

Salix Homes Limited and its subsidiaries
Annual Accounts

For the year ending 31 March 2026



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Chair's introduction

This past year marked a significant milestone for Salix Homes as we celebrated our tenth anniversary. Since our formation in 2015, we have grown into a strong and resilient housing association, owning and managing over 8,000 homes and continuing to play a key role in supporting customers, investing in communities, and delivering affordable housing across Salford and Greater Manchester.

The year has been one of both achievement and transition. We continued to operate in an increasingly challenging environment – characterised by economic uncertainty, ongoing cost pressures and rising expectations around building safety, sustainability, and customer service. Despite these challenges, Salix Homes remained financially robust, maintained a strong governance framework, and continued to invest in our homes, services, and communities.

Throughout the year, we remained committed to delivering tangible benefits for our customers. We continued to invest in the quality and sustainability of our homes, supported customers through the pressures of the cost-of-living crisis, and further strengthened our approach to customer engagement, neighbourhood management, and service delivery. We are particularly proud that our homes continue to be amongst the most affordable in Salford, whilst we maintain significant investment in existing homes and local communities.

We also continued to make progress in improving the sustainability and energy efficiency of our homes. By the end of March 2026, only 6.5% of our homes had an EPC rating below C, outperforming the national, and Greater Manchester sector average and demonstrating our commitment to reducing carbon emissions and tackling fuel poverty for customers.

As we celebrate ten years of Salix Homes, it is important not only to recognise how far we have come, but also to focus on the opportunities ahead. Supported by strong governance, a clear strategic direction and a financially resilient business, we are well placed to respond to the challenges facing the sector whilst continuing to invest in our homes, services and communities.

Looking ahead, we enter the next phase of our journey with confidence and ambition. The launch of The Salix Way Corporate Plan provides a clear strategic direction – being focused on delivering great customer outcomes, investing in safe and sustainable homes, supporting thriving communities and maintaining a resilient and well-managed organisation. While the challenges facing our sector remain significant, Salix Homes is well placed to respond. Through prudent financial management, strong governance and continued investment in our homes and communities, we remain committed to helping our customers and neighbourhoods live, grow, and thrive together.

Finally, I would like to thank our customers, colleagues, Board members and partners for their continuing support, commitment, and contribution throughout the year. Their dedication remains central to everything we achieve as an organisation.



Martin Warhurst
Chair

Charitable Society registered under the Co-operative and Community Benefit Societies Act 2014 (FCA) – Registered Number 7051

Registered Provider with the Regulator of Social Housing – Registered Number 4609

Board, executives and advisors

Board		Appointed	Resigned
Martin Warhurst	Chair	26 Sep 2023	
Aisling McCourt	Vice-Chair	1 Apr 2020	
Mark Beyer	Chair – Remuneration & Governance Committee	1 Apr 2020	24 Mar 2026
Charlotte Haines	Chair – Customer Committee	15 Jan 2020	22 Sept 2026
Ahmed Abdumalek		28 Sep 2021	
Paul Martin		28 Sep 2021	
Philip Johnson	Chair – Assets & Sustainability Committee	26 Sep 2023	
Monika Liskiewicz		26 Apr 2024	22 Sept 2026
Jason Ridley	Chair – Audit & Risk Committee	24 Sep 2024	
Julie Guildford Smith		24 Mar 2026	
Independent Member		Appointed	
Les Warren		24 Mar 2026	
Executive Directors		Appointed	
Liam Turner	Chief Executive	1 Apr 2025	
Eric Tamanis BA(Hons) ACMA	Finance and Growth	3 Oct 2022	
Sarah Henderson PGDip, FCIPD	Business Services and Improvement	1 May 2025	
Gemma Parlbay MSc	Customer and Landlord Services	3 Nov 2025	
Company Secretary		Eric Tamanis	
Registered Office		Diamond House, 2 Peel Cross Road, Salford, M5 4DT	
External Auditor		Forvis Mazars, The Aviary, 4th Floor, 39 Booth Street, Manchester, M2 3HZ	
Internal Auditor		Menzies, One Express, 1 George Leigh Street, Ancoats, Manchester, M4 5DL	
Principal Bankers		NatWest, Manchester City Centre Branch, 11 Spring Gardens, Manchester, M2 1FB	

Strategic Report of the Board

About Salix Homes

Salix Homes is a community-based housing association owning and managing more than 8,000 homes across Salford and Greater Manchester. Established in 2015 following the transfer of homes from Salford City Council, the organisation’s primary purpose is to provide safe, good quality, affordable homes and to support communities to live, grow and thrive together.

The Group includes Salix Homes Developments Limited (SHDL), which supports the delivery of development opportunities and investment activity, and Salix Living Limited, which remains dormant.

2025 marked the tenth anniversary of Salix Homes. Over the past decade, the organisation has grown significantly – investing in homes, supporting customers, and delivering wider social value across the communities it serves.

Vision & Values

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 we do 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.



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.

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

During 2025/26 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.

Salix Homes will continue to build on these strong foundations during 2026/27.

Delivering The Salix Way

During 2025/26, Salix Homes launched The Salix Way, our Corporate Plan for 2026–2029. The plan sets out our ambition to deliver great customer outcomes, have skilled, talented and engaged colleagues, invest in safe and sustainable homes, support thriving communities, and maintain a resilient and well-managed organisation. These priorities provide the framework for decision-making, business planning, and performance monitoring across the Group.

Throughout the year, the Board and Executive Team have focused on embedding the Corporate Plan and ensuring that resources, investment, and service delivery remain aligned to these strategic objectives. Progress against the Corporate Plan is monitored regularly through a framework of performance indicators, strategic measures, and assurance reporting. Key achievements include:

- Continued investment in existing homes, building safety and sustainability
- Maintaining strong governance and financial resilience in a challenging operating environment
- Progressing customer engagement and service improvement activity
- Strengthening partnerships and delivering wider social value within local communities

Further information on performance and delivery against each of the Corporate Plan priorities is provided within the Strategic Report.

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 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

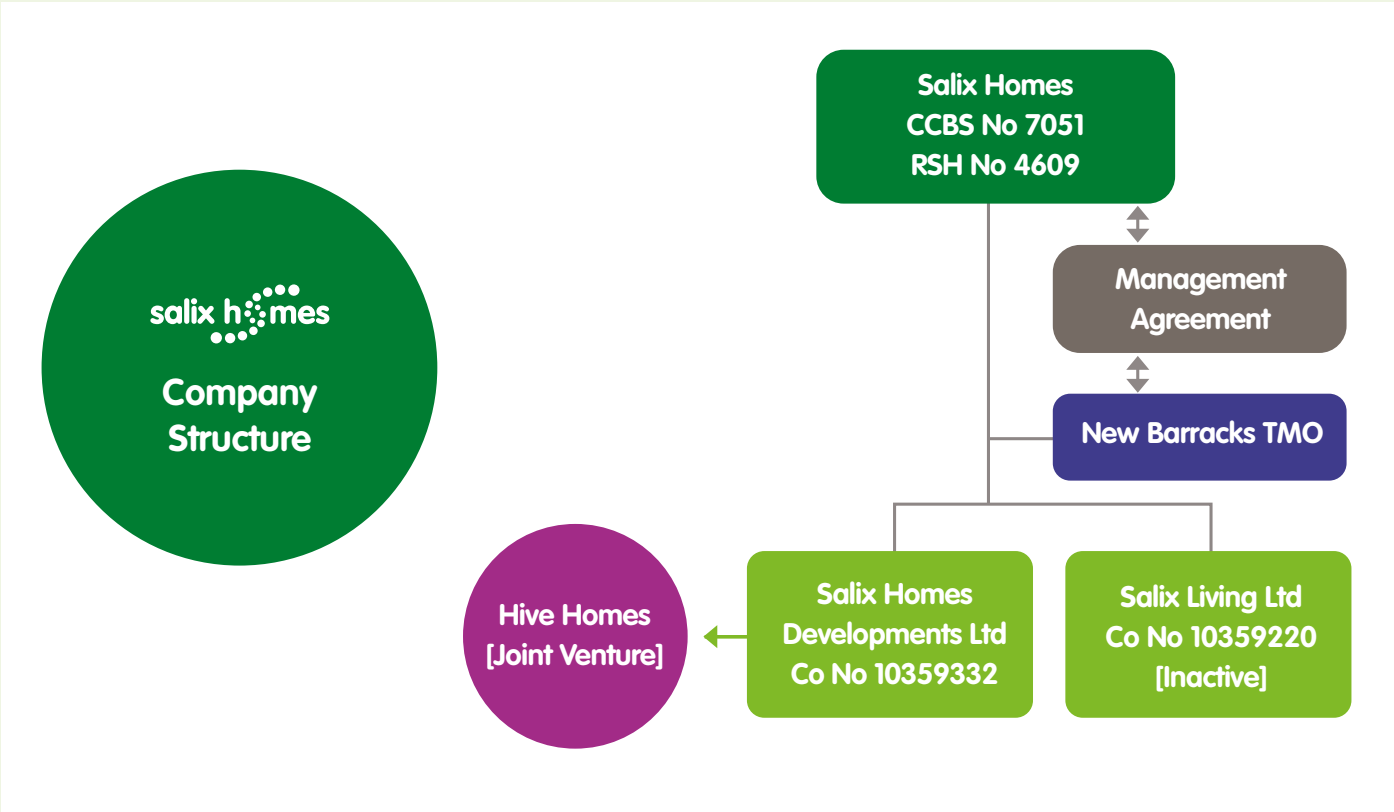
Salix Homes is a not-for-profit registered provider of social housing formed in 2015 after transferring housing stock from Salford City Council. It is a key delivery partner both in Salford and across Greater Manchester – building homes, delivering services, and investing in communities. The principal activity of the Group is the management, maintenance and development of good quality, safe and affordable homes.

As of 31 March 2026, Salix Homes owned and managed 8,026 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.

The legal structure of the group is illustrated in the diagram below.



Governance arrangements

The governance arrangements are the foundation for effective governance across the whole of the Salix Homes group.

The Governance Framework and standing orders outline our governance arrangements, responsibilities, and activities.

They reflect the requirements of us as a Registered Provider of social housing.

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 as set out in the Corporate Plan.

To do this, the Board establishes the organisation’s overall strategic direction, risk appetite, and the financial and treasury plans. The Board monitors compliance with its values and performance targets within a clearly defined framework of delegation and systems of control.

During 2025/26, the Board formally met on four occasions and held two formal Strategy Days. Attendance for 2025/26 was 89%.

Learning and awareness sessions were also held to provide additional opportunities for increasing member knowledge and awareness for key areas of the business. During 2025/26 these included emerging areas of risk (e.g. AI & Cyber Security) and changing regulatory requirements (e.g. the Competence & Conduct requirements).

At the end of March 2026, 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 range across the areas of finance, risk, strategic asset management, development, organisational development, equality, diversity and inclusion, housing management and customer experience.

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 are due to resign in September 2026 and March 2027.

During 2025/26, one Board member retired from office.

A new Board member and an Independent Committee Member (to sit on the Audit & Risk and Assets & Sustainability Committees) were appointed during 2025/26.

In planning succession, the Board is committed to achieving equality, diversity and inclusion, where possible, 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.

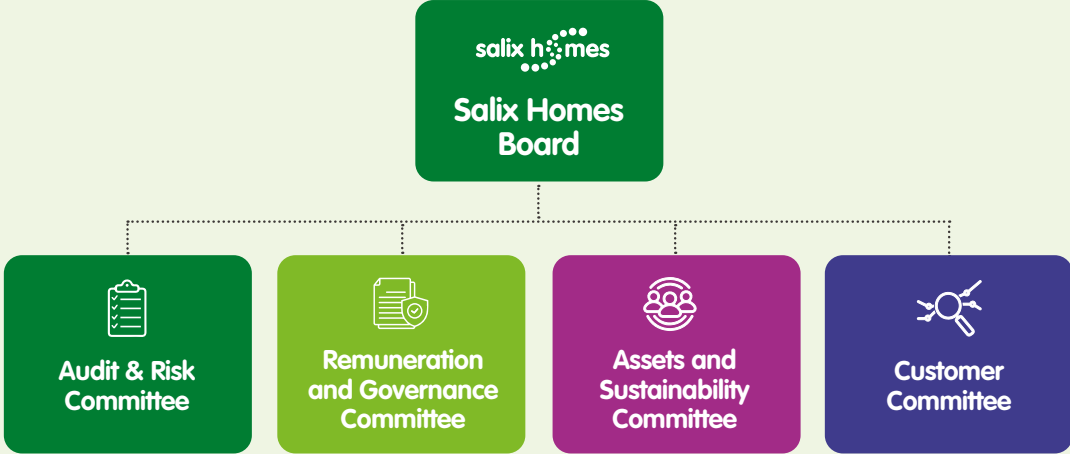
A number of members of Salix Homes Board have direct lived experience of social housing – helping to ensure that the Board is in a strong position to make informed and appropriate decisions for the organisation which always consider the impact on customers and their best interests in a challenging operating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

Four separate committees – each with their own Terms of Reference provide additional oversight and assurance to the Board in relation to the areas of their delegated authority and across all Salix Homes’ activities.



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, employer health & safety, and incident response planning. The Audit & Risk Committee considers the draft annual financial statements and recommends their approval to the Board.

During 2025/26, the Audit & Risk Committee met five times. All meetings were quorate.

A recruitment exercise was conducted in 2025/26 resulting in the appointment of an Independent Committee Member.

MEMBERS:
Jason Ridley (Chair)
Monika Liskiewicz
Les Warren (Independent)
(appointed 24 March 2026).
Attendance: 100%

Remuneration and Governance Committee



The Remuneration & Governance Committee has oversight of governance matters. During 2025/26 – this included commissioning the triennial external governance review.

It also advises the Board on succession planning, non-executive member remuneration, the appointment of the Executive team and colleague remuneration – taking independent advice and using consultants, as necessary.

During 2025/26, the Remuneration & Governance Committee met three times.

MEMBERS:
Mark Beyer (Chair, resigned 24 March 2026)
Monika Liskiewicz (Chair, appointed 25 March 2026), **Paul Martin**, **Martin Warhurst** and **Jason Ridley**
Attendance: 100%

Assets and Sustainability Committee



The Assets & Sustainability Committee has responsibility for oversight of growth, the development of new homes, building safety, property maintenance, landlord health & safety/ compliance and investment programmes. The Committee monitors the performance of these 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 Asset Management and Sustainability Strategy and associated action plans.

During 2025/26, the Assets & Sustainability Committee met four times.

MEMBERS:

Philip Johnson (Chair)

Aisling McCourt, Ahmed Abdulmalek, Charlotte Haines, and Les Warren (Independent) (appointed 24 March 2026)

Attendance: 94%

Customer Committee



The Customer Committee maintains oversight of compliance with the Regulator of Social Housing's Consumer Standards and that agreed customer service standards are being followed. The Committee reviews operational performance, the response to complaints and approves customer-facing policies and strategies.

The Committee use independent internal audit and scrutiny reviews as necessary to provide assurance.

The Committee met seven times during 2025/26 and held one Strategy Day.

The Customer Committee identifies and agrees areas for scrutiny 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.

Three members of the Customer Committee were appointed during 2025/26 and two stepped down.

MEMBERS:

Charlotte Haines (Chair)

Ahmed Abdulmalek (Board nominee), **Cynthia Alloyda** (resigned 31 Jan 2026), **Marta Diaz, Gareth Evans, Keri Muldoon, Rashidah Owoseni** (resigned 30 Sep 2025), **Jack Buckley, John Beattie, Helen Wallworth** (appointed 2 Sep 2025), **Victoria Burrows-Boon** (appointed 2 Sep 2025), **Gerald Arhin** (appointed 2 Sep 2025)

Attendance: 86%

Board and committee members are remunerated for their time and expertise in line with the organisation's policies. Levels of remuneration are independently market tested, with the most recent review taking place during 2025/26. All Board and committee members are subject to an annual appraisal.

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).

In line with the adopted Code of Governance, the Board of Salix Homes regularly reviews the structure of the Group. 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.

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 Intra Group Agreement (IGA). During 2025/26, there were no recorded areas of non-compliance 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's Regulatory Standards. A review against the Regulatory Standards is considered by the Board on an annual basis.

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.

During 2025/26, and in line with the expectations of the Code of Governance, Salix Homes commissioned an external Governance Review. The review confirmed "that the governance arrangements at Salix are effective (and) found no areas of non-compliance with either the National Housing Federation (NHF) 2020 Code of Governance or the Regulator of Social Housing (RSH) Governance Regulatory Standard".

In March 2026, the Board considered the annual review of compliance with relevant law. Overall, the annual review provided assurance to the Board that Salix Homes is complying with all relevant legislation in the round – with actions identified to further strengthen compliance during 2026/27.

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.'

Financial Review

Operating Environment

The operating environment remained challenging throughout 2025/26. Inflationary pressures, increasing investment requirements, evolving regulatory expectations and continued economic uncertainty have all contributed to a more demanding environment for social housing providers.

At the same time, expectations relating to building safety, sustainability and customer outcomes continue to increase. Salix Homes has remained committed to balancing these competing priorities whilst maintaining affordability for customers and ensuring that resources are directed towards delivering the objectives of The Salix Way.

Against this backdrop, the Group has continued to demonstrate strong financial management, maintaining financial resilience while investing in homes, communities, and services.

Financial Performance

The Group delivered an operating surplus for the year of £11.3m (2025: £9.7m), reflecting continued strong operational performance and the effective management of resources.

Turnover for the year was £48.6m (2025: £49.3m), supported by core rental income, property sales, and other operating activities. These turnover figures include receipts from shared ownership which were higher in 2025 at £2.8m than in 2026 at £1.3m due to a higher volume of units sold in 2025 (20 versus 9 in 2026).

A surplus on disposal of properties of £5.8m (2025: £2.0m) contributed positively to the overall financial result. The Group also continued to maintain tight control over operating expenditure whilst responding to inflationary pressures and increased investment requirements.

As required by FRS 102, the financial statements also recognise pension scheme movements and other accounting adjustments which do not have an immediate cash impact on the organisation.

Statement of Financial Position

The Group's financial position remains strong.

At 31 March 2026, net current assets were £266.2m (2025: £262.7m). Fixed assets increased during the year reflecting continued investment in existing homes, development activity, and other capital expenditure.

Borrowings at year end were £101.5m (2025: £98.0m), supporting investment in homes and strategic priorities. Capital grants increased to £49.1m as a result of ongoing development and retrofit activity. The Group continues to maintain a strong asset base and sufficient resources to support its future plans.

Treasury Management

Treasury management plays a key role in supporting the long-term financial resilience of Salix Homes and ensuring sufficient resources are available to deliver the objectives of The Salix Way. Throughout 2025/26, the Board maintained oversight of treasury activity through the Treasury Management Policy, Treasury Strategy and regular treasury reporting – ensuring that funding, liquidity, and covenant compliance remained consistent with the organisation's risk appetite and corporate plan objectives.

During the year, Salix Homes continued to maintain a prudent and well-managed treasury position. At 31 March 2026, total borrowings stood at £101.5m – supporting continued investment in existing homes, development activity, and wider strategic priorities. The organisation remained fully compliant with all lender covenants throughout the year and maintained liquidity within the parameters set out in the Treasury Management Policy.

Salix Homes' debt portfolio continues to benefit from a balanced funding structure comprising long-term fixed rate debt and a revolving credit facility. During the year, approximately 89% of borrowing remained at fixed rates compared with the policy minimum of 70%, providing protection against interest rate volatility and supporting greater certainty within the long-term financial plan.



In March 2026, the Board approved an updated Treasury Strategy prepared with support from external treasury advisers. The Strategy identified that the existing portfolio remains robust and provides a sound platform for future growth. It also highlighted the importance of diversifying funding sources over time through the introduction of additional lenders, reducing concentration risk and ensuring sufficient capacity to support future investment ambitions.

The Treasury Strategy also confirmed that the current funding arrangements provide a strong level of medium-term certainty, supported by a weighted average debt maturity of just under ten years. Looking ahead, the Board has approved the commencement of a competitive funding exercise to secure additional borrowing capacity and ensure that the organisation remains well positioned to fund future investment in homes, sustainability initiatives, and strategic growth opportunities.

The Board will continue to keep treasury arrangements under regular review – balancing the need to maintain strong liquidity and financial resilience with the requirement to invest in homes, communities, and future opportunities. Treasury management remains closely aligned to business planning, risk management, and long-term financial sustainability.

Against this backdrop, the Group has continued to demonstrate strong financial management, maintaining financial resilience while investing in homes, communities, and services.

The Board remains confident that Salix Homes is well positioned to respond to future challenges whilst continuing to deliver its social purpose and long-term strategic objectives.

Financial Resilience

The Board continues to place significant emphasis on maintaining financial resilience and to ensure that the organisation remains capable of delivering its strategic objectives under a range of operating conditions.

Long-term financial planning, treasury management, risk management, and asset investment decisions are integrated through the Group's Business Plan. The Board regularly reviews financial performance, forecast liquidity, covenant compliance and investment requirements to ensure that the organisation remains financially sustainable over the long term.

Stress testing forms an important part of this process. A range of adverse scenarios are modelled to assess the potential impact of key risks including inflation, interest rates, development costs, property investment requirements, and changes in operating performance. These exercises help identify appropriate management actions and provide assurance that Salix Homes remains resilient under severe but plausible conditions.

The Board remains satisfied that Salix Homes has the financial capacity, governance arrangements, and risk management framework necessary to deliver its objectives whilst maintaining compliance with its regulatory and lender obligations.

Balancing Affordability, Investment and Sustainability

One of the most significant long-term challenges facing Salix Homes is balancing customer affordability with the increasing investment required to maintain, improve, and decarbonise homes.

The organisation continues to operate with comparatively low rents whilst investing significantly in building safety, quality, sustainability, and neighbourhood services. At the same time, customers continue to face cost-of-living pressures and increasing economic uncertainty.

The Board recognises that achieving the right balance between affordability, investment and financial resilience is essential to delivering long-term value for customers and communities. These considerations remain central to business planning, treasury management and future investment decisions.

Looking Ahead

The launch of The Salix Way provides a clear framework for future decision-making and investment. Over the coming years, Salix Homes will continue to focus on maintaining strong financial resilience whilst investing in safe and sustainable homes, delivering positive customer outcomes and supporting thriving communities.

Future priorities include securing appropriate long-term funding, delivering planned investment programmes, progressing sustainability ambitions and ensuring that resources continue to be directed towards the areas of greatest impact for customers and communities.

The Board remains confident that Salix Homes is well positioned to respond to future challenges whilst continuing to deliver its social purpose and long-term strategic objectives.

Delivering The Salix Way

Great Customer Outcomes

Delivering great customer service is a central ambition of The Salix Way. Salix Homes is committed to ensuring that customers are listened to, treated fairly, and have meaningful opportunities to influence the decisions that affect their homes, neighbourhoods, and services. Throughout 2025/26, the organisation continued to strengthen its customer engagement arrangements, improve service delivery, and embed the requirements of the consumer regulatory framework. Customer feedback, scrutiny, and insight remain fundamental to decision-making at all levels of the organisation.

Customer Voice and Influence

Customers continue to play a key role in shaping services through a range of engagement and scrutiny opportunities. Alongside the Customer Committee, customers participate in specialist groups including the Complaints Oversight Group, Procurement Panel, Apartment Living Forum, and Scrutiny Pool – ensuring that customer perspectives remain central to service improvement and decision-making.

During the year, customers scrutinised tenancy and neighbourhood services, repairs processes, communications, Equality, Diversity and Inclusion activity and environmental services. Customer feedback directly influenced service improvements – including the development of a new online repairs reporting tool, customer segmentation work, and the organisation's assessment against the Consumer Standards.

The Customer Committee maintained oversight of customer-related performance and compliance throughout the year – reviewing the results of Tenant Satisfaction Measures, complaints performance, customer scrutiny outcomes, and the implementation of improvement actions. This work provides assurance that the customer voice continues to be heard at the highest levels of governance.

Customer Satisfaction and Service Performance

Customer satisfaction remained strong during 2025/26. 90% of customers reported that they are treated fairly and with respect, whilst 86% agreed that Salix Homes keeps them informed about issues that matter to them. In addition, 78% of customers stated that Salix Homes listens to their views and acts upon them, demonstrating continued progress in customer engagement and involvement.

The organisation also received 606 compliments during the year – with the majority recognising the quality of service provided, the attitude of colleagues and the responsiveness of services. These results reflect a continued focus on customer service, communication, and service improvement.

Complaints, Learning, and Improvement

Salix Homes recognises complaints as being an important source of customer insight and organisational learning. The organisation is committed to resolving complaints fairly, learning from customer experiences and using feedback to drive continuous improvement in services. Complaints performance, learning outcomes and compliance with the Housing Ombudsman's Complaint Handling Code are regularly reviewed by the Customer Committee, Senior Leadership Team and Board – providing assurance that customer feedback remains central to decision-making and service improvement.

During 2025/26, the Board remained assured that Salix Homes' approach to complaint handling was compliant with the Housing Ombudsman's Complaint Handling Code. The annual self-assessment was reviewed by both the Board Member Responsible for Complaints and the Customer Committee and confirmed that arrangements continue to meet the requirements of the Code. External assurance is also provided through the Housing Ombudsman's review of the annual Complaints Performance and Service Improvement Report and accompanying self-assessment.

Further work was undertaken during the year to strengthen complaint handling arrangements – including the restructuring and centralisation of the Complaints Team to improve consistency, performance, and customer experience. Learning from complaints remains embedded throughout the organisation – with performance and emerging themes reviewed regularly by service managers and reported through governance arrangements.

A commitment to learning and continuous improvement is reinforced using a Learning Tracker and targeted improvement initiatives. During the year, the internal “Lessons Spotlight” programme focused on themes including managing customer expectations and improving communication, helping to ensure that lessons learned are translated into tangible service improvements. Where complaints are upheld, managers work alongside the Complaints Team to identify root causes, share learning, and implement actions designed to prevent recurrence.

The organisation continues to view complaints as an opportunity to improve services, strengthen customer trust and ensure that the customer voice influences decision-making across the organisation.

Tenant Satisfaction Measures

Tenant Satisfaction Measures remain a key source of assurance regarding customer outcomes and service performance. Performance has continued to strengthen, with many indicators performing above both national averages and comparing favourably with national and regional benchmarks. Tenant Satisfaction Measures are routinely monitored by the Senior Leadership Team, Customer Committee and Board and are used to inform service improvement priorities and performance targets.

Performance during 2025/26 demonstrated continued strengths in areas including customer respect, communication, complaint handling, and safety compliance – reflecting the organisation’s commitment to delivering services that meet customer needs and expectations.

Satisfaction levels are set out in the Performance, Compliance and Assurance section of this report.

Safe and Sustainable Homes Health and Safety

The health, safety and wellbeing of customers, colleagues, contractors, and visitors remain a fundamental priority for Salix Homes. The Board maintains a risk averse approach to health and safety risk and receives regular assurance regarding compliance with statutory duties, performance against key indicators and the effectiveness of the organisation’s wider health and safety management arrangements.

During 2025/26, Salix Homes continued to operate a comprehensive Health and Safety Management System supported by dedicated Health & Safety and Building Safety & Compliance teams. The organisation retained certification to the international ISO 45001 Occupational Health and Safety Management Standard following external reassessment in January 2026, with no major or minor non-conformities identified. This provides independent assurance that arrangements for managing occupational health and safety continue to meet recognised best practice standards.

Additional assurance was provided during the year through internal audit activity. A Business Critical Controls review undertaken by our internal auditors examined arrangements relating to accidents, incidents, near misses, risk assessments, and lone working. All assurance tests were passed, with no recommendations or control weaknesses identified.

Occupational health and safety performance remained strong throughout the year. Training compliance remained high, occupational health and wellbeing initiatives continued to be well supported by colleagues, and internal assurance activity confirmed that key controls were operating effectively. Whilst reported health and safety events increased during the year – injuries remained broadly stable, asbestos-related incidents reduced to zero and incidents of violence and aggression reduced in comparison to the previous year. The organisation continues to focus on preventative measures, colleague wellbeing, lone working arrangements, and operational safety controls to ensure risks remain effectively managed.

Health and safety compliance remains embedded within governance, risk management, and operational decision-making processes. The Board, Audit & Risk Committee and Senior Leadership Team will continue to monitor performance closely and support a culture of continuous improvement, ensuring Salix Homes remains a safe place to live, work and visit.

Building Safety

Building safety remains one of the highest priorities for Salix Homes and is fundamental to our commitment to providing safe and sustainable homes. The Board maintains an averse appetite in relation to building safety and property compliance and receives regular assurance regarding compliance performance, regulatory requirements and the effectiveness of controls designed to keep customers safe.

Throughout 2025/26, Salix Homes continued to strengthen its approach to building safety through dedicated investment, independent assurance activity and ongoing engagement with customers and regulators. Oversight is provided through the Assets & Sustainability Committee, which receives detailed updates on compliance performance, regulatory developments and key building safety initiatives. The Building Safety & Compliance Team was further strengthened during the year to support delivery and maintain a high level of assurance across the housing portfolio.

The organisation manages a portfolio that includes 20 high-rise residential buildings and continues to work closely with the Building Safety Regulator, local authorities, housing partners, and specialist advisers to ensure compliance with the requirements of the Building Safety Act and the evolving regulatory landscape. Building safety considerations remain fully embedded within investment planning, asset management, and operational decision-making.

Throughout 2025/26, Salix Homes continued to strengthen its approach to building safety...



The Board remains committed to continuous improvement and recognises that building safety is an ongoing responsibility.

Performance against key compliance measures remained strong throughout the year. Compliance in relation to gas safety, fire risk assessments, legionella testing, lift inspections and asbestos management remained at 100% – providing assurance that statutory obligations continue to be met. Salix Homes also continued to focus on improving electrical safety compliance and strengthening arrangements in areas where additional assurance and customer access activity are required.

Significant investment continued across the housing portfolio to improve fire safety measures, building systems and wider compliance arrangements. Alongside physical improvements, Salix Homes has maintained a strong focus on building a positive safety culture, recognising that effective building safety depends upon both robust systems and meaningful engagement with customers who continue to be involved in building safety discussions and are provided with regular information to help them understand both building-specific risks and the measures being taken to manage them.

The Board remains committed to continuous improvement and recognises that building safety is an ongoing responsibility. As regulatory expectations continue to evolve, Salix Homes will continue to invest in people, systems, and homes to ensure that customers remain safe and that building safety remains at the heart of decision-making across the organisation.

Investing in Existing Homes

Investment in existing homes remains one of the Group's highest priorities and is central to delivering the objectives of The Salix Way. Throughout 2025/26, Salix Homes continued to invest significantly in maintaining, improving, and modernising its housing stock, ensuring homes remain safe, warm and fit for the future. This investment supports regulatory compliance, improves customer outcomes, and protects the long-term value of Salix Homes' assets.

Alongside day-to-day maintenance and compliance activity, the organisation continued to deliver planned improvement programmes across the housing portfolio. Focus was placed on building safety, energy efficiency, and the quality of customers' homes – recognising the increasing expectations of customers, regulators, and other stakeholders. Considerable progress was also made in delivering retrofit and decarbonisation activity, supported by external funding streams and partnership working across Greater Manchester.

During the year, 417 homes were improved to achieve an Energy Performance Certificate (EPC) rating of C or above, helping to reduce carbon emissions and improve affordability for customers through lower energy costs. Further funding was secured through national programmes including the Heat Network Efficiency Scheme and Social Housing Decarbonisation Fund to support future investment activity.

Investment decisions continue to be informed by detailed asset performance information, stock condition data, and long-term business planning. Salix Homes uses a comprehensive asset evaluation approach to support investment planning and ensure resources are targeted towards areas where they deliver the greatest benefit for customers, communities, and the organisation.

The Board recognises that maintaining and improving existing homes is fundamental to delivering safe and sustainable housing. Investment programmes will continue to balance building safety, sustainability, customer priorities, and long-term financial resilience, ensuring that current and future generations benefit from high-quality homes and neighbourhoods.

Sustainability and the Environment – Streamlined Energy and Carbon Reporting (SECR) 2025/26

Salix Homes has made meaningful progress in decarbonising both its operations and housing stock during the year.

In October 2024, Salix transitioned its communal electricity supply to a renewable energy tariff backed by Renewable Energy Guarantees of Origin (REGOs). Salix applies the location-based methodology for all emissions, over 2025/26 Salix reduced our emission across all Scopes by 2,729 tCO₂e to 19,409 tCO₂e.

Salix Homes was successful in securing capital funding through the Heat Network Efficiency Scheme (HNES), which will enable energy efficiency improvements to the communal heating systems at three tower blocks within Salford. This success will allow us to directly assist in the cost of heating at these blocks.

We continue to invest in housing stock to improve energy performance, including securing funding through the Warm Homes Fund and Social Housing Decarbonisation Fund (SHDF). As a Registered Provider of social housing, Salix is required to ensure that, wherever reasonably practicable, all properties achieve a minimum Energy Performance Certificate (EPC) rating of C by 2030. During the year, 417 properties were improved to meet this standard, with a further 515 homes still requiring improvement. Salix is actively scaling up delivery of its retrofit programme over the next three years, working in partnership with Greater Manchester Combined Authority (GMCA) to access Government Warm Homes funding.

Developments

Salix Homes continues to recognise the key role that new affordable housing plays in supporting local communities and addressing housing need across Salford and Greater Manchester. Through a measured and financially sustainable approach to growth, the organisation seeks to increase housing supply whilst maintaining strong financial resilience and continuing to invest in existing homes.

During 2025/26, progress continued across the Willohaus and Arrow Street development schemes, contributing to the delivery of new affordable homes and supporting wider regeneration objectives. The Board and the Assets & Sustainability Committee reviewed development activity regularly to ensure that investment decisions remained aligned to Salix Homes' strategic priorities, risk appetite, and long-term Business Plan.

In an environment characterised by rising construction costs, continued inflationary pressures and increasing sustainability expectations, Salix Homes continued to adopt a prudent approach to development appraisal and investment decisions. Consideration was given to balancing the delivery of new homes with ongoing requirements to invest in existing properties, building safety and environmental sustainability.

Looking ahead, Salix Homes will continue to work with local authorities, housing partners, and other stakeholders to identify opportunities that support the delivery of safe, sustainable, and affordable homes whilst maintaining the long-term financial resilience of the organisation.

Communities

Inclusion

Leadership commitment is widely recognised as essential to building an inclusive organisation. At Salix Homes, leaders actively set this tone through their behaviours, decisions, and strategic direction.

Instead of a standalone Inclusion Strategy, Salix Homes has taken an alternative approach that recognises and embeds strategic activity that promotes inclusion within the organisation's wider suite of strategies. These activities are then consolidated and reported on annually as Equality, Diversity, and Inclusion (EDI) commitments.

Strong progress was made in 2025/26 against EDI commitments – supported by the continued growth of Salix Homes' pioneering Manbassadors project. Officially launched on Work Mental Health Day in October 2025, the grassroots initiative has already established a partnership with the Salford Red Devils Foundation. Engagement with local volunteers and referrals for those in need have continued to grow since its launch.

Salix Homes also continues to make a positive difference to the community through its role as a founding patron of Salford Youth Zone (SYZ).

Both the Manbassadors initiative and SYZ were key features of Salix Homes' Colleague Conference, celebrating and reaffirming commitment to partnership working and community impact.

Unfortunately, 2025/26 saw an increase nationally in hate crime, particularly religious hate crimes targeted at the Muslim and Jewish communities, with a particularly shocking incident covered nationally near to Salix Homes community boundary. Through Salix Homes' partnership with Salford City Council, colleagues became Hate Crime Reporting Ambassadors. This means they act as trusted points of contact within the community to bridge the gap between victims who may be reluctant to report incidents to the police and the authorities.

In terms of colleagues, creating an inclusive workplace remains a strategic priority. Salix Homes continues to improve inclusive resourcing through targeted employment programmes, proactive recruitment, and organisational improvement. This includes providing paid placements through Salford Futures Plus, successful recruitment via local job fairs, and the ongoing rollout of inclusive recruitment training to embed changes to recruitment and selection practices which support the use of diverse selection panels.

In its Pay Gap reporting for 2025/26, Salix Homes identified a 3% increase in the ethnicity pay gap although there has been an overall reduction over the last three years, improving parity in pay amongst ethnically diverse colleagues and their White British counterparts. This pay gap is now approximately 10.5%. Whilst this progress has been significant, ongoing review and continued effort is still required to ensure continued improvement through schemes such as Salix Homes' participation in the Boost Organisational Change Programme, which aims to address under-representation of ethnically diverse colleagues in leadership roles within the housing sector.

The perceptions of Salix Homes customers on the services provided and the extent to which they feel valued and respected can be observed in the Tenant Satisfaction Measures. In 2025/26, strong performance was demonstrated in inclusion at Salix Homes. Colleagues acting as Hate Crime Reporting Ambassadors provided trusted reporting routes within communities, while ongoing engagement, customer insight and inclusion activities helped ensure that services remain responsive to the diverse needs of customers.

This approach was reflected in customer feedback, with 90% of customers reporting that they agree that Salix treats them fairly and with respect. This outperforms the Greater Manchester Housing Partners (GMHP) benchmark of 83%. Similarly, satisfaction that the landlord keeps tenants informed about things that matter to them exceeded a target of 80%, achieving 86%, and was higher than the GMHP benchmark of 77%.

These results follow continued data gathering of customer data and awareness raising amongst colleagues on how to apply these insights in service delivery.

Salix Homes continues to remain committed to inclusion, as observed in the new Corporate Plan, The Salix Way.

Social Value and Community Impact

As a community-based housing association, Salix Homes seeks to create value that extends beyond the provision of affordable housing. Through targeted investment, partnership working and a commitment to supporting people and neighbourhoods, the organisation aims to improve wellbeing, create opportunities and strengthen communities across Salford. This commitment is reflected throughout The Salix Way and remains central to how Salix Homes measures success.

During 2025/26, Salix Homes continued to provide direct support to customers experiencing financial hardship and wider cost-of-living pressures. Wider support activity included assistance with 705 Universal Credit claims, 138 foodbank vouchers and 129 referrals to specialist support agencies, helping customers improve their financial resilience and maintain their tenancies during a challenging economic period.

The organisation also continued to invest in creating opportunities for local people through employment, skills, and training initiatives. Salix Homes also continued its participation in the Salford Futures Plus programme, providing paid work placements and helping local residents who are economically inactive gain valuable experience and confidence to enter the workplace.

Community investment remains an important part of Salix Homes' approach to creating social value. Through the Springboard Community Fund, projects were supported that promote health and wellbeing, reduce social isolation, improve local environments, and strengthen community connections. Recent projects have included support for Salford City Radio, a volunteer-led community station serving local residents; the Community Shop Food Club, helping households access affordable food; Bonding with Books, which promotes literacy and family learning; and initiatives supporting older residents, community safety, and wellbeing. The organisation continues to build on this work, with strong demand for Springboard funding and record levels of engagement in the annual Springboard Heroes community awards.



Partnership working has also remained a key driver of community impact. During the year, Salix Homes continued its role as a Founding Patron of Salford Youth Zone, supported by a £100,000 commitment over four years. Since opening, the Youth Zone has provided opportunities, activities, and support to young people and was recognised nationally through the Travis Perkins' Better Together Community Award, securing a further £5,000 to support its work across the city.

Looking ahead, Salix Homes will continue to strengthen the way social value is measured, delivered, and reported, ensuring that investment decisions support positive outcomes for customers, communities, and the wider city alongside the delivery of safe homes and excellent services.

Skilled, Talented and Engaged Colleagues

Having skilled, talented, and engaged colleagues is fundamental to the success of Salix Homes and the delivery of The Salix Way. During 2025/26, significant progress was made in strengthening organisational capability, supporting colleague wellbeing, and preparing the organisation for a changing regulatory and employment landscape. Through leadership development, workforce planning, inclusion initiatives and colleague engagement activity, Salix Homes has continued to invest in creating an environment where colleagues are supported and empowered to deliver excellent customer service and make a positive difference to customers and communities.

The year included a number of important leadership appointments, including changes within the Executive Leadership Team and the creation of a dedicated Director of Customer Experience role. Together, these appointments have helped strengthen organisational capacity and align leadership resources with the priorities set out within The Salix Way – ensuring that customer outcomes, safe and sustainable homes, thriving communities and organisational resilience remain at the heart of decision-making.

Recruitment performance remained strong despite continuing challenges across some specialist labour markets. Salix Homes also continued to support local employment opportunities through its participation in Salford City Council's Salford Futures Plus programme – providing paid work experience for residents looking to reconnect with employment. One placement was recognised by the programme as a "Rising Star" and subsequently secured a permanent role within the organisation, demonstrating both the value of the initiative and Salix Homes' commitment to supporting local talent.

Preparing for the introduction of the Regulator of Social Housing's Competence and Conduct requirements has been a key focus throughout the year. Alongside workforce planning and policy development, significant work has been undertaken to review learning and development arrangements, strengthen organisational capability and ensure colleagues are equipped with the skills, knowledge and behaviours required to deliver excellent customer services. Work has also progressed to prepare for the implementation of the Employment Rights Act 2025 – with key policy updates and planning activity helping ensure the organisation remains compliant with forthcoming legislative changes.

Colleague engagement remained a particular strength during 2025/26. A Colleague Conference, wellbeing initiatives, inclusion activities and development opportunities generated positive feedback and helped reinforce an inclusive and supportive workplace culture. Benefits benchmarking undertaken during the year confirmed that Salix Homes continues to offer a competitive employment package across a range of areas including working patterns, annual leave, flexibility, health benefits, and sickness provision. The findings will help inform a wider review of colleague benefits and terms and conditions during 2026/27.

Salix Homes remains committed to delivering excellent customer service and continues to be a member of the Institute of Customer Service (ICS). During the year, the organisation achieved its highest ever ServiceMark score of 84.7 – significantly exceeding the social housing sector average of 66.3. The assessment also provided valuable insight into colleague development, learning and customer experience, helping identify opportunities for further improvement and informing future workforce development priorities.

Independent assurance continues to support confidence in the organisation's people management arrangements. Internal audit activity undertaken during the year provided additional assurance over key People Services controls and processes, reinforcing the effectiveness of existing arrangements and supporting a culture of continuous improvement.

Values and Competencies

Salix Homes' values and competencies provide the foundation for organisational culture and establish the behaviours expected of all colleagues. Together they create a framework that connects purpose, people, and performance, ensuring that customers, colleagues, and partners experience the values of being Trustworthy, Successful, and Inclusive in practice.

Embedding these values remains a key focus. Throughout the year, colleagues who demonstrated the organisation's values were recognised through the peer-to-peer recognition scheme, with nominations reviewed quarterly by the Executive Leadership Team and culminating in the annual Champion of Champions awards at the Colleague Conference. Values and competencies are also embedded within induction, learning and development activity and are regularly reinforced through internal communications, helping ensure they remain visible and relevant in day-to-day working practices.

Salix Homes' values and competencies provide the foundation for organisational culture and establish the behaviours expected of all colleagues.

Looking ahead, Salix Homes will continue to invest in colleague wellbeing, capability, and leadership development. A revised colleague assessment framework will further strengthen conversations around behaviours, development, and performance, helping ensure the organisation continues to develop the skilled, talented, and engaged workforce required to deliver great customer outcomes, safe and sustainable homes, thriving communities and the ambitions set out within The Salix Way.



Value for money

Value for Money is central to the delivery of The Salix Way. For Salix Homes, Value for Money is about making the best use of resources, assets, and investment to maximise positive outcomes for customers, homes, and communities over the long term. It is not solely about reducing costs – it is about balancing affordability, service quality, investment, social value, and financial resilience to ensure that every pound invested delivers the greatest possible impact.

The Board has overall responsibility for ensuring that Value for Money is embedded throughout decision-making and complies with the Regulator of Social Housing’s Value for Money Standard. Delivery is supported through the Business Plan, Asset Management Strategy, Treasury Strategy, Procurement Framework and Performance Framework which together, ensure that resources are directed towards activities that most effectively support the delivery of The Salix Way.

Throughout 2025/26, Salix Homes continued to balance increasing investment requirements, customer affordability pressures and a challenging economic environment whilst maintaining financial resilience and strong service performance. Investment decisions remained focused on delivering great customer outcomes, safe and sustainable homes, thriving communities and a resilient and well-managed organisation.



Delivering Value through The Salix Way

Value for Money is demonstrated through the outcomes achieved for customers and communities.

Value for Money is also reflected in the wider impact delivered for customers and communities. During the year, £46,192 was provided through the Customer Support Fund, helping 200 customers who were experiencing financial hardship, whilst a further £113,310 of welfare benefits was secured for customers. Salix Homes has continued to invest in community initiatives through the Springboard Community Fund and wider partnership programmes which amounted to £33k in 2025/26.

These outcomes demonstrate that Value for Money at Salix Homes encompasses not only financial efficiency but also the social, environmental and community value generated through investment decisions and service delivery.

Asset Performance and Investment

Understanding the performance of assets is a key component of Salix Homes’ Value for Money approach. Investment decisions are informed through a comprehensive asset evaluation framework that considers financial performance, stock condition, customer demand, neighbourhood characteristics, and future investment requirements. This enables resources to be targeted towards areas where they can achieve the greatest benefit for customers, communities, and the organisation.

Salix Homes uses a Net Present Value (NPV) based asset evaluation model which classifies homes according to relative performance and investment need. The outputs from this model inform future investment decisions, planned maintenance programmes, sustainability improvements, development opportunities, and wider asset management priorities. This helps ensure that long-term investment decisions remain aligned with business planning, customer priorities, and organisational objectives.

Procurement and Efficiency

Procurement continues to play a key role in supporting Value for Money and ensuring effective management of resources. Through a strategic approach to procurement and contract management, Salix Homes seeks to secure competitive pricing, maintain service quality and maximise wider social value outcomes. Procurement performance is monitored through a range of indicators including contract coverage, supplier performance, SME participation and local spend.

Alongside procurement, the organisation continues to identify opportunities to improve efficiency through service redesign, technology, workforce planning, and business improvement initiatives. During the year, further progress was made in strengthening procurement governance by enhancing contract management arrangements. These activities support the organisation’s ability to maintain affordable services whilst continuing to invest in homes, customers, and communities.

An important practice for Salix Homes is the embedding of key performance indicators relating to procurement which can be measured over time. Some of the key procurement measures in 2025/26 are shown in the table below:

	2024/25	2025/26
% of spend under contract	89%	90%
Suppliers with an annual spend over £50k	81 (of 320)	75 (of 313)
% of spend over £50k contracts	94%	95%
Spend with SME suppliers	£11.9m	£26.1m
Spend with suppliers located within Greater Manchester	£21.7m	£22.4m
Procurement challenges (by aggrieved suppliers)	0	0
Customer complaints (on appointment of suppliers)	0	0

Procurement continues to make an important contribution to both Value for Money and wider social value outcomes. During 2025/26, contract coverage increased to 90%, with 95% of expenditure over £50,000 managed through formal contractual arrangements, providing enhanced value, transparency and assurance.

Salix Homes also significantly increased expenditure with SME suppliers to £26.1m and maintained £22.4m of spend with organisations based within Greater Manchester, demonstrating a commitment to supporting local economic growth alongside the delivery of high-quality services.

Combined with the absence of procurement challenges or customer complaints relating to supplier appointments, these results provide assurance that procurement arrangements continue to support efficient service delivery, robust governance and positive outcomes for customers and communities.

Regulatory Value for Money Metrics

The Regulator of Social Housing requires Registered Providers to publish a suite of Value for Money metrics to promote transparency and enable performance comparisons across the sector. Salix Homes publishes all seven regulatory metrics annually and uses them alongside a wider range of operational, financial and performance measures to assess the efficiency and effectiveness of the organisation.

The metrics provide information on investment in existing and new homes, financial capacity, operating performance, cost efficiency and returns generated from assets and capital employed. They are reviewed by the Executive Leadership Team and Board as part of the annual business planning process and support decision-making relating to

investment, treasury management, risk management, and long-term financial sustainability.

The table below sets out Salix Homes’ performance against the Regulator of Social Housing’s Value for Money metrics together with comparative and forecast information.

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

VFM Metrics;	Actual 2024/25	Peer Group 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
1 – Reinvestment %	11.4%	10.7%	15.5%	13.7%	11.7%	12.2%	14.5%
2A – New supply (Social housing units) %	0.8%	1.3%	0.2%	0.0%	1.2%	0.8%	0.8%
2B – New supply (Non-social housing units) %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3 – Gearing %	41.0%	45.3%	43.3%	38.0%	40.9%	32.8%	38.5%
4 – EBITDA MRI Interest Cover %	55.0%	141.2%	-151.5%	-3.0%	33.4%	92.8%	108.9%
5 – Headline social housing cost per unit £	£5,085	£4,942	£6,405	£5,716	£6,118	£5,586	£5,749
6A – Operating margin (Social housing lettings) %	18.4%	17.4%	11.4%	12.6%	14.0%	18.8%	20.6%
6B – Operating margin (Overall) %	13.8%	14.3%	8.1%	10.6%	13.3%	17.9%	20.0%
7 – Return on capital employed %	3.4%	3.7%	2.6%	4.2%	3.5%	3.6%	3.5%

Overall, the performance of the Value for Money metrics continues to reflect Salix Homes’ strategic priorities. The organisation continues to invest significantly in existing homes, building safety and sustainability whilst maintaining strong governance, financial resilience, and customer outcomes. The Board recognises that some metrics may compare differently to peer organisations because of Salix Homes’ continued investment in existing stock, commitment to affordability and focus on delivering wider social value. These priorities remain consistent with the organisation’s purpose and the objectives set out within The Salix Way.

Understanding Our Value for Money Performance

The Regulator of Social Housing’s Value for Money metrics provide a valuable insight into how effectively Salix Homes is investing resources, managing assets, and maintaining financial resilience. Whilst each metric measures a different aspect of performance, they should be considered collectively rather than in isolation. Together, they demonstrate the organisation’s approach to balancing investment in homes and communities with long-term financial sustainability.

Reinvestment

The reinvestment metric measures the level of investment made in existing homes and new housing supply compared to the value of the housing portfolio. During 2025/26, Salix Homes reported a reinvestment metric of 13.7% compared with 11.4% in the previous year and a peer group average of 10.7%.

This reflects continued investment in building safety, stock improvement, sustainability initiatives, and new housing supply. The Board remains committed to maintaining high-quality homes whilst balancing affordability and long-term financial resilience. A significant proportion of investment continues to be directed towards improving existing homes,

supporting the objectives of The Salix Way and ensuring homes remain safe, sustainable, and fit for the future.

New Supply Delivered

The new supply metrics measure the extent to which Salix Homes is contributing to the delivery of new homes through development and acquisition activity.

During 2025/26, the social housing /new supply metric was 0.0% compared with 0.8% in 2024/25.

Whilst no new social housing units were completed during the year, development activity continued across a number of schemes and investment remained focused on maintaining a sustainable pipeline of future affordable housing opportunities. Performance should, therefore, be considered in the context of development programme phasing rather than as a reduction in commitment to growth. The Board remains committed to increasing the supply of affordable housing whilst maintaining a prudent approach to risk and investment.

The non-social housing new supply metric was 0.0%. During the year the focus has remained upon ensuring resources are directed toward delivering its core social purpose and strategic priorities.

Gearing

Gearing provides an indication of the proportion of the organisation’s assets funded through borrowing. Salix Homes reported gearing of 38.0% at 31 March 2026 compared with 40.1% in the previous year and a peer group average of 45.3%.

This demonstrates a relatively low level of leverage compared with peers and reflects the organisation’s prudent approach to treasury management and financial resilience. Whilst continuing to invest significantly in homes and communities, the Board has maintained borrowing at a level that preserves capacity to fund future investment and respond to emerging opportunities and risks.

EBITDA MRI Interest Cover

EBITDA MRI Interest Cover measures the organisation's ability to meet interest costs from operating surpluses after allowing for investment in existing homes.

During 2025/26, the metric was -3.0% compared with 55.0% in the previous year and below the peer group average of 141.2%.

The reduction reflects the significant increase in investment undertaken during the year – particularly in relation to building safety, compliance, stock improvement and sustainability programmes. Salix Homes has accelerated investment in existing homes, resulting in a reinvestment metric of 13.7%, significantly above the peer group average of 10.7%. Whilst this investment has reduced EBITDA MRI Interest Cover in the short term, it supports the long-term quality, safety and sustainability of the housing portfolio and is consistent with the priorities set out in The Salix Way.

The Board recognises that this metric, whilst currently negative, represents a snapshot in time and is particularly sensitive to periods of increased investment activity. Performance of this metric is forecast to improve significantly, with EBITDA MRI Interest Cover projected to become positive in 2026/27 and exceed 100% by 2028/29.

Throughout the year, Salix Homes remained fully compliant with all lender covenants, maintained strong liquidity and continued to demonstrate a robust financial position. The Board, therefore, remains satisfied that the organisation has the financial capacity to deliver its investment priorities whilst maintaining long-term financial resilience.

Headline Social Housing Cost per Unit

The headline social housing cost per unit metric provides an indication of the average cost of managing and maintaining each home.

Headline social housing cost per unit increased to £5,716 compared with £5,085 in 2024/25 and a peer group average of £4,942. The increase reflects higher levels of investment in repairs, compliance, building safety, sustainability and neighbourhood services, together with wider inflationary pressures affecting the sector.

Whilst costs remain above the peer group average, the Board considers this to be consistent with its strategic decision to prioritise investment in existing homes, customer safety and service quality. These investments support long-term asset performance and positive customer outcomes.

Operating Margin

Operating margin measures the proportion of income retained after operating costs and provides an indication of the organisation's ability to generate surpluses that can be reinvested into homes and services.

The social housing lettings margin was 12.6% during 2025/26 compared with 18.4% in the previous year, whilst the overall operating margin was 12.0%, compared with 13.8% in 2024/25.

The reduction reflects the significant investment made in homes, compliance, sustainability and customer services, alongside inflationary pressures experienced across the sector. Whilst margins reduced during the year, Salix Homes prioritised investment in areas that support customer outcomes, safety and long-term asset quality. The Board continues to consider operating margins alongside wider Value for Money outcomes rather than as a standalone measure of success.

Return on Capital Employed (ROCE)

ROCE measures how effectively the organisation is using its assets to generate operating returns.

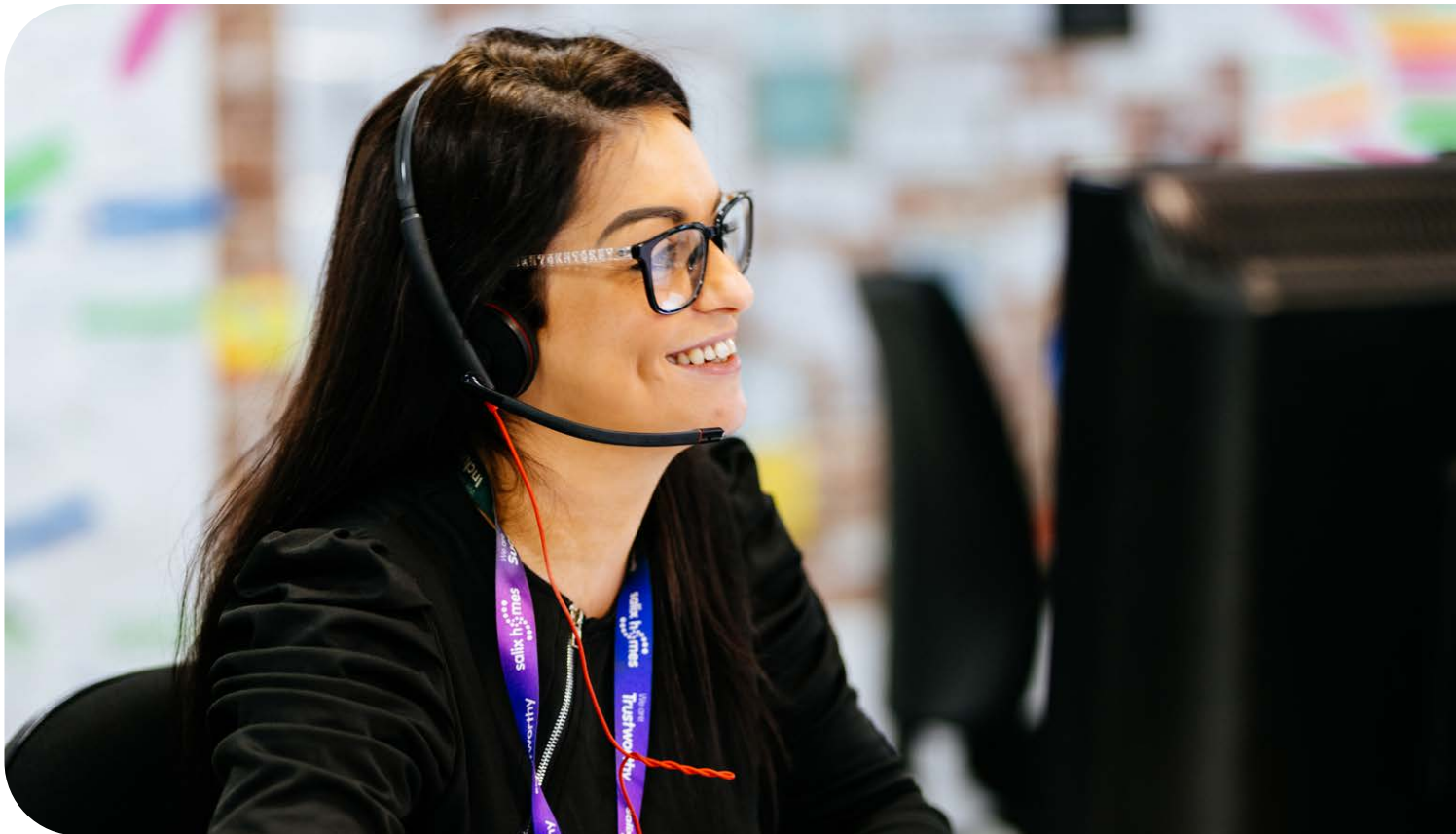
Return on Capital Employed increased to 4.2% during 2025/26 compared with 3.4% in the previous year and 3.7% across the peer group. This improvement reflects stronger operating performance and the effective utilisation of the organisation's asset base. Performance above both the previous year and peer benchmark demonstrates that Salix Homes continues to generate strong returns from its assets whilst simultaneously investing in homes, communities and wider social value outcomes.

Overall Assessment

Taken together, the Value for Money metrics demonstrate that Salix Homes continues to balance significant investment in existing homes, building safety and sustainability with the need to maintain financial resilience and deliver positive customer outcomes.

Reinvestment levels remain substantially above peer organisations, reflecting a deliberate strategic focus on improving homes and neighbourhoods, whilst low gearing and strong returns on capital demonstrate that this investment is being delivered within a prudent financial framework.

Although some financial efficiency measures have been impacted by the scale of planned investment activity, the organisation remains financially robust, fully covenant compliant and well positioned to deliver the ambitions of The Salix Way over the long term.



Performance, Compliance, and Assurance

Delivering the ambitions set out in The Salix Way requires more than strong financial performance alone. Salix Homes monitors a wide range of customer, operational, compliance and organisational measures to provide assurance that services are delivering positive outcomes for customers, maintaining safe and sustainable homes, supporting thriving communities and operating in line with regulatory expectations. Performance is reviewed regularly by the Senior Leadership Team, Customer Committee and Board – ensuring that resources are directed towards areas of greatest impact and that improvement activity is focused where it is needed most.

During 2025/26, performance remained strong across many of the organisation’s key measures. Compliance performance was maintained at high levels, income collection remained robust, customer contact satisfaction exceeded target and a number of operational indicators improved compared with the previous year. Customer feedback also continued to demonstrate strengths in areas such as fairness, respect, communication and safety. Whilst performance in some areas, including repairs satisfaction, anti-social behaviour satisfaction and complaint-related measures highlights opportunities for further improvement, the overall performance framework provides assurance that Salix Homes remains focused on delivering safe, effective and customer-centred services.

Tenant Satisfaction Measures, operational service indicators and Board-level performance measures are considered together to provide a balanced view of organisational performance. This integrated approach supports compliance with the Consumer Standards, informs service improvement activity and helps ensure that the customer voice remains central to decision-making across the organisation.

The collection of Tenant Satisfaction Measures (TSMs) has been ongoing during 2025/26 in accordance with Regulatory requirements. TSMs results are published on the Salix Homes Website: www.salixhomes.co.uk/about-us/performance.

During 2025/26, we have continued to collect, monitor, and report on TSMs as part of the Performance Framework.

Performance has strengthened over the past two years, with improvements evident across both tenant perception and operational metrics. The majority of our indicators exceed both the national average and the performance of our peers within Greater Manchester.

TSM targets for 2025/26 were reviewed and approved by the Board. In setting these targets, the Board considered aspirational performance levels alongside comparative benchmarking against organisations at both local and national levels.

Key for performance measures in tables below:



Green

Performance at or above expected level



Yellow

Performance is below target but within tolerance



Red

Performance is below expected level / tolerance

Tenant Satisfaction Measures



Indicator	Frequency	24-25 Performance	25-26 Target	25-26 Performance	Status
Overall satisfaction	Monthly	79%	80%	78%	
Satisfaction with repairs	Monthly	78%	80%	76%	
Satisfaction with time taken to complete most recent repair	Monthly	66%	75%	65%	
Satisfaction that the home is well maintained	Monthly	80%	80%	80%	
Satisfaction that the home is safe	Monthly	81%	80%	85%	
Satisfaction that the landlord listens to tenant views and acts upon them	Monthly	78%	80%	78%	
Satisfaction that the landlord keeps tenants informed about things that matter to them	Monthly	85%	80%	86%	
Agreement that the landlord treats tenants fairly and with respect	Monthly	87%	80%	90%	
Satisfaction with the landlord’s approach to handling complaints	Monthly	49%	60%	43%	
Satisfaction that the landlord keeps communal areas clean and well maintained	Monthly	80%	80%	78%	
Satisfaction that the landlord makes a positive contribution to neighbourhoods	Monthly	79%	80%	79%	
Satisfaction with the landlord’s approach to handling anti-social behaviour	Monthly	78%	78%	74%	
Number of stage 1 complaints received per 1,000 homes	Monthly	54.7	86.5	77.1	
Number of stage 2 complaints received per 1,000 homes	Monthly	10.2	13.6	20.6	

TSM (Tenant Satisfaction Measures)



Indicator	Frequency	24-25 Performance	25-26 Target	25-26 Performance	Status
Stage 1 complaints responded to within Complaint Handling Code timescales	Monthly	93.6%	80%	98.4%	✓
Stage 2 complaints responded to within Complaint Handling Code timescales	Monthly	81.5%	80%	93.3%	✓
Number of anti-social behavioural cases opened per 1,000 homes	Monthly	113	104	119.6	▲
Number of anti-social behavioural cases that involve hate incidences opened per 1,000 homes	Monthly	2.52	2.84	1.8	✓
Homes that do not meet the Decent Homes Standard	Monthly	0.15%	0%	0.2%	✗
Gas safety checks	Monthly	100%	100%	100%	✓
Fire safety checks	Monthly	100%	100%	100%	✓
Asbestos safety checks	Monthly	100%	100%	100%	✓
Water safety checks	Monthly	100%	100%	100%	✓
Lift safety checks	Monthly	100%	100%	100%	✓
Repairs completed within target timescale: non-emergency repairs	Monthly	82.81%	80%	77.0%	✗
Repairs completed within target timescale: emergency repairs	Monthly	99.97%	100%	100%	✓



Performance at or above expected level



Performance is below target but within tolerance



Performance is below expected level / tolerance

Salix Performance Measures



Indicator	Type	24-25 Performance	25-26 Target	25-26 Performance	Status
Current and former rent and service charge collection rate (exc. arrears brought forward)	Arrears / Incomes	99.95%	99.95%	99.84%	▲
Rent arrears of current tenants as a percentage of rent due	Arrears / Incomes	1.34%	1.34%	1.27%	✓
Satisfaction with recent transaction (Contact Centre)	Customer Contact	84.16%	80%	85.53%	✓
Number of properties newly built acquired or in development	Assets	n/a	100	169	✓
Average annual days lost per employee due to sickness absence	People Services	9.9 days	9.9 days	12.9 days	✗
Employee turnover	People Services	9.7%	8.0%	8.7%	✗
Satisfaction with repairs (transactional)	Repairs	88.8%	90%	85.2%	✗
Average managed re-let time (days)	Voids	35.75	40.00	34.07	✓
Average void rent loss	Voids	0.66%	0.66%	0.88%	✗
Volume of Stock Condition surveys completed	Assets	2,552	2,499	2,423	✗
% of repairs completed in a single visit	Repairs	94.63%	92%	96.64%	✓
% of repairs appointment kept	Repairs	99.62%	99%	99.38%	✓

Performance Summary

Overall, performance during 2025/26 provides assurance that Salix Homes continues to deliver effective services, maintain strong compliance and remain focused on positive customer outcomes. Performance was particularly strong in areas including landlord health and safety compliance, income collection, customer contact satisfaction, void management and workforce stability. Regulatory compliance remained high, with 100% compliance achieved across a number of key landlord safety obligations and rent collection increasing to 99.95%.

Customer feedback also highlighted a number of strengths, including customers feeling safe in their homes, being treated fairly and with respect, and being kept informed about matters that are important to them. Operational performance remained strong in several areas, including emergency repairs, complaint response times, repair appointments kept and stock condition survey completion.

Whilst overall performance remained positive, the Board recognises that opportunities for improvement remain in a number of service areas, particularly repairs satisfaction, complaint satisfaction and perceptions of anti-social behaviour services.

Together, these measures provide assurance that Salix Homes remains well placed to deliver the objectives of The Salix Way whilst maintaining compliance with regulatory expectations and responding to customer feedback.

Overall Strategic Performance

Collectively, the performance set out within this report demonstrates strong progress against the priorities contained within The Salix Way.

During the year, Salix Homes maintained strong compliance performance, invested significantly in existing homes, supported customers through ongoing cost-of-living pressures, delivered positive social value outcomes and maintained financial resilience in a challenging operating environment.

Whilst opportunities for improvement remain in areas including repairs satisfaction, complaints and aspects of operational efficiency, the Board remains satisfied that the organisation is delivering against its strategic objectives and is well positioned to continue delivering positive outcomes for customers, homes and communities.

Risk management

The Board has overall responsibility for overseeing risk management and ensuring that risk considerations support the successful delivery of Salix Homes' Corporate Plan.

The Board approves the Risk Management Framework and Risk Appetite Statement, which provide a structured approach to identifying, assessing and managing risks across the organisation.

The Board reviews its risk appetite annually and maintains an averse or cautious appetite towards risks relating to landlord and employer health and safety, governance, regulatory compliance and financial viability. At the same time, the Board recognises that delivering its strategic ambitions requires a greater willingness to accept managed risk in areas such as growth, development, innovation, and business improvement.

Strategic risks are reviewed regularly by both the Board and Audit & Risk Committee, with emerging risks considered alongside changes in the operating environment. The Audit & Risk Committee supports the Board through detailed oversight of the risk register and provides assurance that risks are appropriately managed through effective controls, mitigation actions and independent assurance activity, including internal audit.

During the year, key areas of focus included maintaining long-term financial resilience in a challenging economic environment, ensuring the safety and quality of homes, responding to increasing cyber security threats, and attracting and retaining a skilled workforce capable of meeting evolving customer and regulatory expectations. The Board also monitored risks associated with delivering investment, sustainability and growth ambitions, balancing customer affordability, investment in existing homes, environmental objectives and long-term financial capacity.



Risk appetite, scenario planning and stress testing remain embedded within the organisation's business planning framework, enabling the Board to assess the impact of potential adverse events and identify appropriate mitigation and recovery actions. The Board, Audit & Risk Committee and Executive Team will continue to monitor emerging and existing risks to ensure Salix Homes remains well placed to deliver its strategic priorities in an increasingly complex and changing environment.

Internal Controls Assurance Statement

The Board has overall 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, proportionate 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 the system of internal controls. The Committee reviews and assures themselves that the internal controls are operating effectively through various assurance reports and that key risks are being managed in line with the Risk Management Framework every quarter. The Committee liaise directly with the appointed internal and external auditors. 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 emerging and key risks applicable to their areas of business. They 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 and actions at each meeting. 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 is externally assessed to provide additional assurance.

Key performance indicators (KPIs) – both financial and non-financial are reported to SLT (monthly) and the Board (quarterly). This includes the Tenant Satisfaction Measures (TSMs). These KPIs are used to inform discussions at Senior Leadership Team meetings and are used to help drive continuous 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. The internal audit partner can also meet with members with no officers present. Recommendations for improvements are graded as high, medium or low and actions are agreed with management. 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 "In our opinion, based on the work undertaken, the Board can be provided with reasonable assurance in respect of the design and operation of governance, risk management and internal control within the scope of work reviewed".

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 Board and Audit & Risk Committee. There were no such significant weaknesses identified.

Processes are in place to allow customers and stakeholders to provide additional assurance regarding the internal controls at Salix Homes. Governance arrangements provide opportunities for hearing the customer voice – through the Customer Committee and the commissioning of scrutiny reviews regarding key areas of operational activity. The scrutiny reviews and the implementation of any recommendations identified are overseen and monitored by the Customer Committee. External reviews are also commissioned – the outcomes of which provide management and the Board with independent opinions on key areas of the business. During 2025/26, this included feedback from the Institute of Customer Service, which showed that Salix Homes is delivering strong customer outcomes, with scores above Housing and UKCSI sector average.

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. An approved Whistleblowing Policy is in place and colleagues are encouraged to report any concerns of wrongdoing they become aware of. Governance arrangements and various policies have been reviewed and updated to reflect the requirements of the Economic Crime and Corporate Transparency Act. Information with respect to frauds and losses frauds 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 2026. 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 (2025: £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'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 2026 the group had available cash balances of £1.9m and a further £28.5m 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 has 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 twelve 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.

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 account 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 is 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 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 reappoint Forvis Mazars as external auditors will be put to the Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held on 22 September 2026.

The Report of the Board, including the Strategic Report, was approved by the Board on 22 September 2026 and signed on its behalf by:



Martin Warhurst
Chair



Report of the independent auditors

We have audited the financial statements of Salix Homes (the 'Association') and its subsidiary (the 'Group') for the year ended 31 March 2026 which comprise the Group and Association Statement of Comprehensive Income, the Group and Association Statement of Financial Position, the Group and Association Statement of Changes in Reserves, the Group Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Association's affairs as at 31 March 2026 and of the Group's and Association's surplus 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 Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 Members' 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 and Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report of the Board of Management and Strategic Report, other than the financial statements and our auditor's report thereon. The Board Members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper books of account; or
- the financial statements are not in agreement with the 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 Board Members' responsibilities statement set out on page x, the Board Members are 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 Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board Members are responsible for assessing the Group and 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 directors either intend to liquidate the Group or Association or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and Association and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, GDPR, health and safety regulation, anti-money laundering regulation and tax legislation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in

respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and Association is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and Association which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as Co-operative and Community Benefit Societies 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In addition, we evaluated the Board Members’ and management’s incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to impairment, defined benefit pension accounting, fixed asset investments, property categorization and development costs, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board Members and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association’s members as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:

Signed by:

Forvis Mazars UK

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Forvis Mazars

The Aviary
4th Floor
39 Booth Street
Manchester
M2 3HZ

Date: 30 September 2026

Consolidated and Association Statement of Comprehensive Income

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Turnover	3	48,570	49,298	48,570	49,298
Operating Costs	3	(43,424)	(42,484)	(43,417)	(42,480)
Surplus on Disposals of Properties	3	5,799	2,039	5,799	2,039
Increase in valuation of investment properties	15	312	851	312	851
Operating Surplus		11,257	9,704	11,264	9,708
Interest receivable	8	1,998	1,283	2,065	1,374
Interest and financing costs	9	(4,827)	(4,952)	(4,827)	(4,951)
Surplus for the year before tax		8,428	6,035	8,502	6,131
Taxation	10	(59)	–	–	–
Share of operating profits in Joint Venture	15	46	–	–	–
Surplus for the year after tax	11	8,415	6,035	8,502	6,131
Actuarial (loss) on defined benefit pension scheme		(2,151)	(1,242)	(2,151)	(1,242)
Total comprehensive income		6,264	4,793	6,351	4,889

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 44 to 78 were approved and authorised for issue by the Board on 22 September 2026 and were signed on its behalf by





Chair
Martin Warhurst



Chair Audit Committee
Jason Ridley



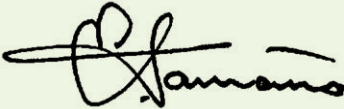
Secretary
Eric Tamanis

Consolidated and Association Statement of Financial Position

	Note	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Fixed Assets					
Housing Properties	13	259,343	231,635	260,314	232,326
Other fixed assets	14	627	478	627	478
Investment Properties	15	2,080	1,767	2,080	1,767
Investment in Joint Venture	15	800	800	–	–
Debtors due above one year	16	2,200	4,890	3,000	5,690
Current Assets					
Debtors due within one year	16	13,529	31,103	13,358	31,113
Stock & work in progress	17	89	1,414	89	1,469
Cash and cash equivalents	18	1,903	1,084	1,876	1,004
		15,521	33,601	15,323	33,586
Creditors due within one year	19	(14,458)	(10,483)	(14,506)	(10,520)
Net Current (Liabilities)/Assets		1,063	23,118	817	23,066
Total Assets less Current Liabilities		266,113	262,688	266,838	263,326
Creditors due in more than one year	22	(149,137)	(139,231)	(149,137)	(139,231)
Provisions for Liabilities and Charges					
Provision for other liabilities	24	(9,760)	(22,505)	(9,760)	(22,505)
Pension asset/(liability)	12	–	–	–	–
		(9,760)	(22,505)	(9,760)	(22,505)
Total Net Assets		107,216	100,952	107,941	101,590
Reserves					
Non-equity share capital	25	–	–	–	–
Income and expenditure reserves		107,216	100,952	107,941	101,590
Total Reserves		107,216	100,952	107,941	101,590

The financial statements on pages 44 to 78 were approved and authorised for issue by the Board on 22 September 2026 and were signed on its behalf by





Chair
Martin Warhurst

Chair Audit Committee
Jason Ridley

Secretary
Eric Tamanis

Consolidated and Association Statement of Changes in Reserves

	Group 2026 Income and expenditure reserve £'000	Group 2025 Income and expenditure reserve £'000	Association 2026 Income and expenditure reserve £'000	Association 2025 Income and expenditure reserve £'000
Balance at start of year	100,952	96,159	101,590	96,701
Surplus for the year	8,415	6,035	8,502	6,131
Other comprehensive income for year	(2,151)	(1,242)	(2,151)	(1,242)
Balance at 31 March	107,216	100,952	107,941	101,590

Consolidated Statement of Cashflows

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Net cash generated from operating activities (see Note 29)	14,031	14,192	14,135	14,406
Cashflow from investing activities				
Purchase of tangible fixed assets	(34,196)	(31,063)	(34,268)	(31,181)
Proceeds from sale of tangible fixed assets	6,958	2,747	6,958	2,747
First Tranche Sales	1,346	2,782	1,346	2,782
Investment in GMJV	(739)	–	(739)	–
Profit share on GMJV	46	–	–	–
Other – Ethical Lettings and Social Fund Expenditure	–	(40)	–	(40)
Grants received	15,045	10,145	15,045	10,145
Interest received	166	139	233	154
Corporation Tax Paid	–	–	–	–
Cashflow from financing activities				
Interest paid and loan fees	(5,338)	(5,315)	(5,338)	(5,314)
New secured loans	25,500	9,500	25,500	9,500
Loan Repayments	(22,000)	(7,500)	(22,000)	(7,500)
Net change in cash and cash equivalents	819	(4,412)	872	(4,301)
Cash and cash equivalents at beginning of the year	1,084	5,496	1,004	5,305
Cash and cash equivalents at end of the year	1,903	1,084	1,876	1,004

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 parent organisation in the Group.

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

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

2 – Accounting policies

(a) Basis of Accounting

The financial statements 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 (FRS102). 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 2026

Salix Homes Limited is a public benefit entity and has therefore applied the PBE prefixed sections of FRS102.

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

(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 32.

(c) 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 2026 the group had available cash balances of £1.9m and a further £28.5m 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 has 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 twelve months after the date on which the report and financial statements are signed.

The Board therefore continues to adopt the going concern basis for these financial statements.

(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.

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

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 as well as revenue-based grants receivable from other government agencies and from Homes England. This also includes recharges to tenants in relation to repairs and court costs and includes recharges for major repair works.

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.

(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 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.

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 £8.1m. 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.

Since the stock transfer in 2015 a further 70 properties have been acquired from other Registered Housing providers (nil in 2025/26) with a grant liability of £1.7m, 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.

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 the SOCI as 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) Judgements and estimation uncertainty in accounting policies

The Association participates in two pension schemes

- 1) A Local Government Pension Schemes (LGPS), 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 2026 no refunds have been received, or can be expected to be received, however a reduction in the employer’s contribution from 18.5% to 15% has been confirmed from April 2026. However it is still management’s judgement to adopt the requirements of FRS 102 (para 28.22) and recognise 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.

Change in assumptions at the 31 March 2026	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 (PIR)	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 post-employment 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.

(l) 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.

(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 FRS102 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 year-end 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 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 24.

(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 FRS102 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.

(w) Investment properties

Investment properties are not held for their social benefit, but either to earn rental income or for capital appreciation, or for both. Investment properties are recognised initially at cost and subsequently held at fair value. Any gains or losses arising from changes in the fair value are recognised in the statement of comprehensive income in the period that they arise. No depreciation is provided in respect of investment properties applying the fair value model.

3 – Turnover, operating costs and operating surplus

2026

Group	Note	Turnover £'000	Operating Costs £'000	Surplus on Disposals £'000	Operating Surplus £'000
Social Housing Lettings	4	45,089	(39,405)	–	5,684
Other Social Housing					
Development Services		–	(112)	–	(112)
First tranche SO Sales		1,346	(1,336)		10
Surplus on disposal of properties		–	–	5,799	5,799
Non-Social					
Other		802	(1,280)	–	(478)
Communal Heating		354	(368)	–	(14)
Managed for others		–	–	–	–
Outright Sales		–	–	–	–
Roof Space Income		57	(34)	–	23
Private Sector Owned		116	(7)	–	109
Private Sector Leasing		806	(882)	–	(76)
		48,570	(43,424)	5,799	10,945

2025

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)
Exceptional		–	–	–	
Surplus on disposal of properties		2,792	(3,145)	–	(353)
Surplus on sale of OFA		–	–	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

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

2026

Association	Note	Turnover £'000	Operating Costs £'000	Surplus on Disposals £'000	Operating Surplus £'000
Social Housing Lettings	4	45,089	(39,405)	–	5,684
Other Social Housing					
Development Services		–	(105)	–	(105)
First tranche SO Sales		1,346	(1,336)	–	10
Surplus on disposal of properties		–	–	5,799	5,799
Non-Social Housing Activities:					
Other		802	(1,280)	–	(478)
Communal Heating		354	(368)	–	(14)
Managed for others		–	–	–	–
Outright Sales		–	–	–	–
Roof Space Income		57	(34)	–	23
Private Sector Owned		116	(7)	–	109
Private Sector Leasing		806	(882)	–	(76)
		48,570	(43,417)	5,799	10,952

2025

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)
First tranche SO Sales		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	(42,480)	2,039	8,857

4 – Income and expenditure from Social Housing

	General Needs £'000	Sheltered Housing £'000	Intermediate Market Rent £'000	Shared Ownership £'000	2026 Total £'000	2025 Total £'000
Income from Social Housing Lettings						
Rent Receivable	37,389	1,326	1,976	97	40,788	40,087
Service Charge Income	2,411	369	–	5	2,785	2,981
Amortised Grant	572	–	13	–	585	511
Government Grant taken to Income	829	–	–	–	829	349
Charges for Support Services	–	–	–	–	–	72
Other Income	102	–	–	–	102	211
Total Income	41,303	1,695	1,989	102	45,089	44,211
Expenditure on Social Housing Lettings						
Management	10,987	426	257	41	11,711	10,374
Service Charge costs	3,724	222	89	14	4,049	3,755
Routine Maintenance	13,363	531	320	52	14,266	13,182
Planned Maintenance	2,051	82	49	8	2,190	1,429
Major Repairs	314	13	8	1	336	789
Bad Debts	168	7	4	1	180	163
Depreciation and write off of housing components	6,265	240	145	23	6,673	6,246
Impairment	–	–	–	–	–	145
Total Expenditure on Social Housing Lettings	36,872	1,521	872	140	39,405	36,083
Operating Surplus on Social Housing Lettings	4,431	174	1,117	(38)	5,684	8,128
Void Losses	294	17	91	–	402	412

5 – Staff numbers & costs

Group & Association		
Average Number Employed	2026 No	2025 No
Executive Officers	4	4
Office, estate & operative staff	230	213
Maintenance	77	69
Caretakers and cleaners	25	25
	336	311
Part-time	23	22
Full-time	313	289
Total	336	311
Full time equivalents	325	301

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	2026 No	2025 No
Salaries	12,775	11,303
Social Security Costs	1,669	1,176
Other Pension Costs	1,216	1,059
	15,660	13,538

6 – Directors Remuneration

Directors Remuneration	2026 £'000	2025 £'000
The aggregate amount of emoluments payable or receivable by executive Directors and former executive directors	660	572
The aggregate amount of emoluments payable to Board of Management	107	123
The emoluments by member is as follows, rounded to the nearest £'000:		
Ahmed Abdulmalek	5	6
Aisling McCourt	8	8
Charlotte Haines	7	7
Cynthia Alloyoa	5	6
Gareth Evans	5	6
Gerald Emmanuel Arhin	3	0
Greg Van Enk-Bones	0	3
Helen Wallworth	3	0
Jason Ridley	7	4
Jack Buckley	5	3
James Battle	0	5
Jason Marland	0	5
John Beattie	5	3
Karen Hamilton – Hulse	0	4
Keri Lee Muldoon	6	6
Khalil Rehman	0	3
Mark Beyer	7	7
Marta Diaz	5	6
Martin Warhurst	12	11
Monika Liskiewicz	5	5
Pamela Welsh	0	5
Paul Martin	5	6
Philip Johnson	7	8
Rashida Owoseni	4	6
Victoria Burrows-Boon	3	0
	107	123
The emoluments (excluding pension contributions) of the highest paid Director (the Chief Executive) were:	173	161
Total expenses reimbursed to the Board of Management	0	0

6 – Directors Remuneration (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 £32,075 (2025: £29,684) 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.

Salix paid our executive directors and independent board members a total of £767k last year. This represents £97 per home compared to £87 in 2024/25.

The Chief Executive of Salix was paid a total of £173k, or £22 per home compared to £20 per home in 2024/25.

Management costs represent £1,389 per home compared to £1,295 in 2024/25. The average cost for the sector in 2024/25 was £1,350 per home.

9 – Interest and financing costs

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Finance costs on secured housing loans	5,036	5,065	5,036	5,065
Non-utilisation fees	145	102	145	102
Amortisation of loan fees	157	164	157	164
Other associated fees	–	26	–	26
	5,338	5,357	5,338	5,356
Less: interest capitalised on housing properties under construction	511	405	511	405
	4,827	4,952	4,827	4,951

During 2026 capitalised interest was charged at an average of 5.05% (2025: 5.25%).

7 – Surplus on sale of housing properties

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Disposal Proceeds	6,958	2,747	6,958	2,747
Carrying value of asset	(818)	(623)	(818)	(623)
Recycling of Grant	(259)	–	(259)	–
Other costs associated with sale	(82)	(85)	(82)	(85)
	5,799	2,039	5,799	2,039

8 – Interest receivable

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Finance income from bank deposit	44	56	44	56
Interest from GMJV	122	88	–	–
Intra Group Interest receivable	–	–	189	179
Finance costs on pension actuarial gains	1,832	1,139	1,832	1,139
	1,998	1,283	2,065	1,374

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	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Current Tax:				
UK Corporation Tax charge for the year	–	–	–	–
Under/(over) provision in previous years	59	–	–	–
Tax on surplus on ordinary activities	59	–	–	–
(b) Factors affecting tax charge for the period				
Surplus on ordinary activities before tax	8474	6,035	8502	6,131
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2025:25%)	2118	1,521	2,125	1,533
Effects of:				
Group relief surrendered/(claimed)	–	–	37	–
Adjustment in respect of prior periods	59	–	–	–
Income from joint venture not disclosed in the accounts	–	64	–	–
Gift Aid payable to parent company	(12)	–	–	–
Movement in deferred tax not recognised	(41)	(22)	(41)	30
Surplus relating to charitable activities	(2,065)	(1,563)	(2,121)	(1,563)
Tax on profit on ordinary activities	59	–	–	–

11 – Surplus on ordinary activities

The surplus on ordinary activities is stated after charging:	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Depreciation – Housing Properties	6,375	6,184	6,375	6,184
Depreciation – Component Disposals	226	93	226	93
Depreciation – Other Fixed Assets	269	217	269	217
Amounts due in respect of operating leases:				
– Land & Buildings	911	950	911	950
– Other	114	392	114	392
Auditor's remuneration:				
– in their capacity as auditors	57	27	50	24
– other than as auditors	10	11	6	11

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 2026 were £1,150,733 of which employer's contributions totalled £837,108 and employees contributions totalled £313,625. The agreed contribution rates for future years are 15.0% for employers and range from 5% to 12% for employees with contributions based on the actual pay you earn.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund 31 March 2026.

	2026	2025
Rate of increase for pensions in payment/inflation	3.0%	2.8%
Rate of increase in salaries	4.5%	3.6%
Discount rate for scheme liabilities	6.3%	5.8%

12 – Pension obligation (continued)

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

	2026	2025
Retiring today		
Males	19.8 years	19.5 years
Females	23.6 years	23.3 years
Retiring in 20 years		
Males	21.5 years	20.6 years
Females	25.4 years	24.7 years

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income	2026 £'000	2025 £'000
Employer service cost (net of employee contributions)	501	762
Past service cost	–	–
Total operating charge	501	762
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	3,573	2,849
Interest on pension liabilities	(1,741)	(1,710)
Amounts charged/credited to financing costs	1,832	1,139
Movement in Assets and Obligations for the year		
Pension Scheme Assets	66,826	61,452
Scheme obligations	(33,149)	(30,018)
Net Actuarial asset on scheme recognised	33,677	31,434

12 – Pension obligation (continued)

Movement in surplus during year	2026 £'000	2025 £'000
Surplus in scheme at beginning of year	–	–
Movement in year:		
Employer service cost (net of employee contributions)	(501)	(762)
Employer contributions	820	865
Net interest/return on assets	2,935	1,139
Re-measurements	(33,585)	6,756
Surplus not recognised*	30,331	(7,998)
Surplus/(Deficit) in scheme at end of year	–	–

*The plan has a gross surplus at the reporting date of £33.7 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 £33.7 million has not been recognised in the balance sheet as a result.

12 – Pension obligation (continued)

Fair value of pension scheme assets

Asset Category	Asset value 31 Mar 2026 £'000	% of total
Equity	25,479	38%
Investment Funds And Unit Trusts	24,585	37%
Debt Security	7,068	11%
Private Equity	3,593	5%
Real Estate	4,085	6%
Cash	2,267	3%
Derivatives	(251)	0%
Total	66,826	100%

12b. 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 1st April 2017. The total contributions for the year ending 31 March 2026 were £515,102 (2025: £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 assets

	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 2026 Total Properties £'000	Group 2026 Total Properties £'000
Cost							
At start of year	212,989	32,224	13,603	1,680	4,030	264,526	263,835
Addition of properties	–	–	22,075	–	58	22,133	21,853
Works to existing properties	12,739	4	–	2	–	12,745	12,745
Interest Capitalised	–	–	511	–	–	511	511
Schemes completed	159	–	(138)	–	–	21	21
Disposals	(1,296)	–	–	(1)	–	(1,297)	(1,297)
Reclassification	400	(21)	5	(384)	–	–	–
Transfer from other fixed assets	(2)	–	–	–	–	(2)	(2)
At end of year	224,989	32,207	36,056	1,297	4,088	298,637	297,666
Less Depreciation							
At start of year	30,817	1,220	–	140	23	32,200	32,200
Depreciation charged in year	6,141	418	–	25	17	6,601	6,601
Disposals	(174)	–	–	(1)	–	(175)	(175)
Reclassification	(303)	–	–	–	–	(303)	(303)
Impairment	28	73	–	(101)	–	–	–
At end of year	36,509	1,711	–	63	40	38,323	38,323
Net Book Value							
At start of year	182,172	31,004	13,603	1,540	4,007	232,326	231,635
At end of year	188,480	30,496	36,056	1,234	4,048	260,314	259,343

13 – Housing properties (continued)

Additions to properties during the period include capitalised interest and finance costs of £511k (2025:£405k) and additions to components include capitalised staff costs of £0k (2025: £957k). Works to existing properties totalled £29,537k for 2026 (2025: £26,200k), of which £12,745k (2025: £10,800k) was capitalised and the remainder expensed to operating costs. 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

	2026 £'000	2025 £'000
Components capitalised	12,745	10,800
Amounts charged to expenditure	16,792	15,400
Total expenditure on works to existing properties in the year	29,537	26,200

14 – Other fixed assets

	Office Properties £'000	Computer Equipment £'000	Scheme Assets £'000	Furniture, Fittings and Equipment £'000	2026 Total £'000	2025 Total £'000
Cost						
At start of year	1,179	3,062	51	369	4,661	5,524
Additions	77	324	–	17	418	134
Transfer to housing fixed assets	–	–	–	–	–	(807)
Transfer to investment	–	–	–	–	–	(187)
Disposals	–	–	–	–	–	(3)
At end of year	1,256	3,386	51	386	5,079	4,661
Less Depreciation						
Charge for year	54	153	7	55	269	224
Reclassification	–	–	–	–	–	–
transfer to investment property	–	–	–	–	–	(8)
Disposals	–	–	–	–	–	(3)
At end of year	1,069	3,031	51	301	4,452	4,183
Net Book Value						
At start of year	164	184	7	123	478	1,554
At end of year	187	355	–	85	627	478

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 2026 were as follows:

Joint venture entity	Partner(s)	Interest %	2026	Loans provided to JV £'000	Interest %	2025	Loans provided to JV £'000
			Equity investment £'000			Equity investment £'000	
GMJV Fundco LLP	GMCA and other Registered Providers	10%	800	2,200	10%	800	1461

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 has invested £3m as a mix of debt and equity into Hive Homes.

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

	2026 £'000	2025 £'000
Share of profit/(loss) in Joint Venture	46	–

15.2 – Investment properties held for letting

	2026 £'000	2025 £'000
At the start of the year	1,769	–
Transfer from Housing Fixed Assets	–	731
Transfer from Other Fixed Assets	–	179
Increase in value	312	859
At end of the year	2,080	1,769

16 – Debtors

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Arrears of rent, service charges and other debt	2,657	2,907	2,657	2,907
Less: Provision for bad and doubtful debts	(1,331)	(1,320)	(1,331)	(1,320)
	1,326	1,587	1,326	1,587
Amounts due from Group undertakings	–	–	–	179
HMRC	273	568	224	486
Prepayments	892	901	892	901
Trade debtors	54	191	54	191
GMJV	122	88	–	–
Social Housing Grant receivable	–	8,111	–	8,111
Other receivables	1,102	582	1,102	582
Prepayment of improvement contract	9,760	19,076	9,760	19,076
	13,529	31,103	13,358	31,113
Due after more than one year				
Inter Company Loan	–	–	3,000	2,261
Prepayment of Improvement Contract	–	3,429	–	3,429
Loan to Joint Venture (Note 15)	2,200	1,461	–	–
	2,200	4,890	3,000	5,690

17 – Stock & work in progress

Properties (outright sale and shared ownership) and Materials Stock	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
At start of year	1,414	3,484	1,469	3,622
Transfer in (completed) shared ownership units	–	5,116	–	5,116
Transfer out shared ownership sales	(1,414)	(7,135)	(1,469)	(7,218)
Impairment of shared ownership units	–	(145)	–	(145)
Van stock	89	94	89	94
At end of year	89	1,414	89	1,469

18 – Cash and cash equivalents

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Cash at bank	1,903	1,084	1,876	1,004
	1,903	1,084	1,876	1,004

19 – Creditors (amounts falling due within one year)

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Finance costs payable	910	1,023	910	1,023
Rent and service charges paid in advance	1,999	1,748	1,999	1,748
Accruals and deferred income	3,972	2,659	3,972	2,655
Trade Creditors	4,558	3,160	2,768	2,330
Amounts due to Group undertakings	–	–	1,838	870
Deferred Grant	728	610	728	610
General payables	22	54	22	54
Grant in Advance (Ethical Lettings)	59	59	59	59
HMRC	1,824	283	1,824	283
Other creditors	386	888	386	888
	14,458	10,483	14,506	10,520

20 – Deferred grant income

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Opening Balance	42,835	31,682	42,835	31,682
– Grants received during the year				
Purchase/development of properties	6,808	11,797	6,808	11,797
Grants recycled in the year	–	–	–	–
Grant disposed in year	–	(133)	–	(133)
Released to income in year	(585)	(511)	(585)	(511)
	49,058	42,835	49,058	42,835
To be released to the statement of comprehensive income				
Within one year	728	610	728	610
Greater than one year	48,330	42,225	48,330	42,225
	49,058	42,835	49,058	42,835

21 – Recycled capital grant fund

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Opening Balance	10	10	10	10
Proceeds utilised	–	–	–	–
Proceeds recycled	259	–	259	–
Notional finance costs charged	–	–	–	–
Closing Balance	269	10	269	10
Due in less than one year				
	–	–	–	–
Due in greater than one year	269	10	269	10
	269	10	269	10

22 – Creditors – amounts falling due after more than one year

	2026 £'000	2025 £'000
Housing property loans	100,539	96,996
Deferred Grant (note 20)	48,329	42,225
Recycled Grant Fund (note 21)	269	10
	149,137	139,231
Housing Property Loans are repayable as follows:-		
Within one year	–	–
Between one and two years	–	–
Between two and five years	11,500	18,000
After five years	90,000	80,000
Capitalised loan arrangement fees	(961)	(1,004)
Net	100,539	96,996
Housing Loans were advanced by:-		
Banks	101,500	98,000
	101,500	98,000
As at 31 March 2026 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 1.4%)	70,000	60,000
Revolving Facility at variable rate plus 1.05% margin	11,500	18,000
	101,500	98,000
Loan Facility Undrawn		
Term	–	10,000
Revolving facility	28,500	22,000
	28,500	32,000

22 – Creditors – amounts falling due after more than one year (continued)

22a – Analysis of changes in long term financing during the year

	2026 Group Housing Loans £'000	2025 Group Housing Loans £'000	2026 Association Housing Loans £'000	2025 Association Housing Loans £'000
Balance at start of year	98,000	96,000	98,000	96,000
Shares issued	–	–	–	–
Shares surrendered	–	–	–	–
Changes in financing within one year	–	–	–	–
Cash inflow from financing	25,500	9,500	25,500	9,500
Loan repayments	(22,000)	(7,500)	(22,000)	(7,500)
Balance at end of year	101,500	98,000	101,500	98,000

22b – Reconciliation of net cashflow to movement in net debt

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Opening Cash at 1 April	1,084	5,496	1,004	5,305
Increase/(Decrease) in cash in the period	819	(4,412)	872	(4,301)
Closing Cash	1,903	1,084	1,876	1,004
Repayment of loans	25,500	7,500	25,500	7,500
Loans received	(22,000)	(9,500)	(22,000)	(9,500)
Changes in net debt	(3,543)	(6,412)	(3,543)	(6,301)
Net debt at 1 April	(96,917)	(90,505)	(96,996)	(90,695)
Net debt at 31 March	(100,460)	(96,917)	(100,539)	(96,996)

23 – Operating leases

As at 31 March 2026 Salix Homes Group had total commitments under non-cancellable operating leases as set out below:

	2026 £'000	2025 £'000
Land & Buildings		
Lease period ending:		
within 1 year	970	804
2-5 years	2,219	2,559
5 + years	–	–
	3,189	3,363
Other Operating Leases		
within 1 year	26	25
2-5 years	14	16
5 + years	–	–
	40	41

24 – Provisions

	2026 £'000	2025 £'000
Opening balance	22,505	33,766
Utilised	(12,745)	(11,261)
	9,760	22,505

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 23rd March 2015 and is for a fifteen year period. This provision is offset by a prepayment debtor disclosed in note 16.

25 – Non-equity share capital

	Group 2026	Group 2025	Association 2026	Association 2025
Shares of £1 each Issued and Fully Paid	£	£	£	£
At beginning of year	9	10	9	10
Issued during the year	–	2	–	2
Surrendered during the year	–	(3)	–	(3)
At end of year	9	9	9	9

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

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Total accumulated government grant and financial assistance received or receivable	15,272	14,923	15,272	14,923
Recognised as income in Statement of Comprehensive Income	829	349	829	349
Held as deferred capital grant	–	–	–	–
	16,101	15,272	16,101	15,272

27 – Capital commitments

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
a) Capital expenditure that has been contracted for but not provided for in the financial statements	17,051	54,500	17,569	55,484
Proposed method of financing:-				
Cashflow	–	2,021	–	3,005
Grant	6,856	18,096	6,856	18,096
Property Sales	–	6,275	–	6,275
Current Loan Facility	10,195	28,108	10,713	28,108
	17,051	54,500	17,569	55,484
b) Capital expenditure that has been authorised by the Board of Management but not contracted for	13,104	3,032	13,104	3,032
Proposed method of financing:-				
Cashflow	8,150	2,452	8,150	2,452
Property Sales	–	–	–	–
Grant	–	580	–	580
Agreed Loans	4,954	–	4,954	–
	13,104	3,032	13,104	3,032

28 – Contingent liability

As at 31 March 2026 Salix Homes Limited has a contingent liability in respect of 91 properties which were subject to government grant of £7.3m. If the properties with social housing grant were disposed of there would be a liability to recycle or repay the grant. To date there have been ten property disposals and a scheme change of use trigger which has resulted in £0.8m being recycled or written off from the original balance of £8.1m.

Since stock transfer in 2015 a further 70 properties were acquired from other Registered Housing providers (nil in 2025/26) with a grant liability of £1.7m, this is reflected in the fair value of the housing properties with no additional value attributed to the government grant transferred, when they were acquired.

29 – Cashflow from operating activities

	Group 2026 £'000	Group 2025 £'000	Association 2026 £'000	Association 2025 £'000
Surplus for the year	8,415	6,035	8,502	6,131
Adjustments for non-cash & other items:				
Depreciation of tangible fixed assets	6,870	6,494	6,870	6,494
Decrease/(Increase) in trade and other debtors	138	(356)	328	(314)
Increase/(Decrease) in trade and other creditors	3,974	(3,754)	3,868	(3,586)
Amortised government grants	(585)	(511)	(585)	(511)
Corporation Tax	–	–	–	–
Revaluation of commercial units	(312)	(851)	(312)	(851)
Pension cost less contributions payable	(319)	(103)	(319)	(103)
Carrying amount of tangible fixed asset	818	623	818	623
Cost of properties for SO	1,336	3,145	1,336	3,145
Cost of properties for outright sale	–	–	–	–
Impairment of tangible fixed assets	–	145	–	145
Adjustments for investing or financial activities				
Ethical Lettings	–	(40)	–	(40)
Government grants utilised in year	(829)	(349)	(829)	(349)
Proceeds from the sale of tangible fixed assets	(6,958)	(2,747)	(6,958)	(2,747)
Proceeds from the sale of Shared Ownership	(1,346)	2,792	(1,346)	2,792
Proceeds from the sale of outright sales	–	–	–	–
Interest and financing costs	4,827	4,952	4,827	4,951
Interest received	(1,998)	(1,283)	(2,065)	(1,374)
	14,031	14,192	14,135	14,406

30 – Accommodation owned & managed

Social housing accommodation in management	2026	2025
Social rent	7,204	7,278
Affordable Rent	56	56
Housing for Older Persons (HOPS)	299	299
Keyworker	26	26
Intermediate Market rent (Rent to Buy)	180	180
Shared Ownership	29	29
Temporary Accommodation	14	14
Total Units	7,808	7,882
Social housing managed by others		
Social rent	116	116
Total Units	116	116
Non-social housing accommodation in management		
Other	14	14
Managed for others	88	101
Leaseholders	585	556
Total Units	687	671
Non-residential in management		
Shops	35	35
Office	4	4
Garages	165	165
Social units in ownership		
Social Housing Accommodation	7,808	7,882
Tenant Management Organisation (TMO)	70	70
Temporary Accommodation managed by others	46	46
	7,924	7,998
Non Social units in ownership	14	14
Total units owned & managed	7,938	8,012
The total housing owned units movement is as follows:		
Reason for movement	No's	No's
Development of newbuild properties	–	66
Right to Buy and Right to Acquire	(74)	(41)
Total movement in year	(74)	25

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.

	2026 £'000	2025 £'000
Amounts contracted for with Salix Homes Developments Limited	9,445	4,212
Amounts charged to Salix Homes Developments Limited for management and administration	226	152
Amounts charged for interest payable	189	179

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.

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 & services charged to tenant board members was £5,850 (2025: £5,815). There are no arrears to report on the tenancy at the reporting period end 31st March 2026 (2025: Nil).

No other transactions took place with Directors.

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

	2026 £'000	2025 £'000
Greater Manchester Combined Authority	(2,414)	(4,550)
Salford City Council	1,408	2,748
Unite Union	–	3
University of Salford	1	2
	(1,005)	(1,797)



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