension Scheme**

The organisation participates in the Greater Manchester Pension Fund, a defined benefit career average pension scheme. The assets of the scheme are invested and managed independently of the finances of the organisation. Contributions to the fund are made in accordance with valuations made by professionally qualified independent actuaries. The total contributions made for the year ended **31 March 2025 were £1,184,893** of which employer's contributions totalled **£860,675** and employees contributions totalled £324,218. The agreed contribution rates for future years are 18.5% for employers and range from **5.5% to 11.4%** for employees with contributions based on the actual pay earned.

### **Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund 31 March 2025.

	2025	2024
Rate of increase for pensions in payment / inflation	2.8%	2.8%
Rate of increase in salaries	3.6%	3.6%
Discount rate for scheme liabilities	5.8%	4.9%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations at retirement age of 65 are:

	2025	2024
Retiring today		
Males	19.5 years	19.6 years
Females	23.3 years	23.3 years
Retiring in 20 years		
Males	20.6 years	20.7 years
Females	24.7 years	24.7 years

## Local Government Pension Scheme (continued)

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income	<b>2025</b> £′000	<b>2024</b> £'000
Employer service cost (net of employee contributions)	762	912
Past service cost	_	102
Total operating charge	762	1,014
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	2,849	2,575
Interest on pension liabilities	(1,710)	(2,577)
Amounts charged/credited to financing costs	1,139	(2)
Movement in Assets and Obligations for the year		
Pension Scheme Assets	61,452	58,492
Scheme obligations	(30,018)	(35,056)
Net Actuarial asset/(obligation) on scheme recognised	31,434	23,436

Movement in (deficit) / surplus during year	2025	2024
	£'000	£'000
(Deficit)/Surplus in scheme at beginning of year	_	-
Movement in year:		
Employer service cost (net of employee contributions)	(762)	(1,014)
Employer contributions	865	899
Past service cost	_	-
Net interest/return on assets	1,139	(2)
Re-measurements	6,756	23,553
Surplus not recognised*	(7,998)	(23,436)
Surplus/(Deficit) in scheme at end of year	_	_

<sup>\*</sup>The plan has a gross surplus at the reporting date of £31,434 million and the Association can recognise an asset in the balance sheet to the extent that it is able to recover either through reduced contributions in the future, or through refunds from the plan. The plan surplus (asset ceiling) has been calculated by the scheme actuary to be zero and therefore the surplus of £31,434 million has not been recognised in the balance sheet as a result.

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2025

Period ended 31 March 2025	Assets £'000	Obligations £'000	Net asset / (liability) £'000
Fair value of plan assets	58,492	35,056	58,492
Present value of funded obligations			35,056
Effect of the asset ceiling			0
Opening Position as at 31 March 2024	58,492	35,056	23,436
Current service cost*	_	762	(762)
Total service cost	-	762	(762)
Net interest			
Interest income on plan assets	2,849	_	2849
Interest cost on defined benefit obligation	_	1,710	(1,710)
Total net interest	2,849	1,710	1,139
Total defined benefit cost recognised in Profit or (Loss)	2,849	2,472	377
Cashflows			
Participants' contributions	326	326	_
Employer contributions	865		865
Benefits paid	(615)	(615)	-
Expected closing position	61,917	37,239	24,678
Remeasurements			
Changes in financial assumptions	_	(6,859)	6,859
Changes in demographic assumptions	_	(60)	60
Other experience	<del>-</del>	(302)	302
Return on assets excluding amounts	(465)		(465)
included in net interest			
Total remeasurements recognised in Other Comprehensive Income	(465)	(7,221)	6,756
	61.452		61.452
Fair value of plan assets	61,452	30,018	61,452 (30,018)
Present value of unfunded obligations**		30,018	(30,016)
Closing position as at 31 March 2025	61,452	30,018	31,434

Fair value of pension scheme assets

Asset Category	Asset value 31 Mar 2025 £'000	% of total
Equity	23,300	38%
Investment Funds And Unit Trusts	22,033	36%
Debt Security	7,209	12%
Private Equity	3,869	6%
Real Estate	3,207	5%
Cash	1,872	3%
Derivatives	(37)	0%
Total	61,452	100%

### 12.1 Aviva Pension Scheme

The Aviva Pension Scheme is a defined contribution scheme and is Salix Homes' auto enrolment scheme. Contributions are based on a fixed percentage of salary. Participation as an employer in the scheme commenced on 1 April 2017. The total contributions for the year ending **31 March 2025 were** £515,102 (2024: £419,012), made up of £309,047 employer and £206,055 employee contributions. The employer contribution rates are 1.5 times the employee rates, the latter ranging between 3.2% minimum to 6% maximum.

# 13 – Housing properties

	Properties Held for Letting Social Housing £'000	Properties Held for Letting IMR Housing £'000	Properties under construction Social Housing £'000	Properties Held for Letting Non-Social Housing £'000	Properties Held for Letting Shared Ownership £'000	Association 2025 Total Properties £'000	Group 2025 Total Properties £'000
Cost							
At start of year	195,357	32,224	10,654	1,681	_	239,916	239,369
Addition of properties	-	-	12,002	-	3,265	15,267	15,123
Works to existing properties	10,800	-	-	-	_	10,800	10,800
Interest Capitalised	_	_	405	_	_	405	405
Schemes completed	7,702	-	(7,702)	-	-	-	-
Disposals	(870)	-	-	(1)	-	(871)	(871)
Transfer (to)/from Current Assets	_	_	(1,832)	-	765	(1,067)	(1,067)
Transfer from Other Fixed Assets	-	-	807	-	-	(807)	(807)
Transfer to Investment Property	_	_	(731)	_	_	(731)	(731)
At end of year	212,989	32,224	13,603	1,680	4,030	264,526	263,835
Less Depreciation							
At start of year	25,417	643	_	109	_	26,169	26,169
Depreciation charged in year	5,761	464	-	30	23	6,278	6,278
Disposals	(246)	_	_	(1)	-	(247)	(247)
Reclassification	(115)	113		2	_		_
At end of year	30,817	1,220	_	140	23	32,200	32,200
Net Book Value							
At start of year	169,940	31,581	10,654	1,572	_	213,747	213,200
At end of year	182,172	31,004	13,603	1,540	4,007	232,326	231,635

# 13 - Housing properties (continued)

Additions to properties during the period include capitalised interest and finance costs of £405k (2024: £1,090k) and additions to components include capitalised staff costs of £957k (2024: £715k). Costs for the Salix Group are presented less than for the association as a result of consolidation accounting for the inter group activity between Salix Homes and Salix Homes Developments Limited.

## 13.1 - Expenditure on works to existing properties in the year

						<b>2025</b> £'000	<b>2024</b> £'000
Components capital	ised					10,800	11,975
Amounts charged to	expenditure (	operating costs	5)			15,400	14,646
Total expenditure or	n works to exis	ting properties	in the year			26,200	26,621
14 – Other f	fixed ass	ets					
	Office Properties & mprovements to Leaseholds £'000	Computer Equipment £'000		Furniture, Fittings and Equipment £'000	Commercial Units £'000	<b>2025 Total</b> £'000	<b>2024 Total</b> £'000
Cost							
At start of year	1,087	2,967	92	292	1,086	5,524	4,498
Additions	_	95	_	39		134	1,058
Reclassification	92	_	(41)	41	(92)	_	-t
Transfer to Housing Fixed Assets	-	_	_	_	(807)	(807)	_
Transfer to Investment Property	<u> </u>	-	_	-	(187)	(187)	-
Disposals	_	_	_	(3)	_	(3)	(33)
At end of year	1,179	3,062	51	369	_	4,661	5,524
Less Depreciation							
At start of year	970	2,763	37	191	9	3,970	3,653
Charge for year	41	115	7	58	3	224	347
Reclassification	4	-	_	-	(4)	_	_
Transfer to Investment Property	_	_	_	_	(8)	(8)	-
Disposals	_	_	_	(3)	_	(3)	(30)
At end of year	1,015	2,878	44	246	_	4,183	3,970
Net Book Value							
At start of year	117	204	55	101	1,077	1,554	845
At end of year	164	184	7	123	_	478	1,554

## 15 - Investments in jointly controlled interests

In the consolidated accounts, interests in jointly controlled entities are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs).

Active trading joint ventures, all established in the UK, as at 31 March 2025 were as follows:

			2025			2024	
Joint venture entity	Partner(s)	Interest %	Equity investment £'000	Loans provided to JV £'000	Interest %	Equity investment £'000	Loans provided to JV £'000
GMJV Fundco LLP	Salix Homes Development Limited and nine other Greater Manchester Registered Providers	10%	800	1,461	10%	800	1,461

Salix Homes Development has entered into a joint venture arrangement with nine 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 Salix Homes Developments will be investing up to £3m as a mix of debt and equity into Hive Homes.

## 15.1 – share of profit/(loss) in Joint Venture

	<b>2025</b> £'000	<b>2024</b> £'000
Share of profit / (loss) in Joint Venture	<del>-</del>	29

### 15.2 - Investment properties held for letting

	<b>2025</b> £′000	<b>2024</b> £'000
At the start of the year	-	-
Transfer from Housing Fixed assets	731	-
Transfer from Other Fixed Assets	179	_
Increase in value	857	_
At end of the year	1,767	

## 16 - Debtors

	Group	Group	Association	Association
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Arrears of rent, service charges and other debt	2,907	2,678	2,907	2,678
Less: Provision for bad and doubtful debts	(1,320)	(1,177)	(1,320)	(1,177)
	1,587	1,501	1,587	1,501
Amounts due from Group undertakings	-	_	179	171
HMRC	568	413	486	412
Prepayments	901	652	901	652
Trade debtors	191	229	191	229
GMJV	88	83	_	_
Social Housing Grant receivable	8,111	6,459	8,111	6,459
Other receivables	582	760	582	760
Prepayment of improvement contract	19,076	20,031	19,076	20,031
	31,103	30,128	31,113	30,215
Due after more than one year				
Inter Company Loan	_	_	2,261	2,262
Prepayment of Improvement Contract	3,429	13,735	3,429	13,735
Loan to Joint Venture (Note 15)	1,461	1,461	_	_
	4,890	15,196	5,690	15,996

# 17 - Stock & work in progress

	1,414	3,484	1,469	3,622
Impairment charged in year	(145)	_	(145)	_
Van stock	94	-	94	-
Transfer out	(7,135)	(3,415)	(7,218)	(3,415)
Transfer in (completed)	5,116	3,738	5,116	3,782
At start of year	3,484	3,161	3,622	3,255
Properties (outright sale and shared ownership) and Materials Stock	<b>Group 2025</b> £′000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000

# 18 - Cash and cash equivalents

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Cash at bank	1,084	5,496	1,004	5,305
-	1,084	5,496	1,004	5,305

# 19 - Creditors (amounts falling due within one year)

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Finance costs payable	1,023	860	1,023	860
Rent and service charges paid in advance	1,748	1,980	1,748	1,980
Accruals and deferred income	2,659	1,799	2,655	1,795
Trade Creditors	3,160	6,592	2,330	5,765
Amounts due to Group undertakings	_	_	870	868
Corporation Tax	_	_	_	_
Deferred Grant	610	941	610	941
General payables	54	1,236	54	1,236
Grant in Advance (Ethical Lettings)	59	99	59	99
HMRC	283	256	283	256
Recycled Capital Grant Fund	_	_	_	-
Other creditors	888	474	888	474
	10,483	14,234	10,520	14,274

# 20 - Deferred grant income

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Opening Balance	31,682	22,933	31,682	22,933
<ul> <li>Grants received during the year</li> </ul>				
Purchase/development of properties	11,797	8,773	11,797	8,773
Grants Recycled in the year	_	343	_	343
Grant disposed in year	(133)	(29)	(133)	(29)
Released to income in year	(511)	(338)	(511)	(338)
	42,835	31,682	42,835	31,682
To be released to the statement of compreh	ensive income			
Within one year	610	941	610	941
Greater than one year	42,225	30,741	42,225	30,741
	42,835	31,682	42,835	31,682

# 21 - Recycled capital grant fund

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Opening Balance	10	343	10	343
Proceeds utilised	_	(343)	_	(343)
Proceeds recycled	_	_	_	_
Notional finance costs charged	_	10	_	10
Closing Balance	10	10	10	10
Due in less than one year	_	_	_	_
Due in greater than one year	10	10	10	10
	10	10	10	10
	_			

# 22 - Creditors due after more than one year

Group & Association	<b>2025</b> £′000	<b>2024</b> £'000
Housing property loans	96,996	94,948
Deferred Grant (note 20)	42,225	30,741
Recycled Grant Fund (note 21)	10	10
	139,231	125,699
Housing Property Loans are repayable as follows:		
Due between 1-5 years	18,000	16,000
Due between 6-10 years	20,000	20,000
Due between 11-15 years	60,000	60,000
Nett of Loan arrangement fees	(1,004)	(1,052)
	96,996	94,948
Housing Loans were advanced by:-		
Banks	98,000	96,000
	98,000	96,000
As at 31 March 2025 all loans were in respect of Housing Properties.		
The loan portfolio is based on the following:		
Fixed facility at fixed rate of 5.20% (inc margin of 1.35%)	20,000	20,000
Fixed facility at fixed rate of 5.17% (inc margin of 1.40%)	60,000	60,000
Revolving Facility at variable rate plus 1.05% margin	18,000	16,000
	98,000	96,000
Total facilities undrawn at 31 March 2025 were £32m (2023: £24m)		
Loan Facility Undrawn		
Term	10,000	10,000
Revolving facility	22,000	14,000
	32,000	24,000

# 22 - Creditors due after more than one year (continued)

## 22.1 – Analysis of changes in long term financing during the year

	Group Housing Loans 2025 £'000	Group Housing Loans 2024 £'000	Association Housing Loans 2025 £'000	Association Housing Loans 2024 £'000
Balance at start of year	96,000	79,750	96,000	79,750
Shares issued	_	_	_	_
Shares surrendered	_	_	_	_
Changes in financing within one year	_	_	_	_
Cash inflow from financing	9,500	18,500	9,500	18,500
Loan repayments	(7,500)	(2,250)	(7,500)	(2,250)
Balance at end of year	98,000	96,000	98,000	96,000

## 22.2 – Reconciliation of net cashflow to movement in net debt

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Opening Cash at 1 April	5,496	2,231	5,305	2,211
Increase/(Decrease) in cash in the period	(4,412)	3,265	(4,301)	3,094
Closing Cash	1,084	5,496	1,004	5,305
Repayment of loans	7,500	2,250	7,500	2,250
Loans received	(9,500)	(18,500)	(9,500)	(18,500)
Changes in net debt	(6,412)	(12,985)	(6,301)	(13,156)
Net debt at 1 April	(90,505)	(77,520)	(90,695)	(77,539)
Net debt at 31 March	(96,917)	(90,505)	(96,996)	(90,695)

## 23 - Operating leases

As at 31 March 2025 Salix Homes Group had total commitments under non-cancellable operating leases as set out below:

	<b>2025</b> £′000	<b>2024</b> £'000
Land & Buildings	1,000	1 000
Lease period ending:		
within 1 year	804	562
2-5 years	2,559	1,196
	3,669	1,855
Other Operating Leases		
within 1 year	25	72
2-5 years	16	69
5 + years	0	0
	41	141

## 24 - Provisions

Group & Association	<b>2025</b> £'000	<b>2024</b> £'000
Opening balance	33,766	47,175
Utilised	(11,261)	(13,409)
	22,505	33,766

The provision for future improvement work is part of an agreement with Salford City Council to improve properties within the Salford Stock Transfer. The agreement commenced on 23 March 2015 and is for a 15 year period. This provision is offset by a prepayment debtor disclosed in Note 16.

# 25 - Non-equity share capital

	Group 2025	Group 2024	Association 2025	Association 2024
Shares of £1 each Issued and Fully Paid	£	£	£	£
At beginning of year	10	9	10	9
Issued during the year	2	1	2	1
Surrendered during the year	(3)	0	(3)	-
At end of year	9	10	9	10

The shares are not transferable or redeemable. The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions. Each member's liability is limited to £1 on a winding up of the Company.

## 26 - Grant and financial assistance

	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association 2025 £'000	Association 2024 £'000
Total accumulated government grant and financial assistance received or receivable	14,923	13,890	14,923	13,890
Recognised as income in Statement of Comprehensive Income	349	957	349	957
Held as deferred capital grant	_	76	_	76
	15,272	14,923	15,272	14,923

## **27** – Revenue & capital commitments

	Group 2025	Group 2024	Association 2025	Association 2024
	£'000	£'000	£'000	£'000
Revenue & Capital expenditure that has been contracted for but not provided for in the financial statements	54,500	36,657	55,484	36,675
Proposed method of financing:-				
Cashflow	2,021	10,500	3,005	10,518
Grant	18,096	7,134	18,096	7,134
Property Sales	6,275	7,597	6,275	7,597
Agreed Loans	28,108	11,426	28,108	11,426
	54,500	36,657	55,484	36,675
Capital expenditure that has been authorised by the Board of Management but not contracted for	3,032	25,595	3,032	26,388
Proposed method of financing:-				
Cashflow	2,452	6,075	2,452	6,868
Property Sales	_	_	_	_
Grant	580	9,520	580	9,520
Agreed Loans	_	10,000	_	10,000
	3,032	25,595	3,032	26,388

## 28 - Contingent liability

As at 31 March 2025 Salix Homes Limited has a contingent liability in respect of properties which were subject to government grant of £9.2m. The fair value of the grant is reflected in the fair value of the housing properties. If the properties with social housing grant were disposed of there would be a liability to recycle or repay the grant. To date there has been six property disposals and a scheme change of use trigger which has resulted in £0.6m being recycled leaving a balance of £9.2m.

# 29 – Cashflow from operating activities

Ownership	•	(3,415)		(3,415)
Proceeds from the sale of tangible fixed assets  Proceeds from the sale of Shared	2,792	(2,493)	2,792	(2,493)
Government grants utilised in year	(349)	(604)	(349)	(604)
Adjustments for investing or financial activit  Ethical Lettings	ies (40)	(93)	(40)	(93)
Impairment of shared ownership properties	145	_	145	_
Cost of properties for outright sale	-	3,434	_	3,434
Cost of properties for SO	3,145	0	3,145	0
Carrying amount of tangible fixed asset	623	567	623	567
Pension cost less contributions payable	(103)	115	(103)	115
Revaluation of commercial units	(851)	(203)	(851)	(203)
Amortised government grants  Corporation Tax	(511)	(338)	(511)	(338)
Increase/(Decrease) in trade and other creditors	(3,754)	9	(3,586)	499
(Increase)/Decrease in trade and other debtors	(356)	(480)	(314)	(614)
Depreciation of tangible fixed assets	6,494	5,489	6,494	5,489
Adjustments for non-cash & other items:	<u></u>			
Surplus for the year	6,035	3,180	6,131	3,190
	<b>Group 2025</b> £'000	<b>Group 2024</b> £'000	Association <b>2025</b> £'000	Association 2024 £'000

# 30 – Accommodation owned & managed

Social housing accommodation in management	2025	2024
Social rent	7,278	7,305
Affordable Rent	56	24
Housing for Older Persons (HOPS)	299	299
Keyworker	26	26
Intermediate Market rent (Rent to Buy)	180	180
Shared Ownership	29	0
Temporary Accommodation	14	14
Total Units	7,882	7,848
Social housing managed by others		
Social rent	116	116
Total Units	116	116
Non-social housing accommodation in management		
Asylum Seekers	0	9
Other	14	14
Managed for others	101	106
Leaseholders	556	528
Total Units	671	657
Non-residential in management		
Shops	35	36
Office	4	2
Garages	165	165
Social units in ownership		
Social Housing Accommodation	7,882	7,848
Tenant Management Organisation (TMO)	70	70
Temporary Accommodation managed by others	46	46
	7,998	7,964
The social housing owned units movement is as follows:		
Reason for movement	No's	No's
Development of newbuild properties	66	120
Preserved right to buy sales	(38)	(30)
Right to Acquire	(3)	(2)
Total movement in year	25	88

## 31 - Group undertakings

The consolidated financial statements incorporate the financial statements of Salix Homes Limited (parent) and Salix Homes Developments Limited and Salix Living Limited.

	<b>2025</b> £'000	<b>2024</b> £'000
Amounts contracted for with Salix Homes Developments Limited	4,212	4,308
Amounts charged to Salix Homes Developments Limited for management and administration	152	122
Amounts charged for interest payable	179	115

Salix Living Limited is currently dormant.

These companies are non-registered entities and are incorporated under the Companies Act 2006.

These transactions are not included within Group as they are netted off on consolidation.

A parent guarantee was issued by Salix Homes Limited for the initial phase of Beech Farm that has been contracted for by Salix Developments Limited to Vistry Partnerships Limited at a contract sum of £6,680k, the only sum outstanding is the retention element of £92k which is disclosed in Note 28; this remains unpaid due to outstanding planning conditions in relation to highways.

## 32 - Related parties

The Company retains a register of Directors interest. During the year there were no interests in related parties that require to be declared.

Salix Homes Limited had one board member who was a tenant. They had a tenancy agreement during the year; this was on the Company's normal terms and they could not use their position as a Board Member to their advantage. Rent and services charged to tenant board members was £5,815 (2024: £5,289). There are no arrears to report on the tenancy at the reporting period end 31 March 2025 (2024: Nil).

No other transactions took place with Directors.

Accounts payable & receivable transactions with entities in which Board and Directors had declared an interest are summarised below:

	<b>2025</b> £′000	<b>2024</b> £'000
Derive (Salford CC)	_	527
Greater Manchester Combined Authority	(4,550)	_
One Manchester	_	(10)
Salford City Council	2,748	(1,818)
Unite Union	3	3
University of Salford	2	1
Total	(1,797)	(1,297)





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