



Homes that change
people's lives

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2025

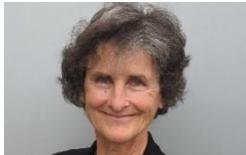
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ENTITY INFORMATION

Board of management	S Mason (chair) J Derbyshire BSc MRICS (end of term retired September 2024) D Heyes MCIM (resigned January 2025) D Stollard CEng, MBA, MAPM S Furzland (resigned April 2025) K Pennington S Palmer I McLeod BA (Hons), ACMA, ACT M Sharma J Hall (resigned September 2024) S Smith S Davison J Schofield co-optee (appointed July 2025) P Smith
Chief Executive	P Smith
Company Secretary	L Martin (resigned 1 November 2024) L Awosile (appointed October 2024, resigned March 2025) S Leonard (appointed March 2025, resigned May 2025) J Beavons (appointed 23 June 2025)
Registration Numbers	Co-operative and Community Benefit Society 16402R Regulator of Social Housing LH0977
Registered Office	Units 3 & 4 Pinkers Court Briarlands Office Park Gloucester Road Rudgeway Bristol BS35 3QH
Solicitor	Clarke Willmott LLP 1 Georges Square Bath Street Bristol BS1 6BA
Internal auditors	Beever and Struthers St George's House 215-219 Chester Road Manchester M15 4JE
External auditor	Bishop Fleming Audit Limited 10 Temple Back Redcliffe Bristol BS1 6FL

CHAIR'S STATEMENT



Our focus for the last year has been on maintaining a sustainable financial position, seeking opportunities to grow the organisation and continuing to provide safe and decent homes for our varied range of customers. We have also worked hard to improve our customer satisfaction. I am pleased to say that as a result of introducing a new Customer Experience Strategy last year, we have seen a positive increase in customer satisfaction. Our new Repairs and Maintenance contractors have also been welcomed by our customers with a corresponding increase in satisfaction. Complaints in the year have decreased although we refuse to be complacent and view complaints as a way of learning about and improving the service we offer.

Elim is an organisation with a justly deserved high profile in Bristol and South Gloucester and seen by our partners as key to addressing key issues such as homelessness in the region. We continue to work closely with the NHS and other partners for the provision of specialist supported housing providing models in this area for the sector. We were delighted to be nominated for awards for Project W in supported housing by UK Housing Awards and supported housing innovation for our Birchwood scheme by Housing with Care Awards.

2025 also saw the successful disposal of some of our properties in South Wales to Trivallis as part of our Asset strategy and we also exceeded our target for new homes. We have found however that our ability to develop new schemes is impacted by our financial constraints.

Our colleagues continue to deliver excellent service for our customers and have dealt with some very challenging issues. Nonetheless we ended the year with the highest ever colleague satisfaction. I thank them all for their commitment and resilience in difficult times.

Our operating environment remains very challenging and uncertain. Over the last five years, the cost of maintaining our homes has tripled and our interest rate costs have doubled. Whilst we are still able to deliver our financial plan, this has had an impact on our ability to deliver all the improvements we would like for our homes. We have successfully refinanced with MORhomes which enabled us to close our loans with Triodos Bank and continue to have an excellent working relationship with Barclays.

At our AGM in September 2024, we welcomed Stewart Davison to the Board, and he also took up the position of Vice Chair and Chair of our Customer Service Committee. Stewart's vision and strategy on technology is invaluable. We were also delighted to welcome James Gray as a co-opted board member bringing a wealth of experience and knowledge of development in the housing sector to the Board. A new chair was appointed to Lime Property Ventures and Jason Schofield will bring depth and dynamism to our plans. We have a strong and committed team of Board and Committee Members and I thank them all for their guidance and support. We were sad to say goodbye to Jacqui Derbyshire after many years of commitment and support for both Elim and Lime Property Ventures. David Heyes also left the Board due to work commitments, and we will miss his valued contribution to our IT strategy in particular. I thank them both for their service. Funke Babatunde completed our Board Development Programme and we wish her every success in the future.

Elim is an ambitious organisation with aspirations to deliver high quality homes and support for a wide range of customers. However, the current economic environment has made it increasingly difficult to achieve our ambitions. To strengthen and sustain the homes and services we provide, we have started a conversation about the potential for Elim to merge with another organisation. However, with the support of our Board, Executive Team and all our colleagues, whilst we search for a new partner we will continue to deliver our vision to meet housing need and deliver homes that change people's lives and be proud of Elim's undoubted achievements.

Sally Mason Chair

CHIEF EXECUTIVE'S STATEMENT



In a previous annual report, I started with Dickens, so retaining the literary illusion this time I'll go with Shakespeare

"To be, or not to be – that is the question:
Whether tis nobler in the mind to suffer
The slings and arrows of outrageous fortune
Or to take arms against a sea of troubles
And by opposing end them."

I'll stop there because we aren't sleeping or dying.

These annual reports have charted the growing costs of maintaining our homes to the standard our customers deserve and expect. If you track back through five years of accounts, you will see the cost of our asset services rising from an average of around £900 per home to £3000. Over a similar period, our borrowing costs have more than doubled. With the repairs costs this is a combination of a number of issues; a low level of investment in the previous decade creating a backlog of works, a massively above inflation rise in labour and materials following COVID and the cost of living crisis, increased regulatory requirements (none of which I would argue with) and the future desire to decarbonise our properties. As a small organisation, along with many other small and medium sized housing associations, we do not have the financial resources and agility to effectively manage these issues alone. If we are to be true to our values of putting customers first, accepting accountability and achieving results we have to find a partner to assist us with our ambitions.

The process of selecting a partner started in January 2025 and following the rating of 18 potential associations we approached Places for People (PfP), which had the highest score due to issues such as service and geographical alignment, financial strength, regulatory ratings and financial capacity. Informal discussions started following that period and we were impressed with PfP's leadership culture, flexibility and responsiveness. This is the beginning of a process which should take Elim to a place where it is able to achieve its ambitions for service, asset investment, home improvement and organisational growth.

The merger may not be successful so we also have to continue to operate within our own business plan and budget with our limited resources. In the year we have continued with our stock rationalisation programme which will make the organisation more efficient. The most significant exercise was the transfer of homes in the Welsh Valleys to Trivallis a locally based housing association. This means our former customers will now have services delivered by a respected organisation which is based literally 'close to home'.

It was fantastic to complete our pioneering project 'Elizabeth Close' in Oldland Common purpose built to provide homes for life for people with complex needs who are in hospital even though they have no clinical needs. This has been the result of a remarkable partnership between Elim, Bristol City Council, South Gloucestershire Council, NHS England, Homes England, BNSSG ICB and Noma Architects. I can't be more proud of this project and everyone involved in it and the leadership from Naina Mandleker from before Elim becoming involved.

We were also very lucky during the year to have a central Bristol property donated to Elim from a national celebrity. I don't have permission to use his name however it is a remarkable piece of philanthropy. He had originally bought this central Bristol townhouse to help a Syrian family escaping war and oppression. The family are now tenants of Elim continuing to live in the same house with a lifetime tenancy.

For the last few years, we had been dealing with a poorly constructed property which failed to meet fire safety requirements, had a leaking roof, broken sewage pipes and numerous failings. Despite all these failings it was much loved by its residents. We have incurred significant legal costs in seeking remediation costs from the original developed ISG Pearce. In the autumn, just as we were about to start the arbitration process, the company went into liquidation with eye-watering liabilities. With huge regret the Board decided that the only viable option was to demolish the mix of flats and houses. In February we started the engagement with the residents who have shown enormous fortitude and great understanding despite the devastating news. We have been working closely with Bristol City Council (BCC), advise agencies and the residents to find them all a suitable new home.

It has been possible to invest in another block of flats with fewer issues and to eliminate the fire safety issues which had become evident. Again, this was achieved with the co-operation and support of residents, some of whom had to move away when the works were being completed.

Bristol and the country as a whole is experiencing record homelessness and in particular expensive, poor quality temporary accommodation. We have worked with BCC on a new model of modular homes to provide high quality homes for families experiencing homelessness, the first demonstration home was completed this year and was occupied at the time of writing this report and will be hopefully the start of an extensive programme.

Over the year we have seen measurable improvements in both resident and colleague satisfaction.

It has been a huge privilege to lead Elim over this period, and I am optimistic about our future in the new partnership and ultimately integration into Places for People Group.

Paul Smith
Chief Executive

STRATEGIC REPORT

The Board of Elim Housing is pleased to present its report together with the audited financial statements of Elim Housing Association Limited (the Association) and Elim Housing Group (the group) for the year ended 31 March 2025.

About us

Elim provides homes and housing services to over 850 households across 10 local authority areas in England and Wales. Our customers include individuals and families in social rented or shared ownership homes, people with experience of homelessness who are living in our supported housing and Gypsies and Travellers living on specially developed sites that Elim have built or manage on behalf of another Local Authority.

Our vision is to meet housing need and deliver homes that change people's lives

People

Customers

Our homelessness support services continue to provide a valuable service to those in the most acute housing need. In the course of the year, over 300 service users moved on from our support services to more secure and appropriate accommodation. This includes hospital inpatients across two hospitals in Gloucestershire. These patients were either homeless or at risk of homelessness at the point of their admission and were supported by Elim to find appropriate accommodation on discharge. Testament to the quality of the services provided by our supported housing colleagues, all of Elim's homelessness support services that reached the end of contract term in 2024/2025 were successfully recommissioned by our Local Authority partners.

In March 2024, the Elim Group Board approved the new Customer Experience Strategy which focussed on continuously improving our customers' experience and satisfaction with Elim's service. Between April 2024 and March 2025, we used the first twelve months of the strategy to focus on the implementation of three main aims including the better use of data and systems to improve our customer service, more opportunities for customers to give their views and influence our services, and the sharing of a wider range of good quality and accurate performance information.

Although we have found it an ongoing challenge to establish a formal Elim customer scrutiny group, we have been pleased to see an overall increase in the level of customer engagement over the last twelve months, with higher survey response rates and increased levels of attendance at community events and 'Ask Elim' live Q&A sessions hosted in the evening by the Chief Executive and other operational teams during the year. We were also pleased to welcome an Elim customer into our governance structure this year, and look forward to the experience, knowledge and insight they will add to our Board committee.

Throughout quarters 3 and 4 2024/2025 we launched a focused engagement project on our Gypsy and Traveller sites, asking each household to complete a short survey on the services they receive from Elim and the condition of the site they live on. We were pleased to obtain responses from customers of 54 (62%) of the 90 Gypsy Roma Traveller homes we own or manage. Overall satisfaction with Elim's Gypsy and Traveller service was over 68%, and the results of the project have been able to inform our Gypsy and Traveller team plans and management activity for the year ahead. As an organisation we continue to champion the need for affordable Gypsy and Traveller housing across the UK. In February 2025 we led a workshop at the Chartered Institute of Housing (CIH) conference, and we have extended an invitation of support and guidance to any other Housing Associations who may be interested in designing, building and managing Gypsy and Traveller sites in South West England or further afield.

Just ahead of April 2024 Elim completed a minor restructure of its housing management and asset management teams, bringing both operational services into a single customer service directorate for the 2024/2025 period. Building on existing positive relationships between Elim's colleague teams, the approach has led to closer joint working with improvements in information sharing and more aligned services that have household need and customer insight at the centre.

Too much of the knowledge we have about our customers is still a result of the more personal connections we are able to develop as a smaller housing association. Our 'Behind Every Door' project, launched at the end of 2024/25 aims to counter this with a target to meet every customer at their home before the end of September 2025, to verify and record the data we hold on each household and to hear about their lived experience as customers of Elim.

Elim was pleased to take part in the Regulator for Social Housing smaller providers Tenant Satisfaction Measures (TSM) pilot and we submitted our first set of results to the Regulator in June 2024.

Across all Elim customers, overall satisfaction is the highest it has been since 2020/21, and we hope this demonstrates the improvements made by Elim Housing over the last year. Similarly, satisfaction with Elim Housing providing a home that is well maintained has increased by 10% since the previous year, with 84% of customers expressing satisfaction with the repairs and maintenance service Elim provides. After a challenging prior year experience and a change of lead maintenance contractor for the 2024/2025 year, we hope this reflects the action we have taken to address the concerns and feedback provided by our customers.

We will continue to work closely with all our operational teams to ensure Elim's customers receive a consistently good quality service, and with our Board Member Responsible for Complaints to ensure that the customer voice is heard through complaints at Board level and that there is a positive complaint handling culture at our organisation.

Colleagues

Throughout the year, our colleagues have delivered excellent services in often challenging circumstances. There have been many national economic and social challenges this year, and we do not underestimate the impact this has on customers, colleagues and front-line service delivery particularly.

Our people and culture action plan for 2024/2025 focused on colleague wellbeing, learning and development and inclusion and there has been positive activity across each of these areas.

Elim's CARES values are demonstrated daily by our colleagues, delivering customer services and making a positive difference to people's lives. As over 30% of our current colleague team have joined us since the CARES values were launched, one of our goals for the year was to strengthen and embed the CARES values for every member of the team.



Our theme for the 2024 Colleagues Conference was CARES values, and part of the goals was to explore how to live and promote our values. Feedback and contributions from colleagues were incorporated into our initiatives, policies and procedures.

Last year we invested over £35,000 in learning and development including leadership and skills training. We welcome the increased focus on professionalism in the housing sector and have supported our housing and support colleagues to gain professional qualifications to develop their careers.

Two of our colleagues passed their professional exams and our IT apprentice successfully completed his programme and has been offered a permanent role at Elim.

Our focus on good mental health continues and one additional colleague has become a Mental Health First Aider to deliver mental health support, mindfulness and organisation-wide awareness sessions. Our wider leadership team continues to meet quarterly, building on learning from an accredited development programme, and a shared focus on Elim's values, annual plan and aims for service improvements.

We carry out the Elim Pulse Survey twice a year to ask all our colleagues for their views and comments and to rate Elim in a number of key areas. We ask about our colleague's engagement, satisfaction and whether they feel recognised and valued by our Chief Executive. In the last survey of the year, February 2025, 93% of our respondents told us they feel proud to work for Elim, this was an increase from the 81% score we had last year, and 89% said that they feel a sense of accomplishment for the work they do.

Last year, we revived our Colleagues Council, as part of the goal to increase colleague participation and involvement at Elim. The Council has been meeting every quarter and has been instrumental to improved colleague recognition and awards.

Equality, Diversity and Inclusion (EDI)

The focus on Equality, Diversity and Inclusion has continued over the year and with the support of colleagues and board members, we have been able to make good progress against the aims set out in the second year of our EDI Strategy. This has included the roll-out of phase two of Elim's bespoke EDI training and education programme, with the delivery of at least four organisation-wide targeted sessions to support service delivery to customers and the continuous improvement of an inclusive and welcoming workplace culture.

We have continued with our support of our local community by participating in the 2024 Bristol Pride event, an opportunity that allowed us to create more awareness about Elim and to be recognised as an EDI committed organisation. We have continued our partnership with SARI (Stand Against Racism and Inequality) who have worked with Elim to develop our colleague's awareness of hate crime, LGBTQ+ and racism. They continued providing support and help reporting for customers who have experienced hate crime or racism.

On a national level we have signed up to the Good Employment Charter, committing to live up to the objectives of the charter. We also are continuing our work to meet objectives as a Disability Confident Employer and as a signatory of the Race at Work Charter. Elim's Chair is also a committed participant of the National Housing Federation EDI Chair's Challenge.

Looking ahead, we are going to review our EDI strategy for the next three years working with SARI to develop a new strategy for our EDI goals. We aim to engage more customers in our approach to EDI and to better understand and improve the household and property data we hold so that we can consistently respond to individual needs and improve the services we offer all our customers.



Property

Building and customer safety

During the year, the compliance related (Building Safety) work continues in earnest. We have successfully completed one of our larger fire remediation and upgrade projects at Wade Court in Bristol and we are now part way through our second major project at Maple House, also in Bristol. There will be more to come in future years as we move through the programme of property improvements.

All gas check appointments in the year were forward planned to ensure that we remain compliant and that we have time to deal with any access problem related households. A great deal of pro-active effort has been applied to ensure that we continue to meet our regulatory responsibilities.

The implementation of our new compliance system, True Compliance, continues with the successful installation of several key compliance requirements already completed. Until all the key compliance areas have been successfully installed, we continue to dual run our reports to ensure that safety is our top priority. True Compliance will enable us to better record, report and monitor all required remediation work in a holistic way.

We are actively monitoring instances of reported Damp, Mould and Condensation separately from all other compliance related tasks. Immediate remedial works are carried out effectively and quickly to ensure that our customers are kept safe. In some instances, further intrusive and/or involved works are required to ensure that problems do not re-occur. As we come closer to the enactment of Awaab's Law we are reviewing our approach and will be updating our procedures to align more closely with the requirements of the Act. This will give a further layer of protection from the effects of Damp, Mould and Condensation.

Strategic management of our assets (homes)

Our aspirations centre around providing homes that meet the needs of our customers. This sometimes involves making decisions about the appropriateness of some of our homes and whether they are still fit for purpose.

A small number of our Welsh homes have successfully been transferred (sold) to another Welsh Housing Association who, in that area, can provide a more holistic and rounded service for those customers. The Welsh Housing Association also has access to local monies that would not be available to Elim, as an English Landlord. Customers in these homes were not required to move but now have a new Social Housing Landlord.

We have a small number of other properties that do not fit with our aspirations to provide quality homes. Where these cannot be realistically or economically improved, we have made the decision to help find alternative, better quality, homes for those customers. We will then sell those homes and reinvest the money back into Elim helping us to improve or make safer our existing homes.

Decarbonisation

Our focus this year has been on improving further the quality and safety of our homes. During the last financial year, we did not actively pursue any specific decarbonisation enterprises. Our experience of the Wave 1 Social Housing Decarbonisation Fund (SHDF) bid was not repeated this year. As we move forward, we will aim to rebalance that and re-engage with our decarbonisation aspirations.

Investment in new development

Elim continued to grow and invest in much needed affordable homes delivery in 2024/2025 with the acquisition of a property in central Bristol and the completion of 6 specialist supported housing (SSH) bungalows in Oldland Common. We also progressed feasibility on three Section 106 sites and were successful with the Developer StrongVox at Long Ashton in North Somerset. We are now in contract to purchase three homes which are due for completion in late 2025.

Where possible Elim continues to invest in EPC A and B rated new homes only, with any new developments contracted by Elim built to EPC A rating to help customers lower their energy bills and make daily life more affordable.

Specialist Supported Housing (SSH)

March 2025 saw the successful completion of the development of 6 bungalows and staff facilities at Oldland Common now named Elizabeth Close. This groundbreaking scheme was 100% funded from NHS England and Homes England allowing Elim to deliver the scheme debt free. The development offers a home to individuals who have been in long term hospital care but are ready to move into their own personal bungalows with support needs catered for by a third party. All residents have complex learning disability and autism and will make the transition from hospital care to their new homes over the next few months.

These homes were delivered to an extremely high specification with each home fitted out with the required elements for the property to function as a home for the bespoke, specific needs of each individual resident. The SSH homes are owned and managed by Elim with the care and support commissioned by an appropriate care provider. The SSH projects involve collaboration with many external stakeholders and commissioners including NHS England and Local Authorities Adult Social Care.

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LPV

Lime Property Ventures Limited (LPV) is the wholly owned commercial subsidiary of the Elim Group which has been trading since 2016. Lime Property Ventures contributes towards the achievement of Elim's vision through the supply of new housing, and by covenanting profits to the Housing Association. This contributes to its affordable development plans and helps protect the long-term charitable interests of the Elim Group.

LPV has the scope to think and work creatively to ensure that is it using all land, development and asset management opportunities in the best interests of the whole Elim Group.

LPV continued to be challenged by external factors of increased interest rates, planning delays and inflation on construction costs in this period. We received planning permission for the redevelopment of land purchased at Upper Stone Close in Frampton Cottrell, South Gloucestershire but due to very lengthy delays in the planning decision the site was no longer financially viable with the agreed profit margins hence a decision was taken to sell the land with planning permission in place.

Plans to build four other homes in Wells, Somerset were also paused due to rising construction costs and limited open market values again rendering the profit margin below the agreed hurdle rate.

Alongside the development activity, LPV successfully manages 22 flats of student accommodation in the centre of Bristol. Letting activity has been consistent and this has generated a rental income of £256,500 in the year. The premises, although currently very popular, are being assessed for their long-term viability and to keep abreast with the ever-changing student letting market in the centre of Bristol. In the coming year we will be looking at future options on the building to ensure it remains viable and occupied.

Performance

Operational review

KPI's

	2024/2025 Actual	2024/2025 Target	2023/2024 Actual
Current rent arrears	5.0%	5.0%	5.8%
Overall customer satisfaction	74%	80%	71%
Positive housing outcomes	84%	75%	84%
Customer satisfaction with repairs	84%	80%	66%
Void rent loss	3.5%	2.8%	3.4%
Colleague satisfaction	89.5%	80%	81.9%

Financial review

Summary: Statement of comprehensive income

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Turnover					
Social housing	8,101	7,322	6,573	6,017	6,015
Non-social housing	811	360	217	850	1,091
First tranche shared ownership	-	1,429	285	557	3
	8,912	9,111	7,075	7,399	7,167
Surplus/(deficit) on disposal of housing properties	692	182	357	(25)	58
Increase in fair value of investment property	900				
Operating costs					
Social housing	(8,250)	(6,905)	(6,058)	(5,709)	(5,247)
Non-social housing	(792)	(295)	(157)	(722)	(617)
First tranche shared ownership	-	(849)	(166)	(270)	-
Impairment	(1,779)	-	-	(330)	(460)
	(10,821)	(8,028)	(6,381)	(7,031)	(6,324)
Operating profit/(loss)	(317)	1,265	1,051	368	843
Net interest charges	(1,662)	(1,334)	(1,039)	(660)	(693)
Profit/(loss) on ordinary activities before tax	(1,980)	(69)	12	(292)	150

The Group had an achieved turnover of £8,912,000 and, due to the increase in interest payable and impairment costs, the Group incurred a deficit before tax of £1,980,000.

Our core business remains social housing income accounting for 91% of total turnover. Our social housing delivered an operating deficit of £1,928,000 due to impairment costs of £1,779,000 and provision for homeloss payments of £244,000 mainly due to the structural issues at Bouverie Court and this resulted in an operating margin for social housing of -23.7%. In addition, there were increases in management costs £490,000 and repairs, maintenance and major works costs £206,000.

Net interest charges for the year have increased to £1,662,000 reflecting a new loan facility entered into during the year at a higher fixed rate due to the increases in interest rates. There has also been an impact on the variable rate debt.

Summary: Statement of financial position

	2025 £'000	2024 £'000	2023 £'000	*2022 £'000	*2021 £'000
Fixed assets	53,753	52,191	49,378	47,505	44,980
Current assets					
Inventory	-	625	1,171	868	1,113
Debtors	1,346	1,648	1,418	1,180	1,036
Cash and cash equivalents	1,717	483	395	875	2,230
Creditors: amounts falling due within one year	(3,590)	(2,509)	(23,935)	(13,902)	(1,790)
Net current assets	(527)	247	(20,951)	(10,979)	2,589
Creditors: amounts falling due after one year	(46,565)	(43,685)	(20,581)	(28,581)	(39,244)
Pension liability	(309)	(452)	(437)	(458)	(653)
Provision for liabilities and charges	(352)	(127)	-	-	-
Net assets	6,000	8,178	7,409	7,487	7,672
Reserves	6,000	8,178	7,409	7,487	7,672

*Reflects the values prior to the reclassification of Hathaway House as an investment property in 2023.

As at the end of March 2025, the Group is reporting reserves of £6,000,000. This includes a revaluation reserve of £1,047,000. This reflects a measured approach to investment decisions and a focus on ensuring that the Group maintains a strong liquidity position to finance our planned maintenance.

The carrying amount of our properties at net historic cost is £53,753,000 (including £2,700,000 for investment properties). The gross cost has increased in the year due to new properties being developed or purchased and investment in our existing stock.

Summary: Statement of cash flows

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Net cash generated from operating activities	1,285	2,076	1,318	1,272	1,625
Cash flow from investing activities	(784)	(2,418)	(2,812)	(2,696)	(193)
Cash flow from financing activities	733	430	1,014	69	(749)
Cash and cash equivalents at the beginning of the year	483	395	875	2,230	1,547
Cash and cash equivalents at the end of the year	1,717	483	395	875	2,230

The Group held £1,717,000 of cash and cash equivalents at the end of the financial year. The level of cash balance is now at a higher level due to the cash receipts from the disposal of some poorly performing assets.

Going concern

The group's business activities and its current financial position is set out in the strategic report. The group has a five-year business plan which shows that it can service its long-term debt facilities while continuing to comply with lenders' covenants.

Whilst Elim has sufficient cash resources, through the sale of assets, to service its debt over the medium term, the business plan is heavily dependent on asset sales, growth and savings to comply with the covenants of its lenders. Whilst risk-based stress testing shows that the group should be able to operate within the level of its current facilities, there remains a level of uncertainty due to the dependency on asset sales and growth.

The group has produced forecasts that predict that the group will continue to generate sufficient returns to enable the group to continue to meet all financial liabilities as they fall due for a period of at least 12 months following the approval of the financial statements. The Board has therefore concluded it is appropriate to prepare these financial statements on a going concern basis.

The Board also recognises the material uncertainty over the group's ability to continue as a going concern. This is because it is heavily dependent on asset sales, growth and savings to comply with the covenants of its lenders. As a result, it has commenced merger negotiations with Places for People.

Value for Money (VfM)

At Elim, we are committed to delivering and demonstrating Value for Money (VfM) in everything that we do for our customers. This commitment is led by the Board but is shared across the whole organisation and is embedded in our five-year strategy. Our approach is delivered by our people through strong leadership, training, and rigorous financial management.

The use of benchmarking information is an important way for us to challenge and understand our performance and costs. However, there are limitations within the benchmarking information as we have a diverse portfolio of properties spread across a wide area within 11 local authorities. Our figures also include our support services which has a more intensive management service and this contributes towards higher headline management costs and a lower operating margin.

Value for Money Metric	Elim 2024/25	Elim 2023/24	LSEBM Median quartile 2023/24
1. Reinvestment (%)	7.2	7.0	3.79
2. New supply delivered (%) A. Social Housing Units B. Non-Social Housing Units	0.7 0.0	1.80 0.0	0.0 0.0
3. Gearing (%)	48.3	39.5	20.5
4. EBITDA MRI (excluding impairment) Interest cover (%)	(116%)	114%	212.97
5. Headline social housing cost per unit (£)	7,583	9,051	6,175
6. Operating margin (%) A. Social Housing Lettings only	(44.4)	13.4	15.2

Value for Money Metric	Elim 2024/25	Elim 2023/24	LSEBM Median quartile 2023/24
B. Overall	(23.7)	13.4	20.1
7. Return on Capital Employed (ROCE) (%)	(2.4)	2.3	2.2
8. Management cost per unit	2,963	5,394	n/a
9. Maintenance cost per unit	3,026	2,119	n/a
10. Customer satisfaction (%)	74.0	71.0	75.0
11. Satisfaction with repairs (%)	84.0	66.0	80.0
12. Positive move-ons (%)	89.5	84.0	n/a

Environmental, Social and Governance (ESG)

Elim will issue a full ESG report later in the 2025/2026 financial year which will be the first one, this has been delayed due to conflicting workload priorities and resourcing capacity issues. We have not been early adopters of the SRS Reporting Standard but have been collating the data required and assessing the organisation on the core assessment criteria contained in the reporting standards.

Theme	Criteria	Response
T1 C1	For properties that are subject to the rent regulation regime, report against one or more affordability metric: 1) Rent compared to median private rental sector across the local authority 2) Rent compared to Local Housing Allowance (LHA)	On average the rent compared to Local Housing Allowance (LHA) is 40.3% lower
T1 C2	Share, and number, of existing homes allocated to General Needs (social rent), intermediate rent, affordable rent, supported housing, housing for older people, low-cost home ownership, care homes, private rented sector	General needs – 482 (57%) Intermediate rent – 21 (3%) Affordable rent – 24 (3%) Supported housing – 251 (30%) Low-cost home ownership – 58 (7%)
T1 C3	Share, and number, of new homes allocated to General Needs (social rent), intermediate rent, affordable rent, supported housing, housing for older people, low-cost home ownership, care homes, private rented sector	General needs – 6 new homes delivered in year 4 new social rent homes acquired under ownership or management in year.
T1 C4	How is the Housing Provider trying to reduce the effect of fuel poverty on its residents?	We are concentrating on retrofitting our homes to improve them. This will help to reduce costs for residents.
T2 C6	What % of homes with a gas appliance have an in-date, accredited gas safety check?	100%
T2 C7	What % of homes meet the national housing quality standard	80% - we are currently addressing DH fails identified through our 2024/25 stock condition survey programme
T2 C8	What % of buildings have an in-date and compliant Fire Risk Assessment	100%

T3 C9	What arrangements are in place to enable the residents to hold management to account for provision of services?	There are a number of initiatives in progress under Elim's Customer Experience Strategy 2024-2027. Although we have not been able to launch a formal customer scrutiny structure in 2024, we have undertaken a number of one-off resident engagement projects and have appointed a resident committee member into our formal governance structure.
T3 C10	How does the Housing Provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	We have a comprehensive resident satisfaction survey, in line with the requirements of our regulator. Performance is reported to the regulator annually, to our residents annually and to our board on a quarterly basis. Resident satisfaction at the end of 2024/2025 is 83% - the highest it has been over the last three years.
T4 C12	What support services does the Housing Provider offer to its resident. How successful are these services in providing outcomes?	We deliver 12 housing related support services for those in housing need across 4 local authorities. These services seek to equip service users to secure more appropriate, long-term accommodation and maximise their independent living skills. In 2024/2025 83% of our departures (302 of 360 resident move-ons) from our homelessness support services were planned, reflecting a positive outcome.
T6 C14	Distribution of EPC ratings of existing homes	B – 21.58% C – 23.50% D – 11.75% E,F,G – 1.56% Unknown – 41.61%
T6 C15	Distribution of EPC ratings of new homes	B – 100%
T9 C25	Is the Housing Provider registered with a regulator of social housing?	Yes, the Regulator of Social Housing
T9 C27	Which Code of Governance does the Housing Provider follow, if any?	National Housing Federation Code of Conduct 2022
T9 C28	Is the Housing Provider Not-For-Profit?	Yes
T9 C29	Explain how the Housing Provider's board manages organisational risk	There is a Risk Management Framework of which the Board reporting is part of. The Board are presented with the top 5 risks quarterly with the full strategic risk register reported annually. The Finance, Risk and Audit Committee

		reviews the organisational risk register quarterly.
T10 C31	What are the demographics of the Board? And how does this compare to the demographics of the Housing Provider's residents, and the area that they operate in?	30% of the Board are women, 10% are BME. Average tenure is 3 years and 11 months.
T10 C32	What percentage of the board AND management team have turned over in the last two years.	Board turnover is 38%, the management team turnover is 43%.
T10 C33	Is there a maximum tenure for a board member? If so, what is it?	The maximum tenure for a board member is 6 years, with the option to extend up to 9 years.
T10 C34	What % of the board are non-executive directors?	90% (9 out of 10)
T10 C35	Number of board members on the Audit Committee with recent and relevant financial experience	2 members, one is working in the sector and the other has worked at high level finance in a variety of industries and has recently retired
T10 C36	Are there any current executives on the Remuneration Committee?	No
T10 C38	For how many years has the Housing Provider's current external audit partner been responsible for auditing the accounts?	2 years
T10 C39	When was the last independently-run board effectiveness review?	December 2023
T10 C40	Are the roles of the chair of the board and CEO held by two different people	Yes
T11 C42	Does the Housing Provider pay the Real Living Wage?	Yes

Risk management

The Group is committed to effective risk management. We ensure that the operating environment is monitored so that risks and their drivers are continuously assessed and that we respond accordingly. Risk oversight is the responsibility of the Board with the Finance, Risk and Audit Committee undertaking a more detailed review of risks.

The Group has undertaken scenario testing to analyse the effects of economic and risk scenarios. We have used HousingBrixx to model these identified scenarios and assessed the impact on the financial covenants and viability. A financial recovery plan is in place in order that the Group can recover from the impact of any adverse scenarios.

The Group's risk management framework sets out the approach to risk management including the risk appetite set by the Board. Risk appetite sets out the amount and type of risk that the Group is willing to take in achieving our strategic objectives. The appetite also sets out any risks that should not be taken in any circumstances.

All our risks are assessed in terms of their impact and likelihood. Risks are reviewed monthly and reported to the Finance, Risk and Audit Committee and the Board quarterly.

The current top risks facing the Group are:

Risk: Financial issues leading to inability to meet covenants

Financial issues causing a breach in lenders loan covenants resulting in an inability to satisfy the Governance and Financial Viability Standard.

- Budgets, management accounts, covenant performance and liquidity monitored on a monthly basis by the leadership team and on a quarterly basis by the Finance, Risk and Audit Committee and Board.
- Golden rules are in place and monitored against as part of the key performance indicator reporting.
- Stress testing undertaken annually with reviews through the Board reports.

Risk: Levels of investment required for meeting the Building Safety Bill and Fire Safety Bill exceeds the levels within the financial plan.

Changes to building safety legislation have increased the level of investment required in our homes and additional costs associated to be included in the financial plan.

- Ensure that there is sufficient provision for our properties to meet EPC C by 2030.
- Additional investment to be included in future refinancing requirements.
- The investment required to achieve zero carbon by 2050 is difficult to estimate and as requirements become clearer this will be included in financial planning.

Risk: Colleague recruitment and retention

Loss of key colleagues leading to a lack of consistency and information retention. Changes in the recruitment market lead to loss of key skills or the inability to recruit the right colleagues.

- People and Culture Strategy that supports the development of colleagues.
- Benchmarked and periodically reviewed salaries.
- Real Living Wage Employer.
- Elim values are owned and developed by colleagues and embedded into all our policies, procedures, processes and ways of working.

Risk: Health and safety compliance failure

Non-compliance with health and safety regulations leads to serious injury or death of a customer or employee.

- New comprehensive compliance workbook to ensure that all health and safety compliance checks are completed when required.
- A Health and Safety Compliance Group has been set up to review all compliance matters.
- Reports are prepared for the Development and Assets Committee at each meeting.
- Robust policies and procedures for all areas of compliance.

Risk: Inadequate governance and failure to meet regulatory requirements

Lack of skills or complacency at Board or Senior Leadership Team leads to inadequate governance and/or failure to meet regulatory requirements.

- Regular governance effectiveness reviews including external reviews
- Providing quality timely information to the Board
- Board and senior colleagues appraisal
- Timely monitoring of performance against KPIs at Senior and Operational Leadership Team Meetings, Committee and Board level
- Board and Executive recruitment process
- Board access to training
- Establishment of customer scrutiny group
- Compliance with NHF Code of Governance
- External and internal audit reports
- Board assurance and risk management framework

Regulation and Governance

Elim volunteered to take part in the pilot scheme for Smaller Providers under the new Tenant Satisfaction Measures (TSMs). The first set of statistics were submitted by the end of June 2024. Our customer satisfaction surveys have been adapted to the new TSM framework.

We have ensured that we have stayed up to date with the changing regulations relating to building safety and this is reflected in the compliance information referenced above. We have been actively monitoring the consultation on Awaab's Law and have responded to the consultation through the National Housing Federation. As a result of the previous year's focus on damp, mould and condensation, this category of health and safety is now being monitored with the other health and safety compliance categories and quarterly reports are presented to the Customer Services Committee.

We have appointed a Board Member responsible for Complaints, Meenakshi Sharma, under the new Housing Ombudsman Complaints Code. We completed the self-assessment against this code and submitted in June. A customer annual report was produced in July.

The Board and committees

	Board	LPV Board	Customer service committee	Development and growth committee	Finance, risk and audit committee	Organisational Development committee
S Mason (chair)	✓					✓
D Stollard	✓			✓		
K Pennington	✓	✓				
S Palmer	✓				✓	
I McLeod	✓				✓	
M Sharma	✓		✓			
S Smith	✓				✓	
S Davison	✓		✓			✓
J Schofield		✓		✓		
P Smith	✓	✓				

During the year, Jacqui Derbyshire reached the end of her tenure, David Heyes, Sonia Furzland and Joanne Hall resigned from the Board during the year. Jason Schofield was appointed as a co-optee to the Board in July 2025.

The present board members and those who served during the year are set out on page two. The Board is drawn from a wide background bringing together professional, commercial and other relevant experience.

The Finance, Risk and Audit committee comprises four members, three of whom are Group board members. The committee meets four times per year and covers three main areas of work:

- monitoring and scrutiny of financial performance, KPIs, and relevant policies,
- approving the risk management strategy including the risk activity, the health and safety management plan and internal controls,
- internal and external audit work.

Data quality and insurance are also covered by this committee.

The Organisational Development Committee has a proactive role in directing and influencing the group's organisational design, aligned with the requirements of the business plan. The committee's focus is on the contribution to the organisation's operation and success of human resources, IT and data. The committee meets four times a year with a membership of four including two Group directors.

The Development and Growth Committee has a membership of five, including three Group directors. The work of the committee is a valuable part of the new governance arrangements, and its main purpose is to proactively direct and ensure delivery of the group's plans for growth and rationalisation. This includes recommending the pipeline and approving selected projects; monitoring outcomes and providing reassurance to the Elim Board in the areas of risk management, new business, and associated financing.

The Customer Services Committee has a membership of four, including three group directors. The work of the committee is to direct and influence the Group's customer facing services, aligned with the requirements of the business plan in order to deliver excellent customer service and ensure that our customers are safe.

The strategic leadership team comprising the Chief Executive, Deputy Chief Executive and Director of Resources attend all the committee meetings.

The Board receives regular reports from each of the committees summarising activity and any new emergent risks.

The executive officers hold no interest in the association's shares and have no legal status as directors, although they act as executives within the delegated authority of the Board.

The group has insurance policies which indemnify its board members and executive officers against liability when acting for the group.

Internal controls

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to minimise, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

Following on from the breach of interest cover in the previous financial years, a review of our internal controls, both internally and externally has led to several procedures being put in place to ensure that the circumstances leading to the breach are not replicated. The golden rules were reviewed and agreed by the board and financial reporting has also changed to ensure that information is presented to the Committees and Board will highlight any potential issues early. These improvements have enabled the Board and Committees to make prompt and proactive decisions throughout the year.

The process for identifying, evaluating and managing the significant risks faced by the association is ongoing, and has been in place throughout the period commencing 1 April 2024 up to the date of approval of the annual report and financial statements. The finance, risk and audit committee receive and consider reports from management on these risk management and control arrangements at each meeting during the year.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for finance, risk and audit committee, customer service committee, organisational development committee and development and growth committee,

- Clearly defined management responsibilities for the identification, evaluation and control of significant risks,
- Robust strategic and business planning processes, engaging sector specialists to support where additional assurance has been required
- Quarterly review of the association's risk register by the finance, risk and audit committee and an annual review by the Board,
- Detailed financial budgets and forecasts for the current year,
- Formal recruitment, retention, training and development policies for staff and the Board,
- Established authorisation and appraisal procedures for all significant new initiatives and commitments,
- A considered approach to treasury management and financing that is subject to review on an annual basis,
- Regular reporting to senior management and the appropriate committee of key business objectives, targets and outcomes,
- Board approved whistle-blowing policy, and
- Detailed policies and procedures in each area of the association's work.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the finance, risk and audit committee to review the system of internal control. The Board receives quarterly reports from the four committees.

The means by which the finance, risk and audit committee reviews the effectiveness of the system of internal control includes considering risk reports, internal audit reports, management assurances, the external audit management letter and specialist reviews.

Compliance with the Regulator of Social Housing governance and financial viability standard

The Regulator was informed of the interest cover covenant breach, as detailed in the previous section, as soon as it was apparent and the events leading up to it. This has led to monthly monitoring of the cashflow by the Regulator to ensure that the financial viability standard is being adhered to.

Provision of information to auditor

The Board confirms that:

- so far as each Board Member is aware, there is no relevant audit information of which the association's auditor is unaware, and
- the Board have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of Board's responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies for the Association's financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards 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 or Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the club 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 Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and the group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014. It is also responsible for safeguarding the assets of the association and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 3rd September 2025 and signed on its behalf by:



P Smith
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELIM HOUSING ASSOCIATION GROUP

Opinion

We have audited the financial statements of Elim Housing Association Limited (the 'parent association') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Financial Position, the Consolidated and Association Statements of Changes in Reserves, the Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent association's affairs as at 31 March 2025, and of the income and expenditure of the group 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 Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the group has commenced merger negotiations with another registered provider.

As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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 Annual Report and Financial Statements ("the annual report"), other than the financial statements and our auditor's report thereon. The board 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 where the Co-operative and Community Benefit Act 2014 requires us to report to you if, in our opinion:

- the group and the parent association have not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the group and the parent association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes our audit.

Responsibilities of the board

As explained more fully in the Statement of Board's responsibilities, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the board is responsible for assessing the group and the parent association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the group or the parent association or to cease operations, or has no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and directors in relation to their own identification and assessment of the risk of irregularities within the group;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the group's documentation of their policies and procedures relating to:

- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the group for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Co-operative and Community Benefit Societies Act 2014, FRS 102, and UK tax legislation.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or avoid a material penalty. These include, data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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.

Bishop Fleming Audit Limited

Charles Martin (Senior statutory auditor)
for and on behalf of Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
Bristol

Dat: 16 September 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	3	8,912	9,111
Operating costs	3	(10,821)	(8,028)
Surplus on disposal of property, plant and equipment	8	692	182
Increase in fair value of investment property		900	-
		_____	_____
Operating surplus	7	(317)	1,265
Interest receivable	9	7	8
Interest and financing costs	10	(1,669)	(1,342)
		_____	_____
Surplus/(deficit) for the year before taxation		(1,979)	(69)
Taxation	11	(226)	(4)
		_____	_____
Surplus/(deficit) for the year after taxation		(2,205)	(73)
Actuarial (losses)/gains in respect of pension schemes	5	27	(128)
		_____	_____
Total comprehensive income for the year		(2,178)	(201)
		_____	_____

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	3	8,101	8,788
Operating costs	3	(10,029)	(7,791)
Surplus on disposal of property, plant and equipment	8	692	182
		_____	_____
Operating surplus	7	(1,236)	1,179
Interest receivable	9	70	94
Interest and financing costs	10	(1,669)	(1,342)
		_____	_____
(Deficit) / surplus for the year		(2,835)	(69)
Actuarial (losses)/gains in respect of pension schemes	5	27	(128)
		_____	_____
Total comprehensive expense for the year		(2,808)	(197)
		_____	_____

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**At 31 March 2025**

	Note	2025 £'000	2024 £'000
Fixed assets			
Housing properties at cost	12	60,224	59,315
Less: Depreciation	12	(9,325)	(8,973)
		—	—
Other property, plant and equipment	14	50,899	50,342
Investment property	15	84	49
Investments		2,700	1,800
		70	—
		—	—
		53,753	52,191
		—	—
Current assets			
Inventories	17	—	625
Debtors	18	1,346	1,648
Cash and cash equivalents		1,717	483
		—	—
		3,063	2,756
Creditors amounts falling due within one year	19	(3,590)	(2,509)
		—	—
Net current assets / liabilities		(527)	247
		—	—
Total assets less current liabilities		53,226	52,438
		—	—
Creditors: Amounts falling due after one year	20	(46,565)	(43,681)
Provision for liabilities and charges	21	(352)	(127)
Pension – defined benefit liability	5	(309)	(452)
		—	—
Net assets		6,000	8,178
		—	—
Capital and Reserves			
Non equity share capital	28	—	—
Revenue reserves		4,953	7,806
Revaluation reserve		1,047	372
		—	—
		6,000	8,178
		—	—

Approved by the Board and signed on its behalf by:

S Mason
ChairP Smith
Chief Executive

ASSOCIATION STATEMENT OF FINANCIAL POSITION**At 31 March 2025**

	Note	2025 £'000	2024 £'000
Fixed assets			
Housing properties at cost	12	60,224	59,315
Less: Depreciation	12	(9,325)	(8,973)
		50,899	50,342
Other property, plant and equipment	14	84	49
Investments		70	-
		51,053	50,391
Current assets			
Inventories	17	-	79
Debtors	18	2,026	2,781
Cash and cash equivalents		1,676	438
		3,703	3,298
Creditors: amounts falling due within one year	19	(3,536)	(2,403)
Net current assets / liabilities		166	895
Total assets less current liabilities		51,219	51,286
Creditors: amounts falling due after one year	20	(46,565)	(43,681)
Pension – defined benefit liability	5	(309)	(452)
Net assets		4,345	7,153
Capital and reserves		=====	=====
Non-equity share capital	28	-	-
Revenue reserves		4,345	7,153
		4,345	7,153

Approved by the Board and signed on its behalf by:

S Mason
ChairP Smith
Chief Executive

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES TO RESERVES
For the year ended 31 March 2025

	Revenue reserve		Revaluation reserve	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At beginning of the year	7,806	8,007	372	372
Total comprehensive income for the year	(2,853)	(201)	-	-
Movement in fair value of investment property	-	-	675	372
At end of the year	4,953	7,806	1,047	372

ASSOCIATION STATEMENT OF CHANGES TO RESERVES
For the year ended 31 March 2025

	Revenue reserve	
	2025 £'000	2024 £'000
At beginning of the year	7,153	7,350
Total comprehensive income for the year	(2,808)	(197)
At end of the year	4,345	7,153

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash generated from operating activities	A	1,285	2,268
Cash flows from investing activities		—	—
Acquisition and construction of properties		(3,746)	(3,098)
Purchase of other plant and equipment		(69)	(32)
Proceeds from sale of housing properties		1,264	527
Interest received		7	8
Social housing grant (paid) / received		1,830	-
Investment		(70)	-
Net cash flows from investing activities		(784)	(2,595)
Cash flows from financing activities		—	—
New loans		12,184	2,000
Repayment of borrowings		(9,782)	(243)
Interest and borrowing costs		(1,669)	(1,342)
Net cash flows from financing activities		733	415
Net increase/ (decrease) in cash and cash equivalents		1,234	88
Cash and cash equivalents at beginning of year		483	395
Cash and cash equivalents at end of year		1,717	483
Note A Cash flows from operating activities		2025 £'000	2024 £'000
Surplus for the year		(2,178)	(222)
Adjustment for non-cash items:			
Depreciation of property, plant and equipment		716	698
Impairment charge		1,779	-
Increase in fair value of investment property		(900)	-
Decrease/ (increase) in debtors		302	(230)
Increase / (decrease) in creditors		1,081	310
Decrease/ (increase) in inventories		625	546
Increase/ (decrease) in provisions		(143)	19
Pension costs		(27)	(128)
Adjustments for investing or financing activities:			
Proceeds from the sale of property, plant & equipment		(692)	182
Value of gifted housing property		(700)	-
Social housing grants utilised in the year		(463)	(266)
Interest payable		1,669	1,342
Interest received		(7)	(8)
Taxation paid		226	4
Net cash generated from operating activities		1,285	2,268

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. Legal status

Elim Housing Association Limited (EHA) is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing. The group comprises EHA as the parent, Lime Property Ventures, a commercial subsidiary registered at Companies House and 53C Severn Road, a management company for a property in Weston-Super-Mare wholly owned by Elim.

2. Accounting Policies

The principal accounting policies of the group are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. Elim Housing Association is a Public benefit entity, as defined in FRS102 and applies the relevant paragraph prefixed 'PBE' in FRS 102.

Basis of consolidation

The group financial statements consolidate the financial statements of the association and its subsidiary undertakings drawn up to 31 March each year. Business combinations which are considered to be acquisitions are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The group's business activities and its current financial position is set out in the strategic report. The group has a five-year business plan which shows that it can service its long-term debt facilities while continuing to comply with lenders' covenants.

Whilst EHA has sufficient cash resources, through the sale of assets, to service its debt over the medium term, the business plan is heavily dependent on asset sales, growth and savings to comply with the covenants of its lenders. Whilst risk-based stress testing shows that the group should be able to operate within the level of its current facilities, there remains a level of uncertainty due to the dependency on asset sales and growth.

The group has produced forecasts that predict that the group will continue to generate sufficient returns to enable the group to continue to meet all financial liabilities as they fall due for a period of at least 12 months following the approval of the financial statements. The Board has therefore concluded it is appropriate to prepare these financial statements on a going concern basis.

The Board also recognises the material uncertainty over the group's ability to continue as a going concern. This is because it is heavily dependent on asset sales, growth and savings to comply with the covenants of its lenders. As a result, it has commenced merger negotiations with Places for People.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Accounting Policies - continued

Property, plant and equipment - housing properties

Housing properties are stated at cost less depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure	90 years
Roofs	70 years
Kitchens	10-20 years
Bathrooms	15-25 years
Windows and doors	30 years
Boilers	20 years
Lifts	25 years
Fire Alarm systems	15 years

Freehold land is not depreciated.

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Investment properties

Hathaway House is classified as an investment property. Lim e Property Ventures holds properties for the purpose of investment gains with a view to a future sale or in order to receive market rates of return and categorises these as investment properties. Investment properties are initially recognised at cost and subsequently held at valuation. Valuations are performed annually by a professional valuer and are at open market value. Any gains or losses arising from changes in the fair value are recognised in the statement of comprehensive income in the period in which they arise. Depreciation is not provided in respect of investment properties.

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the group are recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Accounting Policies - continued

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income.

The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Furniture, fixtures & fittings	4 years
Computer equipment	4 years

Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Accounting Policies - continued

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Service charge sinking funds and service costs

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2025****2. Accounting Policies – continued**

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not recognised as a provision. On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Social Housing Grant and other Government grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected life of the component.

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

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and Homes England and charitable fees and donations. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Shared ownership property sales

Shared ownership properties, including those under construction, are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property plant and equipment. Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or noncurrent assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Accounting Policies – continued

Proceeds from first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income of the period in which the disposal occurred and the cost of sale is transferred from current assets to operating costs. Proceeds from subsequent tranche sales are treated as disposals of fixed assets.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Pensions

The group participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

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

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and is carried forward to future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Accounting Policies – continued

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

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

Impairment of social housing properties

The group have to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

EHA have taken the decision to demolish Bouverie Court due to issues with the structure and build quality and the insolvency of the original building contractor. Residents were informed in February 2025. The property will be decanted over a 12-month period and will be empty by March 2026. An external valuation by Connells has identified that with the building on site and with vacant possession the site has a land value of £685,000. The asset value on EHA balance sheet was £2,303,388 resulting in an impairment charge of £1,618,388 in 2024/25.

Capitalisation of property development costs

The group capitalises development expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue.

Estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provisions

Provisions are made to recognise certain liabilities and for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Accounting Policies – continued

Defined benefit pension scheme

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The group considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

3a. Consolidated turnover, operating costs and operating surplus

	2025			2024		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	6,005	8,669	(2,664)	5,874	5,853	21
Other social housing activities						
Supporting people	1,025	1,103	(78)	864	756	108
Management services	67	99	(32)	53	105	(52)
First tranche shared ownership sales	-	-	-	1,429	849	580
Other	1,004	159	845	531	191	340
	8,101	10,029	(1,928)	8,751	7,754	997
Activities other than social housing						
Properties developed for outright sale	560	489	71	132	135	(3)
Student letting	251	304	(53)	228	139	89
	811	792	18	360	274	86
	8,912	10,822	(1,910)	9,111	8,028	1,083

3b. Association turnover, operating costs and operating surplus

	2025			2024		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	6,005	8,669	(2,664)	5,874	5,853	21
Other social housing activities						
Supporting people	1,025	1,103	(78)	864	756	108
Management services	67	99	(32)	53	105	(52)
First tranche shared ownership sales	-	-	-	1,429	849	580
Other	1,004	159	845	568	228	340
	8,101	10,029	(1,928)	8,788	7,791	997

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. Particulars of income and expenditure from social housing lettings (Group)

	2025			2024		
	Supported housing &			Supported housing &		
	General	housing for		General	housing	
	Housing	older		Housing	older	
	£'000	people	£'000	£'000	people	£'000
Income						
Rent receivable net of identifiable service charges	3,122	1,215	4,337	2,924	1,095	4,019
Service charges receivable	298	1,102	1,400	329	1,260	1,589
Amortised social housing grant	216	52	268	207	59	266
	—	—	—	—	—	—
	3,636	2,369	6,005	3,460	2,414	5,874
	—	—	—	—	—	—
Turnover from social housing lettings						
Expenditure						
Management	1,548	994	2,542	1,213	840	2,053
Service charge costs	434	805	1,239	380	824	1,204
Routine maintenance	768	368	1,136	513	268	781
Planned maintenance	325	154	479	351	186	537
Major repairs expenditure	443	17	460	247	61	308
Bad debts	143	48	191	50	117	167
Property lease charges	-	128	128	-	106	106
Depreciation of housing properties and loss on disposal of property components	598	117	715	566	131	697
Impairment charge	1,779	-	1,779	-	-	-
	—	—	—	—	—	—
Operating costs	6,038	2,631	8,669	3,320	2,533	5,853
	—	—	—	—	—	—
Operating surplus on social housing lettings	(2,402)	(262)	(2,664)	140	(119)	21
	—	—	—	—	—	—
Void losses	77	138	215	44	157	201
	—	—	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS8

For the year ended 31 March 2025

5. Employees

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Employee costs:				
Wages and salaries	2,062	2,062	1,901	1,901
Social security costs	191	191	170	170
Pension costs	92	92	68	68
	_____	_____	_____	_____
	2,346	2,346	2,139	1,982
	_____	_____	_____	_____
The average number of employees, including part-time employees expressed as full-time equivalents:	Number 60	Number 60	Number 58	Number 58
	_____	_____	_____	_____
The number of full-time equivalents in each salary band:				
£10,001 - £20,000	7			
£20,001 - £30,000	29			
£30,001 - £40,000	12			
£40,001 - £50,000	4			
£50,001 - £60,000	2			
£60,001 - £70,000	2			
£70,001 - £80,000	1			
£80,001 - £90,000	2			
£90,001 - £100,000	1			

The basis of calculation of the full-time equivalents was based on a 37-hour week.

Social housing pension scheme

The association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. Employees – continued

The Scheme is classified as a 'last man standing arrangement'. Therefore, the association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the

Social housing pension scheme – continued

scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 29 February 2026 inclusive.

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

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	31 March 2025 (£000s)	31 March 2024 (£000s)
Fair value of plan assets	1,943	1,947
Present value of defined benefit obligation	2,252	2,399
Surplus (deficit) in plan	(309)	(452)
Defined benefit asset (liability) to be recognised	(309)	(452)
Net defined benefit asset (liability) to be recognised	(309)	(452)
	=====	=====

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2025 (£000s)
Defined benefit obligation at start of period	2,399
Expenses	5
Interest expense	117
Actuarial losses (gains) due to scheme experience	77
Actuarial losses (gains) due to changes in financial assumptions	(298)
Benefits paid and expenses	(48)
Defined benefit obligation at end of period	2,252

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

5. Employees – continued

Social housing pension scheme - continued

Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2025 (£000s)
Fair value of plan assets at start of period	1,947
Interest income	98
Experience on plan assets (excluding amounts included in interest income – gain (loss))	(194)
Employer contributions	140
Benefits paid and expenses	(48)
Fair value of plan assets at end of period	1,943

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	Period from 1 April 2024 to 31 March 2025 (£000s)
Expenses	5
Net interest expense	19
Defined benefit costs recognised in statement of comprehensive income (SOCI)	24

Defined benefit costs recognised in other comprehensive income

	Period from 1 April 2024 to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(194)
Experience gains and losses arising on the plan liabilities – gain (loss)	(77)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	298
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	27
Total amount recognised in other comprehensive income – gain (loss)	27

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

5. Employees – continued

Social housing pension scheme - continued
Assets

	31 March 2025 (£000s)	31 March 2024 (£000s)
Global equity	218	194
Absolute return	-	76
Distressed opportunities	-	69
Credit relative value	-	64
Alternative risk premia	-	62
Liquid alternatives	360	-
Emerging market debts	-	25
Risk sharing	-	114
Insurance-linked securities	6	10
Property	97	78
Infrastructure	-	197
Private equity	2	2
Real assets	233	-
Private debt	-	77
Opportunistic illiquid credit	-	76
Private credit	238	-
Credit	74	-
Investment grade credit	60	-
Cash	26	38
Long lease property	1	13
Secured income	32	58
Liability driven investment	589	792
Currency hedging	3	(1)
Net current assets	4	3
Total assets	1,943	1,947

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	31 March 2025 % per annum	31 March 2024 % per annum
Discount rate	5.85	4.91
Inflation (RPI)	3.09	3.14
Inflation (CPI)	2.79	2.78
Salary growth	3.79	3.78
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. Employees – continued

Social housing pension scheme - continued

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

	Life expectancy at age 65 (years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

6. Board members and executive directors

	2025	2024
Average weekly number of executive directors (full time equivalents):	3	3
	£'000	£'000
Emoluments of the above executive directors including the chief executive but excluding pension contributions	252	248
Pension contributions on behalf of the above executive directors	21	26
	=====	=====

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £97,000 (2024: £95,949).

The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The group does not make any further contribution to an individual pension arrangement for the Chief Executive.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2025**

During the year, the non-executive directors were paid the following:

		£
Chair	Sally Mason	5,306
Chair of Finance, Risk and Audit	Ian McLeod	3,500
Chair of People and Culture Committee	David Heyes	2,500
Non-executive	Joanne Hall	1,250
Non-executive	Meenakshi Sharma	2,612
Non-executive	Stuart Palmer	2,656
Non-executive	Kathryn Pennington	2,500
Non-executive	Sonia Furzland	2,500
Non-executive	Shawn Smith	2,500
Non-executive	Stewart Davison	3,481

7. Operating surplus

	Group 2025	Association 2025	Group 2024	Association 2024
This is stated after charging/(crediting):	£'000	£'000	£'000	£'000
External auditors' remuneration (incl. VAT)				
- for the audit of the accounts	47	40	61	55
Depreciation of housing properties	725	725	687	687
Depreciation of other property, plant and equipment	64	64	33	33
Amortisation of social housing grant	268	268	266	266
Impairment charge	1,779	1,779	-	-
Operating lease rentals				
- land and buildings	161	161	161	161
- office and other equipment	19	19	20	20

8. Surplus on disposal of property, plant and equipment

	Group 2025	Association 2025	Group 2024	Association 2024
	£'000	£'000	£'000	£'000
Proceeds from sale of property, plant and equipment	1,264	1,264	527	527
Carrying value of property, plant and equipment	(572)	(572)	(345)	(345)
	<hr style="border-top: 1px solid black;"/>			
	692	692	182	182
	<hr style="border-top: 1px solid black;"/>			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. Interest receivable

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Bank interest receivable	7	70	8	94
	=====	=====	=====	=====

10. Interest and financing costs

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Bank loan, interest and finance costs	1,669	1,669	1,342	1,342
	=====	=====	=====	=====

There has been nil interest costs capitalised during the year (2024: £71,428).

11. Taxation

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
United Kingdom corporation tax at 25%	226	-	4	-
	=====	=====	=====	=====

Factors affecting tax charge for the year

The current tax charge for the year is higher than the standard rate of corporation tax in the UK (25%). The differences are explained below:

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Deficit on ordinary activities before tax	(1,979)	(2,835)	(69)	(69)
	=====	=====	=====	=====

Profit on ordinary activities before tax multiplied by standard rate of Corporation tax in the UK of 25% (2024: 25%)

Current tax charge for the year	226	-	4	-
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. Tangible fixed assets – housing properties (Group and Association)

	Social housing properties held for letting £'000	Social housing properties under construction £'000	Low-cost home ownership £'000	Shared Ownership housing under construction £'000	Total £'000
Cost					
At 1 April 2024	52,410	2,444	4,461	-	59,315
Purchases	-	3,210	-	-	3,210
Works to existing properties	520	-	-	-	520
Disposals	(1,042)	-	-	-	(1,042)
Schemes completed	2,491	(2,491)	-	-	-
Impairment	(1,779)	-	-	-	(1,779)
	_____	_____	_____	_____	_____
At 31 March 2025	52,600	3,163	4,461	-	60,224
	_____	_____	_____	_____	_____
Depreciation and impairment					
At 1 April 2024	8,973	-	-	-	8,973
Depreciation charged in year	725	-	-	-	725
Released on disposal	(373)	-	-	-	(373)
	_____	_____	_____	_____	_____
At 31 March 2025	9,325	-	-	-	9,325
	_____	_____	_____	_____	_____
Net book value					
At 31 March 2025	43,275	3,163	4,461	-	50,899
	_____	_____	_____	_____	_____
At 31 March 2024	43,437	2,444	4,461	-	50,342
	_____	_____	_____	_____	_____

There were £40,171 of direct development labour costs capitalised in this year (2024: £97,809) and nil interest capitalised in this year (2024: £71,428).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. Tangible fixed assets – housing properties further disclosures (Association)

	2025 £'000	2024 £'000
Expenditure on works to existing properties		
Improvement works and components capitalised	520	552
Amounts charged to the statement of comprehensive income	-	94
	<hr/>	<hr/>
	520	646
	<hr/>	<hr/>

Housing properties book value, net of depreciation comprises:

	2025 £'000	2024 £'000
Freehold land and buildings	42,994	42,437
Long leasehold land and buildings	7,743	7,743
Short leasehold land and buildings	162	162
	<hr/>	<hr/>
	50,899	50,342
	<hr/>	<hr/>

14. Property, plant and equipment – Other

	Group £'000	Association £'000
Cost		
At 1 April 2024	713	713
Additions	99	99
	<hr/>	<hr/>
At 31 March 2025	812	812
	<hr/>	<hr/>
Depreciation		
At 1 April 2024	664	664
Charged in the year	64	64
	<hr/>	<hr/>
At 31 March 2025	727	727
	<hr/>	<hr/>
Net book value		
At 31 March 2025	84	84
	<hr/>	<hr/>
At 31 March 2024	49	49
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025**15. Investment properties (Group)**

	Total £'000
At 1 April 2024	1,800
Adjustment for Fair value increase	900
	<hr/>
At 31 March 2025	2,700
	<hr/>

Investment properties, which comprises of a block of student flats, were valued by Avison Young at open market value as at 31 March 2025. The valuation was undertaken in accordance with the RICS Appraisal and Valuation Standards.

16. Investment in subsidiaries

As required by statute, the financial statements consolidate the results of Lime Property Ventures Limited which was a subsidiary of the association throughout the year.

53c Severn Road is a non-trading wholly owned subsidiary so is not included in the results.

Elim Housing Association Limited is the ultimate parent undertaking.

17. Inventories

	Group & Association	Group	Association
	2025 £'000	2024 £'000	2024 £'000
Completed properties for sale	-	625	79
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

18. Debtors

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Rent and service charges receivable	794	830	826	826
Less: provision for bad and doubtful debts	(585)	(585)	(508)	(508)
	—	—	—	—
Trade debtors	209	245	318	318
Other debtors	374	374	432	432
Prepayments and accrued income	149	129	486	468
Amounts due from subsidiary undertaking	614	610	412	401
	—	665	—	1,162
	—	—	—	—
	1,346	2,022	1,648	2,781
	—	—	—	—

19. Creditors: amounts falling due within one year

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Loans (note 24)	825	825	142	142
Trade creditors	319	315	646	614
Other taxation and social security	48	47	49	49
Other creditors	537	515	430	406
Accruals and deferred income	935	907	548	529
Social housing grants (note 21)	268	268	266	266
Rent received in advance	388	388	401	370
Other grants	27	27	27	27
Provision for Homeloss Payments	244	244	—	—
	—	—	—	—
	3,590	3,536	2,509	2,403
	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. Creditors: amounts falling due after one year

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
Social housing grants (note 22)	20,897	20,897	19,438	19,438
Recycled capital grant fund (note 23)	259	259	356	356
Loans (note 24)	25,409	25,409	23,887	23,887
	_____	_____	_____	_____
	46,565	46,565	43,681	43,681
	_____	_____	_____	_____

21. Provision for liabilities and charges

Deferred tax – Fixed asset timing differences

	Group 2025 £'000	Association 2025 £'000	Group 2024 £'000	Association 2024 £'000
At the start of the year	(127)	-	(127)	-
Charge for the year	(225)	-	-	-
	_____	_____	_____	_____
	(352)	-	(127)	-
	_____	_____	_____	_____

22. Social housing grants

	Group & Association 2025 £'000	Group & Association 2024 £'000
At beginning of year	19,704	19,970
Grant receivable	1,830	-
Released to income in the year	(268)	(266)
Relating to disposals	(100)	-
	_____	_____
At end of year	21,165	19,704
	_____	_____
Due to be released in less than one year	268	266
	_____	_____
Due to be released after more than one year	20,897	19,438
	_____	_____

Total accumulated amount of social housing grant received or receivable at the year-end is £26,053,006 (2024- £24,223,117).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

23. Recycled capital grant fund

	Group & Association	Group & Association
	2025 £'000	2024 £'000
At beginning of year	356	356
Inputs – Grants recycled	100	-
Utilised in year	(327)	-
Adjustment / Nominal Interest	130	-
	_____	_____
At end of year	259	356
	_____	_____

24. Loan analysis

	Group	Association	Group	Association
	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Due within one year				
Orchardbrook Limited	9	9	9	9
Triodos	-	-	133	133
Barclays	666	666	-	-
MORhomes	<u>149</u>	<u>149</u>	=	=
	_____	_____	_____	_____
Due after more than one year				
Orchardbrook Limited	504	504	517	517
Barclays	15,251	15,251	13,870	13,870
Triodos	-	-	9,500	9,500
MORhomes	9,653	9,653	-	-
	_____	_____	_____	_____
	25,409	25,409	23,887	23,887
	_____	_____	_____	_____
Loans are repayable as follows:				
Due within one year	825	825	142	142
Between one and two years	319	319	150	150
Between two and five years	577	577	14,521	14,521
After five years	24,979	24,979	9,484	9,484
Less: loan issue costs	(466)	(466)	(268)	(268)
	_____	_____	_____	_____
	26,234	26,234	24,029	24,029
	_____	_____	_____	_____

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2025****24. Loan analysis - continued**

The bank loans are secured by fixed charges on individual properties.

The loan from Orchardbrook Limited is repayable in six monthly instalments until the loan matures in 2043. Interest is charged at a fixed rate of 10.9%.

The Barclays loans are used to finance the development of housing properties. The current facilities total £17,000,000 and was provided in 2 tranches. The remaining £5,000,000 is a revolving credit facility on variable rates.

The Triodos loan of £9,633,000 million was repaid during 2024/25. A new loan was secured through MORhomes. Interest is charged at a fixed rate on £10,150,000 of 3.7%. This is a £13,000,000 bond which will be repayable on 9 February 2038. Elim received net proceeds of £9,758,000, the loan costs have been capitalised and will be amortised over the life of the loan along with the discount on the bond.

At 31 March 2025 the group had undrawn loan facilities of £984,000 (2024: £5,231,000).

25. Analysis of changes in net debt (Group)

	At 1 April 2024	Cash flows	New loan facility	Other non- cash movements	At 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Cash	483	1,234	-	-	1,717
Bank loans due within one year	142	-	-	683	825
Bank loans due greater than one year	<u>24,155</u>	(9,782)	<u>12,184</u>	(683)	<u>25,875</u>
Total	24,780	(8,548)	12,184	-	28,417
	_____	_____	_____	_____	_____

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025**26. Capital and other financial commitments**

The group and association had the following capital expenditure commitments.

	Group & Association 2025 £'000	Group & Association 2024 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	-	-
Expenditure authorised but not contracted for	-	1,321
	<hr/> <hr/>	<hr/> <hr/>

As at 31 March 2025, the group and association had future minimum lease payments under non-cancellable operating leases as follows:

	Group & Association 2025 £'000	Group & Association 2024 £'000
Payments due:-		
Less than one year	180	181
Two to five years	401	475
After five years	1,686	1,774
	<hr/> <hr/>	<hr/> <hr/>
	2,267	2,430
	<hr/> <hr/>	<hr/> <hr/>

27. Contingent liability

As a result of an administrative error, there may have been non-compliance of a legal requirement under the Renting Homes (Wales) Act 2016 at the year end. Remedial action has been taken to ensure that we now comply with the requirements of the act. There is a current legal case ongoing with the registered social landlord's in Wales liaising with Welsh Government. The sector has taken legal advice and have assessed that the likelihood of an outflow of resources to settle this potential liability following the court case is less than probable but (acknowledging the inherent uncertainty in any legal dispute) is more than remote. The outcome of the ongoing legislative action is still awaited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. Share capital

The issued share capital entitles the holder to voting rights at the Annual General Meeting. It does not convey any rights to a dividend, any provision for redemption or for a distribution upon winding up.

	2025	2024
	£	£
Allotted, called up and fully paid		
At beginning of year	28	28
Issued during the year	-	-
Cancelled during the year	-	-
	<hr/>	<hr/>
At end of year	28	28
	<hr/>	<hr/>

29. Housing stock

	2025	2024
	Number	Number
General needs	428	452
Gypsy & Traveller	60	59
Shared ownership	58	58
Specialist supported housing	9	3
Supported housing	242	241
Student lets	22	22
Managed properties	39	36
	<hr/>	<hr/>
Number of units in management	858	871
Number of units in development at 31 March 2025: 3 (2024: 6)	<hr/>	<hr/>

30. Related parties

Elim's Chief Executive is also a director of 53c Severn Road Management Company, a non-trading company for a property now wholly owned by Elim. There have been no transactions through the Management Company during 2024/25.

Elim received management fees of £38,060 (2024: £36,650) and received interest of £62,583 (2024: £86,017) from Lime Property Ventures Limited. At 31 March 2025, the association was owed £664,984 (2024: £1,162,212) by Lime Property Ventures Limited.